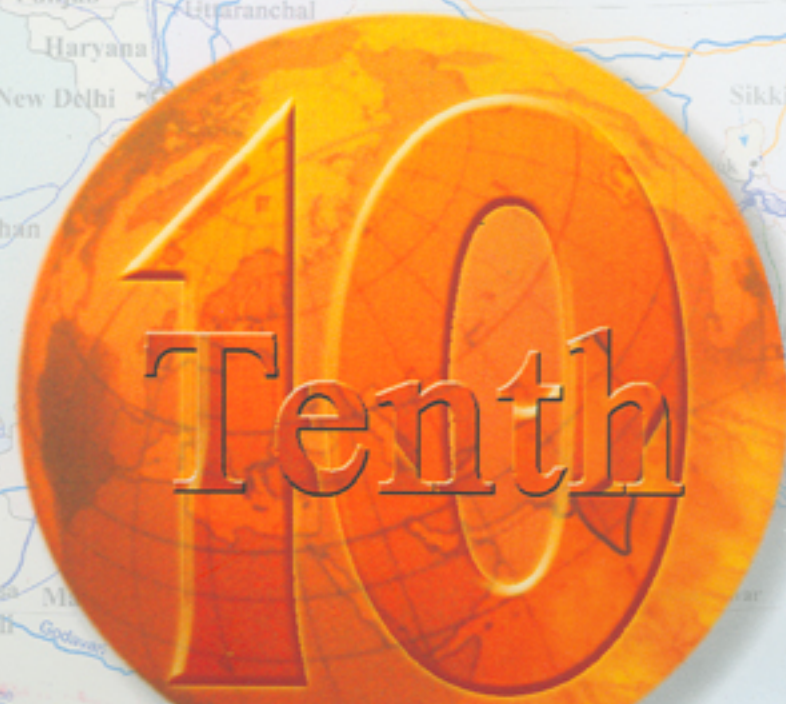


Planning Commission
Government of India
New Delhi



Five Year Plan

2 0 0 2 - 2 0 0 7

Volume - III

State Plans
Trends, Concerns and Strategies

CHAPTER 1

INTRODUCTION

1.1 It is for the first time that a separate volume on State Plans is being included as a part of the Tenth Plan document. The Planning Commission has been going into problems State-wise in the past. Substantial Central financial support is made available annually for State Plans. There is, however, now a growing relevance of a State level perspective in national planning. Major developmental issues need State-wise analysis and resolution in order for policies and programmes to have the desired impact on national development. Thus, although matters relating to specific States have been looked at from time to time on a regular basis, and the Planning Commission's dialogue with State Governments is a continuous and ongoing one, certain trends in the economic development of the States are emerging which need to be focused upon. Wider discussions in consideration of these major trends, and directions for the resolution of key issues would be of benefit to States, as well as being in the interest of greater transparency of the development process.

1.2 Again, for the first time specific monitorable targets for key indicators have been set in the Tenth Five Year Plan. Most of these monitorable targets relate to areas that are in the jurisdiction of States and require action at the State level. Efforts by the Centre as well as States towards fulfillment of these targets and harmonisation of the planning on this count are extremely desirable.

1.3 With this overall perspective, this volume is structured into the following chapters:

- Plan Investments and Financing
- Development Trends
- Special Area Programmes
- Planning and Implementation Issues, and
- Concerns and Strategies

1.4 Plan investments of State Governments can be traced to the origin of development planning in the country. During this period of half a century, the impact of the States' Plan investments on GDP could be expected to be positive, since normally such an outcome arises out of fresh additions to the economy's productive capacity. However, certain practices associated with the States' Plan investments and financing have caused negative effects due to which the potential increments to the economy's productive capacity was never achieved.

1.5 The chapter on Plan Investments and Financing examines some of the practices associated with plan investments and financing of States and their impact in developing the productive capacities of the economy. It also evaluates the size and financing of the States' Plan investments on an aggregate basis during the period 1974-2000, and provides an assessment of State-wise performance.

1.6 The adoption of planning and a strategy of State-led industrialisation was intended to lead to a more balanced growth in the country. It was expected that, over time, inter-State disparities would be minimised. Plans and policies were designed to provide more investments to the relatively backward areas. Nevertheless, socio-economic variations across States continue to exist today.

1.7 The chapter on Development Trends attempts to bring out comparable trends in the development of various States of the country in terms of available and generally accepted development indicators. An attempt is made to cover as long a period of the planning experience of the States as is possible, given the constraints of consistency and comparability of data. The chapter is arranged in sections that deal with specific

subjects, i.e. major economic indicators, human development, infrastructure and capital flows.

1.8 The chapter on Special Area Programmes looks at the policies and programmes for the development of the north- eastern region and specific area development programmes that are in operation to address the unique problems of particular areas. Apart from considerations of the various initiatives and the Tenth Plan approach for the development of the north eastern region, a brief review is undertaken of the Tenth Plan strategies for the Hill Area Development Programme (HADP), Western Ghats Development Programme (WGDP), Border Area Development Programme (BADP) and the KBK districts of Orissa.

1.9 The issue of governance has been separately discussed at a broader level earlier in this document. The Mid Term Appraisal has drawn attention to a number of governance related findings

that have relevance at the State level. Carrying this analysis further, the Chapter on Planning and Implementation Issues in this volume takes a look at the perspectives of governance at the State level, and proposes an agenda for reforms in this area in the Tenth Plan.

1.10 This chapter also looks at the technical issues and concerns that have gradually emerged over the years in the process of planning and implementation, many of which are tending to distort and undermine the process of State level planning itself, and therefore need to be flagged and suitably addressed during the Tenth Plan.

1.11 In the final chapter, the lessons of our development experience are briefly reviewed, major concerns in State planning and development identified and the strategies proposed for addressing regional imbalances and accelerating the growth of the States during the Tenth Plan set out.

CHAPTER 2

PLAN INVESTMENTS AND FINANCING

2.1. The economic growth of a nation is dependent on the availability and quality of the economy's productive capacity, like literate, skilled and healthy human resources, effective transport and communication systems, adequate power and irrigation facilities, strong industrial base etc, which respond to demand pressures and create incomes for the nation. Governance of the economy facilitates the development of the productive capacities and delivers, inter-alia through Public sector investment.

2.2. Public sector investment of States acquires shape under the States' plan investment. Plan investment is expected to realise the development potential of the economy's productive capacities – a potential, which may be realised through optimal allocation of national resources. In the period of development planning spanning half a century, although significant strides were made in the development of productive capacities, certain practices associated with States' plan investment prevented the full realisation of the available potential. It is in this backdrop that the present chapter situates itself.

2.3. Section I examines some of the practices associated with States' plan investment in the context of their impact on development of the economy's productive capacities. Subject to these practices, section II traces the trend in the financing of states' plan investments since the Fifth Five-year Plan with a view to ascertaining the ability of the states to raise commensurate resources. Section III provides a break down of the assessments of the Section II into State-wise performance. Section IV enumerates the composition of States' plan investment in an effort to highlight those sectors of productive capacities, which States have hitherto prioritised for development. Section V indicates the path ahead. In doing so it lists down considerations, which should govern the determination of the States'

plan expenditure in order to enable the economy to achieve the potential development of productive capacities.

I. PLAN INVESTMENTS AND PRODUCTIVE CAPACITY OF THE ECONOMY

2.4. The definition of plan investments emerges out of the distinction between plan and non-plan expenditure of governments. Plan expenditure arises out of schemes freshly introduced in an on-going Five-Year Plan (FYP) period. In the same period, non-plan expenditure arises out of schemes carried forward from previous FYP periods. Non-Plan expenditure, therefore, supports the old schemes of governments and plan expenditure, the new schemes. Since new schemes add to the economy's productive capacity as the old schemes did in the past, plan expenditure reflects government's investment in enhancing the economy's productive capacity. Thus non-plan expenditure maintains the existing capacities and plan expenditure adds to it. Henceforth, plan investments shall be referred to as plan expenditure in this chapter.

2.5. A close observation of the States' budgets during the past decades reveals a blurring of plan and non-plan distinction of Government expenditure. Although inadvertent, this resulted in misrepresentation of non-plan as plan expenditure. Some of the new schemes, which States implemented during a new FYP period took longer than five years to get commissioned. Ideally, these schemes should have been considered as non-plan in the following FYP. However, this did not happen as States considered a larger Plan size as a positive reflection on their economic performance. For this very reason, even those plan schemes, which were completed and commissioned within the FYP period were not booked under non-plan budget in the following FYP.

2.6. Unfortunately, the misrepresentation of non-plan schemes as Plan schemes underestimated the genuine requirements for non-plan. Central Finance Commissions, which assess the genuine non-plan requirements of States and accordingly award necessary share of Central taxes and grants, ended up devolving a lower amount. As a result, the savings under non-plan, which States were banking upon, due to misrepresentation, did not materialise for augmenting plan resources. As a result, the misrepresented non-plan schemes not only faced a tight plan budget but also found themselves in direct conflict with new schemes in matters of resource allocation. Consequently, provision for maintenance of existing capacities suffered both on account of lower devolution by Central Finance Commission and a limited availability of plan resources. The benefits gained from the creation of productive capacities enabled by new investments were therefore neutralised by the loss of existing capacities caused by curtailment of maintenance outlays.

2.7. States' budgets also bear testimony to the fact that plan expenditure at the onset of every FYP added new schemes in large numbers. While the intention of the states to rapidly and simultaneously develop all sectors of productive capacity cannot be disputed, the presence of large number of schemes in a limited plan budget led to a thin spread of resources. As a result, many new schemes virtually became non-starters due to inadequate funding, which highlights one more instance of plan expenditure not resulting in commensurate development of productive capacities.

2.8. The rapid growth in the number of schemes also entailed an undesirable build up of unproductive cost on administration and establishment. The need of the hour was to weed out low priority and irrelevant schemes as also transfer a few existing responsibilities to the private sector. This would have reduced the cost on administration and establishment and generated savings for both existing capacities and prospective ones. However, States chose to resort to borrowings in order to meet the resource crunch. As a result the public sector draft on private savings increased - thereby reducing resources available for the private sector. High cost of borrowings impeded private sector

investment. Thus, the contribution of the private sector in building the economy's productive capacity fell short of the available potential.

2.9. In the beginning of the Tenth Five Year Plan, the interest burden arising out of past borrowings has added significantly to an already existing large overhang of administrative and establishment costs. It appears unlikely that resources required for meeting existing capacities and developing new ones can continue to be sufficiently met by borrowings. The Centre, which directly as well as indirectly determines the borrowings of States has already indicated its resolve of reducing the fiscal deficit of the entire system. A favourable implication arising out of moderate growth of borrowings will be a restraint on the growth of interest burden. However, this alone will hardly be of any advantage in raising resources for existing and additional capacities as long as the large administrative and establishment cost is not reduced significantly. Unless administrative and establishment costs are reduced, a meager additional capacities created would soon be outpaced by loss of existing capacities. A negative increase in productive capacities is thus a distinct possibility in the near future.

2.10. As brought out in the above discussion, the root cause behind the less than potential increments to the economy's productive capacity has been the large and growing presence of unproductive costs on administration and establishment. Its presence was permitted to become dominating due to the inability of the States to, first, curb the unbridled growth of new schemes, and second, to reduce, if not eliminate, the resulting growth of unproductive cost. Following the principle of 'Prevention is better than cure', it may be argued that the growth of unproductive costs could have been reigned in, if in the first instance some restraint had been exercised on the introduction of the new schemes.

2.11. There are established norms, which need to be observed in deciding the number of new schemes affordable by States. One such norm is that new schemes at the onset of a FYP can be introduced only if the recurring expenditure arising out of maintenance of old schemes are accommodated within current revenues. Recurring

expenditure arising out of old schemes is referred to as non-plan revenue expenditure (NPRE), which when deducted from current revenues determines the States' balance from current revenues (BCR). As per the above stated norm, BCR should be non-negative. In other words, non-plan revenue account, which the BCR reflects, should never be in deficit.

2.12. Once the deficit on non-plan revenue account is ensured against, States are free to take up new schemes. The new schemes will also have a revenue expenditure component. This revenue expenditure stands to be financed by plan grants devolved by the Centre during the tenure of the said FYP. However, in the following FYP, this revenue expenditure cannot be financed by plan grants since the latter will be meant for new schemes specific to that FYP. Therefore, the revenue expenditure in any FYP arising out of continuing schemes introduced in the preceding FYP should be met from revenue sources other than plan grants. This requires that at the start of a FYP, States must plan out additional resource mobilisation (ARM) and economy measures such that the non-plan revenue expenditure (NPRE) arising from continuing schemes at the end of the FYP is fully absorbed within a non-negative BCR.

2.13. It should be noted that even if introducing a fewer number of new schemes ensures the non-negativity of BCR, it cannot address the problem of unproductive costs on administration and establishment. States will have to take direct steps to protect the provisions for maintenance outlays by curtailing unproductive costs. However, non-negativity of BCR can enable States to plan a moderate growth in borrowings and prevent their interest burden from becoming insurmountable. A non-negative BCR enables a moderate growth of borrowings only because borrowings can be determined independently of the constraint of funding NPRE as would be the case under a negative BCR. It is precisely from this reason that the non-negativity requirement of BCR derives its rationale.

2.14. Apart from the States' own revenues, share in Central taxes and non-plan grants devolved by the Centre to States also contribute to the States' attempts at securing a non-negative BCR. The

devolution of central taxes and non-plan grants is based on the recommendations of the Finance Commission, which is constituted every five years. The Finance Commission's recommendations are expected to strengthen the revenue resources of States to the extent the latter are able to achieve a non-negative BCR. Typically, Finance Commissions set normative standards for NPRE levels, which therefore entail prescriptions for States to prioritise the expenditure on past commitments. Finance Commissions also set normative standards for States' own revenue receipts comprising tax and non-tax revenue. Further, the share of Central taxes for each State is determined essentially on the basis of what is affordable to the Centre and, which fosters equity among States. If after all this BCR for any State is still negative, an equivalent resource gap grant is awarded.

2.15. With a non-negative BCR in a new FYP, Central transfers for States' plans and States' borrowings are exclusively available for taking up new schemes. Central transfers for State plan are devolved by the Planning Commission in the form of Central assistance and from Central Ministries as centrally sponsored/central plan schemes. Some transfers are completely in the form of grants and others carry a debt component. The important point to note is that although all such transfers and borrowings are available in the on-going FYP for new schemes, the NPRE requirements these schemes generate in the following FYP cannot be met by central transfers and borrowings specific to the following FYP. The institution, which can meet these if the States are unable to do so, is the Finance Commission. It is, therefore, essential that States in the following FYP transfer all recurring expenditure connected to new schemes introduced in the on-going FYP to the non-plan budget, so as to enable an accurate assessment of NPRE by the Central Finance Commission.

2.16. Such transfers are referred to as transfer of 'committed liabilities'. In the absence of these transfers, Finance Commissions underestimate the NPRE requirements and thus devolve lower level of revenues, making it difficult to sustain a non-negative BCR. On the other hand, the continuation of 'committed liabilities' on the plan side, which is

tantamount to misrepresenting non-plan outlays as plan investments, results in raising the revenue expenditure component of plan investments. A large revenue expenditure component of plan investments resulting from non transfer of the 'Committed liabilities cannot constitute the basis for demanding larger grants in lieu of borrowings from the Centre.

2.17. In fact a little reflection will bear out that if the transfer of committed liabilities takes place properly, the grant component of total central transfers will anyway increase. This is because non-plan central transfers (comprising share in Central taxes and non-plan grants), which is more grant-intensive than plan transfers (comprising Central assistance and centrally sponsored / central plan schemes) will have to rise to accommodate transfers of committed liabilities. Although raising the grant component of Central assistance would achieve the same, it would also legitimise what States incorrectly represent as plan investments. Overstated public investment sends wrong signals in so far as macro-economic policies are made for promoting private investment.

2.18. On the basis of evidence available so far it can be observed that, due to unabated growth of new schemes, it had become increasingly difficult to ensure a non-negative BCR. When BCR finally became negative, it started shaping States' borrowing programmes in excess of sustainability levels. The consequent and rapid growth of interest burden further enlarged the negative size of BCR and thus resulted in unsustainable recourse to borrowings. Prescriptions of the Finance Commissions for raising own revenues and curbing NPRE were not heeded. As a result even the share in Central taxes and non-plan grants recommended by the Finance Commissions fell woefully short of actual requirements. The Finance Commissions' devolution were also inadequate due to failure of states to transfer committed liabilities.

2.19. The future course of action thus calls for setting time-bound targets for attaining a non-negative BCR. In this regard, States are first required to correctly represent their NPRE, while disregarding a larger plan size as a benchmark

for measuring economic performance. A correctly estimated NPRE would enable Central Finance Commissions to bring into light the real targets of State-specific ARM and the economy in expenditure, the latter including the weeding out of irrelevant non-plan schemes and transfer of existing responsibilities to the private sector. A correctly estimated NPRE would also enable the Central Finance Commission to make appropriate devolution of central taxes and non-plan grants.

2.20. Next, a cap on States' borrowings will have to be placed through a legislative process to ensure against any further increase in the public sector draft on private savings, although a lower draft compared to the present levels will be desirable. The available borrowings will define the overall size of plan expenditure. However, for meeting the recurring requirements of plan expenditure in the following FYP, further State-specific ARM and economy drive measures will have to be planned out in advance for maintaining a non-negative BCR. The number of new schemes introduced under the plan budget should be as few as possible for enabling a 'thick' spread of resources. Development of productive capacities, which are left unattended due to a realistic States' plan size should be canvassed for eliciting the private sector support.

II. FINANCING OF STATES' PLAN INVESTMENTS

2.21. An assessment of the financing of States' plan investments has been attempted in this section subject to the possible misrepresentation of non-plan outlays as plan expenditure, as discussed in the preceding section. It is thus possible that the size of resources available for plan investments may not be exclusively for new schemes. The resources, available for Plan investments, referred to as aggregate plan resources, are taken to comprise the following :

- *States' own non-Debt contribution:* Includes non-plan revenue account (balance from current revenues) and non-debt Capital receipts net of non-plan capital expenditure (excluding repayment of debt).

- *Revenue plan transfers from the Centre:* Includes grant component of central assistance to State plan and centrally sponsored/central plan/NEC devolution.
- *Net debt receipts:* Includes net borrowings from various sources including those of the Centre for funding the gross fiscal deficit of State Governments.

2.22. The information on the above is taken from the Reserve Bank of India (RBI) documents on State finances, which report the States' budgets. The information covers the period from the Fifth to the Ninth Plan. There have been a few annual plans juxtaposed between two FYPs. However, these annual plans have been merged with the preceding FYP on the ground that government's policies of a FYP spill into the following annual plan before a new FYP mandates a change in the policy stance. A notable exclusion from the measure of aggregate plan resources are the internal and extra-budgetary resources raised by State public sector undertakings. Data available in this regard were not found to be comparable among states. Therefore, the measure of aggregate plan resources only reflects the budgetary support to States' plan.

2.23. As Table 2.1 shows, after an initial increase from the Fifth to the Sixth Plan, the aggregate plan resources of States has been decreasing in relation to GDP. This may be interpreted as signifying a diminishing presence of State governments in terms of incremental effort towards creating productive capacities. However, as mentioned, the measure of aggregate plan resources in the above table does not include extra budgetary resources obtained from issuing State guarantees. In fact, extra budgetary resources started contributing significantly during the Eighth and the Ninth plans, around the same time as the budgetary Plan resources were reducing. In the Eighth Plan, total State guarantees issued amounted to 0.4 per cent of GDP, which jumped to 1.2 per cent in the first three years of the Ninth Plan. It is broadly indicated that, although in the last decade of the century, budgetary plan resources of State governments was on a diminishing trend, it was somewhat cushioned by the growth in extra budgetary resources. Indeed, at the turn of the century the task of building productive capacities have started getting entrusted more on Government backed agencies rather than on the Government *per se*.

2.24. States' own non-debt contribution has been showing a declining trend in its contribution to aggregate plan resources of State

Table 2.1
Overall Plan Resources and its Funding

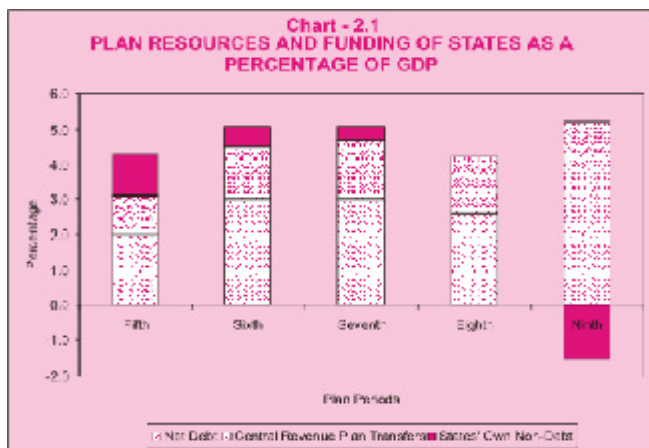
(As a percentage of GDP)

	Overall Plan Resources	States' Own Non-Debt Contribution	Revenue Plan Transfers from Centre	Net Debt Receipts
V Plan	4.3	1.2 (27.9)	1.1 (25.6)	2.0 (46.5)
VI Plan	5.1	0.6 (11.8)	1.5 (29.4)	3.0 (58.8)
VII Plan	5.1	0.4 (7.8)	1.7 (33.3)	3.0 (58.9)
VIII Plan	4.2	0.0 (0.0)	1.6 (38.1)	2.6 (61.9)
IX Plan	3.7	(-) 1.5 (-) 40.5)	1.2 (32.4)	4.0 (108.1)

Note : Figures in parentheses indicate percentage share in overall plan resources

Source : Reserve Bank of India (RBI) documents on state finances.

Governments since the Fifth Plan. However, the impact of this reduction was more than offset by increases in other sources of funding up to the Seventh Plan. In the Eighth Plan, the reduction in States' own non-debt contribution was accompanied by a falling contribution of other sources of funding. This led to a reduction in overall plan resources. Although in the Ninth Plan other sources of funding rose to an all time high, the achieved plan size stood at an all time low due to a severe fall in the States' own non-debt contribution. It follows therefore that, in a medium term perspective, an increase in the Plan size cannot be sustained unless the share of States' own non-debt contribution takes on a rising trend.



2.25. As indicated in Table 2.1, other sources of funding include revenue plan transfers from the Centre, which rose from the Fifth to the Seventh Plan and fell thereafter almost to the Fifth Plan levels in the Ninth Plan. This trend was replicated in the share of Central taxes as well (to be discussed in the later part of the chapter) although the latter did not fall to the Fifth Plan levels. These two events together reflect the tightening of budgetary constraints at the Central level. In a situation where, due to a tight budgetary constraint at the Centre, central revenue transfers cannot augment a rapidly deteriorating States' own non-debt contribution, States look up to debt receipts for protecting their plan sizes.

2.26. Net debt receipts of State Governments did more than compensate for a fall in the non-debt contribution in the Sixth Plan vis-à-vis the Fifth

Plan. In the Seventh Plan, respective contribution of debt and non-debt receipts to Plan resources was maintained at the Sixth Plan level. In the Eighth Plan however, net debt receipts fell along with the non-debt contribution, which resulted in a fall of Plan resources as well. In this period, hard measures of fiscal reforms necessitated at the Central level may have contributed to a fall in net debt receipts at the State level as well. Indeed, the debt component of Central Assistance, which had started falling in the Seventh Plan itself, fell significantly in the Eighth Plan, as well. States' own capital receipts also fell in the Eighth Plan reflecting a lower assignment of Statutory Liquidity Ratio (SLR) based borrowings and negotiated loans from financial institutions to State Governments. During the Ninth Plan, net debt receipts climbed significantly and was entirely due to a rise in States' own capital receipts. This may have resulted from a slackening of control on the assignment of States' market borrowing programmes, negotiated loans from the financial institutions, and a significant growth in small savings collections. However, a more specific reason could be attributed to a rise in net States' provident funds due to impounding of arrears of revised pay scales. Despite the increase in net debt receipts, a sharp fall in plan resources could not, however, be averted.

2.27. Net Debt receipts indicated in Table 2.1 reflect gross fiscal deficit. It jumped one percentage point from the Fifth to the Sixth Plan, remained at the same level during the Seventh Plan and, under the influence of fiscal reform measures initiated at the Central Government level, fell in the Eighth Plan. It rose by more than one percentage point in the Ninth Plan, mainly due to the Pay Commission impact. It can be argued that but for the Pay Commission impact, gross fiscal deficit of State Governments would have continued to decline. It is a conjecture that as the impact of the Pay Commission tapers out in the future, gross fiscal deficit would revert to a declining trend and ease out the resource constraint for the non-Government sector.

2.28. The flexibility of the Government to roll over its outstanding debt also reduced from the Sixth Plan onwards only to rise again in the Ninth Plan.

This is borne out by the ratio of primary deficit to GDP, which fell from 2.1 per cent in the Sixth Plan to 1.6 per cent in the Seventh, 0.8 per cent in the Eighth but rose again to 1.9 per cent in the Ninth Plan. Again, but for the impact of the Pay Commission, the primary deficit could be expected to come down further in the future. Although a falling level of primary deficit may compromise on some development outlay as net debt receipts will have to be released for meeting the interest cost of debt, this policy may have to be given precedence if it helps in meeting a rising demand for domestic savings by the non-Government sector.

2.29. Table 2.1 has indicated a secular deterioration in the States' own non-debt contribution to Plan. To further examine this

deterioration, it is instructive to observe the behaviour of the primary component of the States' own non-debt contribution, that is balance from current revenues (BCR). BCR derived from subtracting non-plan revenue expenditure (NPRE) from States' non-plan revenue receipts (NPRR) is a major source of revenue support to States' Plan resources. Table 2.2 gives the break up of BCR into NPRR, NPRE and their respective components.

2.30. Table 2.2 confirms that it was basically the BCR, which steadily reduced States' own non-debt contribution, eventually driving it to a negative level in the Ninth Plan. The BCR itself became negative from the Eighth Plan onwards. In the Sixth Plan, where BCR contributed around 13 per cent of NPRE as revenue support to Plan resources, it withdrew

Table 2.2
Balance From Current Revenues

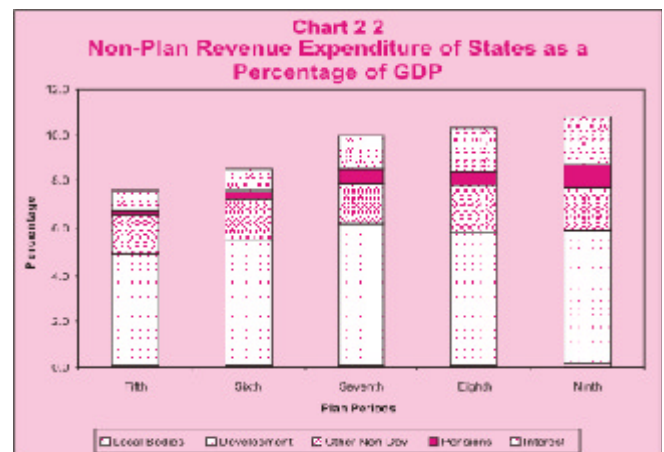
(As a percentage of GDP)

	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
I. Non-Plan Revenue Receipts	9.0	9.6	10.4	10.1	9.4
Share in Central Taxes	2.0 (22.2)	2.4 (25.0)	2.6 (25.0)	2.5 (24.8)	2.4 (25.5)
States' Own Tax	4.4 (48.9)	4.9 (51.0)	5.4 (51.9)	5.3 (52.5)	5.2 (55.3)
States' Own Non-Tax Revenue	2.0 (22.2)	2.0 (20.8)	1.9 (18.3)	1.9 (18.8)	1.5 (16.0)
Non-Plan Grants	0.6 (6.7)	0.3 (3.2)	0.5 (4.8)	0.4 (3.9)	0.3 (3.2)
II. Non-Plan Revenue Expenditure	7.6	8.5	10.0	10.3	10.8
Interest Payments	0.8 (10.5)	0.9 (10.6)	1.5 (15.0)	1.9 (18.4)	2.1 (19.4)
Pension Payments	0.2 (2.6)	0.3 (3.5)	0.6 (6.0)	0.6 (5.8)	1.0 (9.3)
Other Non-Development	1.6 (21.1)	1.7 (20.0)	1.7 (17.0)	2.0 (19.4)	1.8 (16.7)
Development	4.9 (64.5)	5.5 (64.7)	6.1 (61.0)	5.7 (55.3)	5.7 (52.8)
Local Bodies	0.1 (1.3)	0.1 (1.2)	0.1 (1.0)	0.1 (1.1)	0.2 (1.8)
III. Non-Plan Revenue Account-BCR (I – II)	1.4 (118.4)	1.1 (112.9)	0.4 (104.0)	(-) 0.2 (98.1)	(-) 1.4 (87.0)

Note : Figures in parenthesis indicate share percentage to total. Figures in parenthesis under BCR indicate the percentage of States' own revenue receipts over its Non-Plan Revenue Expenditure.

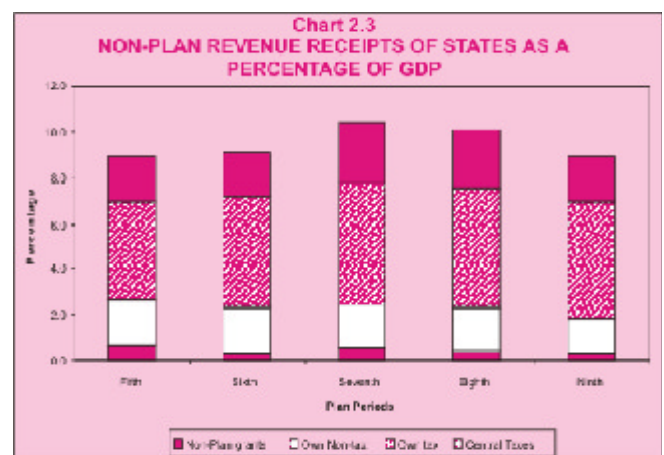
the same percentage from other sources of funding in the Ninth Plan. During the Fifth, Sixth and Seventh Plans, BCR deteriorated but remained positive. This was despite the fact that in relation to GDP, both NPRR and NPRE of the States increased by 1.4 percentage points from the Fifth to the Seventh Plan. However, as NPRE was at a lower level than the States' NPRR in the Fifth Plan, an identical increase in relation to GDP amounted to imparting a higher percentage growth to NPRE. Between the Seventh and the Ninth Plans, increase in NPRE was merely 0.8 percentage points. However, BCR continued to deteriorate due to a sharp fall of around 1.0 percentage points of the States' NPRR.

2.31. Ideally, NPRE should have also declined, having already achieved a significant increase of 1.4 percentage points in the past. A reduction of around 0.2 percentage points between the Seventh and the Ninth Plans did however take place in respect of items other than interest and pension payments, although a reduction of 1.3 percentage points was required in order to restore the levels of these items to that of the Fifth Plan. The increase in Pension and Interest payments, which was in the region of 1.0 percentage points between the Seventh and Ninth Plans more than offset whatever little percentage reduction that had taken place with respect to other items. In fact, pensions and interest payments together increased from 1.0 percentage point in the Fifth Plan to 3.1 percent in the Ninth. Understandably, the share of pension and interest payments in NPRE increased from a little over 13 per cent in the Fifth Plan to around 29 per cent in the Ninth Plan. The increases in net debt receipts in the period under consideration, after all, did have a telling impact on debt servicing obligations of State Governments. Consequent to the reforms in the financial sector, Government borrowings have been taken at market-based interest rates and this has also contributed to increased interest burden of State Governments. Further, the growing longevity of retired staff, compounded by the Pay Commission impact also increased the pension obligations significantly. To accommodate the rising burden of pension and interest payments, therefore, it was the development expenditure, which was compromised and its share in NPRE fell from 64.5



percent in the Fifth Plan to 52.8 per cent in the Ninth Plan.

2.32. The fall in the States' NPRR since the Seventh Plan was more or less uniformly spread across all its major components, although the impact was felt most in the case of states' own tax revenue and share in Central taxes, as these two together constituted more than 75 per cent of the States' NPRR. These two components reduced by 0.2 percentage points each between the Seventh and the Ninth Plans, reflecting the growing disparity between tax collection and tax potential. In fact, both at the Central and State level, tax potential has increased due to tremendous growth in the share of the services sector in GDP. The fact, that a comprehensive service tax is still not in place has implied a steady narrowing of the tax base. An expansion of the tax base will have to be necessarily carried out for tapping the full potential of both the Central and State taxes.



2.33. A deteriorating BCR or the non-plan revenue account may contribute to a fall in plan resources but not necessarily to a shortfall of recurring receipts in relation to recurring expenditure. A positive, albeit a deteriorating, non-plan revenue account still enables recurring expenditures to be funded only by recurring receipts and prevents the diversion of net debt receipts away from capital expenditure. It is only when the non-plan revenue account turns negative that concerns for appropriate application of debt receipts become as important as a shrinking Plan size. However, even with a deficit in the non-plan revenue account, recurring expenditure may still be fully financed by recurring receipts if an offsetting surplus exists on revenue plan account, the latter defined by central revenue plan transfers less revenue component of the State Plan. Conversely, if a deficit exists on revenue plan account, it does not matter if an offsetting surplus exists on the non-plan revenue account. In any case, overall revenue account must be non-negative to enable full accommodation of recurring expenditure by recurring receipts and enable full application of Net Debt Receipts on Capital Expenditure. Table 2.3 indicates the revenue account position of States since the Fifth Plan, broken down into both non-plan and plan revenue account components.

Table 2.3
Revenue Account Position of States

(As a percentage of GDP)

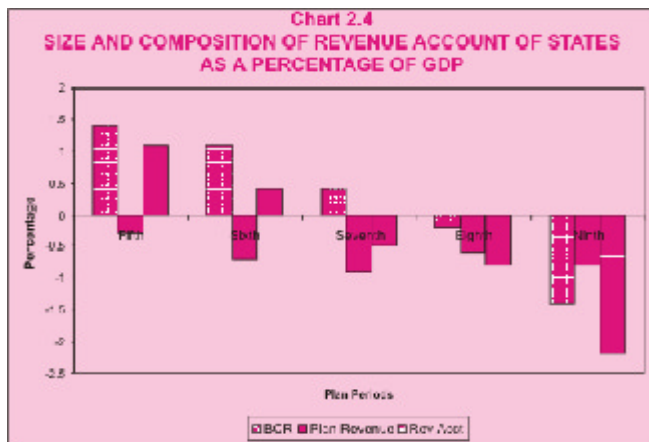
	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
I. Non-Plan Revenue Account	1.4	1.1	0.4	(-) 0.2	(-) 1.4
II. Central Revenue Plan transfers	1.1	1.5	1.7	1.6	1.2
III. Revenue component of State Plan	1.4	2.2	2.6	2.2	2.0
IV. Plan Revenue Account (II – III)	(-) 0.3	(-) 0.7	(-) 0.9	(-) 0.6	(-) 0.8
V. Overall Revenue Account (I + IV)	1.1	0.4	(-) 0.5	(-) 0.8	(-) 2.2

2.34. The overall revenue account of States deteriorated from the Fifth Plan onwards. However, it was positive in the Fifth and Sixth Plans, and turned negative only from the Seventh Plan. As Table 2.3 shows, this surplus was possible only due

to surpluses on the non-plan revenue account as Plan revenue account remained in deficit throughout the period under consideration. In fact, in the Seventh Plan, the deficit on the Plan revenue account was large enough to more than offset the surplus on the non-plan revenue account and obtain an overall revenue account deficit for the first time in the period under consideration. Thereafter, even the non-plan revenue account obtained a deficit. As a result, the overall revenue account position could not look up to either of its components for obtaining a balance.

2.35. Although the need for obtaining an overall revenue account balance is eventually emphasised, ideally, a balance on both the components should be targeted separately. A balance on the non-plan revenue account implies that States' own revenue receipts are adequate to meet the recurring expenditure obligations of the past. A balance on Plan revenue account implies that revenue expenditure burden arising from the creation of additional productive capacities is fully borne by the Centre in the concerned Plan period. It does seem that the Centre kept its part of the commitment, as revenue plan transfers increased from 1.1 percentage points of GDP in the Fifth Plan to 1.7 percentage points in the Seventh Plan, an increase of 0.6 percentage points. However, the Revenue component of State Plan increased from 1.4 to 2.6 percentage points in the same period, an increase of 1.2 percentage points. There are two possible explanations for this. One, as already discussed, States did not transfer their revenue plan commitments in appropriate amounts to non-plan at the end of the Plan period. If that had happened, the deficit on the revenue plan account would have reduced although surplus on the non-plan revenue account would have also reduced by the same amount. The overall revenue account position would have remained unchanged but the responsibility of causing the revenue account deficit would have been more on the States. Two, revenue plan schemes for additional productive capacities could have grown in excess of what central revenue plan transfers permitted. If this were the case then it points towards the infringement, which States exercised in not confining their revenue plan outlay for incremental creation of productive capacities to the limit drawn by the central revenue plan transfers.

2.36. Between the Seventh and the Ninth Plans, central revenue plan transfers fell by 0.5 percentage points of GDP. As against this, the revenue component of the State Plan fell by 0.6 percentage points. However, the revenue plan account in the Ninth Plan still remained negative due to inheritance of large deficits. The drop in revenue plan component could not have come about due to transfer of maintenance expenditure to the non-plan. The non-plan account enumerated in Table 2.2 does not indicate any evidence to this effect. It was in fact the shrinking size of the overall plan expenditure, which moderated the growth of new revenue plan schemes. However, this moderation was more under capital expenditure, since the revenue plan component as a percentage of overall plan expenditure increased from 50.9 per cent in the Seventh Plan to 53.4 per cent in the Ninth. If revenue plan outlay continues to get such a high priority, then revenue transfers from the Centre may require a significant step up in the future.



2.37. The growing deficit on States' revenue account was also on account of the growing support to State public sector undertakings. A case in point is that of State Electricity Boards (SEBs). SEBs were constituted by many States way back in the Indian planning history. However, their ability to perform was critically balanced on a sustained budgetary support provided by States for the purpose of meeting either their operating deficit or requirements of capital asset creation, or both. With the passage of time it was felt that since SEBs are basically involved in commercial operations, there is no reason why they should not strive to become

financially independent. This understanding therefore implied, that SEBs should not only wipe out their operational deficits but also earn a minimum return on their employed capital in order to display a financial strength adequate to raise borrowings for asset creation.

2.38. There is ample evidence to suggest that SEBs have failed in their endeavour to attain the stated ends. The moot point however is to explore the way in which, States have reacted to it. The budgeted expenditure on the energy sector of the States provides a clue in this regard. In particular, the percentage share of energy expenditure in States' gross fiscal deficit reflects the extent to which the energy sector necessitated the borrowing programme of State Governments.

2.39. As indicated in Table 2.4, the share of energy expenditure in gross fiscal deficit shows a declining trend since the Fifth Plan. The share decreased from 49.4 per cent in the Fifth Plan to 20.2 per cent in the Ninth Plan. This clearly indicates that there were other reasons far more important than the energy sector, which dictated the borrowing programme of States. However, if one were to separately look at the plan and non-plan components of energy outlay, it is the plan component only which is showing a downward trend as against a rising trend of the non-plan component. This implies that States were increasingly unwilling to fund new schemes floated by SEBs, as against providing a higher priority to sustaining their current expenditure. Revenue-capital break up of energy expenditure further substantiates this point. A rising share of revenue expenditure on energy in the gross fiscal deficit is indicative of widening operational deficits of SEBs, which were bridged by State Governments. However, States made up for it by more than reducing the capital expenditure on energy. Thus, since the Fifth Plan, although States did manage to relatively reduce their dependence on debt in providing for energy requirements, the quality of budgetary support went from bad to worse. State finances were dragged to unproductive ends of rising operational deficits, which in turn compromised capital expenditure on energy.

2.40. Although revenue expenditure on energy increased since the Fifth Plan in relation to gross

fiscal deficit, its impact on overall BCR of States was felt as late as the Eighth Plan. Thus NPRE on energy was 4.8 per cent of fiscal deficit in the Fifth Plan as against a positive BCR of 68.9 per cent. In the Eighth Plan, NPRE on energy was 14.4 per cent of Fiscal deficit and could be taken as one of the important reasons for causing a negative BCR of 6.0 per cent. In the Ninth Plan, NPRE on energy fell to 8.5 percent as against a negative BCR of 35.0 percent. Although BCR turned significantly negative for other more important reasons, the contribution of SEBs to rapid increases in States' borrowings is fairly well established.

Table 2.4
Energy Expenditure of States

(As a percentage of Gross Fiscal Deficit)

	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
1. Total Expenditure	49.4	34.1	35.9	40.7	20.2
2. Plan Expenditure	41.7	24.1	24.7	22.9	10.9
3. Revenue Expenditure	5.4	6.0	10.1	15.8	8.8
4. Non-Plan Revenue Expenditure	4.8	5.6	8.3	14.4	8.5
5. Overall BCR	68.9	34.7	11.8	-6.0	-35.0

2.41. To sum up, at the end of the century the position on the revenue account and the size of the plan resources indicated a significant deterioration as compared to the late eighties. The falling revenue buoyancy at both the Central and State level started the downward trend, which was further aggravated by the implementation of the revised pay scales at the State level. Although the impetus to implement revision of pay scales at the State level emerged from the Centre, international practices do not support the policy of equating pay emoluments between the federal and provincial Governments in a federation. If at all equalisation results, it is at best an incidental event arising out of the sound finances of the provincial Governments. That of course is ruled out in the Indian context if one goes by a secular deterioration of BCR. The end result has been a significant fall in capital expenditure despite a substantial increase in borrowings, which underscores the inappropriateness of the use borrowings were put to. Even to the extent capital

expenditure did take place, financial returns were dimly inadequate as is indicated by the falling level of non-tax revenue in Table 2.2. Where returns are not commensurate with the debt servicing, debt burden is bound to become insurmountable.

III. STATE-WISE ANALYSIS OF FINANCING OF STATES' PLAN INVESTMENTS

2.42. The mobilisation of plan resources of State Governments, particularly in the Ninth as compared to the Eighth Plan has been associated with three features of considerable fiscal concern. One, the falling share of plan resources / expenditure to GSDP, which is indicative of the diminishing role State investments are having on economic growth. Two, the rising level of net debt receipts (gross fiscal deficit) to Plan resources/expenditure, which reflects the growing debt component of plan resources caused by rapid growth of non-plan expenditure. And three, the rising share of revenue expenditure in net debt receipts (gross fiscal deficit), which reflect the growing inappropriateness in the use of borrowings.

2.43. These features have been examined State-wise to isolate each States' relative performance. For this purpose, States have been grouped into four categories. The first three categories group the general category States into five States each, based on their per capita GSDP.

Group A comprises high income States, which include Goa, Punjab, Maharashtra, Haryana and Gujarat.

Group B includes middle income States of Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Rajasthan.

Group C comprises low income States of West Bengal, Madhya Pradesh, Orissa, Uttar Pradesh and Bihar (Madhya Pradesh, Uttar Pradesh and Bihar reflect their undivided status as the period of study taken in this chapter ends in 1999-2000, before the bifurcation of these States took place).

Group D comprises all the special category States (excluding Uttaranchal).

2.44. Table 2.5 confirms the diminishing role of plan expenditure on GSDP growth. All except the special category States registered a fall in plan expenditure in the Ninth Plan vis-à-vis the Eighth

Table 2.5
Plan Expenditure of individual States

(As a percentage of GSDP)

	Plan Expenditure /GSDP		
	Eighth Plan	Ninth Plan	Difference
Group A	4.0	3.7	-0.3
1. Goa	6.2	5.5	-0.8
2. Punjab	3.8	3.3	-0.5
3. Maharashtra	4.1	3.5	-0.7
4. Haryana	4.4	4.3	-0.2
5. Gujarat	3.6	4.0	+0.4
Group B	5.1	4.8	-0.3
6. Tamil Nadu	3.8	3.5	-0.3
7. Kerala	4.3	4.6	+0.3
8. Karnataka	5.9	5.3	-0.6
9. Andhra Pradesh	5.0	5.3	0.2
10. Rajasthan	6.7	5.8	-0.9
Group C	4.6	4.4	-0.2
11. West Bengal	3.5	3.5	0.0
12. Madhya Pradesh	5.1	4.8	-0.3
13. Orissa	7.5	7.4	-0.1
14. Uttar Pradesh	4.5	4.2	-0.2
15. Bihar	4.0	4.0	0.0
Group D	12.7	12.8	+0.1
16. Arunachal Pradesh	38.3	37.0	-1.4
17. Assam	6.5	6.3	-0.2
18. Himachal Pradesh	14.1	15.9	+1.8
19. Jammu & Kashmir	14.4	14.2	-0.2
20. Manipur	20.4	20.2	-0.2
21. Meghalaya	14.8	13.7	-1.1
22. Mizoram	31.5	31.6	+0.1
23. Nagaland	19.8	18.8	-1.1
24. Sikkim	36.5	33.8	-2.7
25. Tripura	18.1	16.4	-1.7

Plan. The low income category, Group C, however, registered a lower fall than the high and middle income categories. Within the high income category, Group A, Goa registered the sharpest fall, followed closely by Maharashtra. Along with Punjab, these States were lower than the group average. On the other hand, Gujarat recorded an appreciable increase easily reflecting the best mobilisation effort of Plan resources in its group.

2.45. In the middle income category, Group B, Rajasthan recorded the maximum fall, followed by Karnataka, which was significantly higher than the group's average. Kerala came out to be the best in the group as it recorded an increase in the plan expenditure.

2.46. In Group C, Madhya Pradesh and Uttar Pradesh recorded a decline whereas other States retained their Eighth Plan expenditure efforts in the Ninth Plan as well.

2.47. In the special category, Group D, Arunachal Pradesh, Meghalaya, Nagaland, Sikkim and Tripura recorded significant decreases. However, more significant was the improvement of Himachal Pradesh, which in fact marginally raised the group's efforts in the Ninth Plan.

2.48. Midway through the Ninth Plan, the share of plan expenditure in GSDP is recorded to be highest for special category States, followed distantly by Group B. Group C is the next, followed by Group A. These relative positions were the same in the Eighth Plan as well, which underscores the crucial importance of State Government investments on economic growth for the special category States, but not so for other categories. The fact that plan expenditure to GSDP ratio is the lowest for Group A is consistent with the view that high income States must take the lead in promoting non-governmental investment for the purpose of building productive capacities. This will enable the Central Government to focus on the deficiencies of Public investments in low income and infrastructurally poor States.

2.49. Table 2.6 indicates that while growth in the debt component of plan resources was common to all the States, the highest growth was recorded in the case of high income category, Group A, marginally lower for the low income category, Group

C, but much lower for the middle income category, Group B. Special category States, Group D recorded the smallest decline.

Table 2.6
Gross Fiscal Deficit (GFD) of Individual States

(As a percentage of Plan expenditure)

	Gross Fiscal Deficit/ Plan Expenditure		
	Eighth Plan	Ninth Plan	Difference
Group A	66.9	95.2	28.3
1. Goa	43.5	70.3	26.8
2. Punjab	113.1	153.1	40.0
3. Maharashtra	60.4	89.8	29.3
4. Haryana	61.5	82.3	20.9
5. Gujarat	61.1	87.5	26.4
Group B	62.5	77.4	14.9
6. Tamil Nadu	63.9	84.8	20.9
7. Kerala	77.6	96.4	18.8
8. Karnataka	49.4	59.6	10.3
9. Andhra Pradesh	62.9	68.1	5.1
10. Rajasthan	67.2	90.8	23.6
Group C	77.8	105.2	27.5
11. West Bengal	96.6	148.1	51.6
12. Madhya Pradesh	45.1	61.2	16.1
13. Orissa	69.1	86.2	17.1
14. Uttar Pradesh	94.0	121.6	27.6
15. Bihar	75.0	95.5	20.5
Group D	28.3	39.0	10.7
16. Arunachal Pradesh	10.0	12.1	2.2
17. Assam	28.7	36.3	7.6
18. Himachal Pradesh	54.8	59.2	4.4
19. Jammu & Kashmir	10.5	35.1	24.5
20. Manipur	22.3	42.4	20.1
21. Meghalaya	23.0	33.5	10.4
22. Mizoram	23.6	29.5	5.9
23. Nagaland	61.9	55.6	-6.3
24. Sikkim	25.7	33.8	8.1
25. Tripura	21.5	28.7	7.2

2.50. In Group A, Punjab utilised the largest proportion of borrowings for non-plan expenditure and Haryana the lowest. All other States within the category were at equal distance from these two extremes. Non-plan expenditure was a significant impediment in raising the plan resources of high-income states.

2.51. For Group B, growth in non-plan expenditure was a relatively less significant impediment. Rajasthan topped this group, with Andhra Pradesh recording the lowest growth. In fact, Andhra Pradesh recorded the lowest growth among all non-special category States. Perhaps in this middle income category, growth in non-plan expenditure was significantly outpaced by growth in borrowings.

2.52. For Group C, the impediment of non-plan expenditure growth was almost as significant as that of Group A. However, West Bengal caused a significant distortion as its growth was not only distantly highest in its respective group but also among all non-special category States. Madhya Pradesh recorded the lowest growth in this low-income category.

2.53. For Group D, special category States, the growth in GFD/plan expenditure was by far the lowest. However, the burden of non-plan expenditure growth must have been taken up by large central plan grants, which constitute 90 per cent of central assistance unlike that of non-special category States, where it is only 30 per cent. Nagaland in fact recorded a negative growth, implying large grant-intensive central plan transfers to the State. Jammu & Kashmir and Manipur recorded non-plan expenditure growth comparable to non-special category States.

2.54. In the Ninth Plan, the burden of carrying the liability of non-plan expenditure on its borrowings is largest for the low income States. This is despite the fact that central debt transfers to this category is largest vis-à-vis all other categories as is indicated by the relative sizes of central assistance. The requirement of pruning and consolidating the non-plan expenditure is felt most in this category.

2.55. Finally, the inappropriate use of borrowings as reflected in the growing share of revenue deficit in net debt receipts or gross fiscal deficit is examined. Among Non-Special category States, the high income category, Group A recorded the largest increase, followed by the low income, Group C, and least by the middle income, Group B. This suggests that the high income category was the most imprudent as far as appropriate use of borrowings is concerned.

2.56. Within Group A, as also among all general category States, Goa recorded the highest growth in inappropriate use. In fact for Goa, the contribution of revenue account changed significantly from a large surplus in the Eighth Plan to a deficit in the Ninth Plan. Gujarat recorded the second highest growth, which was half that of Goa. Punjab recorded the lowest growth.

2.57. Within Group B, all States except Andhra Pradesh recorded by and large similar growth rates. Andhra Pradesh in fact recorded a negative growth, which was against the trend of events and indicative of an improved application of borrowings. Andhra Pradesh was isolated in this effort among States from all other categories. Kerala recorded the highest growth in Group B.

2.58. Among the low-income category, Group C States, Bihar's performance was most exemplary as it recorded a nil growth and stood second next to Andhra Pradesh. In this Group, Madhya Pradesh recorded the highest growth.

2.59. The special category States, recorded the highest growth which was at least three and a half times that of any other category. This was despite the fact that large plan grants were available to this category for sustaining the surplus on the revenue account. The only reason which can explain this phenomenon is a significant growth in revenue plan expenditure, which easily outpaced the growth in their borrowings. Although the overall revenue account contribution still showed a surplus, it is possible that the revenue plan component may have been significantly blown up due to inadequate transfer of committed liability from plan to non-plan during

preceding Plan periods. Inadequate transfers blur the distinction between plan and non-plan expenditure.

Table 2.7
Revenue Deficit of Individual States

(As a percentage of Gross Fiscal Deficit)

	Revenue Deficit/ Gross Fiscal Deficit		
	Eighth Plan	Ninth Plan	Difference
Group A	24.7	40.9	16.1
Goa	-38.5	18.7	57.2
Punjab	53.7	64.2	10.5
Maharashtra	16.5	31.9	15.4
Haryana	38.9	53.3	14.5
Gujarat	10.6	36.4	25.7
Group B	33.5	46.0	12.5
Tamil Nadu	48.8	64.4	15.6
Kerala	38.3	57.3	19.0
Karnataka	11.5	28.3	16.8
Andhra Pradesh	41.5	38.1	-3.4
Rajasthan	25.4	42.7	17.3
Group C	45.5	58.6	13.1
West Bengal	51.9	65.7	13.8
Madhya Pradesh	33.3	51.2	17.9
Orissa	43.2	57.8	14.6
Uttar Pradesh	44.1	57.9	13.8
Bihar	54.4	54.5	0.1
Group D	-72.8	-17.9	54.9
Arunachal Pradesh	-490.0	-347.5	142.5
Assam	-21.7	7.4	29.1
Himachal Pradesh	27.2	43.0	15.8
Jammu & Kashmir	-558.0	-84.0	474.0
Manipur	-144.4	-28.6	115.9
Meghalaya	-112.2	-48.0	64.2
Mizoram	-104.5	-64.9	39.6
Nagaland	21.4	16.1	-5.3
Sikkim	-89.1	-33.6	55.5
Tripura	-90.5	-45.2	45.3

2.60. In the Ninth Plan, the largest share of revenue deficit to gross fiscal deficit is still being reflected by the low income category, Group C. However, as the foregoing discussion suggests, Group D and Group A are fast catching up, with only Group B, the middle income category showing some signs of restraint.

2.61. To sum up, the role of public investment in effecting GSDP growth is negligible for the high-income category States. This could be the result of a spurt in economic activities, which is independent of public intervention. In deference to this trend, high income States must promote private investment for building additional productive capacities while using their resources for consolidating their existing capacities. Given that in relative terms these States have their non-plan as well as revenue expenditure consuming the largest proportion of borrowings, consolidation of existing capacities would again be consistent with the present trend. Middle income States must also follow in the footsteps of high-income States. Although this is desirable for low-income States as well, their infrastructural deficiencies are too significant for diluting the role of public investment. A significant increase in non-plan revenue transfers (share in Central taxes) to the low-income States may be required for meeting their social sector needs, which are spilling into larger revenue account deficits. For the special category states, the continued significance of public investment and therefore Central transfers cannot be over emphasised. Given the inevitability of such transfers resources of these States need to be permanently strengthened by raising their share of Central taxes. To enable this, States must appropriately transfer their 'committed liabilities' from plan to non-plan in order to separate their fresh efforts towards capacity building from the upkeep of existing capacities.

IV. SECTORAL DISTRIBUTION OF PLAN INVESTMENTS

2.62. Allocation of aggregate Plan resources among the various economic and social sectors is the next important consideration after the

determination of its size. In this section, allocation of plan resources has been assessed by broadly classifying plan expenditure into the following five broad categories.

- *Education and Health:* This comprises education, sports, art and culture, medical, family planning, public health and water supply & sanitation.
- *Agriculture and Industry:* This comprises agriculture, rural development, special area programmes, industry & minerals.
- *Infrastructure:* This comprises irrigation & flood control, energy and roads & bridges.
- *Other Social and Economic Services:* This mainly comprises housing and urban development, welfare, social security and nutritional programmes and economic services apart from Infrastructure sectors.
- *General Services:* This includes debt servicing and assignment to local bodies.

2.63. For a given sector, incremental expenditure like Plan expenditure eventually augments its recurring expenditure. As already stated, the genesis of recurring expenditure lies in the cumulative impact of past policies, which were designed to create productive capacities existing as on date. It is the maintenance requirement of currently existing facilities under the given sector, which finds shape in recurring expenditure. The recurring expenditure of such type is referred to as non-plan expenditure under plan-non-plan classification.

2.64. It is important to bear in mind the significance of non-plan expenditure, particularly when the assessment of plan expenditure in this chapter is restricted to the Fifth Plan onwards. Thus, on the eve of the Fifth Plan, the recurring expenditure, which entered the Fifth Plan period as the non-plan expenditure was merely seeking augmentation, which was provided in terms of plan expenditure

under the Fifth Plan. At the end of the Fifth Plan, the non-plan expenditure, which now carried the Plan efforts of the Fifth Plan period included the maintenance expenditure on facilities created in the Fifth Plan. Thus, if total expenditure on Agriculture & Industry accounted for 2 per cent of GDP at the beginning of the Fifth Plan and 3 per cent at the end, then the increase in 1 percentage points is ideally made up of 1 per cent of GDP as plan expenditure.

2.65. However, more often than not, the increase in 1 percentage point is made up of any combination of plan expenditure and increases/reduction in non-plan expenditure. Where non-plan expenditure increases, it reflects a deepening of the thrust of existing facilities instead of creating newer facilities. And where it reduces, it reflects a weeding out of outdated existing facilities in favour of newer ones. The important point to note is that for a given sector, a variation in plan expenditure between two successive plan periods does not necessarily imply a shift in sectoral emphasis between two time periods. A change in sectoral emphasis can be unequivocally stated only on the basis of the variation in total expenditure.

2.66. Table 2.8 on total plan disbursements indicates that across the period under consideration, plan expenditure on education and health increased by 0.2 percentage points between the Fifth and the Sixth Plan. Whereas, Table 2.9 indicates an increase of 0.5 percentage points in total expenditure, this may be interpreted as an increase in sectoral emphasis carried out more on the non-plan than on the plan side. This tendency is observed to be further reinforced in the entire period under consideration as total expenditure on education & health increased by 0.8 percentage points and Plan expenditure by 0.2 percentage points. The deepening of the thrust of existing facilities is clearly more in evidence than adoption of newer facilities. This is not entirely unexpected as reasonable facilities under this sector were significantly created in the past, thereby requiring only an increase in their capacities in order to cater to a rising level of population. Education & health in the Ninth Plan comprised around one-fifth of plan and one-fourth of total expenditure.

2.67. Agriculture and Industry on the other hand indicates a fall in both plan and total expenditure indicating a reduction in sectoral emphasis. The

Table 2.8
Total Plan Disbursements (Revenue & Capital) of States

(As a percentage of GDP)

Major Sectors	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
1. Education & Health	0.6 (13.7)	0.8 (16.4)	0.9 (17.3)	0.8 (19.0)	0.8 (22.4)
2. Agriculture & Industry	1.1 (25.4)	1.6 (30.7)	1.5 (29.8)	1.2 (27.8)	0.9 (23.8)
3. Infrastructure	2.0 (46.0)	1.9 (36.8)	1.8 (35.8)	1.5 (34.8)	1.2 (33.2)
4. Other Social & Economic Services	0.5 (13.4)	0.7 (14.6)	0.8 (14.3)	0.6 (16.2)	0.7 (18.0)
5. General Services	0.1 (1.5)	0.1 (1.5)	0.1 (2.8)	0.1 (2.2)	0.1 (2.6)
Total	4.3 (100.0)	5.1 (100.0)	5.1 (100.0)	4.2 (100.0)	3.7 (100.0)

Note : Figures in parenthesis are the share percentage in the total

fall in total expenditure is more on total than on plan expenditure. This indicates a greater emphasis on newer plan schemes than on deepening the impact on existing ones. This again is on expected lines as these sectors mainly comprise subsidy and welfare schemes that require reconstitution with changing times. In the Ninth Plan, Agriculture & Industry comprised one-fourth of plan and one-tenth of total expenditure.

2.68. The infrastructure sector was characterised by a declining trend in plan but a firming up of total expenditure except in the Ninth Plan, when total expenditure also fell under the influence of a sharp fall in plan expenditure. Although this may suggest that more emphasis

were laid on maintaining existing facilities, it also implied a diversion of funds away from creation of additional infrastructure facilities, which throughout the period under consideration, has continuously been felt as the most pressing requirement. Since the maintenance expenditure could not have been compromised upon, additional plan funds for infrastructure stood requisitioned by withdrawing the same from other sectors. That did not happen as is evidenced from Table 2.8, where the share of expenditure on Infrastructure in total plan fell from around one - half in the Fifth to one-third in the Ninth Plan. In total expenditure, the share fell from one -fifth to around one-sixth.

Chart 2.5
SIZE AND COMPOSITION OF PLAN OUTLAY OF STATES AS A PERCENTAGE OF GDP



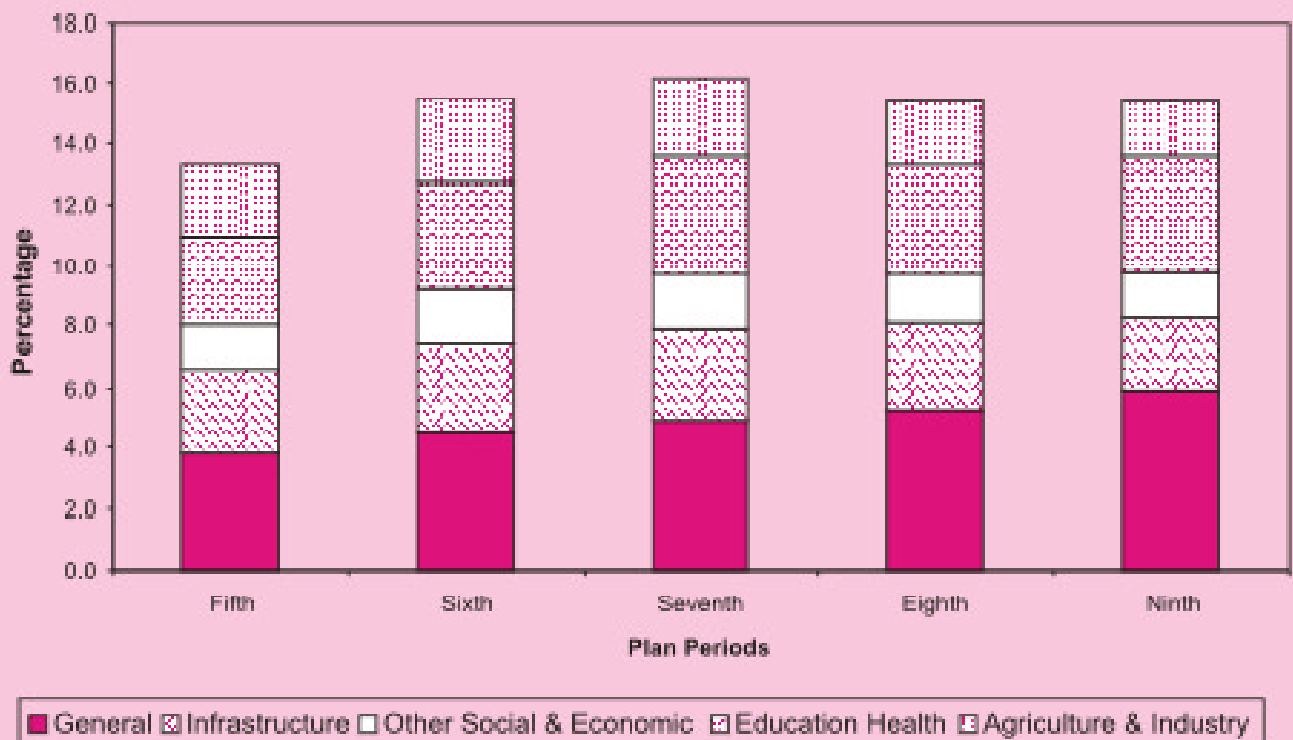
Table 2.9
Total Disbursements (Plan & Non-Plan) of States

(As a percentage of GDP)

Major Sectors	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
1. Education & Health	3.0 (22.5)	3.5 (22.7)	3.9 (24.2)	3.6 (23.6)	3.8 (24.7)
2. Agriculture & Industry	2.3 (17.0)	2.8 (18.0)	2.6 (15.7)	2.1 (13.5)	1.8 (11.5)
3. Infrastructure	2.8 (20.9)	2.9 (18.7)	3.0 (18.7)	2.8 (17.9)	2.3 (15.2)
4. Other Social & Economic Services	1.4 (10.8)	1.8 (11.6)	1.8 (11.3)	1.6 (10.6)	1.6 (10.1)
5. General Services	3.8 (28.8)	4.5 (29.0)	4.9 (30.1)	5.3 (34.5)	5.9 (38.5)
Total	13.3 (100.0)	15.5 (100.0)	16.2 (100.0)	15.4 (100.0)	15.4 (100.0)

Note : Figures in parenthesis are the share percentage in the total

Chart 2.6
SIZE AND COMPOSITION OF TOTAL DISBURSEMENTS OF STATES AS A PERCENTAGE OF GDP



2.69. Other social and economic services followed a similar pattern as that of agriculture and industry, where the emphasis was more on plan expenditure in quest of locating newer schemes while restricting the coverage of existing schemes. In the Ninth Plan, the share in plan expenditure was around one-fifth and in total expenditure, one-tenth.

2.70. Although general services in total plan expenditure constituted a miniscule proportion, its share in total expenditure was not only the highest but increased from 29 per cent in the Fifth to 39 per cent in the Ninth Plan. This was clearly due to a large and growing chunk of debt repayment obligations, which could be taken to be the primary impediment in enabling a reasonable application of total receipts to important infrastructure and social sectors.

2.71. In the section under Plan investments funding, a deficit on the revenue plan account was noted throughout the period under consideration. It was suggested that this was due to a large revenue plan component arising out of two possibilities. One, appropriate and thus adequate transfers from plan to non-plan budget did not take place as should have been the case at the conclusion of each Plan period. And two, new revenue plan schemes at the State level were introduced in excess of what Central revenue plan transfers permitted.

2.72. Table 2.10 indicates that it was Agriculture and Industry, which accounted for the largest share of the revenue plan in the period under consideration and can therefore be attributed with causing a large revenue plan. Although its share diminished steadily it still remained the largest. education and health accounted for the second largest share. It also declined from the Fifth Plan onwards but only till the Seventh Plan. Thereafter, its share increased in the next two Plans, at the time overall plan expenditure of States was diminishing in relation to GDP. This emphasises that in recent years, it is education and health, which have shown an increasing tendency of blowing up the revenue plan outlay of States. Education and health along with agriculture and industry has constituted more than 70 per cent of revenue plan outlay of State Governments throughout the period under consideration.

2.73. Table 2.10 also indicates that the share of infrastructure in the revenue plan outlay remained constant at 5 to 6 per cent. When observed in relation to Table 2.8, which indicates a declining plan outlay for infrastructure, it follows that it was the capital component of the plan outlay on infrastructure, which was compromised upon. Table 2.9 on the other hand indicates a steady growth in the overall expenditure on infrastructure. This implies that when the plan outlay on infrastructure,

Table 2.10
Revenue Plan Outlay of States

(As a percentage of GDP)

Major Sectors	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
1. Education & Health	0.47 (33.2)	0.66 (29.9)	0.71 (27.4)	0.65 (29.4)	0.68 (34.2)
2. Agriculture & Industry	0.59 (41.9)	1.06 (48.1)	1.19 (45.8)	0.94 (42.3)	0.71 (35.7)
3. Infrastructure	2.8 (5.4)	2.9 (3.0)	3.0 (8.8)	2.8 (6.8)	2.3 (5.5)
4. Other Social & Economic Services	0.24 (17.2)	0.38 (17.5)	0.43 (16.3)	0.43 (19.6)	0.43 (22.3)
5. General Services	0.03 (2.3)	0.03 (1.5)	0.04 (1.7)	0.04 (1.9)	0.05 (2.3)
Total	1.41 (100.0)	2.20 (100.0)	2.60 (100.0)	2.21 (100.0)	1.98 (100.0)

Note : Figures in parenthesis is the share percentage in the total

together with its capital component was declining, non-plan expenditure was steadily increasing. The rising non-plan expenditure could be taken as indicative of a rising non-plan revenue expenditure as the capital component of Infrastructure Non-Plan is negligible. The rising non-plan revenue expenditure is explained by the substantial growth in subsidies and grants to State electricity boards and road transport corporations. It also suggests, particularly in view of the revenue plan component being very small, that staff recruitment for both irrigation and roads and bridges sector was done way back in the past and continued at net rising levels ostensibly for enabling better maintenance of created assets. Although no conclusive evidence exists within the scope of the present chapter, it is generally held that staff recruitment under non-plan was to such a great extent that it compromised on basic maintenance of physical assets as constituted by materials and supplies.

2.74. To sum up, sectoral emphasis on education and health was more pronounced in consolidating existing capacities than in building new ones. However, building of new capacities must take precedence if human resource development is to develop the quality of the workforce. Sectoral emphasis on agriculture and industry was more on building additional capacities, which is expected for a rapidly modernising sector. Policies aimed at developing the entrepreneurial abilities in this sector and that too on a sustainable basis however will only reduce the burden of subsidies under both non-plan outlays and plan investments. The sectoral emphasis for the infrastructure, like education and health was again on consolidating non-plan outlays at the expense of large plan outlays enriched with capital component. It is in this sector that the capital content of plan outlays needs to be enhanced by reducing the unproductive component of the non-plan outlays. Private investment may be a viable option for supplementing public investment, particularly in States where cost of availing these services are affordable by the general population.

V. THE PATH AHEAD

2.75. During the pre-1974 period, the real growth of GDP fell from 3.9 per cent in the First Plan to 2.8 per cent in the Fourth Plan. In the post-1974 period, the real growth of GDP rose

from 4.1 per cent in the Fifth Plan to around 6 per cent mid-way through the Ninth Plan. A rise in the real growth of GDP in the post-1974 period is indicative of the effective utilisation of productive capacities created by States' plan investment in the pre-1974 period. Similarly, a realisation of the growth rate of 8 per cent and above in the Tenth Plan is critical on the augmentation of productive capacities expected out of plan investments in the post-1974 period.

2.76. It has been indicated that augmentation of productive capacities by States' plan investments in the post-1974 period fell below potential. This was because the maintenance requirements for sustaining productive capacities created in the pre-1974 period proved to be too large for the revenues available with the States. When, despite this handicap, States attempted to build additional capacities and for this purpose, diverted resources from maintenance outlays towards plan investments, it led to the loss of existing capacities. Plan investments also could not effectively add to productive capacities since a large number of new schemes, which States introduced at the onset of every Five-Year Plan secured only a thin spread of resources not conducive to creating capacities fit for deployment.

2.77. Along with the growth in the number of schemes, the requirement for maintenance outlays as well as unproductive expenditure on establishment and administration also grew. In fact, the presence of unproductive expenditure was more significant since, as compared to maintenance outlays, it was inflexible downwards. As a result, sometime in the latter half of the post-1974 period, unproductive expenditure became a serious deterrent in securing adequate resources for plan investments, since unlike maintenance outlays, unproductive expenditure could not be easily reduced. Augmentation of productive capacities continued to fall below potential.

2.78. In the nineteen nineties, States resorted to large-scale borrowings for securing adequate resources for plan investments. This may have contributed to some growth in productive capacities. However, recourse to large-scale borrowings for

funding plan investments can continue only till such time as the consideration for avoiding the crowding out of private investment applies brakes to the growth of public sector borrowings.

2.79. At the turn of the decade the restraint on public sector borrowings is being seriously considered since it has already been felt that the public sector draft on private savings has become large enough to crowd out private investment. Unfortunately, this consideration has come after the growth of States' borrowings in the nineties significantly added interest payments to other unproductive expenditure. In the Tenth Plan a restraint on further growth of States' borrowings, coupled with a large overhang of unproductive expenditure can only obtain a very small amount of resources for Plan investments and therefore capacity building.

2.80. The path ahead therefore is to focus on ways to protect existing productive capacities and building additional ones by not repeating the pitfalls of the bygone era. The following action-points are emphasised.

- States must protect the productive capacities already acquired under their jurisdiction by adequately providing for their maintenance outlays.
- Maintenance outlays should be accommodated within the constraints of a non-negative BCR.
- The inclusion of all maintenance outlays under a non-negative BCR would require a political will to curtail administrative and establishment costs.
- For seeking adequate assistance from the Finance Commission for maintenance outlays, States must cease to misrepresent these as plan investments.
- Growth in borrowings should be planned such as to sustain or even reduce the public sector draft on private savings from current levels.

- Following from lower levels of borrowings and consequently the States' plan size, private investment must be promoted to build additional productive capacities.
- States can eventually compliment private investment by raising their resources for plan investments through mobilising own revenues.
- For mobilising own revenues, priority areas include expansion of tax base, plugging tax leakages and levying cost recovery commercial user charges.
- For making plan investments effective in creating productive capacities fit for deployment, States must restrict new schemes to a manageable few.
- The number of new schemes must entail a future maintenance burden not more than what is reasonable to be accommodated within a non-negative BCR.
- In order to be able to put restrictions on the number of new schemes, States must divide the responsibilities of building productive capacities with the private sector.
- The division of responsibilities could be one where private investment focuses on infrastructure requirements and States' plan investment on social sector needs.

2.81. The aforementioned action points basically seek a stance from State Governments, which protects the existing capacities and build additional ones in partnership with the private sector in order to achieve potential increments to the economy's productive capacity. However, such action points could be implemented only if the 'resource illusion' of the States is broken. Hitherto, the liberal access the States had to borrowings cultivated such 'resource illusion'. Given the control, which the Central Government exercises on States' borrowing programmes, the onus is largely on the Centre to break this 'resource illusion'- all for, enabling the potential increments to the economy's productive capacity.

FINANCING THE AGGREGATE PLAN RESOURCES OF STATES AND SOME FISCAL PARAMETERS

(Rs. crore at current prices)

Year	Non-Plan Revenue Receipts			Non-Plan Revenue Expenditure			Non-Plan Revenue Expenditure			BCR		
	Central Taxes	Own Taxes	Non-Plan Grants	Total (1 to 4)	Interest Payments	Pension Payments	Other Devmt.	Non Development	Local Bodies	Total (6 to 10)	Total (5 - 11)	
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1974-75	1228.49	2880.57	1300.84	561.32	5971.22	539.25	115.35	1184.71	3465.91	71.93	5377.15	594.07
1974-75	1228.49	2880.57	1300.84	561.32	5971.22	539.25	115.35	1184.71	3465.91	71.93	5377.15	594.07
1975-76	1599.13	3546.16	1574.37	616.31	7335.97	687.76	153.34	1316.84	3854.85	74.03	6086.82	1249.15
1976-77	1679.81	4033.45	1818.60	712.97	8244.83	757.43	193.69	1492.47	4132.55	92.59	6668.73	1576.10
1977-78	1805.81	4349.24	1937.45	700.89	8793.39	822.23	220.69	1607.30	4772.78	102.83	7525.83	1267.56
1978-79	1952.79	4970.35	2250.83	758.43	9932.40	952.92	261.09	1754.48	5435.72	130.50	8534.71	1397.69
1979-80	3407.81	5669.14	2469.21	459.52	12005.68	941.77	295.13	2026.43	6600.09	176.43	10039.85	1965.83
1980-81	3788.91	6616.18	3265.61	562.37	14233.07	1225.46	372.25	2433.90	7786.56	204.93	12023.10	2209.97
1981-82	4259.66	8234.32	3234.15	486.69	16214.82	1440.42	489.74	2775.55	8970.91	212.17	13888.79	2326.03
1982-83	4632.68	9486.07	3625.14	755.15	18499.04	1705.34	635.13	3230.81	10510.96	247.10	16329.34	2169.70
1983-84	5007.82	10753.11	4160.22	756.83	20677.98	1963.41	791.28	3732.22	11898.80	303.71	18689.42	1988.56
1984-85	5854.45	12259.80	4549.59	806.11	23469.95	2466.31	1000.24	4474.93	13762.51	357.10	22061.09	1408.86
1985-86	7259.91	14550.93	5290.63	1473.56	28575.03	2939.97	1207.00	5047.84	16643.18	396.25	26234.24	2340.79
1986-87	8383.70	16711.99	6145.49	1562.52	32803.70	4100.82	1390.37	5137.27	18400.94	441.99	29471.39	3332.31
1987-88	9659.84	19321.62	6743.94	1735.85	37461.25	4895.39	1757.88	6005.78	21265.21	491.47	34415.73	3045.52
1988-89	10735.95	22401.26	7623.65	2166.19	42927.05	5933.09	2391.95	6927.30	24645.66	553.16	40451.16	2475.89
1989-90	13097.34	25995.10	8936.96	2174.97	50204.37	7181.35	2930.47	8493.75	29269.09	600.50	48475.16	1729.21
1990-91	14241.47	30344.83	9237.19	3270.53	57094.02	8652.12	3592.17	9654.79	34712.49	783.55	57395.12	-301.10
1991-92	16847.86	35756.05	12706.11	3278.44	68588.46	10941.00	3713.84	11709.79	42875.00	1016.00	70255.63	-1667.17
1992-93	20580.14	39868.28	12883.88	3362.93	76695.23	13208.77	4308.32	13687.50	45663.39	1232.53	78100.51	-1405.28
1993-94	22394.82	46087.49	15568.83	3154.31	87205.45	15797.19	5107.38	16073.50	51513.46	1162.60	89654.13	-2448.68
1994-95	24884.73	55734.53	21660.06	2574.14	104853.46	19198.04	6123.84	22427.51	57269.73	1310.07	106329.19	-1475.73
1995-96	29047.64	63865.19	22894.75	5977.42	121785.00	21928.41	7813.16	24049.84	64592.64	1454.02	119838.07	1946.93
1996-97	35037.61	71101.52	23542.58	5257.99	134939.70	25569.52	9826.73	25046.46	77463.95	1760.87	139667.53	-4727.83
1997-98	40411.20	81229.43	24437.63	5458.11	151536.37	30101.34	11599.06	27846.56	83856.63	2753.70	156157.29	-4620.92
1998-99	39421.24	88995.25	24167.81	3477.35	156061.65	35866.00	16166.32	32069.85	97555.50	3321.89	184979.56	-8917.91
1999-2000	44121.13	102581.90	29874.66	6102.39	182680.08	46299.47	22593.75	35499.86	114199.77	4176.21	222769.06	-0088.98

Source : Various issues of RBI bulletin on States' budget

FINANCING THE AGGREGATE PLAN RESOURCES OF STATES AND SOME FISCAL PARAMETERS

(Rs. crore at current prices)

Year	Own Capital Receipts		Non-Plan Capital Expenditure			Own Borrowings incl of MCR (15 - 18)	States' Own Resources (12 + 19)	Central Assistance		Aggregate State Plan Resources (20 + 23)		
	Debt	Non-Debt	Total (13 to 14)	Repayment	Others			Total (16 to 17)	Revenue		Capital (21 to 22)	
	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.
1974-75	1293.02	287.64	1580.66	629.14	370.01	999.15	581.51	1175.58	274.27	518.93	793.20	1968.78
1975-76	1375.15	420.22	1795.37	794.82	576.19	1371.01	424.36	1673.51	358.15	720.12	1078.27	2751.78
1976-77	1673.08	359.78	2032.86	855.09	463.46	1318.55	714.31	2290.41	479.76	751.86	1231.62	3522.03
1977-78	1588.30	278.55	1866.85	951.10	410.42	1361.52	505.33	1772.89	697.83	1185.03	1882.86	3655.75
1978-79	2878.67	365.80	3244.47	1000.75	579.42	1580.17	1664.30	3061.99	987.75	1748.27	2736.02	5798.01
1979-80	2536.91	395.06	2931.97	965.64	833.18	1798.82	1133.15	3098.98	973.92	1267.59	2241.51	5340.49
1980-81	3158.74	449.26	3608.00	1635.92	1645.18	3281.10	326.90	2536.87	1217.49	1879.97	3097.46	5634.33
1981-82	3537.30	651.24	4188.54	1666.20	1275.63	2941.83	1246.71	3572.74	1319.95	1667.45	2987.40	6560.14
1982-83	4099.23	666.95	4766.18	1642.96	1229.44	2872.40	1893.78	4063.48	1590.67	2268.06	3858.73	7922.21
1983-84	5574.20	784.98	6359.18	2115.83	1347.40	3463.23	2895.95	4884.51	1848.35	2632.78	4481.13	9365.64
1984-85	6679.13	1030.01	7709.14	2926.52	1888.46	4814.98	2894.16	4303.02	1945.99	3015.85	4961.84	9264.86
1985-86	8595.13	808.61	9403.74	3114.09	1506.23	4620.32	4783.42	7124.21	2770.54	3569.48	6340.02	13464.23
1986-87	8128.36	996.87	9125.23	3292.81	1228.58	4521.39	4603.84	7936.15	2919.25	4001.02	6920.27	14856.42
1987-88	9312.88	1043.45	10356.33	3608.99	754.19	4363.18	5993.15	9038.67	3376.95	4988.07	8365.02	17403.69
1988-89	10445.10	1330.95	11776.05	3653.55	829.23	4482.78	7293.27	9769.16	3529.51	5100.50	8630.01	18399.17
1989-90	13883.72	1038.01	14921.73	3775.00	1272.42	5047.42	9874.31	11603.52	3458.87	5014.38	8473.25	20076.77
1990-91	17441.12	1500.54	18941.66	4333.80	1926.26	6260.06	12681.60	12380.50	4795.58	5755.59	10551.17	22931.67
1991-92	18179.87	3310.22	21490.09	5183.39	1408.77	6592.16	14897.93	13230.76	6573.95	6304.22	12878.17	26108.93
1992-93	20648.83	1923.08	22571.91	5429.17	2413.50	7842.67	14729.24	13323.96	7843.04	7330.59	15173.63	28497.59
1993-94	17538.15	2418.77	19956.92	6070.03	2194.36	8264.39	11692.53	9243.85	10239.93	8475.52	18715.45	27959.30
1994-95	26979.04	5226.43	32205.47	6346.81	2216.45	8563.26	23642.21	22166.48	10845.39	11364.82	22210.21	44376.69
1995-96	31424.59	3500.75	34925.34	5853.81	3441.92	9295.73	25629.61	27576.54	8133.57	8539.31	16672.88	44249.42
1996-97	23815.34	5754.25	29569.59	6733.70	3319.98	10053.68	19515.91	14788.08	11693.15	12597.98	24291.13	39079.21
1997-98	39967.36	5491.55	45458.91	8130.34	4587.14	12717.48	32741.43	28120.51	12008.18	14123.48	26131.66	54252.17
1998-99	67631.86	3302.00	70933.86	11852.44	4658.23	16510.67	54423.19	25505.28	13267.02	15253.17	28520.19	54025.47
1999-2000	82840.29	3360.93	86201.22	11882.94	9043.85	20926.79	65274.43	25185.45	16316.45	17166.75	33483.20	58668.65

Source : Various issues of RBI bulletin on States' budget

FINANCING THE AGGREGATE PLAN RESOURCES OF STATES AND SOME FISCAL PARAMETERS

(Rs. crore at current prices)

Year	Receipts on Account of Central Plan/Sponsored Schemes			Overall Plan Resources			Plan Expenditure			Overall Surplus (28 - 31)	Revenue A/C Surplus (12+21+25-29)	Gross Fiscal Deficit (13+22+26-16-32)	Primary Deficit (34-6)
	Revenue	Capital	Total (25 to 26)	Resources (27 + 24)	Revenue	Capital	Total (29 to 30)	Surplus (28 - 31)					
	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.		
1974-75	186.02	71.75	257.77	2226.55	659.70	1577.55	2237.25	-10.70	394.66	1265.26	726.01		
1975-76	244.04	78.28	322.32	3074.10	879.68	1943.16	2822.84	251.26	971.66	1127.47	439.71		
1976-77	312.43	68.59	381.02	3903.05	1271.46	2582.32	3853.78	49.27	1096.83	1589.17	831.74		
1977-78	439.35	146.13	585.48	4241.23	1385.61	2987.44	4373.05	-131.82	1019.13	2100.18	1277.95		
1978-79	726.55	148.74	875.29	6673.30	1976.61	3598.32	5574.93	1098.37	1135.38	2676.56	1723.64		
1979-80	649.71	72.78	722.49	6062.98	2041.20	4042.62	6083.82	-20.84	1548.26	2932.48	1990.71		
1980-81	842.71	91.35	934.06	6568.39	2784.71	4575.10	7359.81	-791.42	1485.46	4285.56	3060.10		
1981-82	919.80	239.98	1159.78	7719.92	3186.45	5152.50	8338.95	-619.03	1379.33	4397.56	2957.14		
1982-83	1035.71	116.67	1152.38	9074.59	3908.09	5631.96	9540.05	-465.46	887.99	5306.46	3601.12		
1983-84	1487.48	101.09	1588.57	10954.21	5113.87	6273.74	11387.61	-433.40	210.52	6625.64	4662.23		
1984-85	2009.51	157.39	2166.90	11431.76	6287.91	6692.63	12980.54	-1548.78	-923.55	8474.63	6008.32		
1985-86	2078.51	159.86	2238.37	15702.60	6532.69	7476.59	14009.28	1693.32	657.15	7517.06	4577.09		
1986-87	2503.31	176.46	2679.77	17536.19	8656.54	9207.12	17863.66	-327.47	98.33	9340.50	5239.68		
1987-88	3162.19	240.81	3403.00	20806.69	10735.10	10420.18	21155.28	-348.59	-1150.44	11281.36	6385.97		
1988-89	3964.29	175.96	4140.25	22539.42	11776.67	10367.45	22144.12	395.30	-1806.98	11672.71	5739.62		
1989-90	2871.54	177.54	3049.08	23125.85	11741.50	11517.14	23258.64	-132.79	-3681.88	15433.43	8252.08		
1990-91	4577.18	149.50	4726.68	27658.35	14380.63	13052.24	27432.87	225.48	-5308.97	18786.93	10134.81		
1991-92	5373.29	159.66	5532.95	31641.88	15933.67	15150.84	31084.51	557.37	-5653.60	18902.99	7961.99		
1992-93	6552.86	170.41	6723.27	35220.86	18104.68	15286.79	33391.47	1829.39	-5114.06	20891.27	7682.50		
1993-94	7781.76	190.43	7972.19	35931.49	19722.06	17007.97	36730.03	-798.54	-4149.05	20932.61	5135.42		
1994-95	6584.86	167.55	6752.41	51129.10	22138.39	22375.31	44513.70	6615.40	-6183.87	25549.20	6351.16		
1995-96	6884.81	165.47	7050.28	51299.70	25165.80	23284.11	48449.91	2849.79	-8200.49	31425.77	9497.36		
1996-97	6203.53	723.37	6926.90	46006.11	29280.73	23765.20	53045.93	-7039.82	-16111.88	37442.81	11873.29		
1997-98	6756.23	354.51	7110.74	61362.91	30476.42	28783.59	59260.01	2102.90	-16332.93	44212.11	14110.77		
1998-99	7119.07	206.36	7325.43	61350.90	35109.96	29760.67	64870.63	-3519.73	-43641.78	74758.68	38892.68		
1999-2000	8204.62	206.94	8411.56	67080.21	38308.13	32012.43	70320.56	-3240.35	-53876.04	91571.39	45271.92		

Source: Various issues of RBI bulletin on States' budget

REVENUE PLAN OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family			Housing, Urban & Development			Welfare, Security, Nutritional Programs			Other Social Services			Agricult., Rural Development, Special Area Programs			Industry & Minerals	Irrigation & Flood Control	Energy	Roads & Bridges	Other Economic Services	General Services	Assignment to Local Bodies	Total
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.									
1974-75	75.88	145.60	8.81	72.07	12.62	239.09	23.33	4.99	11.70	28.91	13.64	23.06	0.00	659.70									
1975-76	125.42	173.19	16.64	85.25	43.57	309.34	29.04	6.48	7.10	37.77	20.59	25.29	0.00	879.68									
1976-77	289.78	296.19	15.93	92.58	17.05	392.58	44.10	0.79	7.40	37.13	43.20	34.73	0.00	1271.46									
1977-78	193.79	279.65	15.57	111.22	68.59	506.88	59.57	8.91	9.39	53.02	47.18	31.84	0.00	1385.61									
1978-79	249.36	365.34	45.00	203.51	55.50	746.01	90.19	43.74	11.53	75.50	56.37	34.56	0.00	1976.61									
1979-80	146.91	387.04	39.68	211.05	61.91	912.10	90.91	15.04	20.51	61.53	54.43	40.07	0.02	2041.20									
1980-81	229.78	496.62	26.93	412.65	88.40	1188.19	118.20	12.01	18.39	72.72	64.29	56.53	0.00	2784.71									
1981-82	276.25	629.23	35.98	430.60	73.93	1342.78	142.51	37.15	18.72	63.27	81.06	54.97	0.00	3186.45									
1982-83	393.55	851.62	35.52	487.08	60.36	1643.94	162.87	18.94	30.56	63.83	101.80	58.02	0.00	3908.09									
1983-84	505.74	1147.15	39.08	602.78	76.42	2191.58	196.79	42.07	30.40	88.95	121.48	71.37	0.06	5113.87									
1984-85	638.48	1189.80	47.72	686.25	97.77	2983.76	274.50	26.67	38.59	83.75	152.77	67.85	0.00	6287.91									
1985-86	550.55	1152.79	147.00	752.09	23.69	2970.47	334.35	338.92	28.48	72.72	61.92	96.36	3.35	6532.69									
1986-87	695.94	1637.01	206.74	1037.75	23.81	3679.58	406.96	559.57	45.44	161.79	86.86	115.40	-0.31	8656.54									
1987-88	847.65	1963.64	209.98	1272.24	48.90	4339.36	430.96	760.34	290.65	291.98	98.70	181.53	-0.83	10735.10									
1988-89	1231.74	2094.48	309.15	1367.09	36.51	4856.44	547.80	760.33	87.87	204.38	95.34	184.07	1.47	11776.67									
1989-90	1647.55	2260.66	372.64	1543.02	29.93	4062.93	637.03	513.30	170.65	104.31	169.47	227.52	2.49	11741.50									
1990-91	1304.99	2299.48	377.49	1531.48	31.33	6228.11	676.89	612.25	515.91	139.46	424.83	237.91	0.50	14380.63									
1991-92	1462.00	2731.00	429.00	1700.00	36.00	6670.00	713.00	629.00	562.00	196.00	505.00	300.67	0.00	15933.67									
1992-93	1659.85	2712.53	449.78	1877.96	35.72	7956.78	756.72	780.69	956.66	171.20	443.25	301.35	2.19	18104.68									
1993-94	2110.07	3275.33	556.81	2239.70	64.69	8576.15	825.38	786.19	209.82	217.22	463.40	388.64	8.66	19722.06									
1994-95	2845.96	3850.18	694.09	2912.48	188.28	8168.84	1070.21	1014.64	135.78	270.55	573.63	421.71	-7.96	22138.39									
1995-96	3466.14	4394.46	1080.62	3455.74	355.19	8453.69	1312.62	977.86	234.47	365.57	586.71	406.02	76.71	25165.80									
1996-97	4228.98	5075.01	1481.46	3873.51	490.37	9833.76	1476.03	1034.25	287.06	359.32	550.32	421.21	169.45	29280.73									
1997-98	4568.97	5920.79	1794.50	4040.58	323.15	9831.40	1173.24	1036.19	177.25	340.87	721.78	344.43	203.27	30476.42									
1998-99	5224.44	6664.35	2297.70	4476.14	331.75	11251.24	1234.71	1332.21	217.76	442.03	829.86	599.04	208.73	35109.96									
1999-00	6247.12	6892.77	2313.38	4896.69	145.08	12483.20	1143.64	1424.92	184.91	565.48	974.88	672.79	363.27	38308.13									

Source : Various issues of RBI bulletin on States' budget

CAPITAL PLAN OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family			Housing & Urban Development			Welfare, Security, Nutritional Programs			Other Social Services			Agricult., Rural Development, Special Area Programs			Industry & Minerals			Irrigation & Flood Control			Energy			Roads & Bridges			Other Economic Services			General Services			Assignment to Local Bodies			Total		
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.	36.			
1974-75	10.61	57.87	19.16	69.45	11.89	249.28	70.17	432.13	443.05	108.40	89.66	15.88	0.00	1577.55																									
1975-76	14.40	72.18	21.87	69.66	18.82	258.41	93.81	549.10	605.17	139.69	83.27	16.78	0.00	1943.16																									
1976-77	16.43	87.25	28.88	126.82	27.06	405.29	131.16	745.17	720.76	153.19	113.47	26.84	0.00	2582.32																									
1977-78	16.09	99.69	34.21	141.73	27.05	378.52	106.97	947.97	873.98	188.93	135.25	37.05	0.00	2987.44																									
1978-79	22.81	113.18	36.63	168.89	25.15	427.67	126.81	1107.55	1052.89	267.77	210.22	38.75	0.00	3598.32																									
1979-80	27.84	162.66	37.70	185.08	21.31	502.69	146.65	1249.24	1116.62	321.92	219.99	50.92	0.00	4042.62																									
1980-81	30.17	212.64	46.88	252.95	27.61	586.83	170.57	1386.10	1151.94	396.47	257.50	55.44	0.00	4575.10																									
1981-82	39.38	253.56	55.60	277.99	27.23	624.81	261.20	1559.03	1246.49	438.06	287.85	81.30	0.00	5152.50																									
1982-83	41.21	313.26	60.21	289.11	30.54	731.82	243.52	1693.18	1380.04	455.38	321.09	72.60	0.00	5631.96																									
1983-84	41.99	408.48	74.21	301.05	19.90	852.59	297.27	1824.31	1575.11	468.94	333.56	76.33	0.00	6273.74																									
1984-85	52.38	407.13	77.07	339.12	37.91	897.52	338.67	1992.40	1514.05	536.73	405.65	94.00	0.00	6692.63																									
1985-86	87.96	438.86	221.23	84.31	251.07	586.59	423.20	2486.35	1772.99	627.70	365.28	131.05	0.00	7476.59																									
1986-87	119.26	507.19	374.29	95.31	346.57	759.28	554.21	2648.74	2343.89	736.85	478.10	243.43	0.00	9207.12																									
1987-88	126.99	563.21	406.24	80.89	363.91	680.49	772.19	2963.36	2400.87	773.98	472.99	815.06	0.00	10420.18																									
1988-89	166.21	588.62	386.21	85.44	320.88	796.14	563.73	3229.39	2417.81	822.63	475.18	515.21	0.00	10367.45																									
1989-90	258.22	507.29	429.60	89.48	277.09	840.05	748.24	3225.62	3225.85	927.58	475.13	512.99	0.00	11517.14																									
1990-91	281.84	562.83	423.57	140.69	350.65	931.57	680.81	3565.44	3761.07	1046.19	867.77	439.81	0.00	13052.24																									
1991-92	275.37	748.49	523.84	184.67	475.37	1108.58	746.80	3720.80	5322.55	1082.30	548.26	413.81	0.00	15150.84																									
1992-93	299.96	789.61	439.70	199.40	469.01	1236.90	747.00	4082.84	4854.13	1223.66	658.91	285.67	0.00	15286.79																									
1993-94	312.52	918.05	540.06	184.56	524.16	1208.30	836.82	4767.04	4748.38	1640.74	752.25	575.09	0.00	17007.97																									
1994-95	383.67	1159.74	550.21	257.27	903.20	1387.32	759.81	5691.09	7993.54	2133.56	586.44	569.46	0.00	22375.31																									
1995-96	467.83	1252.69	673.10	241.30	1049.40	1706.55	672.58	6389.15	6911.71	2479.69	883.44	556.67	0.00	23284.11																									
1996-97	506.82	1415.61	1200.83	429.14	945.23	2104.13	918.94	6688.26	4907.95	2911.45	1091.31	665.53	0.00	23765.20																									
1997-98	542.21	1669.27	827.25	497.57	1049.96	1928.87	842.89	7851.86	7987.15	2950.23	1757.74	878.60	0.00	28783.60																									
1998-99	633.59	2206.81	925.75	556.90	1025.13	2213.35	851.39	7900.09	7273.67	4183.69	1253.02	737.27	0.00	29760.66																									
1999-00	420.53	2553.47	1144.72	599.19	1030.68	2465.65	852.23	8958.60	7082.77	4730.13	1144.23	1030.23	0.00	32012.43																									

Source : Various issues of RBI bulletin on States' budget

TOTAL PLAN OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family				Agricult., Rural				Roads & Bridges	Other Economic Services	General Services	Assignment to Local Bodies	Total	
	Education Sports Art & Culture	Planning, Public Health & Water Supply	Housing & Urban Development	Welfare, Security, Nutritional Programs	Other Social Services	Development, Special Area Programs	Industry & Minerals	Irrigation & Flood Control						Energy
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
1974-75	86.49	203.47	27.97	141.52	24.51	488.37	93.50	437.12	454.75	137.31	103.30	38.94	0.00	2237.25
1975-76	139.82	245.37	38.51	154.91	62.39	567.75	122.85	555.58	612.27	177.46	103.86	42.07	0.00	2822.84
1976-77	306.21	383.44	44.81	219.40	44.11	797.87	175.26	745.96	728.16	190.32	156.67	61.57	0.00	3853.78
1977-78	209.88	379.34	49.78	252.95	95.64	885.40	166.54	956.88	883.37	241.95	182.43	68.89	0.00	4373.05
1978-79	272.17	478.52	81.63	372.40	80.65	1173.68	217.00	1151.29	1064.42	343.27	266.59	73.31	0.00	5574.93
1979-80	174.75	549.70	77.38	396.13	83.22	1414.79	237.56	1264.28	1137.13	383.45	274.42	90.99	0.02	6083.82
1980-81	259.95	709.26	73.81	665.60	116.01	1775.02	288.77	1398.11	1170.33	469.19	321.79	111.97	0.00	7359.81
1981-82	315.63	882.79	91.58	708.59	101.16	1967.59	403.71	1596.18	1265.21	501.33	368.91	136.27	0.00	8338.95
1982-83	434.76	1164.88	95.73	776.19	90.90	2375.76	406.39	1712.12	1410.60	519.21	422.89	130.62	0.00	9540.05
1983-84	547.73	1555.63	113.29	903.83	96.32	3044.17	494.06	1866.38	1605.51	557.89	455.04	147.70	0.06	11387.61
1984-85	690.86	1596.93	124.79	1025.37	135.68	3881.28	613.17	2019.07	1552.64	620.48	558.42	161.85	0.00	12980.54
1985-86	638.51	1591.65	368.23	836.40	274.76	3557.06	757.55	2825.27	1801.47	700.42	427.20	227.41	3.35	14009.28
1986-87	815.20	2144.20	581.03	1133.06	370.38	4438.86	961.17	3208.31	2389.33	898.64	564.96	358.83	-0.31	17863.66
1987-88	974.64	2526.85	616.22	1353.13	412.81	5019.85	1203.15	3723.70	2691.52	1065.96	571.69	996.59	-0.83	21155.28
1988-89	1397.95	2683.10	695.36	1452.53	357.39	5652.58	1111.53	3989.72	2505.68	1027.01	570.52	699.28	1.47	22144.12
1989-90	1905.77	2767.95	802.24	1632.50	307.02	4902.98	1385.27	3738.92	3396.50	1031.89	644.60	740.51	2.49	23258.64
1990-91	1586.83	2862.31	801.06	1672.17	381.98	7159.68	1357.70	4177.69	4276.98	1185.65	1292.60	677.72	0.50	27432.87
1991-92	1737.37	3479.49	952.84	1884.67	511.37	7778.58	1459.80	4349.80	5884.55	1278.30	1053.26	714.48	0.00	31084.51
1992-93	1959.81	3502.14	889.48	2077.36	504.73	9193.68	1503.72	4863.53	5810.79	1394.86	1102.16	587.02	2.19	33391.47
1993-94	2422.59	4193.38	1096.87	2424.26	588.85	9784.45	1662.20	5553.23	4958.20	1857.96	1215.65	963.73	8.66	36730.03
1994-95	3229.63	5009.92	1244.30	3169.75	1091.48	9556.16	1830.02	6705.73	8129.32	2404.11	1160.07	991.17	-7.96	44513.70
1995-96	3933.97	5647.15	1753.72	3697.04	1404.59	10160.24	1985.20	7367.01	7146.18	2845.26	1470.15	962.69	76.71	48449.91
1996-97	4735.80	6490.62	2682.29	4302.65	1435.60	11937.89	2394.97	7702.51	5195.01	3270.77	1641.63	1086.74	169.45	53045.93
1997-98	5111.18	7590.06	2621.75	4538.15	1373.11	11760.27	2016.13	8888.05	8164.40	3291.10	2479.52	1223.03	203.27	59260.02
1998-99	5858.03	8871.16	3223.45	5033.04	1356.88	13464.59	2086.10	9232.30	7491.43	4625.72	2082.88	1336.31	208.73	64870.62
1999-00	6667.65	9446.24	3458.10	5495.88	1175.76	14948.85	1995.87	10383.52	7267.68	5295.61	2119.11	1703.02	363.27	70320.56

Source : Various issues of RBI bulletin on States' budget

TOTAL REVENUE OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family			Housing & Urban Development			Welfare, Security, Nutritional Programs			Other Social Services			Agricult., Rural Development, Special Area Programs			Industry & Minerals			Irrigation & Flood Control			Energy			Roads & Bridges			Other Economic Services			General Services			Assignment to Local Bodies			Total																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.	36.	37.	38.	39.	40.	41.	42.	43.	44.	45.	46.	47.	48.	49.	50.	51.	52.	53.	54.	55.	56.	57.	58.	59.	60.	61.	62.	63.	64.	65.	66.	67.	68.	69.	70.	71.	72.	73.	74.	75.	76.	77.	78.	79.	80.	81.	82.	83.	84.	85.	86.	87.	88.	89.	90.	91.	92.	93.	94.	95.	96.	97.	98.	99.	100.	101.	102.	103.	104.	105.	106.	107.	108.	109.	110.	111.	112.	113.	114.	115.	116.	117.	118.	119.	120.	121.	122.	123.	124.	125.	126.	127.	128.	129.	130.	131.	132.	133.	134.	135.	136.	137.	138.	139.	140.	141.	142.	143.	144.	145.	146.	147.	148.	149.	150.	151.	152.	153.	154.	155.	156.	157.	158.	159.	160.	161.	162.	163.	164.	165.	166.	167.	168.	169.	170.	171.	172.	173.	174.	175.	176.	177.	178.	179.	180.	181.	182.	183.	184.	185.	186.	187.	188.	189.	190.	191.	192.	193.	194.	195.	196.	197.	198.	199.	200.	201.	202.	203.	204.	205.	206.	207.	208.	209.	210.	211.	212.	213.	214.	215.	216.	217.	218.	219.	220.	221.	222.	223.	224.	225.	226.	227.	228.	229.	230.	231.	232.	233.	234.	235.	236.	237.	238.	239.	240.	241.	242.	243.	244.	245.	246.	247.	248.	249.	250.	251.	252.	253.	254.	255.	256.	257.	258.	259.	260.	261.	262.	263.	264.	265.	266.	267.	268.	269.	270.	271.	272.	273.	274.	275.	276.	277.	278.	279.	280.	281.	282.	283.	284.	285.	286.	287.	288.	289.	290.	291.	292.	293.	294.	295.	296.	297.	298.	299.	300.	301.	302.	303.	304.	305.	306.	307.	308.	309.	310.	311.	312.	313.	314.	315.	316.	317.	318.	319.	320.	321.	322.	323.	324.	325.	326.	327.	328.	329.	330.	331.	332.	333.	334.	335.	336.	337.	338.	339.	340.	341.	342.	343.	344.	345.	346.	347.	348.	349.	350.	351.	352.	353.	354.	355.	356.	357.	358.	359.	360.	361.	362.	363.	364.	365.	366.	367.	368.	369.	370.	371.	372.	373.	374.	375.	376.	377.	378.	379.	380.	381.	382.	383.	384.	385.	386.	387.	388.	389.	390.	391.	392.	393.	394.	395.	396.	397.	398.	399.	400.	401.	402.	403.	404.	405.	406.	407.	408.	409.	410.	411.	412.	413.	414.	415.	416.	417.	418.	419.	420.	421.	422.	423.	424.	425.	426.	427.	428.	429.	430.	431.	432.	433.	434.	435.	436.	437.	438.	439.	440.	441.	442.	443.	444.	445.	446.	447.	448.	449.	450.	451.	452.	453.	454.	455.	456.	457.	458.	459.	460.	461.	462.	463.	464.	465.	466.	467.	468.	469.	470.	471.	472.	473.	474.	475.	476.	477.	478.	479.	480.	481.	482.	483.	484.	485.	486.	487.	488.	489.	490.	491.	492.	493.	494.	495.	496.	497.	498.	499.	500.	501.	502.	503.	504.	505.	506.	507.	508.	509.	510.	511.	512.	513.	514.	515.	516.	517.	518.	519.	520.	521.	522.	523.	524.	525.	526.	527.	528.	529.	530.	531.	532.	533.	534.	535.	536.	537.	538.	539.	540.	541.	542.	543.	544.	545.	546.	547.	548.	549.	550.	551.	552.	553.	554.	555.	556.	557.	558.	559.	560.	561.	562.	563.	564.	565.	566.	567.	568.	569.	570.	571.	572.	573.	574.	575.	576.	577.	578.	579.	580.	581.	582.	583.	584.	585.	586.	587.	588.	589.	590.	591.	592.	593.	594.	595.	596.	597.	598.	599.	600.	601.	602.	603.	604.	605.	606.	607.	608.	609.	610.	611.	612.	613.	614.	615.	616.	617.	618.	619.	620.	621.	622.	623.	624.	625.	626.	627.	628.	629.	630.	631.	632.	633.	634.	635.	636.	637.	638.	639.	640.	641.	642.	643.	644.	645.	646.	647.	648.	649.	650.	651.	652.	653.	654.	655.	656.	657.	658.	659.	660.	661.	662.	663.	664.	665.	666.	667.	668.	669.	670.	671.	672.	673.	674.	675.	676.	677.	678.	679.	680.	681.	682.	683.	684.	685.	686.	687.	688.	689.	690.	691.	692.	693.	694.	695.	696.	697.	698.	699.	700.	701.	702.	703.	704.	705.	706.	707.	708.	709.	710.	711.	712.	713.	714.	715.	716.	717.	718.	719.	720.	721.	722.	723.	724.	725.	726.	727.	728.	729.	730.	731.	732.	733.	734.	735.	736.	737.	738.	739.	740.	741.	742.	743.	744.	745.	746.	747.	748.	749.	750.	751.	752.	753.	754.	755.	756.	757.	758.	759.	760.	761.	762.	763.	764.	765.	766.	767.	768.	769.	770.	771.	772.	773.	774.	775.	776.	777.	778.	779.	780.	781.	782.	783.	784.	785.	786.	787.	788.	789.	790.	791.	792.	793.	794.	795.	796.	797.	798.	799.	800.	801.	802.	803.	804.	805.	806.	807.	808.	809.	810.	811.	812.	813.	814.	815.	816.	817.	818.	819.	820.	821.	822.	823.	824.	825.	826.	827.	828.	829.	830.	831.	832.	833.	834.	835.	836.	837.	838.	839.	840.	841.	842.	843.	844.	845.	846.	847.	848.	849.	850.	851.	852.	853.	854.	855.	856.	857.	858.	859.	860.	861.	862.	863.	864.	865.	866.	867.	868.	869.	870.	871.	872.	873.	874.	875.	876.	877.	878.	879.	880.	881.	882.	883.	884.	885.	886.	887.	888.	889.	890.	891.	892.	893.	894.	895.	896.	897.	898.	899.	900.	901.	902.	903.	904.	905.	906.	907.	908.	909.	910.	911.	912.	913.	914.	915.	916.	917.	918.	919.	920.	921.	922.	923.	924.	925.	926.	927.	928.	929.	930.	931.	932.	933.	934.	935.	936.	937.	938.	939.	940.	941.	942.	943.	944.	945.	946.	947.	948.	949.	950.	951.	952.	953.	954.	955.	956.	957.	958.	959.	960.	961.	962.	963.	964.	965.	966.	967.	968.	969.	970.	971.	972.	973.	974.	975.	976.	977.	978.	979.	980.	981.	982.	983.	984.	985.	986.	987.	988.	989.	990.	991.	992.	993.	994.	995.	996.	997.	998.	999.	1000.	1001.	1002.	1003.	1004.	1005.	1006.	1007.	1008.	1009.	1010.	1011.	1012.	1013.	1014.	1015.	1016.	1017.	1018.	1019.	1020.	1021.	1022.	1023.	1024.	1025.	1026.	1027.	1028.	1029.	1030.	1031.	1032.	1033.	1034.	1035.	1036.	1037.	1038.	1039.	1040.	1041.	1042.	1043.	1044.	1045.	1046.	1047.	1048.	1049.	1050.	1051.	1052.	1053.	1054.	1055.	1056.	1057.	1058.	1059.	1060.	1061.	1062.	1063.	1064.	1065.	1066.	1067.	1068.	1069.	1070.	1071.	1072.	1073.	1074.	1075.	1076.	1077.	1078.	1079.	1080.	1081.	1082.	1083.	1084.	1085.	1086.	1087.	1088.	1089.	1090.	1091.	1092.	1093.	1094.	1095.	1096.	1097.	1098.	1099.	1100.	1101.	1102.	1103.	1104.	1105.	1106.	1107.	1108.	1109.	1110.	1111.	1112.	1113.	1114.	1115.	1116.	1117.	1118.	1119.	1120.	1121.	1122.	1123.	1124.	1125.	1126.	1127.	1128.	1129.	1130.	1131.	1132.	1133.	1134.	1135.	1136.	1137.	1138.	1139.	1140.	1141.	1142.	1143.	1144.	1145.	1146.	1147.	1148.	1149.	1150.	1151.	1152.	1153.	1154.	1155.	1156.	1157.	1158.	1159.	1160.	1161.	1162.	1163.	1164.	1165.	1166.	1167.	1168.	1169.	1170.	1171.	1172.	1173.	1174.	1175.	1176.	1177.	1178.	1179.	1180.	1181.	1182.	1183.	1184.	1185.	1186.	1187.	1188.	1189.	1190.	1191.	1192.	1193.	1194.	1195.	1196.	1197.	1198.	1199.	1200.	1201.	1202.	1203.	1204.	1205.	1206.	1207.	1208.	1209.	1210.	1211.	1212.	1213.	1214.	1215.	1216.	1217.	1218.	1219.	1220.	1221.	1222.	1223.	1224.	1225.	1226.	1227.	1228.	1229.	1230.	1231.	1232.	1233.	1234.	1235.	1236.	1237.	1238.	1239.	1240.	1241.	1242.	1243.	1244.	1245.	1246.	1247.	1248.	1249.	1250.	1251.	1252.	1253.	1254.	1255.	1256.	1257.	1258.	1259.	1260.	1261.	1262.	1263.	1264.	1265.	1266.	1267.	1268.	1269.	1270.	1271.	1272.	1273.	1274.	1275.	1276.	1277.	1278.	1279.	1280.	1281.	1282.	1283.	1284.	1285.	1286.	1287.	1288.	1289.	1290.	1291.	1292.	1293.	1294.	1295.	1296.	1297.	1298.	1299.	1300.	1301.	1302.	1303.	1304.	1305.	1306.	1307.	1308.	1309.	1310.	1311.	1312.	1313.	1314.	1315.	1316.	1317.	1318.	1319.	1320.	1321.	1322.	1323.	1324.	1325.	1326.	1327.	1328.	1329.	1330.	1331.	1332.	1333.	1334.	1335.	1336.	1337.	1338.	1339.	1340.	1341.	1342.	1343.	1344.	1345.	1346.	1347.	1348.	1349.	1350.	1351.	1352.	1353.	1354.	1355.	1356.	1357.	1358.	1359.	1360.	1361.	1362.	1363.	1364.	1365.	1366.	1367.	1368.	1369.	1370.	1371.	1372.	1373.	1374.	1375.	1376.	1377.	1378.	1379.	1380.	1381.	1382.	1383.	1384.	1385.	1386.	1387.	1388.	1389.	1390.	1391.	1392.	1393.	1394.	1395.	1396.	1397.	1398.	1399.	1400.	1401.	1402.	1403.	1404.	1405.	1406.	1407.	1408.	1409.	1410.	1411.	1412.	1413.	1414.	1415.	1416.	1417.	1418.	1419.	1420.	1421.	1422.	1423.	1424.	1425.	1426.	1427.	1428.	1429.	1430.	1431.	1432.	1433.	1434.	1435.	1436.	1437.	1438.	1439.	1440.	1441.	1442.	1443.	1444.	1445.	1446.	1447.	1448.	1449.	1450.	1451.	1452.	1453.	1454.

TOTAL CAPITAL OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family			Housing, Urban & Development			Welfare, Security, Nutritional Programs			Other Social Services			Agricult., Rural Development, Special Area Programs			Industry & Minerals	Irrigation & Flood Control	Energy	Roads & Bridges	Other Economic Services	General Services	Assignment to Local Bodies	Total
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.									
1974-75	11.11	63.38	25.83	106.76	17.49	379.65	76.51	448.47	454.32	110.70	147.57	734.91	0.00	2576.70									
1975-76	15.11	74.27	25.03	119.60	25.48	518.04	98.08	569.10	645.29	145.51	127.68	950.98	0.00	3314.17									
1976-77	17.94	87.97	35.49	193.44	32.84	474.54	124.35	771.21	780.11	162.85	184.42	1035.71	0.00	3900.87									
1977-78	16.31	103.42	36.67	196.79	32.75	397.55	117.46	969.09	924.78	200.33	226.18	1127.63	0.00	4348.96									
1978-79	23.44	118.33	40.99	236.12	22.31	605.48	136.05	1134.53	1131.05	275.67	294.93	1159.58	0.00	5178.48									
1979-80	27.83	166.08	44.54	283.17	19.06	846.31	157.70	1276.75	1209.55	329.74	287.55	1193.16	0.00	5841.44									
1980-81	30.58	217.66	49.68	320.63	25.26	1029.17	197.79	1413.18	1349.80	406.75	405.59	2410.11	0.00	7856.20									
1981-82	40.33	265.34	68.65	360.46	23.27	864.54	280.22	1592.59	1455.76	455.04	451.02	2237.11	0.00	8094.33									
1982-83	42.02	317.60	73.66	373.31	60.35	918.63	263.88	1700.43	1607.75	462.58	468.03	2216.12	0.00	8504.36									
1983-84	42.19	413.29	115.61	384.54	20.54	1080.48	312.84	1864.44	1763.45	494.02	539.28	2706.29	0.00	9736.97									
1984-85	52.67	412.38	92.48	450.93	37.69	1404.04	362.02	2050.24	2000.43	549.69	562.94	3532.10	0.00	11507.61									
1985-86	88.09	448.44	255.54	87.26	294.55	1024.79	466.03	2598.25	2043.10	633.20	717.11	3440.55	0.00	12096.91									
1986-87	120.16	527.92	429.48	103.09	408.13	983.15	598.06	2711.09	2631.35	768.36	679.39	3768.33	0.00	13728.51									
1987-88	129.05	588.40	460.10	102.33	423.10	1024.66	790.09	2966.11	2817.91	777.24	614.39	4089.98	0.00	14783.36									
1988-89	167.55	608.48	456.06	106.09	397.71	945.31	592.54	3265.53	2650.43	818.66	738.44	4103.43	0.00	14850.23									
1989-90	264.29	521.59	502.62	103.14	365.13	1378.76	789.32	3291.03	3437.33	934.96	781.41	4194.98	0.00	16564.56									
1990-91	283.53	591.04	529.14	146.51	447.64	1413.27	807.56	3656.48	4590.06	1086.94	962.99	4797.14	0.00	19312.30									
1991-92	277.99	775.05	725.21	201.15	611.64	1145.30	793.19	3851.83	5724.52	1141.56	831.07	5664.49	0.00	21743.00									
1992-93	302.06	812.30	697.78	214.32	740.27	1711.13	822.48	4293.17	5318.44	1254.82	935.67	6027.02	0.00	23129.46									
1993-94	314.45	957.81	878.57	192.17	675.49	1588.58	941.29	4967.95	5253.59	1647.12	1132.38	6722.96	0.00	25272.36									
1994-95	396.90	1217.71	945.54	235.61	1174.66	1853.11	1067.74	5862.12	9681.75	2171.83	1103.40	7403.54	0.00	33113.91									
1995-96	474.90	1264.40	1063.30	247.18	1179.02	2385.85	928.98	6645.77	7540.13	2517.69	1296.39	7036.23	0.00	32579.84									
1996-97	513.62	1424.49	1681.49	438.72	1073.28	1837.56	1071.86	6960.60	6216.40	2930.92	1704.81	7965.13	0.00	33818.88									
1997-98	555.14	1676.94	1301.01	502.13	1173.95	2612.24	1016.42	8311.11	8930.19	2975.26	2428.64	10018.04	0.00	41501.07									
1998-99	661.14	2260.16	1445.94	579.08	1124.57	3284.44	1005.10	8505.51	7712.29	4212.30	1855.22	13625.58	0.00	46271.33									
1999-00	420.32	2581.72	2107.33	583.26	1150.77	4514.88	911.26	9849.51	7279.61	4754.27	1829.32	16908.36	0.00	52890.61									

Source: Various issues of RBI bulletin on States' finances

TOTAL OUTLAY OF STATES - MAJOR SECTOR WISE (ACTUALS)

(Rs. crore at current prices)

Year	Medical, Family			Agricult., Rural			Roads & Bridges	Other Economic Services	General Services	Assignment to Local Bodies	Total			
	Education Sports Art & Culture	Planning, Public Health & Water Supply	Housing & Urban Development	Welfare, Security, Nutritional Programs	Other Social Services	Development, Special Area Programs						Industry & Minerals	Irrigation & Flood Control	Energy
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
1974-75	1404.61	628.49	60.09	369.06	187.31	1267.48	167.51	703.43	518.40	320.18	317.78	2597.28	71.93	8613.55
1975-76	1634.65	722.51	71.37	414.74	214.36	1576.65	196.38	845.23	711.98	367.11	317.45	3134.21	74.03	10280.67
1976-77	1800.43	896.65	89.01	519.50	200.33	1682.72	246.74	1087.12	857.27	445.40	409.27	3514.03	92.59	11841.06
1977-78	2048.12	937.33	103.93	567.57	274.26	1800.25	257.82	1343.63	1025.88	513.00	476.09	3809.69	102.83	13260.40
1978-79	2321.40	1104.25	132.98	744.93	255.90	2408.17	317.53	1607.08	1273.67	654.60	576.16	4162.63	130.50	15689.80
1979-80	2603.47	1337.69	138.62	918.98	406.88	2953.15	355.48	1764.05	1392.27	764.74	614.15	4496.56	176.45	17922.49
1980-81	3148.14	1608.11	134.81	1237.62	472.15	3599.34	434.98	2001.77	1693.93	923.75	706.23	6498.25	204.93	22664.01
1981-82	3645.59	1949.26	158.16	1465.68	437.73	3826.04	558.54	2302.55	1746.23	1042.90	826.93	6997.79	212.17	25169.57
1982-83	4400.14	2329.19	191.73	1655.64	775.16	4338.51	570.87	2447.17	1967.91	1080.91	892.04	7845.42	247.10	28741.79
1983-84	5061.88	2843.23	248.03	1949.47	685.68	5390.19	719.74	2759.04	2105.09	1166.22	1043.35	9264.57	303.77	33540.26
1984-85	5901.55	3180.77	244.90	2170.13	921.12	6723.31	833.72	3086.52	2420.08	1272.85	1203.13	11541.43	357.10	39856.61
1985-86	6928.29	3674.80	671.48	2107.09	1158.59	6492.40	1054.09	4488.06	2269.79	1467.63	1420.30	12734.47	399.60	44866.59
1986-87	7875.52	4259.18	980.78	2502.77	1168.03	7333.62	1264.76	5119.38	3035.35	1859.55	1503.63	14516.19	441.68	51860.44
1987-88	9139.47	4963.29	1009.64	2879.63	1416.53	8377.47	1522.74	5741.13	3732.37	2076.59	1654.13	16930.56	490.64	59934.19
1988-89	11110.14	5480.18	1181.32	3102.49	1435.86	9173.07	1461.40	6584.49	3424.17	2194.73	1835.74	19539.84	554.63	67078.06
1989-90	13835.31	5962.10	1359.24	3501.57	1115.42	9388.53	2006.74	6685.35	4529.80	2448.25	2317.85	23028.07	602.99	76781.22
1990-91	15811.24	6815.10	1524.03	4287.57	1522.21	12712.64	1972.86	7112.68	5578.56	2935.59	3097.39	26934.13	784.05	91088.05
1991-92	17353.99	7674.05	1886.21	4850.15	1917.64	13825.30	2065.19	7992.83	10754.52	3359.56	2907.07	32329.79	1016.00	107932.30
1992-93	19563.17	8568.83	1870.55	5361.49	1967.76	16903.48	2178.66	9161.06	7933.71	3720.58	3337.68	37532.96	1234.72	119334.65
1993-94	21907.98	10051.61	2190.61	5890.68	1938.22	18246.58	2359.49	10396.05	8421.46	4421.06	3563.88	44089.67	1171.26	134648.55
1994-95	25473.61	11595.14	2512.31	6918.19	2440.99	18446.18	2772.73	12244.85	12670.97	5382.14	4247.63	55574.64	1302.11	161581.49
1995-96	29386.12	12883.75	3073.95	8967.72	3523.85	19463.60	2889.04	13792.53	10723.39	6023.87	4091.50	61233.66	1530.73	177583.71
1996-97	33577.93	14522.15	4181.88	9722.28	3454.93	20893.62	3227.34	14939.33	15768.84	6844.69	4874.78	68829.05	1930.32	202767.14
1997-98	37715.09	16964.00	4239.53	10987.88	3614.32	23437.04	3005.39	16961.89	15092.45	7286.94	5963.85	79909.43	2956.97	228134.78
1998-99	46309.97	20221.45	5105.08	12610.85	3844.34	28143.67	3180.78	18399.94	13331.80	8122.80	5232.76	98326.79	3530.62	266360.85
1999-00	56350.12	22287.73	6191.31	13733.29	4418.92	31785.92	3052.84	20287.51	14072.56	9216.34	5920.43	122052.35	4539.48	313888.80

Source : Various issues of RBI bulletin on States' budget

CHAPTER 3

DEVELOPMENT TRENDS

3.1 A comparison of the targeted and actual rates of growth recorded in the nine Five Year Plans so far show that while up to the Fifth Plan the actual growth rates fell generally short of the targeted rates of growth, from the Fifth Plan to the Eighth Plan growth rates achieved were consistently higher than those targeted. This trend has been broken with a shortfall in the actual versus targeted growth in the Ninth Plan. However, the gross domestic product (GDP) of the country as a whole has grown steadily over all the Five Year Plans (Chart 3.1).

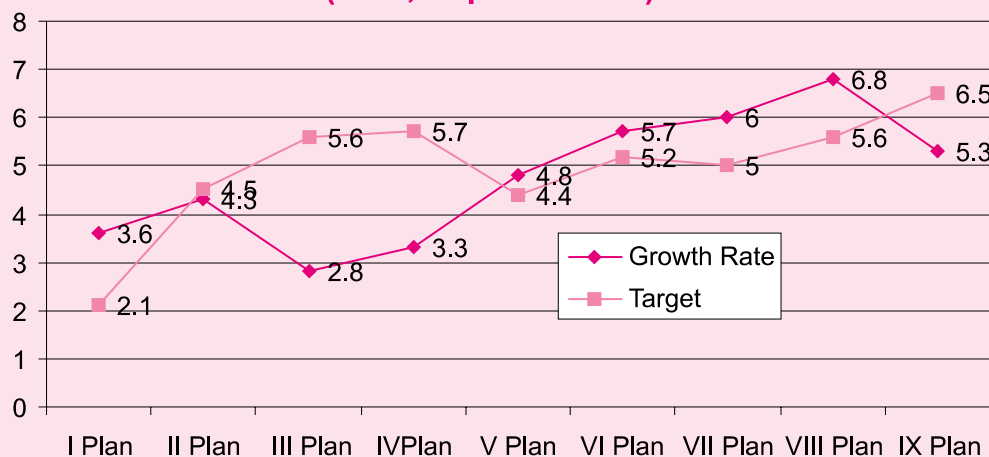
3.2 The high rate of economic growth has been accompanied by a reduction in poverty. There has been an appreciable decline in the percentage of population below the poverty line from over 50 per cent in the 1970s to less than 30 per cent in the late 1990s. There have been improvements in the social indicators as well. The

literary rate has increased from less than 20 per cent in 1951 to 65 per cent in 2001. According to the recent Human Development Reports (HDRs) of United Nations Development Programme (UNDP), India has been moving up steadily in the international comparative ranking of human development.

3.3 The adoption of planning and a strategy of State-led industrialisation was intended to lead to a more balanced growth in the country. It was expected that, over time, inter-State disparities would be minimised. Plans and policies were designed to facilitate more investments in the relatively backward areas. Nevertheless, socio-economic variations across States continue to exist even today.

3.4 This chapter attempts to bring out comparable trends in the development of various

Chart 3.1
Growth Rate of Indian Economy during Five Year Plans
(GDP, % per annum)



Source : National Accounts Statistics, 2000, CSO

States of the country in terms of available and generally accepted development indicators. An attempt is made to cover as large a period of planning experience of the States as is possible, given the constraints of consistency and comparability of data. The chapter is arranged in sections that deal with specific subjects and areas, as: Major Economic Indicators, Human Development, Infrastructure, and Capital Flows.

MAJOR ECONOMIC INDICATORS

3.5 This section compares broad economic trends in States over as long a time span as is feasible. The major economic indicators used here to capture long term development trends of States are income growth, structural composition of income and employment, poverty, agricultural productivity and population.

Income Growth

3.6 Growth of State Domestic Product (SDP) is the single most important indicator of development for a State. Ideally, the SDP series of each State should be fully consistent with the national accounts estimates of GDP. However, this is not the case. Information on SDP compiled by the State Governments is collected by the Central Statistical Organisation (CSO) and is used as one of the inputs of national accounts estimation. In this process, the CSO takes notes of the differences in methods of estimating the SDP in different States, but it does not refine the series to make them statistically comparable with each other and with the national accounts. Accordingly, we restrict the use of the data to comparison of the trends in growth rate only in order to reduce the error margin inherent in the data and avoid direct inter-State comparison of data as far as possible.

3.7 We look at the trend rates of growth for State domestic product from 1960s to 1990s of major States only, as comparable data are not available for smaller States and new States created during this period. With the exception of Assam, Haryana, Himachal Pradesh and Punjab, the State income data from 1960-61 is available for all of the other major States. For Assam,

Haryana and Punjab, data for 1960-61 and from 1965-66 onwards is available. For Himachal Pradesh the data set begins from 1967-68. Base years taken for arriving at the trend real rates of decadal growth are 1960-61, 1970-71, 1980-81 and 1993-94 for the four decades respectively.

3.8 Although the first data series continues through 1984-85, we have taken 1960-61 to 1979-80 to be the first period. This is because with effect from 1980-81 a second data series came into existence, incorporating improvements in method and extension of coverage. The 1980-81 series was in use till 1997-98. A third series with 1993-94 as the base year was introduced in 1999, with changes in the coverage of economic activities. In our analysis of the growth experience of individual States, we will thus be making use of these three distinct data series. The source of the data is the Central Statistical Organisation.

3.9 In the nineteen sixties, the highest growth rates were recorded by the erstwhile unified Punjab and adjoining areas (now Himachal Pradesh, Punjab and Haryana). In this decade, Bihar was the slowest growing State economy recording less than 1 per cent growth, which implied a decline in per capita income. Uttar Pradesh, Rajasthan, Madhya Pradesh and Andhra Pradesh recorded less than 2 per cent growth (Table 3.1).

3.10 In the seventies, the pattern of rates of growth remained largely unchanged. Along with Punjab, Haryana, Jammu & Kashmir, the western States of Maharashtra and Gujarat, and the southern States of Karnataka and Tamil Nadu began to register higher rates of growth. Madhya Pradesh and Kerala were at the bottom with negative real per capita income growth in this period.

3.11 The national average of economic growth picked up from the 3.6 per cent of the previous decade to 5.6 per cent in the eighties. Individual States showed the greatest consistency in their growth record during this decade as reflected in the decrease of measure of inter-State disparity from 2.20 to 1.39. The difference between the

Table 3.1
Trends of Rates of Growth in Net State Domestic Product at
Current Prices - Decades of Sixties and Seventies

States	Net State Domestic Product (NSDP)		Net State Domestic Product (NSDP) per capita	
	1960-61 to 1969-70	1970-71 to 1979-80	1960-61 to 1969-70	1970-71 to 1979-80
Goa	na	6.1	na	3.6
Maharashtra	2.9	5.7	.04	3.3
Punjab	5.6	5.4	3.5	3.2
Haryana	5.5	4.8	2.6	2.2
Gujarat	2.7	4.5	0.1	2.0
Karnataka	3.4	4.3	1.2	1.8
Delhi	5.1	6.2	0.7	1.7
Jammu & Kashmir	3.1	4.4	0.5	1.6
Tamil Nadu	2.1	3.4	0.1	1.6
All India	3.0	3.6	0.8	1.2
Andhra Pradesh	1.5	3.2	-0.4	1.1
Assam	4.0	3.0	0.9	0.8
West Bengal	2.5	2.9	0.02	0.7
Bihar	0.7	2.8	-1.3	0.6
Uttar Pradesh	1.6	2.6	-0.2	0.4
Orissa	9.7	2.3	7.3	0.3
Rajasthan	1.3	3.0	-1.1	0.2
Himachal Pradesh	5.6	2.4	3.4	0.2
Kerala	3.8	1.7	1.4	-0.2
Madhya Pradesh	1.5	1.3	-1.1	-1.0

Note : Deflators used in estimation of NSDP for Orissa in this period have discrepancies, as a result of which the Stated growth rates are non-comparable. Name of States is arranged in order of rank in rates of growth of per capita NSDP in 1970-71 to 1979.

Source : Central Statistical Organisation.

highest and the lowest values for the rates of growth across States was 4.0 percentage points. Haryana, Rajasthan, Punjab, Maharashtra, Karnataka and Tamil Nadu recorded the highest growth. Jammu and Kashmir and Assam slipped to the lower end of the growth table.

3.12 The new series of GSDP data was released by the CSO in August 2000 and subsequently updated in November, 2001. Table 3.2 gives the trends of growth in GSDP from 1993-94 onwards for the decade of nineties (with base year 1993-94) based on the new series. The

Table 3.2
Trends in Rates of Growth in Gross State Domestic Product at
Current Prices - Decades of Eighties and Nineties

States	Gross States Domestic Product		Gross States Domestic Product per capita	
	1980-81 to 1990-91	1993-94 to 1998-99	1980-81 to 1990-91	1993-94 to 1998-99
Karnataka	5.4	8.2	3.3	6.4
Gujarat	5.1	8.0	3.0	6.2
Tamil Nadu	5.4	6.8	3.9	5.8
Maharashtra	6.0	7.1	3.6	5.4
Rajasthan	5.9	7.7	3.8	5.3
West Bengal	4.8	6.8	2.6	5.0
All India	5.6	6.8	3.3	4.8
Goa	5.5	8.3	3.9	4.5
Kerala	3.2	5.5	1.7	4.2
Himachal Pradesh	5.0	6.7	3.1	3.9
Haryana	6.2	5.8	3.9	3.6
Andhra Pradesh	4.3	4.9	2.1	3.5
Punjab	5.4	5.0	3.5	3.0
Orissa	5.0	4.3	3.1	2.9
Bihar	4.7	4.2	2.5	2.6
Madhya Pradesh	4.0	4.4	2.1	2.3
Uttar Pradesh	4.9	4.5	2.5	2.3
Jammu & Kashmir	2.2	4.7	-0.4	1.6
Delhi	7.6	6.7	3.2	1.6
Assam	3.6	2.7	1.4	1.0

Note : Name of States is arranged in order of rank in rates of growth of per capita GSDP in 1993-94 to 1998-99.
Source : Central Statistical Organisation.

national average rate of economic growth picked up by more than 1 percentage point to 6.8 per cent in the nineties. The growth record shows an increase in the divergence of individual States (Standard deviation increased from 1.19 in the eighties to 1.60 in the nineties), broadly along the pattern that had come to be established in the decade of the seventies, with some notable differences, however. The difference between the highest and the lowest values for rates of growth across States was 5.5 percentage points, indicating widening of the spread over the preceeding decade. There was one major difference in the growth experience of the nineties from that of the eighties. Punjab and Haryana registered slower rates of growth as compared to the earlier decades, whereas Karnataka, Gujarat, Tamil Nadu, Maharashtra, Rajasthan and West Bengal recorded much higher growth. Karnataka had the highest GDP growth of 8.2 per cent. Assam registered the lowest rate of growth among major States.

3.13 The overall disparity in inter-State growth of NSDP and per capita NSDP of States has increased considerably during the nineties as compared to the eighties and the seventies. (See Table 3.3). In recent decades, the decade of the eighties seems to be a period in which horizontal inequity across States was a minimum compared to other periods. In the nineties the magnitude of disparities was the maximum

3.14 A comparison of the trends in rates of economic growth for all the States in the Nineties

is given in Annexure-3.1. It may be seen that less developed regions including the north eastern States, Orissa and the heartland States of Bihar, Uttar Pradesh & Madhya Pradesh have generally recorded growth rates below the All-India average during the most recent period of 1993-94 to 1998-1999. This trend suggests a widening of the gap between the more and the less developed States. The growth experience of the nineties has two alternative interpretations. One, that the faster growth experienced in some States is at the expense of others and is an outcome of a lessening of the equalising role of Centralised planning. Alternatively, it could be argued that the reformed economic climate allowed some individual States to harness more of their true economic potential; this was not at the expense of other States. The national average growth stepped up by 1 percentage point in the nineties, and most States experienced improved growth in this decade.

Structural Changes in Income and Employment

3.15 The economy of the States have been experiencing major structural changes (Table 3.4), as would be expected in the structure of a developing economy. There has been a shift from the primary sector to secondary and tertiary sectors. Figures for all the 23 States taken together suggest major structural changes away from the predominantly agriculture-based economy that the country has traditionally had.

Table 3.3
Disparity in Growth amongst States/Union Territories

Period	Measure of Disparity in Growth @ (Standard Deviation)		Relative Measure of Disparity in Growth between Per Capita Income and NSDP@ (Covariance)
	NSDP	Per capita NSDP	
1970-71 to 1979-80	2.22	1.81	3.67
1980-81 to 1990-91	1.71	1.02	0.71
1993-94 to 1998-99	3.13	2.40	5.23

Note: - @ : The bigger the value, the more the disparity.

Source : Central Statistical Organisation

3.16 Comparable data regarding net State domestic product at current Prices available for 23 States indicate that in the last three plan periods, the percentage share of the primary sector marginally increased between 1987-88 and 1993-94 and declined to a low of 30.83 per cent in 1999-

2000. The trend for the secondary sector is exactly the opposite, as it should be, and it stood at 14.02 per cent in 1999-2000. However, the share of tertiary sector has been steadily increasing from 49.14 per cent in 1987-88 to an all time high of 55.14 per cent in 1999-2001.

Table 3.4
Percentage Change in Percentage Share in Net State Domestic Product
(1987-88 to 1999-2000)

Sl. No.	States	Change in Percentage Share		
		Primary	Secondary	Tertiary
1	2	3	4	5
1	Andhra Pradesh	-11.97	5.02	7.93
2	Arunachal Pradesh	-29.07	-52.96	41.87
3	Assam	-11.25	9.40	12.03
4	Bihar	-23.55	-10.43	34.64
5	Gujarat	-21.69	12.52	4.65
6	Haryana	-15.18	10.85	9.45
7	Himachal Pradesh	-24.96	48.23	11.81
8	Jammu & Kashmir	-11.38	-17.23	10.42
9	Karnataka	-25.42	10.51	18.50
10	Kerala	-28.01	-23.21	24.25
11	Madhya Pradesh	-16.40	21.05	13.36
12	Maharashtra	-32.48	-4.72	18.52
13	Manipur	-28.13	56.89	20.98
14	Meghalaya	-15.24	-33.22	10.19
15	Orissa	-4.91	-66.27	22.62
16	Punjab	-5.00	-5.03	7.33
17	Rajasthan	-18.15	0.85	15.66
18	Tamil Nadu	-26.15	-13.74	18.73
19	Tripura	-23.94	175.97	10.31
20	Uttar Pradesh	-10.78	27.11	2.96
21	West Bengal	16.72	-38.15	3.74
22	Delhi	-54.37	-43.14	12.07
23	Pondicherry	-56.55	164.88	-27.51

Note : Bihar includes Jharkhand, Madhya Pradesh includes Chhattisgarh and Uttar Pradesh includes Uttaranchal

Source : Central Statistical Organisation

3.17 Against the normal pattern of development, there were significant falls in the share of the secondary sector in income in the case of Arunachal Pradesh, Orissa, West Bengal.

3.18 On the whole, employment trends are consistent with the structural trends in income

(Table 3.5). Exceptions are, West Bengal, which witnessed a decrease in the growth of employment in the agriculture sector in spite of a sharp increase in the growth of the sectoral income; and Delhi, which experienced an increase in the growth of employment share of agriculture in spite of a sharp decrease in the growth of income from the sector.

Table 3.5
Percentage Change in Percentage Share in Employment
(1987-88 to 1999-2000)

Sl. No.	States	Change in Percentage Share		
		Primary	Secondary	Tertiary
1	2	3	4	5
1	Andhra Pradesh	-10.16	-9.80	35.25
2	Arunachal Pradesh	19.01	146.93	-28.61
3	Assam	-16.44	26.90	38.23
4	Bihar	-2.84	9.33	8.68
5	Gujarat	-6.12	8.52	7.44
6	Haryana	-23.35	-1.96	49.31
7	Himachal Pradesh	-20.03	4.29	76.71
8	Jammu & Kashmir	-2.82	-54.71	24.74
9	Karnataka	-12.57	-4.03	41.89
10	Kerala	-27.62	-1.70	37.30
11	Madhya Pradesh	-10.88	-0.52	54.64
12	Maharashtra	-20.94	11.76	46.69
13	Manipur	5.12	-1.24	-9.08
14	Meghalaya	-9.39	-22.57	37.11
15	Orissa	-1.20	0.02	3.98
16	Punjab	-16.54	-8.29	29.39
17	Rajasthan	-6.08	4.31	13.75
18	Tamil Nadu	-18.10	0.99	31.38
19	Tripura	-4.74	-37.65	7.89
20	Uttar Pradesh	-14.27	29.02	35.65
21	West Bengal	-9.48	-0.82	17.01
22	Delhi	25.34	-6.34	0.75
23	Pondicherry	-42.79	29.99	30.36

Note : 1. Bihar includes Jharkhand, Madhya Pradesh includes Chhattisgarh and Uttar Pradesh includes Uttaranchal.

Source : Central Statistical Organisation

Poverty

3.20 The growth performance of States has crucial implications in poverty reduction, which is an important objective of our economic policy. Prima facie, poverty may be expected to decline more rapidly in faster growing States.

3.21 The only available estimates of poverty in individual states for 1973-74 and 1977-78 are those estimated by NSS every five years. Large sample surveys were conducted in 1983, 1987-88, 1993-94 and 1999-2000 and state specific poverty estimates were made by Planning Commission. These are given in Table 3.6.

Table 3.6
Percentage of Population Below Poverty Line (Arranged in Increasing Order of 1999-2000)

S. No.	States	1973-74	1977-78	1983	1987-88	1993-94	1999-2000
1	Jammu & Kashmir	40.83	38.97	24.24	23.82	25.17	3.48
2	Goa	44.26	37.23	18.90	24.52	14.92	4.40
3	Chandigarh	27.96	27.32	23.79	14.67	11.35	5.75
4	Punjab	28.15	19.27	16.18	13.20	11.77	6.16
5	Himachal Pradesh	26.39	32.45	16.40	15.45	28.44	7.63
6	Delhi	49.61	33.23	26.22	12.41	14.69	8.23
7	Haryana	35.36	29.55	21.37	16.64	25.05	8.74
8	Kerala	59.79	52.22	40.42	31.79	25.43	12.72
9	Gujarat	48.15	41.23	32.79	31.54	24.21	14.07
10	Rajasthan	46.14	37.42	34.46	35.15	27.41	15.28
11	Lakshadweep	59.68	52.79	42.36	34.95	25.04	15.60
12	Andhra Pradesh	48.86	39.31	28.91	25.86	22.19	15.77
13	Dadra & Nagar Haveli	46.55	37.20	15.67	67.11	50.84	17.14
14	Mizoram	50.32	54.38	36.00	27.52	25.66	19.47
15	Karnataka	54.47	48.78	38.24	37.53	33.16	20.04
16	Andaman & Nicobar Islands	55.56	55.42	52.13	43.89	34.47	20.99
17	Tamil Nadu	54.94	54.79	51.66	43.39	35.03	21.12
18	Pondicherry	53.82	53.25	50.06	41.46	37.40	21.67
19	Maharashtra	53.24	55.88	43.44	40.41	36.86	25.02
20	All India	54.88	51.32	44.48	38.86	35.97	26.10
21	West Bengal	63.43	60.52	54.85	44.72	35.66	27.02
22	Manipur	49.96	53.72	37.02	31.35	33.78	28.54
23	Uttar Pradesh	57.07	49.05	47.07	41.46	40.85	31.15
24	Nagaland	50.81	56.04	39.25	34.43	37.92	32.67
25	Arunachal Pradesh	51.93	58.32	40.88	36.22	39.35	33.47
26	Meghalaya	50.20	55.19	38.81	33.92	37.92	33.87
27	Tripura	51.00	56.88	40.03	35.23	39.01	34.44
28	Assam	51.21	57.15	40.47	36.21	40.86	36.09
29	Sikkim	50.86	55.89	39.71	36.06	41.43	36.55
30	Madhya Pradesh	61.78	61.78	49.78	43.07	42.52	37.43
31	Bihar	61.91	61.55	62.22	52.13	54.96	42.60
32	Orissa	66.18	70.07	65.29	55.58	48.56	47.15

Source : Planning Commission

Note : Poverty Line of Himachal Pradesh and expenditure distribution of Jammu & Kashmir are used to estimate poverty ratio of Jammu & Kashmir.

3.22 The percentage of population below the poverty line has declined from 54.88 per cent in 1973-74 to 26.1 per cent in 1999-2000 for India as a whole. Nineteen States and Union Territories have lesser percentage of population below poverty line than the national average. Wide variations may however be noticed in the poverty ratios of different States. The poverty ratio in Orissa at 47.15 per cent is about eight times that in Punjab (6.16 per cent). Almost half the population in Orissa and Bihar are below the poverty line. On the other hand, there are 14 States which have less than 20 per cent of population below the poverty line.

3.23 States like West Bengal and Kerala have seen tremendous improvements in poverty levels over this period. Haryana, Himachal Pradesh and Punjab have also experienced significant gains in poverty reduction. The poverty ratios have fallen to less than 10 per cent in these States. An analysis of these data suggests that the point-wise compound rate of decrease in poverty ratios across these six years was around -13 per cent and the decrease was considerably uniform in both rural and urban areas for the country as a whole (Table 3.7).

3.24 The different levels of poverty in the States have, however, shown varying rates of decline. Chart 3.2 shows changes in the percentage of population below the poverty line between 1973-74 and 1999-2000 for the top five and bottom five States.

3.25 Noteworthy is the case of Kerala, which, from an initial position amongst the high poverty ratio States, has recorded a steep decline to be amongst the States with very low percentage of population below the poverty line.

3.26 Table 3.7 brings out the differentials between urban and rural poverty levels. The percentage of rural population below poverty line was 56.44 in 1973-74. The urban population in poverty for the same period was around 49 per cent. West Bengal had more than 70 per cent rural poor, while Orissa, Bihar and Madhya Pradesh also had more than 60 per cent of rural population in poverty. In 1973-74, Kerala was among the five poorest States, with nearly 60 per cent rural and 62 per cent urban poverty. Among the States with lower levels of rural poverty in that period were Haryana, Punjab and Himachal Pradesh where rural poverty was 34, 28 and 27 per cent respectively. Ten States and Union Territories had poverty ratios less than the national average, and 21 above it. The rural poverty ratios were higher than urban poverty ratios for all States except Uttar Pradesh, Andhra Pradesh, Gujarat Haryana, Kerala and Rajasthan. An encouraging trend that emerged between 1993-94 and 1999-2000 is that rural poverty decreased much faster than that of urban poverty for most States.

3.27 According to latest estimates, Orissa now has the maximum rural poverty, followed by Bihar. West Bengal registered a steep decline in both rural and urban poverty. The north eastern States have also recorded improvement in urban poverty ratios, which have declined from 36.92 per cent to 7.47 per cent. However, the rural ratios continue to be high at 40.04 per cent. Among the States with the relatively lower levels of rural poverty ratios in 1999-2000 are Haryana (8.27 per cent), Himachal Pradesh (7.94 per cent), Punjab (6.25 per cent) and Goa (1.35 per cent). Chandigarh and Delhi have also registered low poverty ratios.

Table 3.7
Poverty Ratio in 1973-74 and 1999-2000

SI No	States	1973-74			1999-2000		
		Rural	Urban	Combined	Rural	Urban	Combined
1	Jammu & Kashmir	45.51	21.32	40.83	3.97	1.98	3.48
2	Goa	46.85	37.69	44.26	1.35	7.52	4.40
3	Chandigarh	27.96	27.96	27.96	5.75	5.75	5.75
4	Punjab	28.21	27.96	28.15	6.35	5.75	6.16
5	Himachal Pradesh	27.42	13.17	26.39	7.94	4.63	7.63
6	Delhi	24.44	52.23	49.61	0.40	9.42	8.23
7	Haryana	34.23	40.18	35.36	8.27	9.99	8.74
8	Kerala	59.19	62.74	59.79	9.38	20.27	12.72
9	Gujarat	46.35	52.57	48.15	13.17	15.59	14.07
10	Rajasthan	44.76	52.13	46.14	13.74	19.85	15.28
11	Lakshadweep	59.19	62.74	59.68	9.38	20.27	15.6
12	Andhra Pradesh	48.41	50.61	48.86	11.05	26.63	15.77
13	Dadra & Nagar Haveli	46.85	37.69	46.55	17.57	13.52	17.14
14	Mizoram	52.67	36.92	50.32	40.04	7.47	19.47
15	Karnataka	55.14	52.53	54.47	17.38	25.25	20.04
16	Andaman & Nicobar Islands	57.43	49.40	55.56	20.55	22.11	20.99
17	Tamil Nadu	57.43	49.40	54.94	20.55	22.11	21.12
18	Pondicherry	57.43	49.40	53.82	20.55	22.11	21.67
19	Maharashtra	57.71	43.87	53.24	23.72	26.81	25.02
20	All India	56.44	49.01	54.88	27.09	23.62	26.10
21	West Bengal	73.16	34.67	63.43	31.85	14.86	27.02
22	Manipur	52.67	36.92	49.96	40.04	7.47	28.54
23	Uttar Pradesh	56.53	60.09	57.07	31.22	30.89	31.15
24	Nagaland	52.67	36.92	50.81	40.04	7.47	32.67
25	Arunachal Pradesh	52.67	36.92	51.93	40.04	7.47	33.47
26	Meghalaya	52.67	36.92	50.20	40.04	7.47	33.87
27	Tripura	52.67	36.92	51.00	40.04	7.47	34.44
28	Assam	52.67	36.92	51.21	40.04	7.47	36.09
29	Sikkim	52.67	36.92	50.86	40.04	7.47	36.55
30	Madhya Pradesh	62.66	57.65	61.78	37.06	38.44	37.43
31	Bihar	62.99	52.96	61.91	44.30	32.91	42.6
32	Orissa	67.28	55.62	66.18	48.01	42.83	47.15

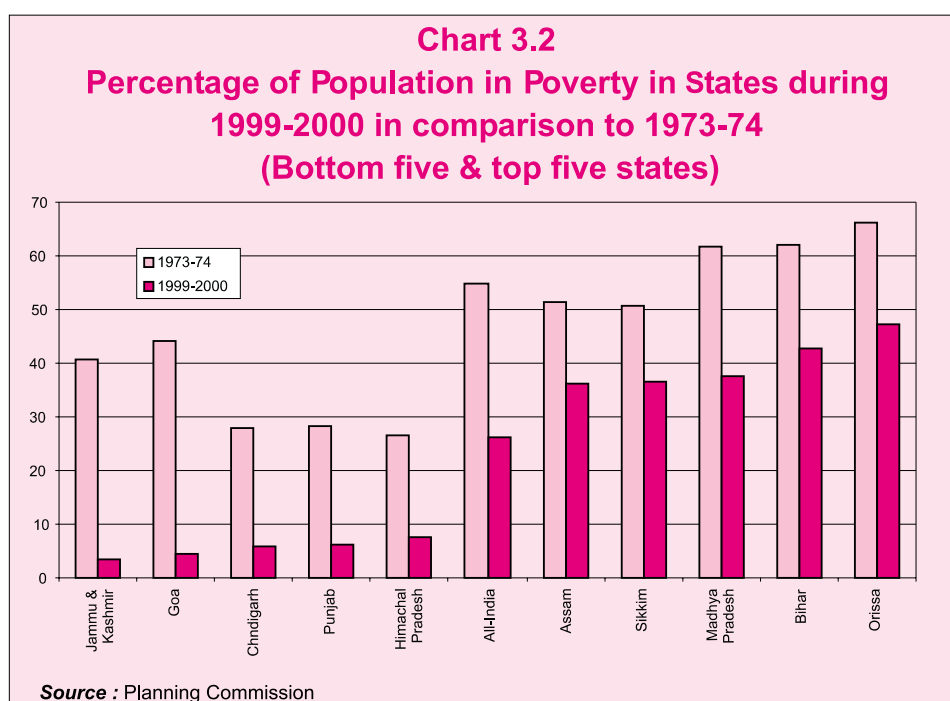
Note for 1993-94

- Poverty ratio of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Nagaland and Tripura.
- Poverty ratio of Tamil Nadu is used for Pondicherry and Andaman & Nicobar Island.
- Poverty ratio of Kerala is used for Lakshadweep.

4. Poverty ratio of Goa is used for Dadra & Nagar Haveli.
5. Urban poverty ratio of Punjab is used for both rural and urban poverty of Chandigarh.
6. Poverty line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.

Note for 1999-2000

1. Poverty ratio of Assam is used for Sikkim, Arunachal Pradesh, Meghalaya, Manipur Nagaland and Tripura.
2. Poverty line of Maharashtra and expenditure distribution of Goa is used to Estimate poverty ratio of Goa.
3. Poverty line of Himachal Pradesh and expenditure distribution of Jammu & Kashmir is used to estimate poverty ratio of Jammu & Kashmir.
4. Poverty ratio of Tamil Nadu is used for Pondicherry and Andaman & Nicobar Island.
5. Urban poverty ratio of Punjab is used for both rural and urban poverty of Chandigarh
6. Poverty line of Maharashtra and expenditure distribution of Dadra & Nagar Haveli is used to estimate poverty ratio of Dadra & Nagar Haveli.
7. Poverty ratio of Goa is used for Daman & Diu
8. Poverty ratio of Kerala is used for Lakshadweep.
9. Urban poverty ratio of Rajasthan may be treated as tentative.



3.28 In the long run trends of selected States (as mentioned) there does appear to be a positive linkage between growth and poverty reduction in the case of some States. Significant declines in rural poverty as a whole (between 33 and 40 percentage points) have been recorded in the period in question by the faster growing States of Maharashtra, Tamil Nadu, Karnataka, Gujarat and Andhra Pradesh. In the case of Madhya Pradesh, moderate growth has been accompanied by moderate declines in poverty over a long period. Both Bihar and Orissa have recorded relatively poor economic growth, and there seems to have been correspondingly little impact on poverty reduction.

3.29 The growth-poverty reduction linkage does not have such a good fit in the case of West Bengal and Kerala. Both States have recorded significant declines in the rural poverty ratio over the last three decades. However, as we have seen in the analysis of growth performance, Kerala had a relatively weak to moderate growth till the eighties, with the per capita income growth ranging from negative to less than 2 per cent per annum. The reduction in the rural poverty ratio of almost 50 percentage points in less than three decades is, therefore, much more than for States that have been recording a strong growth performance. Kerala is widely acknowledged as a success story of human development.

The priorities which have guided public policy in the State have led to expansion in social opportunities, and a high level of human development in relation to the rest of the country. These policies have been followed over a long period, and it may be argued that the achievements in human development created a conducive environment for a significant decline in rural poverty and eventually also an increase in growth rates.

3.30 In the case of West Bengal too, economic growth has been very weak in the first two decades, rising significantly only in the nineties to a per capita income increase of 5 per cent per annum. However, this could not have been a contributory factor to the significant decline of 41 percentage points in the rural poverty ratio, most of which seems to have occurred in the period before the nineties. What may have set apart West Bengal is the different direction of public policy that it has followed since the seventies. The policy of increasing the access of the rural poor to assets, i.e., agricultural land, through a programme of asset redistribution (land reforms) may have helped spread income earning opportunities more evenly and contributed to a major decline in rural poverty in this period without having a noticeable impact on the growth rate of the economy.

Agricultural Growth

3.31 The agriculture sector in the country employs over 69 per cent of the population. It is, accordingly, an important sector of the economy that has a direct bearing on overall growth, income levels and well being of the people. Changes in agricultural productivity over time in various States of the country is good index of the progress made in this vital sector by the States, and the consequent fallout on the States' economy.

3.32 In order to measure agricultural productivity, we use growth in three-year average land yield for different States between the time period 1962-65 and 1992-95* (Details are given in Annexure 3.4). In the initial period, 1962-65, the yield levels were high for the deltaic coastal States of Kerala, Tamil Nadu and West Bengal, with Kerala recording the

highest yield. This was mainly due to development of irrigation.

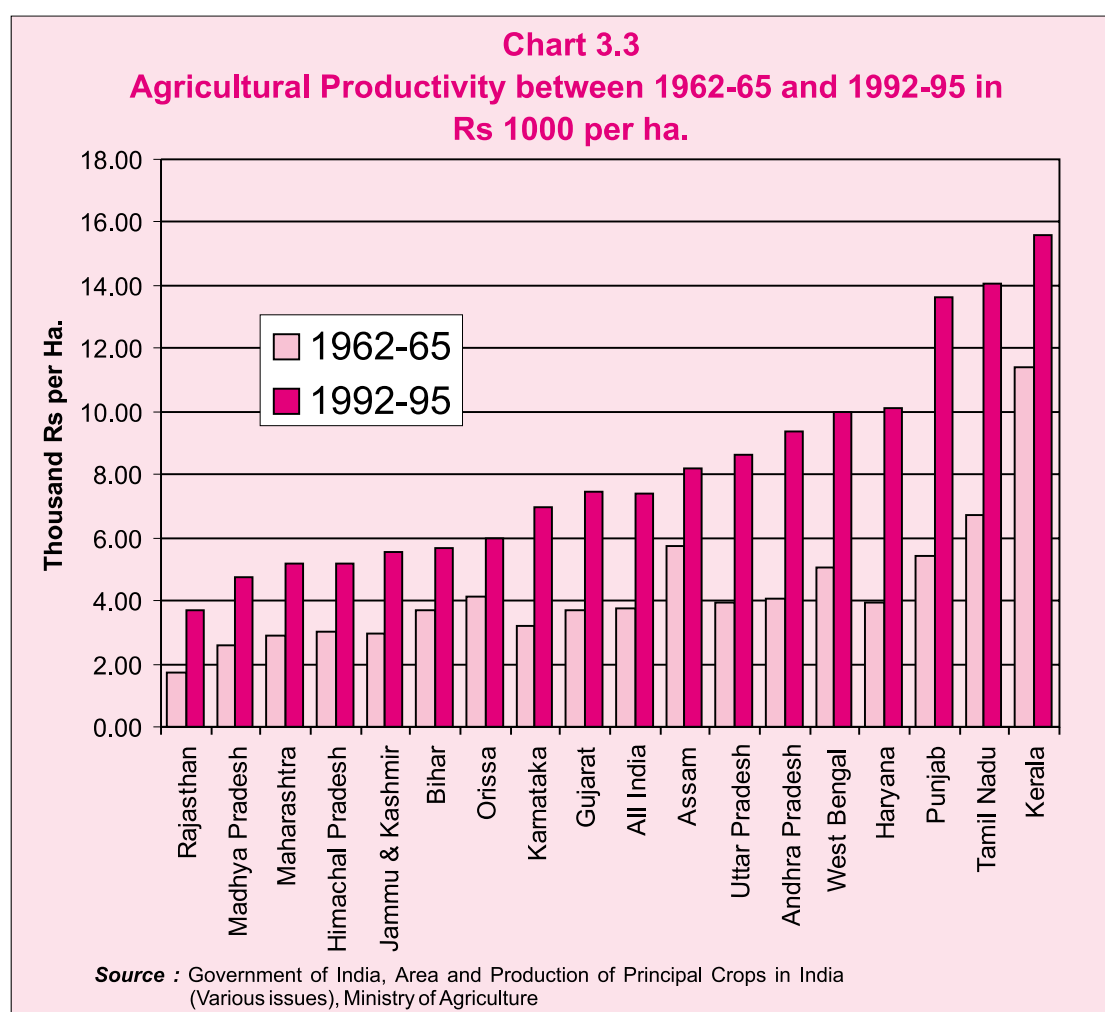
3.33 At the all India level, land yield increased at a rate of 1.64 per cent per annum during the period 1962-65 to 1970-73. Jammu and Kashmir, Rajasthan, Karnataka, Punjab and Haryana recorded very high rates of growth. Uttar Pradesh, Gujarat and Tamil Nadu registered moderate growth rates.

3.34 By 1970-73, the relative positions underwent significant change with the introduction of new technology. With the extension of wheat and rice technology to eastern Uttar Pradesh and Andhra Pradesh during the period 1970-73 to 1980-83, these areas also started recording gains in productivity levels. In this period, Gujarat, Maharashtra, Andhra Pradesh and Punjab recorded very high rates of growth (Chart 3.3).

3.35 During 1980-83 and 1992-95, a very high rate of growth of productivity, of 3.15 per cent per annum was recorded. This growth was, more or less equally experienced by all the regions. The eastern region made a significant surge in productivity levels in this period. It registered a high growth of 3.32 per cent per annum as compared to a rate of only 0.57 per cent during the preceding period. West Bengal had the highest rate of growth of 4.39 per cent per annum. The distinguishing feature of this time period was that the improved growth rates were shared by all the States except for Jammu and Kashmir.

3.36 Looking at the entire period of three decades, it is seen that the rate of growth of agricultural productivity during the period 1962-65 to 1992-95 was 2.30 per cent per annum for the country as a whole. The States also experienced moderate rates of growth in agricultural productivity during this period. Punjab and West Bengal recorded high growth rates in agricultural production and registered above average growth rates in agricultural productivity. The eastern States of Assam, Bihar and Orissa registered a relatively lower rate of growth during this period. The trend in increase

* Land yield is defined as value of output divided by the cropped area.



in agricultural productivity of the States corresponds fairly closely to the trend of rapid decrease in population below the poverty line of the States. States in which agricultural production has increased significantly are the States in which there has been a rapid decline in poverty.

Population

3.37 India is the second largest country in the world, after China, to cross the billion mark in population. The population of India in 2001 has almost tripled since 1941. The growth rate of population peaked at 2.24 per cent per annum in the decade of the seventies, and has been gradually declining thereafter, though in absolute numbers population continues to grow at an alarming rate. The rate of growth has been less than 2 per cent per annum in the period 1991-2001.

3.38 During the decade 1991-2001, the highest growth rate in population among the States was that of Nagaland at an extraordinary 4.97 per cent. This was followed by Manipur at 2.63 per cent and Meghalaya at 2.62 per cent. The growth rates continue to be high for the heartland States of Bihar, Uttar Pradesh, Madhya Pradesh and Rajasthan. The population situation in these States calls for urgent attention. Union territories of Dadra and Nagar Haveli and Daman and Diu had rates of growth of over 4 per cent. These however could be attributed largely to substantial in migration. States like Kerala, Tamil Nadu and Goa have registered a substantial decline in the growth rate in the decade 1991-2001. These States also recorded rates much lower than the national average. The lowest rate was that of Kerala at 0.90 per cent, followed by Tamil Nadu at 1.06 per cent.

3.39 A total fertility rate (TFR) = 2.1 is considered to be the replacement level of fertility, which needs to be achieved in all States for population stabilisation. Looking ahead, it is instructive to compare the total fertility rates for 1998 and projections of TFRs for the States and Union territories for the year 2007, (Table 3.8)

Table 3.8
Total Fertility Rates, 1998 and Projected Total Fertility Rates, 2007

SI No	States /Union Territories	TFR 1998	TFR 2007
1	Kerala	1.8	n.a
2	Tamil Nadu	2.0	n.a
3	Andhra Pradesh	2.4	n.a
4	Karnataka	2.4	2.3
5	West Bengal	2.4	n.a
6	Punjab	2.6	n.a
7	Maharashtra	2.7	2.3
8	Orissa	2.9	2.4
9	Gujarat	3.0	n.a
10	All India	3.2	2.7
11	Assam	3.2	2.5
12	Haryana	3.3	2.1
13	Madhya Pradesh	3.9	3.4
14	Rajasthan	4.1	3.8
15	Bihar	4.3	3.3
16	Uttar Pradesh	4.6	4.4
17	Goa	1.77	n.a
18	Himachal Pradesh	2.14	n.a
19	Delhi	2.40	n.a
20	Arunachal Pradesh	2.52	n.a
21	Jammu & Kashmir	2.71	n.a
22	Sikkim	2.75	n.a
23	Mizoram	2.89	n.a
24	Manipur	3.04	n.a
25	Nagaland	3.77	n.a
26	Meghalaya	4.57	n.a

Note : n.a. : Projections for these States were not made.

Source : TFR1998 Sl.No.: 1 to 16 : Sample Registration System 1998

17 to 26 : National Family Health Survey 1998-99

TFR 2007 Projected figures : National Commission on Population, Planning Commission

3.40 It can be seen from the Table that all States will have TFRs less than three by 2007 except the newly formed States of Chhattisgarh and Jharkhand. Fifteen States and Union territories have achieved TFR of 2.1 or below, but the population of a large number of States would still be growing with TFRs more than 2.1, and these States have to be the focus of policy interventions during the Tenth Plan.

HUMAN DEVELOPMENT

3.41 Human development is a process of enlarging people's choices. In principle, these choices can be infinite and change over time. But at all levels of development, three essential ones are for people to lead long and healthy life, to acquire knowledge and to have access to resources needed for a better standard of living. If these essential choices are not available, many other opportunities remain inaccessible.

3.42 Human development has two sides: the formation of human capabilities - such as improved health, knowledge and skills - and the use people make of their acquired capabilities. Development must, therefore, be more than just an expansion of income and wealth. Its focus must be people.

3.43 In this section, we look at the comparative profiles of States in the areas of education, health and gender, including related public expenditure ratios. The outcomes of the Human Development Index brought out in the National Human Development Report, 2001 are also considered.

Education

3.44 Education is important in the development process for two reasons. First, because education can be viewed as an end in itself as it improves the perception and quality of life of people. Secondly, education leads to formation of human

capital and is an important investment for the development process.

3.45 Though the level and quality of education can be measured in a number of ways, literacy figures are essential in any measurement of educational attainment. The level of literacy is an important and the most basic index of the educational achievements of an economy.

3.46 Besides overall education, female education has a special role in the development process; therefore, we also take a separate look at female literacy as an important determinant of development.

Literacy Levels in States

3.47 There has been a continuous rise in the literacy rates in India. The overall literacy rate has increased from 16.6 per cent in 1951 to 65.38 per cent in 2001. Amongst States, Kerala had the highest literacy rate of 90.92, followed by Mizoram, which had a literacy rate of 88.49 per cent in 2001. Pondicherry, Goa and Delhi had literacy rates above 80 per cent. Some of the traditional educationally backward States too have shown considerable improvements in recent times, especially in the last decade. Literacy in Rajasthan and Madhya Pradesh went up by around 20 percentage points in a single decade. The literacy rate increased from 38.50 per cent in 1991 in Rajasthan to 61.03 per cent in 2001. Madhya Pradesh registered an increase from 44.2 per cent in 1991 to 64.11 per cent in 2001 (Table 3.9).

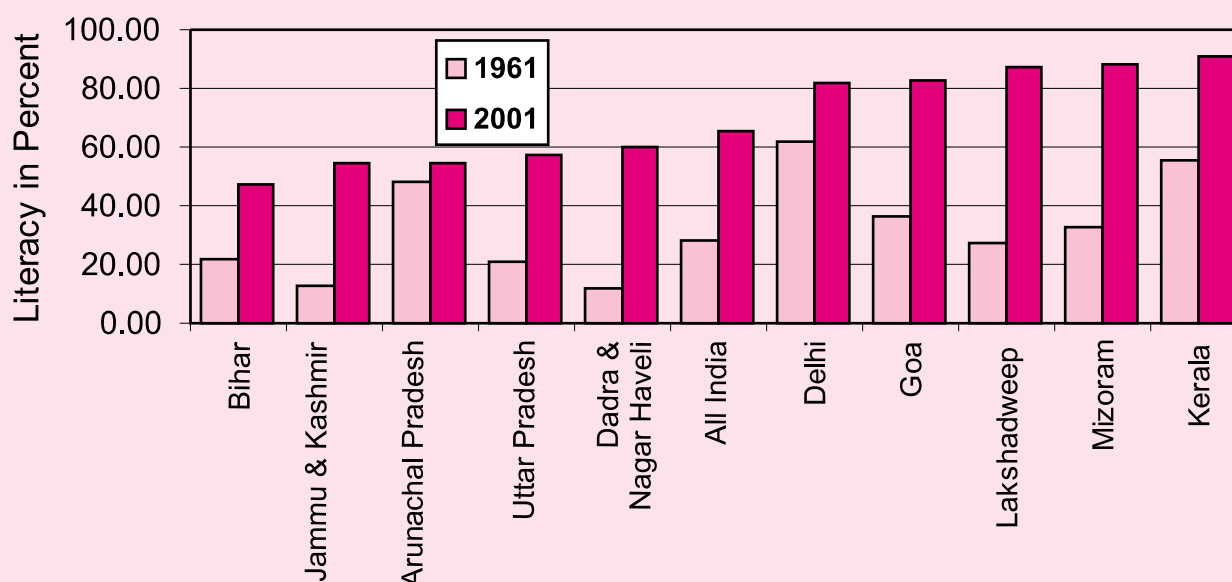
3.48 A contrast is Bihar. Literacy in Bihar, which was at par with Rajasthan in 1991, has fallen far behind in just one decade. As against 61 per cent in Rajasthan in 2001, the literacy rate has gone up to only 47.53 per cent in Bihar. Chart 3.4 shows the performance of the top five and bottom five States for the period 1961 to 2001.

Table 3.9
State-wise Literacy Rates in Percentages
(Arranged in Rank Order of 2001)

SI No	States/Union Territories	1951	1961	1971	1981	1991	2001
1	Kerala	40.70	55.10	60.40	70.40	89.80	90.92
2	Mizoram	N.A.	N.A.	N.A.	59.90	82.30	88.49
3	Lakshadweep	15.20	27.20	43.70	55.10	81.80	87.52
4	Goa	23.00	36.20	N.A.	N.A.	75.50	82.32
5	Delhi	38.40	62.00	56.60	61.50	75.30	81.82
6	Chandigarh	N.A.	55.10	61.60	64.80	77.80	81.76
7	Pondicherry	N.A.	43.70	46.00	55.90	74.70	81.49
8	Andaman & Nicobar Islands	25.80	40.10	43.60	51.60	73.00	81.18
9	Daman & Diu	22.90	34.90	44.80	56.70	71.20	81.09
10	Maharashtra	20.90	35.10	39.20	47.20	64.90	77.27
11	Himachal Pradesh	7.70	24.90	32.00	42.50	63.90	77.13
12	Tripura	15.50	24.30	31.00	42.10	60.40	73.66
13	Tamil Nadu	20.80	36.40	39.50	46.80	62.70	73.47
14	Gujarat	N.A.	N.A.	35.80	43.70	61.30	69.97
15	Punjab	15.20	31.50	33.70	40.90	58.50	69.95
16	Sikkim	7.30	14.20	17.70	34.10	56.90	69.68
17	West Bengal	24.00	34.50	33.20	40.90	57.70	69.22
18	Manipur	11.40	36.00	32.90	41.40	59.90	68.87
19	Haryana	N.A.	24.10	26.90	36.10	55.80	68.59
20	Nagaland	10.40	20.40	27.40	42.60	61.60	67.11
21	Karnataka	19.30	29.80	31.50	38.50	56.00	67.04
	All India	18.30	28.30	34.45	43.57	52.20	65.38
22	Assam	18.30	33.00	28.70	N.A.	52.90	64.28
23	Madhya Pradesh	9.80	20.50	22.10	27.90	44.20	64.11
24	Meghalaya	N.A.	N.A.	29.50	34.10	49.10	63.31
25	Orissa	15.80	25.20	26.20	34.20	49.10	63.31
26	Andhra Pradesh	13.20	24.60	24.60	29.90	44.10	61.11
27	Rajasthan	8.90	18.10	19.10	24.40	38.60	61.03
28	Dadra & Nagar Haveli	4.00	11.60	15.00	26.70	40.70	60.03
29	Uttar Pradesh	10.80	20.70	21.70	27.20	41.60	57.36
30	Arunachal Pradesh	N.A.	47.90	11.30	20.80	41.60	54.74
31	Jammu & Kashmir	N.A.	13.00	18.60	26.70	N.A.	54.46
32	Bihar	12.20	21.80	19.90	26.20	38.50	47.53

Source : Office of the Registrar General of India

Chart 3.4
Literacy in 1961 & 2001
(Bottom Five and Top Five States)



Note : 1. Assam Figure is taken for Mizoram for 1961
 2. UP figure includes Uttaranchal.

Source : Office of the Registrar General of India

Gender Disparities in Literacy Rates

3.49 There are gender disparities in literacy at all-India level, as also within individual States. The gap was narrowest in Mizoram where male literacy is recorded at 90.69 per cent and female literacy at 86.13 per cent in 2001. For Kerala, the two rates were 94.2 and 87.86 per cent respectively in 2001. The gap is widest in the low literacy States. In Bihar, 60.32 per cent males were recorded to be literate in 2001 as against 33.57 per cent females. The rates were 70.23 and 42.98 per cent respectively in Uttar Pradesh and 76.46 and 44.34 per cent in Rajasthan. At the same time, it should be recognised that these States, as also Jammu & Kashmir and Madhya Pradesh, have come a long way since 1961, when female literacy rates were in single digits. The exception is Meghalaya where in spite of low

overall literacy rate, the differential between male and female rate is small (Table 3.10).

Gender Balance

3.50 Sex ratio, (measured in terms of the number of women per 1000 men), is representative of gender inequality in India. Biologically, the sex ratio should be in favour of women, and it is so, in almost all countries of the world. However, a pronounced skew in sex ratios in favour of men has been a feature of most States in India (See Chart 3.4). This is largely attributed to lower status of women in Indian society, which contributes to early marriages, lower literacy levels, higher fertility and mortality levels, and affects adversely progress in human development.

Table 3.10
Literacy Rates for Male and Female - 1961,1981 and 2001
(Arranged in Rank Order of 2001 for Female)

SI No	States	1961		1981		2001	
		Male	Female	Male	Female	Male	Female
1	Kerala	64.9	45.6	75.3	65.7	94.2	87.9
2	Mizoram	N.A.	N.A.	64.5	54.9	90.7	86.1
3	Lakshadweep	42.0	12.8	65.2	44.6	93.2	81.6
4	Chandigarh	62.6	43.1	69.0	59.3	85.7	76.7
5	Goa	48.7	22.8	N.A.	N.A.	88.9	75.5
6	Andaman & Nicobar Islands	48.8	24.5	58.7	42.1	86.1	75.3
7	Delhi	70.4	50.9	68.4	53.1	87.4	75.0
8	Pondicherry	58.9	28.7	65.8	45.7	88.9	74.1
9	Daman & Diu	44.6	26.0	65.6	47.6	88.4	70.4
10	Himachal Pradesh	37.6	11.2	53.2	31.5	86.0	68.1
11	Maharashtra	49.3	19.8	58.8	34.8	86.3	67.5
12	Tripura	35.3	12.4	51.7	32.0	81.5	65.4
13	Tamil Nadu	51.6	21.1	58.3	35.0	82.3	64.6
14	Punjab	40.7	20.7	47.2	33.7	75.6	63.6
15	Nagaland	27.2	13.0	50.1	33.9	71.8	61.9
16	Sikkim	22.4	4.9	43.9	22.2	76.7	61.5
17	Meghalaya	N.A.	N.A.	37.9	30.1	66.1	60.4
18	West Bengal	46.6	20.3	50.7	30.3	77.6	60.2
19	Manipur	53.5	18.9	53.3	29.1	77.9	59.7
20	Gujarat	0.0	0.0	54.4	32.3	80.5	58.6
21	Karnataka	42.3	16.7	48.8	27.7	76.3	57.5
22	Haryana	35.1	11.3	48.2	22.3	79.3	56.3
23	Assam	44.3	19.6	N.A.	N.A.	71.9	56.0
	All India	40.4	15.4	56.4	29.8	75.9	54.2
24	Andhra Pradesh	35.0	14.0	39.3	20.4	70.9	51.2
25	Orissa	40.3	10.1	47.1	21.1	76.0	51.0
26	Madhya Pradesh	32.2	8.1	39.5	15.5	76.8	50.3
27	Rajasthan	28.1	7.0	36.3	11.4	76.5	44.3
28	Arunachal Pradesh	53.4	24.1	28.9	11.3	64.1	44.2
29	Dadra & Nagar Haveli	17.7	5.0	36.3	16.8	73.3	43.0
30	Uttar Pradesh	31.9	8.3	38.8	14.0	70.2	43.0
31	Jammu & Kashmir	19.8	5.1	36.3	15.9	65.8	41.8
32	Bihar	35.2	8.2	38.1	13.6	60.3	33.6

Note : States/Union Territories are arranged in order of rank in 2001
N. A. : Not Available

Source : Office of the Registrar General of India

Table 3.11
Sex Ratio (Female per thousand Male) in India.
(Arranged in Rank Order of 2001)

SI No	States/Union Territories	1951	1961	1971	1981	1991	2001
1	Kerala	1028	1022	1016	1032	1036	1058
2	Pondicherry	1030	1013	989	985	979	1001
3	Tamil Nadu	1007	992	978	977	974	986
4	Andhra Pradesh	986	981	977	975	972	978
5	Manipur	1036	1015	980	971	958	978
6	Meghalaya	949	937	942	954	955	975
7	Orissa	1022	1001	988	981	971	972
8	Himachal Pradesh	912	938	958	973	976	970
9	Karnataka	966	959	957	963	960	964
10	Goa	1128	1066	981	975	967	960
11	Tripura	904	932	943	946	945	950
12	Lakshadweep	1043	1020	978	975	943	947
13	Mizoram	1041	1009	946	919	921	938
14	West Bengal	865	878	891	911	917	934
15	All-India	946	941	930	934	927	933
16	Assam	868	869	896	910	923	932
17	Maharashtra	941	936	930	937	934	922
18	Rajasthan	921	908	911	919	910	922
19	Bihar	1000	1005	957	948	907	921
20	Gujarat	952	940	934	942	934	921
21	Madhya Pradesh	945	932	920	921	912	920
22	Nagaland	999	933	871	863	886	909
23	Arunachal Pradesh	N A	894	861	862	859	901
24	Jammu & Kashmir	873	878	878	892	896	900
25	Uttar Pradesh	998	907	876	882	876	898
26	Sikkim	907	904	863	835	878	875
27	Punjab	844	854	865	879	882	874
28	Haryana	871	868	867	870	865	861
29	Andaman & Nicobar Islands	625	617	644	760	818	846
30	Delhi	768	785	801	808	827	821
31	Dadra & Nagar Haveli	946	963	1007	974	952	811
32	Chandigarh	781	652	749	769	790	773
33	Daman & Diu	1125	1169	1099	1062	969	709

Note : States/Union Territories are arranged in order of rank in 2001

Source : Census of India

3.51 In 1951, there were as many as ten States and Union Territories in India that had sex ratios in favour of women. By 2001, only Kerala and Pondicherry have a sex ratio in favour of females. The ratio has also fallen considerably in some of the States which were better placed in 1951, eg., Orissa, where it declined from 1022 in 1951 to 972 in 2001, and Tamil Nadu which registered a decline in the ratio from 1007 to 986 in the same period. Bihar has shown the sharpest decline, from 1000 in 1951 to 921 in 2001. Rajasthan has registered a marginal improvement in the last decade from 910 to 922, which is significant in view of its low starting point. Of concern is the decline during the last decade, in particular in the relatively better off States like Haryana and Punjab.

3.52 Kerala remained the only State in the post-independence period where the ratio remained in favour of females throughout (Table 3.11).

Health

3.53 Improvement in the health status of the population has been one of the major thrust areas in social development programmes of the country. This was to be achieved through improving the access to health services with special focus on under-developed and under-privileged sections of the society. In this section, we look at some of the important indicators of health status to assess whether this very crucial parameter has shown any signs of improvement.

3.54 Two basic indicators used in analysing the health status are infant mortality rate and life expectancy at birth.

Infant Mortality Rate

3.55 The infant mortality rate (IMR), measured in terms of death per thousand of children below 6 years, is considered to be a sensitive indicator of not only the health status of the population but

also the level of human development in the context of education, economic conditions, nutrition etc. Poverty, malnutrition, a decline in breast-feeding, and inadequacy or lack of sanitation are all associated with high infant mortality. High infant mortality and high fertility are related concepts. There is evidence that in the short run infant mortality reduces overall population growth, other things remaining constant. However, the indirect and long run effect of reduced mortality is probably to reduce fertility by more than a compensating amount - as, with greater certainty about child survival, parents reduce "insurance births" and shift to child quality investments.

3.56 Almost all the States in India have registered declining infant mortality rates over the period 1971 to 1998, yet some States have done better than the others, as may be seen in Table 3.12.

3.57 In 1981, Madhya Pradesh had the highest IMR at 150 followed by Uttar Pradesh at 130. Haryana, Orissa and Arunachal Pradesh also recorded high IMRs. Manipur recorded the lowest IMR at 32.

3.58 By 1991, the IMR had fallen for almost all the States. But the fall in IMR for males was much higher than for females unlike in 1981, when female IMR was lower.

3.59 The fall was faster between 1991 and 1998. IMR for all India for 1998 was 71. States with relatively high IMR today are Orissa, Madhya Pradesh, Uttar Pradesh and Rajasthan. The north eastern States of Mizoram at 23 and Manipur at 25 recorded the lowest IMRs amongst all States.

3.60 There is cause for concern over the higher IMR for females than males in some of the States like Punjab, Uttar Pradesh, Haryana and Bihar, as the status of the female child is considered to be low in these States.

Table 3.12
State-wise Infant Mortality Rate

SI No	States/Union Territories	1961			1981			2001
		Male	Female	Person	Male	Female	Person	Person
1	Kerala	55	48	52	45	41	42	16
2	Pondicherry	77	68	73	32	35	34	21
3	Mizoram	73	65	69	51	56	53	23
4	Manipur	31	33	32	29	27	28	25
5	Lakshadweep	124	88	118	100	78	91	30
6	Andaman & Nicobar Islands	78	66	77	71	61	69	30
7	Chandigarh	53	53	53	50	47	48	32
8	Goa	60	56	57	56	48	51	36
9	Arunachal Pradesh	141	111	126	111	103	91	44
10	Jammu & Kashmir	78	78	78	NA	NA	NA	45
11	Maharashtra	96	89	92	72	76	74	49
12	Tripura	106	116	111	81	84	82	49
13	Delhi	66	70	67	55	51	54	51
14	Meghalaya	81	76	79	79	82	80	52
15	Sikkim	105	87	96	58	62	60	52
16	Tamil Nadu	89	82	86	55	51	54	53
17	West Bengal	103	57	95	75	51	62	53
18	Punjab	74	79	77	81	53	74	54
19	Karnataka	87	74	81	74	72	74	58
20	Dadra & Nagar Haveli	102	93	98	84	73	81	61
21	Gujarat	81	84	84	74	82	78	64
22	Himachal Pradesh	101	89	92	84	81	82	64
23	Andhra Pradesh	100	82	91	67	51	55	66
24	Bihar	95	94	94	62	89	75	67
25	Haryana	87	119	94	57	54	52	69
26	All India	122	108	115	74	79	77	71
27	Assam	NA	NA	NA	96	87	92	78
28	Rajasthan	114	114	114	94	79	87	83
29	Uttar Pradesh	131	128	130	98	104	99	85
30	Madhya Pradesh	158	140	150	131	136	133	97
31	Orissa	119	111	115	129	111	125	98
32	Nagaland	76	58	68	51	52	51	NA
33	Daman & Diu	60	56	57	61	50	56	NA

Note : a) The estimates for Goa and Daman & Diu are aggregated.
b) Female and Male Infant Mortality Rate not available from 1998
c) The estimates are not available for smaller States/Union Territories.
d) NA: Not available.

Source : Office of the Registrar General of India, Ministry of Home Affairs

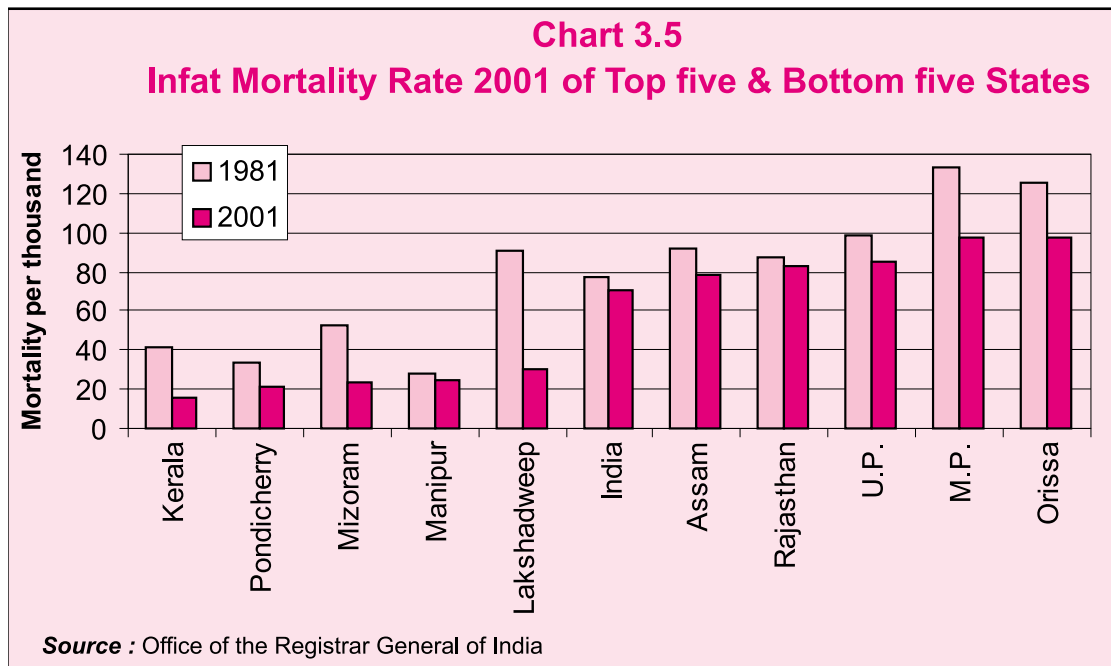


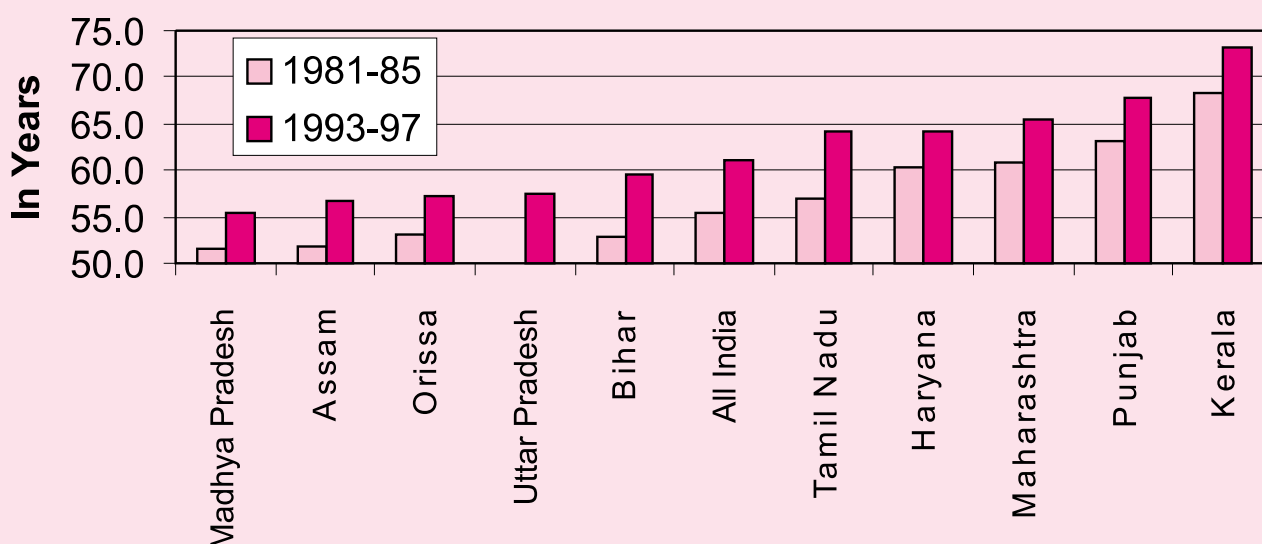
Table 3.13
State-wise Life Expectancy at Birth (Rank as in 1993-97)

SI No	States/Union Territories	1981-85	1991-95	1992-96	1993-97
1	Kerala	68.4	72.9	73.1	73
2	Punjab	63.1	67.2	67.4	68
3	Maharashtra	60.7	64.8	65.2	66
4	Tamil Nadu	56.9	63.3	63.7	64
5	Haryana	60.3	63.4	63.8	64
6	Karnataka	60.7	62.5	62.9	63
7	West Bengal	57.4	62.1	62.4	63
8	Gujarat	57.6	61.0	61.4	62
9	Andhra Pradesh	58.4	61.8	62.0	62
10	All India	55.5	60.3	60.7	61
11	Rajasthan	53.5	59.1	59.5	60
12	Bihar	52.9	59.3	59.4	60
13	Uttar Pradesh	50.0	56.8	57.2	58
14	Orissa	53.0	56.5	56.9	57
15	Assam	51.9	55.7	56.2	57
16	Madhya Pradesh	51.6	54.7	55.2	56

Note : 1. The estimates are not available for smaller States/Union Territories.
2. Madhya Pradesh includes Chhattisgarh
3. Uttar Pradesh includes Uttaranchal
4. Bihar includes Jharkhand

Source : SRS based abridged life tables

Chart 3.6
Life Expectancy at Birth
- Bottom Five and Top Five in 1993-97 -



Source : Sample Registration System based abridged life tables

Life Expectancy at Birth

3.61 Life expectancy at birth or longevity is an overall indicator of the economic and social well being of the people. As a society advances, the life expectancy of its people also increases. A Statewise profile of life expectancy for the period 1981-85 to 1993-97 is given in the Table 3.13.

3.62 Kerala, followed by Punjab, had the highest life expectancy rate from among major States right from 1981-85 till 1993-97. The relative position of the top five and bottom five States in 1993-97 is given in the Chart 3.6.

Plan Expenditure on Social Sectors

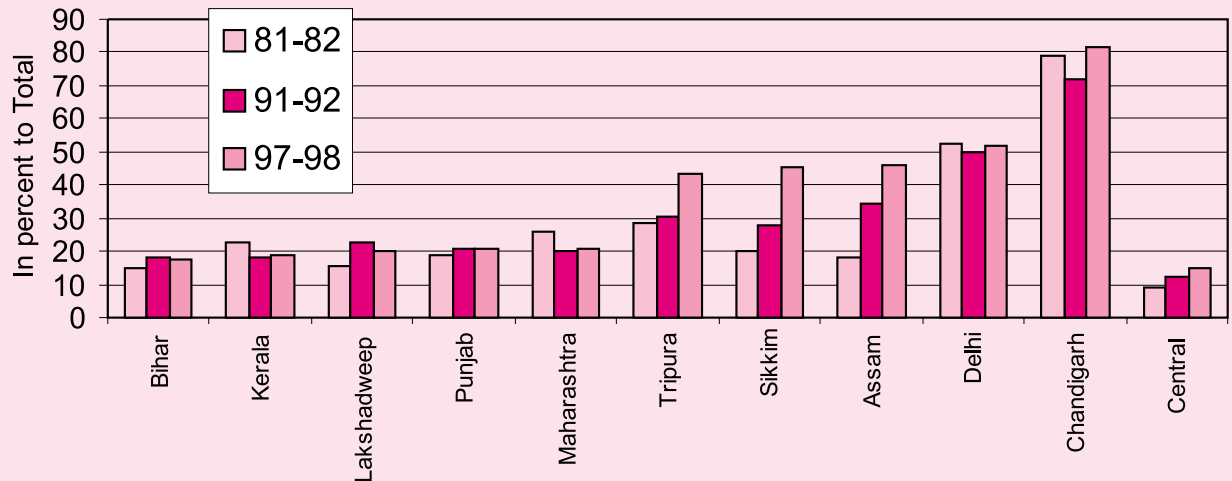
Sectoral Composition of Actual Plan Expenditure

3.63 A look at the sectoral composition of Plan expenditure in the last two decades reveals that the allocation to agriculture and irrigation has shown a

downward trend for most of the bigger agricultural States between 1981-82 and 1997-98. The percentage declined from 30.17 to 19.05 in Uttar Pradesh and from 25.24 per cent to 12.75 per cent in Punjab. Haryana and Madhya Pradesh have also registered falling shares of public expenditure going to agriculture. Karnataka, Gujarat and Maharashtra are the only States in which the share of Plan expenditure going towards agriculture have gone up in this period.

3.64 In the case of social sectors, many States have registered increases in percentage of expenditure over this period. Even in less developed States like Orissa and Madhya Pradesh the share of social sectors in Plan expenditure has risen. The trends are similar for Uttar Pradesh, Rajasthan, Assam and Haryana. Kerala, Maharashtra and Jammu and Kashmir however registered a fall in this percentage. An interesting point to note is the high expenditure in the north eastern States in the year 1997-98. All these States spend more than 40 per cent on the social sector (Chart 3.7).

Chart 3.7
Bottom Five and Top Five States in Expenditure for Social Sector in 1981-82 and 1997-98



Source : Various Plan Documents, Planning Commission

3.65 In order to see the expenditure undertaken specifically for human development, we look at the education and health ratios. These show the education and health expenditures as a ratio of total public expenditure. Since a large component of public expenditures in these sectors would fall outside the Plan, these ratios may provide a better comparative indicator (Table 3.14).

3.67 It can be seen that most of the States have registered increases in the education expenditure ratios. This implies that they are spending a higher proportion of public spending on education. The education expenditure ratio has increased from 12.76 in 1980-81 to 26.34 in 1998-99 for Assam. It increased from 13.19 to 21.16 in Bihar in the same period. However, this

increase does not get reflected in corresponding improvements in educational achievements for Bihar, perhaps because of the low absolute levels of Plan expenditure. Kerala, on the other hand, registered a fall in this ratio in spite of the fact that it had registered the highest literacy rate.

3.67 The expenditure ratio for health has shown a decline for most of the States. The highest fall was registered for Meghalaya where the ratio fell from 15.34 to 7.22 between the two time periods considered. It has also shown a significant decline for Haryana and Madhya Pradesh. The highest ratio in 1998-99 was for Tamil Nadu at 8.34 per cent. There is probably a case for strengthening relative budgetary support to the health sector in many States.

Table 3.14
Share of Expenditure on Health and Education to Total (in Per cent)
(Arranged in order of rank in Health Expenditure Ratio in 1998-99)

SI No	States/Union Territories	Education Expenditure Ratio		Health Expenditure Ratio	
		1980-81	1998-99	1980-81	1998-99
1	Andhra Pradesh	14.35	12.98	7.63	8.45
2	Tamil Nadu	14.38	19.76	6.56	8.32
3	Meghalaya	9.97	16.95	15.34	7.22
4	West Bengal	15.92	17.78	9.07	6.49
5	Rajasthan	13.07	19.53	10.21	6.42
6	Himachal Pradesh	13.38	16.83	10.65	6.38
7	Karnataka	13.30	17.94	5.48	6.02
8	Madhya Pradesh	10.82	16.36	7.59	5.80
9	Central Govt.	2.70	3.90	1.40	5.78
10	Orissa	12.35	17.16	6.70	5.58
11	Kerala	25.30	18.73	9.57	5.47
12	Arunachal Pradesh	NA	12.04	NA	5.43
13	Gujarat	12.55	16.38	6.08	5.41
14	Nagaland	8.03	9.55	9.57	5.39
15	Jammu & Kashmir	10.37	10.90	11.82	5.16
16	Goa	NA	14.47	NA	5.11
17	Mizoram	NA	12.97	NA	4.93
18	Maharashtra	14.63	17.67	6.53	4.84
19	Bihar	13.19	21.16	5.49	4.81
20	Punjab	16.99	15.76	6.52	4.73
21	Tripura	11.60	17.23	4.57	4.69
22	Manipur	12.25	18.52	8.66	4.67
23	Assam	12.76	26.34	5.23	4.65
24	Uttar Pradesh	13.15	18.31	5.89	4.10
25	Haryana	12.06	14.50	6.51	3.84
26	Sikkim	8.11	7.31	5.65	2.84

Note : Public expenditure ratio is the total public expenditure as a proportion of Gross State Domestic Product. Education and health expenditure ratios have been expressed as a ratio of total public expenditure.
 NA : Not Available

Source : State Finances - A Study of Budgets, 2000-01, RBI, Dec 2000 and Union Budget Documents for data for the Central Government.

3.68 The fact that some States spend a higher proportion than the others on social sectors like health and education should also get reflected in the social sector indicators. States devoting a larger share to education should also register higher literacy rates and those spending higher share on health should have better health

indicators. To the extent this outcome is not seen as in the case of Bihar & Assam for Education, it would suggest that the impact of proportionately higher expenditures also depends on the absolute levels per capita of such expenditures, and effective implementation and follow-up on the ground.

Table 3.15
Human Development Index 1981, 1991 and 2001
(Arranged in Rank order of 1991)

SI No	States/Union Territories	1981		1991		2001	
		Value	Rank	Value	Rank	Value	Rank
1	Chandigarh	0.550	1	0.674	1	n.e	
2	Delhi	0.495	3	0.624	2	n.e	
3	Kerala	0.500	2	0.591	3	0.638	1
4	Goa	0.445	5	0.575	4	n.e	
5	Andaman & Nicobar Islands	0.394	11	0.574	5	n.e	
6	Pondicherry	0.386	12	0.571	6	n.e	
7	Mizoram	0.411	8	0.548	7	n.e	
8	Daman & Diu	0.438	6	0.544	8	n.e	
9	Manipur	0.461	4	0.536	9	n.e	
10	Lakshadweep	0.434	7	0.532	10	n.e	
11	Nagaland	0.328	20	0.486	11	n.e	
12	Punjab	0.411	9	0.475	12	0.537	2
13	Himachal Pradesh	0.398	10	0.469	13	n.e	
14	Tamil Nadu	0.343	17	0.466	14	0.531	3
15	Maharashtra	0.363	13	0.452	15	0.523	4
16	Haryana	0.360	15	0.443	16	0.509	5
17	Gujarat	0.360	14	0.431	17	0.479	6
18	Sikkim	0.342	18	0.425	18	n.e	
19	Karnataka	0.346	16	0.412	19	0.478	7
20	West Bengal	0.305	22	0.404	20	0.472	8
21	Jammu & Kashmir	0.337	19	0.402	21	n.e	
22	Tripura	0.287	24	0.389	22	n.e	
23	Andhra Pradesh	0.298	23	0.377	23	0.416	10
24	Meghalaya	0.317	21	0.365	24	n.e	
25	Dadra & Nagar Haveli	0.276	25	0.361	25	n.e	
26	Assam	0.272	26	0.348	26	0.386	14
27	Rajasthan	0.256	28	0.347	27	0.424	9
28	Orissa	0.267	27	0.345	28	0.404	11
29	Arunachal Pradesh	0.242	31	0.328	29	n.e	
30	Madhya Pradesh	0.245	30	0.328	30	0.394	12
31	Uttar Pradesh	0.255	29	0.314	31	0.388	13
32	Bihar	0.237	32	0.308	32	0.367	15
	All India	0.302		0.381		0.472	
	Standard Deviation	0.083		0.100			

Note : n.e. : No estimate was made for these States

Source : Human Development Report 2001, Planning Commission

Human Development Index

3.69 The first ever National Human Development Report (NHDR), 2001 brought out by the Planning Commission estimated the value of Human Development Index (HDI) for the States and the Union territories for 1981, 1991 and 2001. Table 3.15 presents the findings for some of the major States.

3.70 Although the estimation of HDI for 2001 does not cover all the States, NHDR has estimated that the HDI for the country as a whole has improved from 0.302 in 1981 to 0.472 in 2001. Kerala - albeit a middle-income State - remains at the top of the NHDR Table with an achievement of HDI of 0.638 - an increase from 0.500 in 1981. West Bengal, which had an index of 0.305 in 1981, improved to 0.404 in 1991 and 0.472 in 2001. Orissa is almost at the bottom of the list, with an index of 0.267 in 1981, 0.345 in 1991 and 0.404 in 2001. The HDI for Bihar registered the lowest value of 0.367 in 2001, which however is an improvement over the earlier years. Amongst the north eastern States, Mizoram has the highest HDI and Arunachal Pradesh the lowest.

3.71 The States which have done well in terms of HDI, are Punjab (0.537), Tamil Nadu (0.531) and Maharashtra (0.523). The HDI of Karnataka, the Centre of the information technology revolution, has still a long way to go, however, with an index of 0.478 in 2001.

3.72 So far as the urban - rural gap is concerned, the report shows that the national index for the rural areas has gone up from 0.263 to 0.340 and for urban areas from 0.442 to 0.511. The rural-urban gap was at the minimum in the case of Kerala and the maximum for Madhya Pradesh. The picture as a whole is a mixed one and shows that different States have performed differently depending on the focus accorded to human development. The southern States

generally have done better. Differences in treatment and status of women may perhaps explain their better performance in education, health and infant mortality. The gender development index of the NHDR is also definitely better for the southern States of India.

INFRASTRUCTURE

3.73 Infrastructure is generally defined as the physical framework of facilities through which goods and services are provided to the public. Its linkages to the economy are multiple and complex, because it affects production and consumption directly, creates positive and negative spillover effects and involves large inflow of expenditure.

3.74 Good infrastructure raises productivity and lowers production costs. But it has to expand fast enough to accommodate growth. Infrastructure capacity grows with economic output. As countries develop, infrastructure must adapt to changing patterns of demand. Infrastructure also determines the effect of growth on poverty reduction.

3.75 In this section, we look at the State-wise comparisons with respect to the key infrastructure sectors of power, roads, rail, telecommunications, posts and banking. The Infrastructure Index devised by the Eleventh Finance Commission is also considered.

Power

3.76 The availability of cheap, abundant and regular power supply is an essential condition for development. While generation capacity directly influences power production and hence availability, it may not always be a good indicator of power availability in the States of the country as sharing of power generated in a particular State is possible through the National Power Grid. A more reliable indicator of availability of power is the per capita consumption of power (Table 3.16).

Table 3.16
Per Capita Consumption of Electricity (in Kwh)
(Arranged in Rank Order of 1999-2000 except for All India)

S.No.	States/Union Territories	1974-75	1980-81	1989-90	1996-97	1999-2000
1	Arunachal Pradesh	3.4	14.6	56.6	81.0	68.6
2	Manipur	7.7	7.9	79.5	128.0	69.5
3	Nagaland	27.2	34.2	58.6	88.0	84.7
4	Assam	24.0	33.5	92.7	104.0	95.5
5	Tripura	6.0	14.5	45.0	80.0	95.5
6	Mizoram	4.3	5.6	65.0	128.0	120.7
7	Bihar	48.0	74.1	109.9	138.0	140.8
8	Meghalaya	31.3	31.0	106.4	135.0	160.3
9	Uttar Pradesh	50.0	83.1	157.4	197.0	175.8
10	West Bengal	106.1	117.0	136.2	194.0	204.4
11	Lakshadweep	11.2	26.8	143.6	234.0	217.9
12	Andaman & Nicobar Islands	27.2	42.3	109.7	210.0	222.4
13	Kerala	79.4	112.0	171.0	241.0	261.8
14	Jammu & Kashmir	52.7	74.8	176.4	218.0	267.9
15	Rajasthan	55.9	99.4	191.6	301.0	334.5
16	Himachal Pradesh	58.8	66.4	191.9	306.0	339.1
17	Madhya Pradesh	61.3	100.3	217.4	367.0	351.7
18	Orissa	69.2	114.0	249.2	309.0	354.6
19	Karnataka	119.3	146.0	272.8	340.0	380.1
20	Andhra Pradesh	55.4	101.8	233.5	346.0	391.0
21	Tamil Nadu	126.4	186.0	295.0	468.0	484.1
22	Maharashtra	172.6	244.5	393.6	556.0	520.5
23	Haryana	115.1	209.5	367.4	504.0	530.8
24	Delhi	299.2	403.8	673.6	577.0	653.2
25	Goa	157.5	250.8	411.2	724.0	712.5
26	Chandigarh	363.7	309.0	686.2	795.0	823.8
27	Gujarat	165.0	238.8	436.8	694.0	834.7
28	Punjab	154.2	303.6	620.5	792.0	921.1
29	Pondicherry	214.4	263.7	592.4	867.0	931.9
30	Dadra & Nagar Haveli	14.8	56.3	878.8	2379.0	3882.8
31	Daman & Diu	130.8	276.4	440.1	2335.0	3927.4
	All India	174.9	120.5	236.0	334.0	354.75
	Standard Deviation	86.60	108	219	553	920

Source : a) 1974-75, 1980-81, 1989-90 : Statistical Extract, India, CSO publication various issues.
b) 1996-97, 1999-2000 : Annual Report (2001-02) on the Working of State Electricity Boards and Electricity Departments, Planning Commission.

3.77 It may be seen from the Table that about three decades ago, in 1974-75, all the north eastern States had per capita consumption figures below the national level. The Union territories of Chandigarh consumed power the most (363.7 Kwh), followed by Delhi (299.2 Kwh) and Pondicherry (214.4 Kwh). Among the States, Maharashtra recorded the highest per capita consumption at 172.6 Kwh. On an average Punjab consumed 154.2 Kwh. States that recorded the lowest per capita power consumption are Mizoram (4.3 Kwh), and Arunachal Pradesh (3.4 Kwh).

3.78 By 1999-2000, per capita consumption of power for the country as a whole increased to 354.75 Kwh. The Union territories of Dadra and Nagar Haveli and Daman and Diu registered the highest per capita consumption of over 3800 Kwh, more than four times the consumption of the next highest. Gujarat and Goa were the States with the highest per capita consumption in 1999-2000. Although States like Mizoram experienced significant growth in per capita consumption of power, the north eastern States continued to have the lowest per capita consumption figures in the country. Amongst the larger States, Bihar, Uttar Pradesh and West Bengal had the lowest per capita consumption levels

3.79 The inter-State differences in per capita consumption of power have been widening over the years in spite of efforts made to streamline the availability of power (See Chart 3.8). The

inter-State variation, measured in terms of standard deviation in absolute terms, was only 87 in 1974-75 and it steadily increased to a level of 549 by the year 1996-97.

Roads

3.80 Road transport has emerged over the past decades as the major mode of transporting freight and passenger traffic in India. It is the main mechanised means of transport in hilly and rural areas, not served by railways.

3.81 The share of roads in the movement of goods and passengers has increased significantly over the years. In 1950-51, roads carried only 12 per cent of freight and 26 per cent of passenger traffic. By 1991-92, they carried 53 per cent of freight and 80 per cent of passenger traffic. Road network has expanded seven times, from four lakh km roads in 1951 to 24 lakh km in 1996.

Road Density

3.82 A standard indicator of road density is road length per thousand square kilometres. In the nineteen seventies, Jammu and Kashmir had the lowest road density of 40 km. This was followed by Mizoram where road density was 43 km; it was also low in Andaman & Nicobar Islands and Arunachal Pradesh where it was 82 km and 125 km respectively. Among the States, Kerala had the highest density of 3106 km, followed by Goa at 1581 km. (Table 3.17).

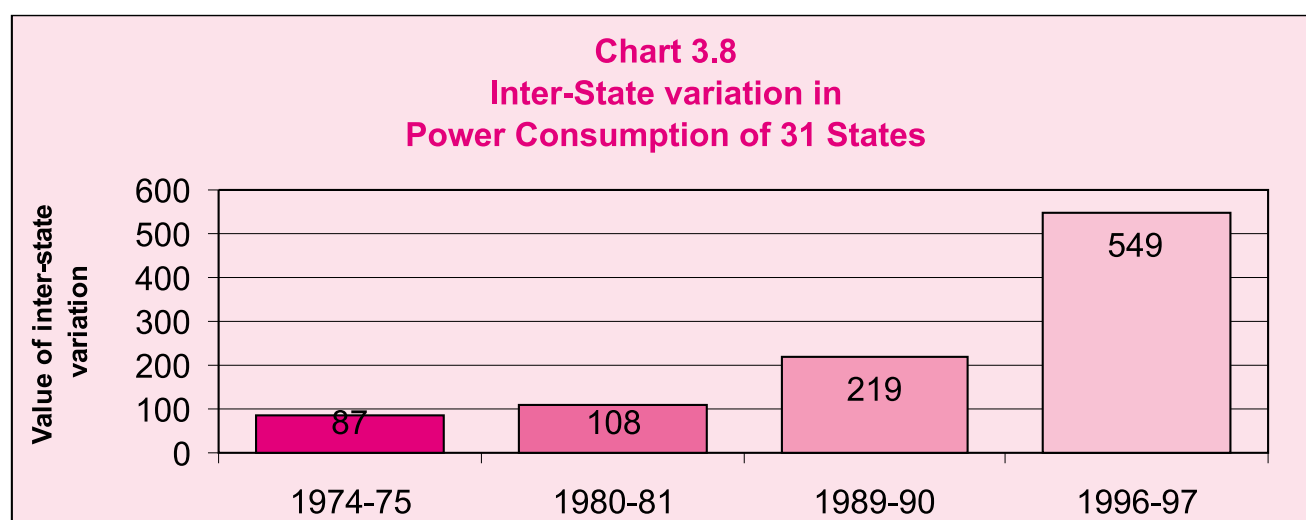


Table 3.17
State-wise Road Density in Kms.
(Road Length per '000 Sq. Kms. of area)
(Arranged in Rank Order of 1996-97)

S.No.	States/Union Territories	1971-72	1981-82	1991-92	1996-97
1.	Delhi	7984	10527	14256	17924
2.	Pondicherry	3508*	4286	6698	4859
3.	Kerala	3106	2751	3567	3749
4.	Goa	1581*	2141	2005	2245
5.	Orissa	366	772	1260	1687
6.	Tamil Nadu	714	1020	1523	1588
7.	Chandigarh	710*	1250	14000	15377
8.	Tripura	386	759	1341	1405
9.	Punjab	594	916	1078	1278
10.	Maharashtra	316	586	730	1176
11.	Nagaland	284	379	901	1107
12.	Dadra & Nagar Haveli	460*	492	643	1086
13.	Assam	383	760	836	872
14.	Uttar Pradesh	382	520	692	868
15.	West Bengal	599	642	700	850
16.	Karnataka	525*	557	701	751
17.	All India	344	466	615	749
18.	Andhra Pradesh	264	468	553	647
19.	Haryana	307	542	601	637
20.	Himachal Pradesh	215	369	459	542
21.	Bihar	670	481	492	508
22.	Manipur	392	239	314	490
23.	Gujarat	221	375	419	464
24.	Madhya Pradesh	162	242	321	451
25.	Meghalaya	303	233	291	379
26.	Rajasthan	146	212	363	378
27.	Sikkim	329*	156	227	258
28.	Mizoram	43*	119	179	229
29.	Arunachal Pradesh	125*	152	131	168
30.	Andaman & Nicobar Islands	82*	83	110	160
31.	Jammu & Kashmir	40	53	56	97
32.	Daman & Diu	n.a	n.a	n.a	26
33.	Lakshadweep	n.a	n.a	n.a	31

Note : * Refers to data for 1975-76
n.a. (not available)

Source : Basic Road Statistics, Ministry of Surface Transport - Various issues

3.83 During the year 1996-97, among the States Kerala had the highest density of 3749 per 1000 Sq.km of area, Goa had 2245 km and Orissa too had a high road density of 1687 km. The State with the lowest road density in 1997 was Jammu and Kashmir, which had a density of 96 km per 1000 sq. km area, followed by Arunachal Pradesh at 168 km. While road density for the country as a whole more than doubled in this period, for the poorest served State of Aurnachal Pradesh, it only went up by 34 per cent.

3.84 Hilly States have a negligible network of railway lines, and roads are the mainstay of the transport system. However, the road density in these States is among the lowest of all. Arunachal Pradesh has a density of 168 km, Mizoram has 229 km and Sikkim has 258 km of density per 1000 Sq. Kms of area.

Railways

3.85 Railways have traditionally been the principal mode of transportation in India, and though it no longer carries the lion's share of surface transport traffic, it remains, even now the backbone of the country's transport system. About 85 per cent of the railway network was inherited from the British. After Independence, the railway network has expanded at a very slow pace. The total route length has increased from 53,596 km in 1950-51 to 62,725 km in 1996-97. The rate of increase in the railway network was as low as 0.5 - 0.6 per cent per annum in the 1950s and the 1960s. This rate further dropped to 0.2 per cent per annum in the 70s and 80s. The total growth in the network between 1980-81 and 1996-97 has been only 2.5 per cent.

3.86 Rail density, which indicates availability of this critical infrastructure in a particular State, is expressed in terms of the route length per thousand square km of area. In 2000-01, the highest rail density among States was in Punjab at 41.73 km with West Bengal almost at par at 41.26 km. Bihar is well served by rail with a density of 36.55 km as also and Uttar Pradesh with 35.93 km. In the south, rail density was highest in Tamil Nadu at 32.21 km followed by Kerala where the rail density was 27.02 km. In the North East, Assam had the greatest concentration of rail lines, as compared to other States of the region. Amongst major States served

by rail lines (32.08), Madhya Pradesh, Karnataka, Orissa, Chattisgarh have the lowest density of rail routes (Table 3.18 and Chart 3.10).

Table 3.18
State-wise Route Kms per lakh of Population & Route Kms per 1000 Sq. Kms as on 31.3.2001

Sl. No	States	Route Kms per lakh of Population	Route Kms per 1000 sq.kms
0	1	2	3
1	Delhi	1.45	134.63
2	Chandigarh	0.86	67.89
3	Punjab	8.65	41.73
4	West Bengal	4.56	41.26
5	Bihar	4.15	36.55
6	Uttar Pradesh	5.16	35.93
7	Haryana	7.34	35.00
8	Tamil Nadu	6.74	32.21
9	Assam	9.45	32.08
10	Gujarat	10.50	27.10
11	Kerala	3.30	27.02
12	Pondicherry	1.14	22.56
13	Jharkhand	6.68	22.54
14	Goa	5.16	18.72
15	Andhra Pradesh	6.78	18.67
16	Maharashtra	5.64	17.74
17	Rajasthan	10.49	17.32
18	Madhya Pradesh	7.93	15.52
19	Karnataka	5.64	15.51
20	Orissa	6.29	14.83
21	Chhattisgarh	5.68	8.73
22	Uttaranchal	4.20	6.37
23	Himachal Pradesh	4.42	4.83
24	Tripura	1.40	4.26
25	Nagaland	0.65	0.78
26	Jammu & Kashmir	0.95	0.43
27	Mizoram	0.17	0.07
28	Manipur	0.06	0.06
29	Arunachal Pradesh	0.12	0.02
30	Meghalaya	0	0
31	Sikkim	0	0
32	Andaman & Nicobar Islands	0	0
33	Dadra & Nagar Haveli	0	0
34	Daman & Diu	0	0
35	Lakshadweep	0	0
Total		135.56	700.36

Source : Data Book 2002-03, Railway Budget, 26th Feb,2002

Chart 3.10
Rail Density of Selected Comparable States as on 31.3.2001



Source : Data Book 2002-03 Railway Budget, 26th Feb,2002

Telecommunications

3.87 Telecommunications is a crucial part of infrastructure and one that is becoming increasingly important, given the trend of globalisation and because of the enormous growth of information technology and its potential impact on the rest of the economy.

3.88 In order to measure the extent of network in the States, we look at the spread of telephone network in terms of the increase in telephone lines and telephone density. Telephone density is the number of phones per hundred persons. Tele density is not only a function of growth of the network but equally dependent on the growth in demand, which in turn depends upon the overall economic development.

3.89 The nineties have witnessed a phenomenal growth of telecom network. The growth was faster during the Ninth Plan.

3.90 During 1999-00, there were 2.85 telephone lines per 100 persons in the country as compared to only 0.59 in 1987-88 and 0.78 in 1991-92. However, the ratio is still low as compared to other developing countries, where it is around 5-6 and the world average, which is 11 telephones per 100 persons (Table 3.19).

3.91 Amongst the States, the tele density was lowest for West Bengal at 0.10 in 1987-88, followed closely by Bihar, where the density was at 0.12. Gujarat had the highest density at 1.04, followed by Punjab at 0.88.

3.92 By 2000, Kerala had the highest teledensity at 5.55, followed by Maharashtra at 5.33 (See Chart 3.11). The other high telephone density States were Tamil Nadu, Himachal Pradesh and Gujarat where the density was at 4.52, 4.32 and 4.22 respectively. Tele density continued to be relatively low for the north eastern States at 1.69. In West Bengal it improved significantly to 2.06 over these three Plan periods, but Bihar had the lowest tele density at 0.65 in 2000 as well. Jammu & Kashmir recorded the lowest rate of growth of 2.8 per cent in this period.

3.93 Among the metropolitan cities, Mumbai and Delhi had 13.26 and 10.29 telephones per 100 persons respectively in 1996, Chennai and Calcutta had 8.4 and 8.8 of density respectively.

Postal Sector

3.94 The Indian postal system is the largest in the world, having a network of 1.53 lakh post offices. Besides providing a variety of postal services, the Indian postal system is playing a vital role in the resource mobilisation efforts, especially in the rural areas. The importance of

Table 3.19
State-wise Tele-density (per 100 persons) in 1987-88,
1991-92 and 2000.
(Arranged as Rank in 2000)

SI No	States/Union Territories	1987-88	1991-92	2000
1	Delhi	5.56	7.69	15.27
2	Kerala	0.78	1.16	5.55
3	Maharashtra	0.45	0.63	5.33
4	Punjab	0.88	1.23	5.18
5	Tamil Nadu	0.50	0.60	4.52
6	Himachal Pradesh	0.55	0.85	4.32
7	Gujarat	1.04	1.32	4.22
8	Karnataka	0.69	0.93	3.74
9	Haryana	0.51	0.82	3.35
10	Andhra Pradesh	0.50	0.64	3.12
11	All India	0.59	0.78	2.85
12	Rajasthan	0.37	0.49	2.11
13	West Bengal	0.10	0.11	2.06
14	North-Eastern States	0.32	0.45	1.69
15	Madhya Pradesh	0.23	0.45	1.54
16	Uttar Pradesh	0.22	0.28	1.33
17	Jammu & Kashmir	0.46	0.50	1.31
18	Orissa	0.19	0.28	1.21
19	Assam	0.18	0.24	1.06
20	Bihar	0.12	0.16	0.65
21	Calcutta	2.78	3.33	
22	Chennai	3.33	4.35	
23	Mumbai	7.69	10.00	

Note : Blank indicates data not available

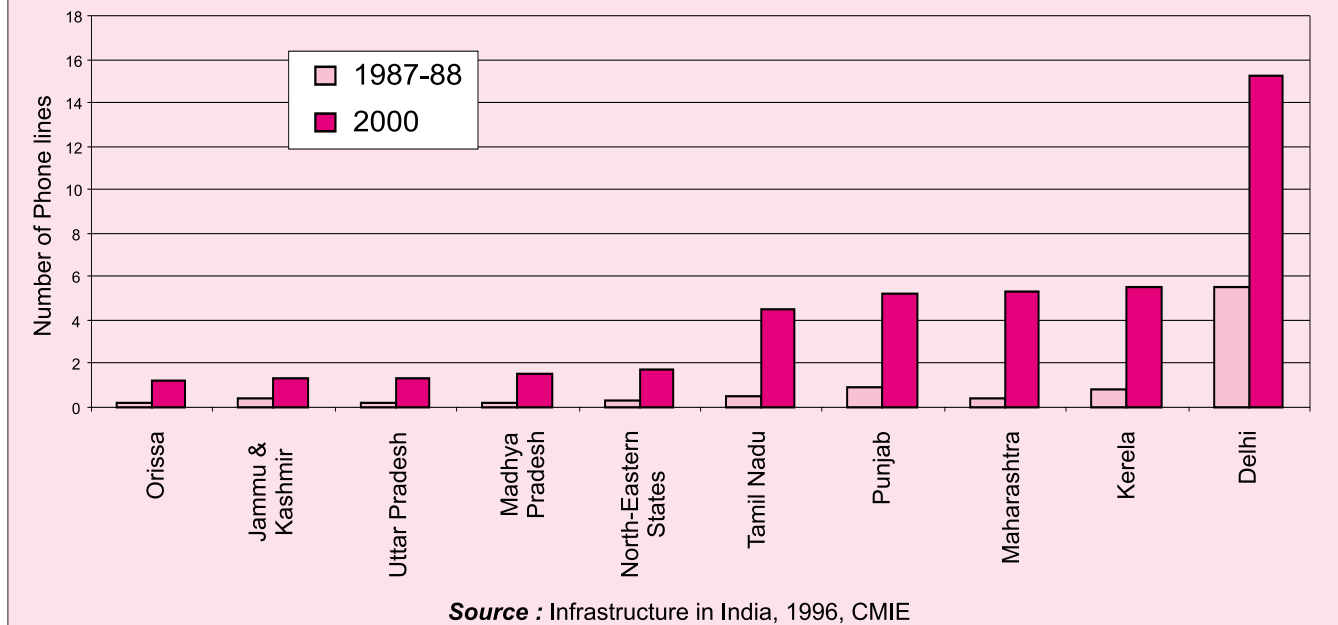
Source : Infrastructure in India, 1996, CMIE & Telecom Department for 1999-2000

these functions is illustrated by the deposits to the tune of Rs.91,795 crore in 160.5 million accounts mobilised under the Post Office Saving Banks Scheme (POSBs) as on March 31, 1996

3.95 Since the 1960s, however, the spread of post offices has been steadily declining. The area

covered by a post office in rural areas has come down substantially. In the beginning of the 1980s, 25.9 km of the rural area was served by one post office, while the urban post office served 3.8 km. By 1994-94, the rural post office covered an area of 23.8 km as compared to an urban post office that covered an area of 3.2 km.

Chart 3.11
Growth in Tele-Density (No. of Telephone lines per 100 persons)
Top-five & Bottom-five States in 2000 in comparison to 1987-88



Spread of Post Offices in States

3.96 In order to measure the spread of post offices in the States, we look at two indicators of their spread: population and area under one post office. Population under one post office reflects the burden on these post office branches. Area under one post office shows the accessibility of a post office in an area. These two indicators should register a fall in the growth of postal network is fast. However, the area under one post office will fall as more and more post offices are opened but population under one post office is also a function of the growth of population. This would fall only if the growth of post offices is higher than the growth of population in each State.

Population Under One Post Office

3.97 The growth of post offices has slowed down considerably after the 1970s. Almost all the States registered an increase in the number of persons

per post office. This was a result of the fact that the growth of post offices was not able to keep pace with the growth of population (Table 3.20).

3.98 There was an increase in the population served by one post office by 1993-94. For all-India, the figure increased to 5,740. The relative position of the States had also not changed much between the two periods. West Bengal had the highest number of people to be served by one post office at 8,301. This was followed by Bihar where the figure was 7,658 and Uttar Pradesh 7,232. The lowest figure was for Sikkim where population per office was 1,880. An interesting feature to note is that some of the north eastern States registered a decline in population per office against the general trend of an increase in this number, indicating a significant improvement in coverage of services in the region. Population per office declined from 1,968 in 1980-81 to 1,724 in 1999-2000 for Mizoram, from 2,655 to 1,989 for Sikkim, from 3,292 to 2,856 for Arunachal Pradesh and from 2,924 to 2,648 in Manipur.

Table 3.20
Population under One Post Office - 1980-81,
1990-91 and 1999-2000
(Arranged in Rank Order of 1999-2000)

SI No	States/Union Territorries	Persons/post office		
		1980-81	1990-91	1999-2000 (1991 Census)
1	Delhi	11350	17380	16295
2	Chandigarh	11300	12588	12818
3	Pondicherry	6163	8245	8526
4	Bihar	6798	7657	7216
5	West Bengal	7055	8132	6871
6	Uttar Pradesh	6383	7250	6871
7	Maharashtra	5601	6611	6315
8	Haryana	5459	6470	6158
9	Madhya Pradesh	5253	6083	5812
10	Kerala	5563	5932	5751
11	Assam	5792	5925	5698
12	Daman & Diu	4939	6313	5643
13	All India	4908	5675	5462
14	Punjab	4527	5343	5356
15	Lakshadweep	4000	7429	5173
16	Jammu & Kashmir	4471	4967	4651
17	Gujarat	4072	4737	4609
18	Tamil Nadu	4158	4645	4608
19	Karnataka	3977	4637	4538
20	Goa	4289	4912	4534
21	Rajasthan	3668	4446	4222
22	Andhra Pradesh	3341	4080	4097
23	Orissa	3652	4040	3873
24	Tripura	3416	4122	3847
25	Nagaland	3638	4537	3788
26	Meghalaya	3196	3862	3613
27	Dadra & Nagar Haveli	3714	3067	2961
28	Arunachal Pradesh	3292	3378	2856
29	Andaman & Nicobar Islands	2423	2897	2856
30	Manipur	2924	3020	2648
31	Sikkim	2655	2606	1989
32	Himachal Pradesh	1834	1984	1847
33	Mizoram	1968	2030	1724

Source : Department of Posts

3.99 Although in consideration of area under a post office hilly areas cannot be readily compared with equivalent areas in plains, area remains a good indicator of postal density. Area per post office registered a decline for all the States between 1980-81 and 1999-2000. The area to be served was highest

in Arunachal Pradesh, followed by Jammu and Kashmir and Andaman and Nicobar Islands. The best postal density in the country in 2000 was in the Union Territory of Chandigarh and amongst States, Kerala at 7.72 sq. km. Tamil Nadu and West Bengal were also among the better-placed States (Table 3.21).

Table 3.21
Area under One Post Office - 1980-81, 1990-91 and 1999-2000
(Arranged in Rank Order of 1999-2000)

SI No	States/ Union Territories	Sq Km/Post Office		
		1980-81	1990-91	1999-2000
1	Arunachal Pradesh	435.2	329.69	278.07
2	Jammu & Kashmir		143.01	133.85
3	Andaman & Nicobar Islands			83.67
4	Mizoram	84.01	62.37	52.74
5	Nagaland	77.59	61.86	51.24
6	Meghalaya	53.8	49.16	45.99
7	Madhya Pradesh	44.57	40.78	38.98
8	Sikkim	61.33	45.78	34.46
9	Rajasthan	36.85	34.67	32.92
10	Manipur	46.00	36.9	32.27
11	Maharashtra	27.45	25.84	24.67
12	Gujarat	23.41	22.55	21.88
13	All India	23.62	22.1	21.26
14	Himachal Pradesh	23.85	12.61	20.12
15	Assam	31.97	20.84	20.04
16	Karnataka	20.53	19.84	19.45
17	Orissa	21.57	19.96	19.17
18	Andhra Pradesh	17.27	16.92	16.98
19	Haryana	18.68	17.53	16.67
20	Tripura	17.43	15.74	14.6
21	Uttar Pradesh	16.95	15.38	14.55
22	Bihar	16.9	15.42	14.53
23	Goa	16.17	14.46	14.35
24	Dadra & Nagar Haveli			14.02
25	Punjab	13.57	13.32	12.95
26	Tamil Nadu	11.17	10.85	10.76
27	West Bengal	11.35	10.61	10.24
28	Kerala	8.49	7.94	7.71
29	Daman & Diu			6.22
30	Pondicherry			5.26
31	Lakshadweep			3.2
32	Delhi			2.43
33	Chandigarh			2.28

Source : Department of Posts

Banking

3.100 The development of banking facilities in India has been significant especially after the nationalisation of banks in 1969. The commercial banks, most of which are in the public sector have gained prominence in the financial intermediation process. These banks have made significant strides in expanding geographical coverage, mobilising savings and promoting investments, especially in the backward areas.

Credit-Deposit Ratio

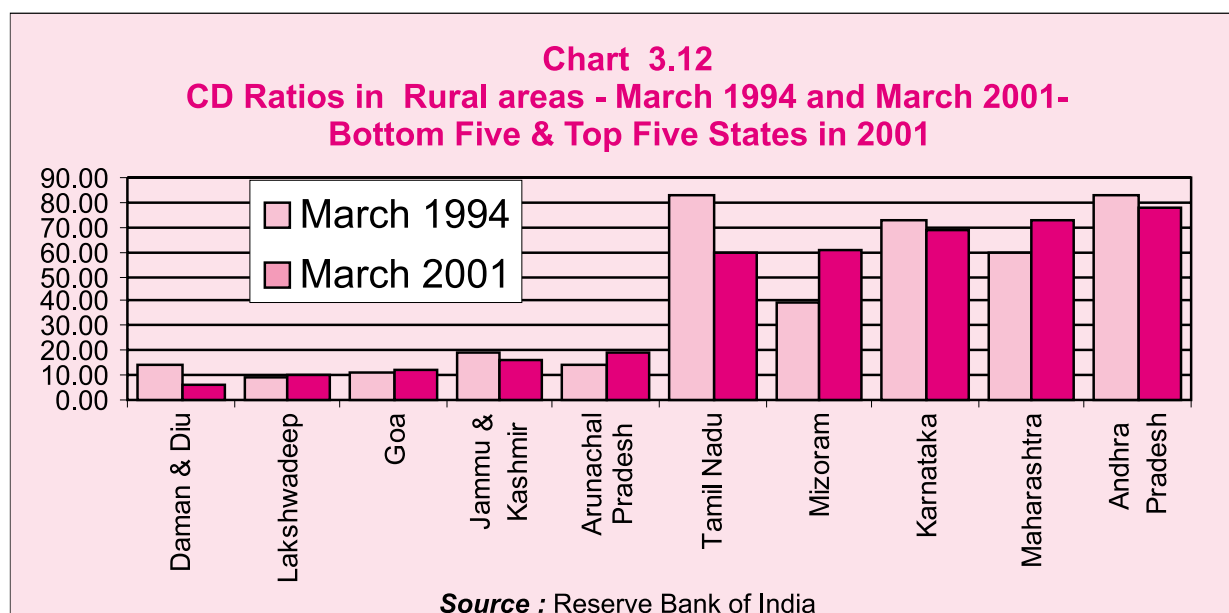
3.101 The credit-deposit ratio provides an insight into the spread of banking facilities, credit opportunities, trend and pace of development taking place in the States of the country.

3.102 The credit-deposit (C-D) ratios of bank branches in the eastern region were above 50 per cent in March 1993, declining to 37 per cent in March 2001. In Bihar, the ratio declined from 35.25 in March 1994 to 21.3 in March 2001. During the same period it declined from 60.08 to 41.5 in Orissa. The C-D ratio of the Central region fell from 42 per cent

to 33 per cent, and that of the north eastern region from 39 per cent to 28 per cent in the same period. It declined from 37.22 to 28.8 in Uttar Pradesh and from 54.9 to 28.8 in Madhya Pradesh. The ratios increased mainly in the southern States. The C-D Ratios rose from 56.36 to 85.4 in Maharashtra and from 82.45 to 90.6 in Tamil Nadu for the same period.

C.D. Ratios in Rural Areas

3.103 There has been a steady fall in the C-D ratios of rural bank branches in underdeveloped regions compared to the all India levels. While the all India rural C-D ratios have fallen from about 55 per cent to 40 per cent, the corresponding ratios for the Central, eastern and north eastern regions have slipped from a range of 50-55 per cent to 26-33 per cent (Chart 3.12). Of note is the phenomenally faster growth of bank deposits in the rural areas of these regions than the growth of bank credit. Low C - D ratios in States are usually due to the perception of banks of either inadequate opportunities for lending, or an unsatisfactory environment for safe lending.



Infrastructure Index

3.104 Table 3.22 presents an infrastructure index devised by the Eleventh Finance Commission for the year 1999. This index brings out a composite comparative profile of the availability of physical, social and institutional infrastructure in the States.

TABLE 3.22
Index of Social and Economic Infrastructure, 1999
(Arranged in decreasing Order)

SI No	States	Index
1	Arunachal Pradesh	69.71
2	Jammu & Kashmir	71.46
3	Tripura	74.87
4	Manipur	75.39
5	Meghalaya	75.49
6	Rajasthan	75.86
7	Nagaland	76.14
8	Madhya Pradesh	76.79
9	Assam	77.72
10	Orissa	81.00
11	Bihar	81.33
12	Mizoram	82.13
13	Himachal Pradesh	95.03
14	Uttar Pradesh	101.23
15	Andhra Pradesh	103.30
16	Karnataka	104.88
17	Sikkim	108.99
18	West Bengal	111.25
19	Maharashtra	112.80
20	Gujarat	124.31
21	Haryana	137.54
22	Tamil Nadu	149.10
23	Kerala	178.68
24	Punjab	187.57
25	Goa	200.57

Source : Eleventh Finance Commission Report, 2000

3.105 It can be seen from the Table that amongst all the States existing in 1999, Goa had the highest index for infrastructure. This means that Goa was the best-placed State in terms of infrastructure facilities. The other States with a high infrastructure index were Kerala, Punjab, Gujarat and Haryana. Arunachal Pradesh, as also most of the other north eastern States, had the lowest Index. Amongst the major States, Rajasthan and Madhya Pradesh were weakest in infrastructure endowments in 1999. Infrastructural endowments of States are significant since they are important determinants in private sector investment decisions and consequently capital flows to States.

CAPITAL FLOWS

3.106 In the early plans, capital flows, whether public or private, were largely regulated and directed in nature. However, post-liberalization, and in particular during the last two plans, private, institutional and external capital flows have tended to become more and more market determined. The pattern of distribution of these flows is a subject of increasing interest. An attempt is made in this section to look at the direction of capital flows in five broad categories, i.e., Plan outlays, public and private investment, institutional investment, credit utilization and externally aided projects (EAPs).

3.107 Information on these categories is in itself not directly comparable. Information presented here for a particular category varies from giving the picture at a point of time, for a year, to the average of a five year period. There are also overlaps between public and private investment, Plan outlays and EAPs. Categories such as credit utilisation and investment may be linked.

3.108 However, it is possible to draw inferences from relative rankings of States falling in a given category. All figures have been reduced to per capita terms for standardization and ease of comparison. The figures are for the latest available information, covering the years 1999 to 2001, except in the case of EAPs for which the Ninth Five Year Plan average annual flows are taken. The comparative position of per capita capital flows to States is given in Table 3.23.

Table 3.23 : Comparative Position of Per Capita Flows to States, 1999/2000/2001

Sl. No.	States	Population 2001	Per Capita NSDP (Rs.) 99-00#	Credit Deposit Ratio 2001	Public & Pvt. Invest. (Rs. Cr) Oct 2001	Public & Pvt. Invest. per Capita (Rs.)	Plan Outlays (Rs. Cr) 2001-02	Per Capita Plan Outlay (Rs.)	Instl. Investment (Rs Cr.) 2001	Per Capita Inst. Invest. (Rs.)	Total Credit Utilised in States (Cr.) Mar. 2001	Per Capita Total Credit Utilised in States (Rs.)
1	2	3	4	5	6	7	8	9	10	11	12	13
Non Spl. Category States												
1	Andhra Pradesh	75,727,541	14715	64.9	162416	21447.42	7816.48	1032.18	6887.36	909.49	35348.76	4667.89
2	Bihar	82,878,796	6328	20.7	23634	2851.63	2644.00	319.02	4524.49	545.92	5547.18	669.31
3	Chhattisgarh	20,795,956	@	49.9	25389	12208.62	1312.00	630.89	66.66	32.05	3748.97	1802.74
4	Goa	1,343,998	NA	27.3	7534	56056.63	460.00	3422.62	244.72	1820.84	1947.27	14488.64
5	Gujarat	50,596,992	18685	53.6	171399	33875.33	6500.00	1284.66	3641.14	719.64	29482.99	5827.02
6	Haryana	21,082,989	21551	54.0	19399	9201.26	1814.17	860.49	1743.57	827.00	10747.41	5097.67
7	Jharkhand	26,909,428	@	30.6	24503	9105.73	2250.00	836.14	98.43	36.58	4733.35	1758.99
8	Karnataka	52,733,958	16343	61.8	130651	24775.50	7903.79	1498.80	3628.24	688.03	33856.03	6420.16
9	Kerala	31,838,619	18262	42.3	38955	12235.14	2260.00	709.83	3733.05	1172.49	18697.06	5872.45
10	Madhya Pradesh	60,385,118	10907	52.5	44001	7286.73	3937.76	652.11	4380.59	725.44	15264.19	2527.81
11	Maharashtra	96,752,247	23398	83.5	169855	17555.66	10834.00	1119.77	6383.38	659.77	144064.2	14890.01
12	Orissa	36,706,920	9162	41.6	93694	25524.89	2300.00	626.58	3851.48	1049.25	6262.34	1706.04
13	Punjab	24,289,296	23040	42.3	30818	12687.89	3021.00	1243.76	2618.59	1078.08	18718.77	7706.59
14	Rajasthan	56,473,122	12533	49.6	38194	6763.22	4642.35	822.05	5161.87	914.04	13662.06	2419.21
15	Tamil Nadu	62,110,839	19141	90.6	163303	26292.19	5200.00	837.21	4405.87	709.36	57106.8	9194.34
16	Uttar Pradesh	166,052,859	9765	31.9	54859	3303.71	4872.77	293.45	10274.34	618.74	27192.58	1637.59
17	West Bengal	80,221,171	15569	43.4	57058	7112.59	5693.31	709.70	5308.71	661.76	29475.59	3674.29
Spl. Category States												
1	Arunachal Pradesh	1,091,117	14338	22.1	4134	37887.78	660.91	6057.19	59.8	548.06	135.51	1241.94
2	Assam	26,638,407	9720	38.1	112303	42158.30	1710.00	641.93	1663.25	624.38	3759.79	1411.42
3	Manipur	2,388,634	11370	40.7	1207	5053.10	352.65	1476.37	138.76	580.92	175.76	735.82
4	Meghalaya	2,306,069	11678	17.3	697	3022.46	472.82	2050.33	262.91	1140.08	285.35	1237.39
5	Mizoram	891,058	NA	29.0	1196	13422.25	441.51	4954.90	78.07	876.15	114.74	1287.68
6	Nagaland	1,988,636	NA	13.6	273	1372.80	411.47	2069.11	266	1337.60	122.45	615.75
7	Sikkim	540,493	13356	14.5	6628	122628.79	300.00	5550.49	105.32	1948.59	88.1	1629.99
8	Tripura	3,191,168	10213	21.7	5609	17576.64	560.00	1754.84	196.15	614.67	339.08	1062.56
9	Himachal Pradesh	6,077,248	15012	25.7	31664	52102.53	1744.51	2870.56	107.49	176.87	1903.38	3131.98
10	Jammu & Kashmir	10,069,917	12338	33.5	17034	16915.73	2050.00	2035.77	817.46	811.78	3313.21	3290.21
11	Uttaranchal	8,479,562	@	23.9	16911	19943.25	1050.00	1238.27	13.26	15.64	2233.33	2633.78
Union Territories												
1	Andaman & Nicobar Islands	356,265	NA	27.5	77	2161.31	370.00	10385.53	*		106.26	2982.61
2	Chandigarh	900,914	46347	99.3	1170	12986.81	154.11	1710.60	*		7509.27	83351.69
3	Dadra & Nagar Haveli	220,451		135.2	584	26491.15	51.48	2335.21	*		299.41	13581.70
4	Daman & Diu	158,059		75.3	12	759.21	42.19	2669.26	*		304.24	19248.51
5	Delhi	13,782,976	35705	57.6	16246	11787.00	3800.00	2757.02	195.8	142.06	61306.79	44480.08
6	Lakshadweep	60,595		11.8	24	3960.72	104.98	17324.86	*		6.49	1071.05
7	Pondicherry	973,829	30768	35.8	2072	21276.84	355.00	3645.40	0.24	2.46	575.03	5904.84

Note: * : Nil or Negligible
: Provisional Estimates of 1999-2000
@ : Not Available for newly created States

Source : Basic Statistical Returns of Scheduled Commercial Banks in India, RBI 2001 for Col.(5,12); National Accounts Division (NAD), CSO for Col.(4); RBI Bulletin April 2002 for Col.(10); Monthly Review of Invest. Project CMIE April 2002 for Col.(6); (Total Outstanding Investment In Hand, Fig. Includes the amount for the Project which are Announced, Proposed & under implementation)

Table 3.24
Leading States in Per Capita Flows

Per Capita Flows of	Top Five Non-Special Category	Top Two Special Category
Plan Outlays	Goa, Karnataka, Gujarat, Punjab, Maharashtra	Arunachal Pradesh, Sikkim
Public & Private Investment	Goa, Gujarat, Tamil Nadu, Orissa, Karnataka	Sikkim, Himachal Pradesh
Institutional Investment	Goa, Kerala, Punjab, Orissa, Rajasthan	Sikkim, Nagaland
Credit Utilisation	Maharashtra, Goa, Tamil Nadu, Punjab, Karnataka	Himachal Pradesh, Jammu & Kashmir
ACA for Externally Aided Projects*	Andhra Pradesh, Gujarat, Karnataka, Orissa, Haryana	Sikkim, Manipur

* Based on information given in Annexure 3.12

3.109 From table 3.23, we have segregated for each category the top five States from the non-special category of States and the top two States from the special category of States. The picture that emerge is given in Table 3.24.

3.110 An attempt is made to identify the States which are receiving the highest per capita flows across various categories by considering the number of categories in which a particular State figures in the top five bracket (or top two as in the case of special category States). It is seen that the States of Goa and Karnataka figure in the top five in four out of the possible five categories, Orissa and Punjab in three and Gujarat, Tamil Nadu and Maharashtra in two out

of the five categories. Among the special category States, Sikkim figures in four and Himachal Pradesh figures in two out of the five categories. It may be inferred that these are the States which have tended to attract in much of the capital flows in recent years.

3.111 The general perception about private, institutional and external capital flows in the post-liberalization era is that they would tend to be concentrated in the more prosperous States and those with better infrastructure. To test this presumption, we take a look at the ranking of the States in terms of per capita income, and the infrastructure index. The position in this regard is indicated in Table 3.25.

Table 3.25
Income and infrastructural Status

States	Per Capita Income (NSDP-1999-2000) (In Rs.)	Infrastructure Index, 1999
Non Special Category	1. Maharashtra 2. Punjab 3. Haryana 4. Tamil Nadu 5. Gujarat	1. Goa 2. Punjab 3. Kerala 4. Tamil Nadu 5. Haryana
Special Category	1. Himachal Pradesh 2. Arunachal Pradesh	1. Sikkim 2. Himachal Pradesh

3.112 If we relate the States identified as those which attract relatively larger per capita capital flows with the more prosperous and better endowed in infrastructure index, it is seen that there is a very high level of congruence, with the possible exception of Orissa. Amongst the non special category States which figure in at least one of the lists, Haryana and Kerala also figure in the high income/infrastructure lists, while Andhra Pradesh and Rajasthan are among the lower income States which make it to at least one list.

3.113 In the case of Orissa, it is possible that relatively high level of external aid due to assistance received from multi-lateral institutions, as well as higher levels of private investment linked to power sector reforms of recent years have brought capital flows to the State at least temporarily at par with capital flows received by more developed States. In the case of Andhra Pradesh, it is essentially the outstanding success it has attained in attracting EAPs that enables it to be a leading State in one list (EAPs).

3.114 Of the various kinds of capital flows considered above, there is need for a special mention of flows arising out of disbursement from externally aided projects. This is because in the present era of resource constraints, it is imperative for the State Governments to maximize additionalities to their domestic resources to the extent possible. The single most important potential

source of augmenting the State's resources is through EAPs because, typically, 70 - 90 per cent of expenditures on EAPs are reimbursed to the State in the form of additional Central assistance (ACA), and there is no ceiling on the amount a State can receive as ACA. The amount of ACA received by a State by way of external assistance depends only on the efforts made by the State, primarily in terms of (i) efficiency of project implementation, (ii) preparation of project proposals keeping in view donor agency requirements, (iii) aggressive follow up of proposals, and (iv) projection of a positive perception of the State, specially relating to governance and reforms.

3.115 This appears to be the only window in which it is possible for less developed States to attract financing for the development efforts, even if they are not so well off or well endowed in terms of infrastructure. Both Andhra Pradesh and Orissa, in the list of top five States receiving highest levels of per capita per annum assistance during the Ninth Plan, are cases in point. In absolute terms, over the Ninth Plan period, States like Uttar Pradesh, West Bengal to a large extent, and Madhya Pradesh to a lesser extent, have also done well (Details of EAP flows to States in the Ninth Plan are given in Annexure 3.12). The linkage of EAPs with high income/infrastructure levels seems to be the weakest amongst all categories of capital flows, and this indicates considerable scope for State initiative.

**Per Capita Net State Domestic Product (State Income) 1993-94 To
1999-2000 at 1993-94 Prices
(Arranged in Rank Order of Growth Rate in Descending Order)**

(In Rupees)

SI No.	States\Union Territories	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000 (P)	Exponential Growth Rate
0	1	2	3	4	5	6	7	8	9
1	Pondicherry	9781	9644	9841	13468	17390	19300	19895	15.7
2	Chandigarh	19699	19653	21962	24055	24614	27717	29661	7.5
3	Karnataka	7835	8095	8363	8997	9228	10282	10928	5.8
4	West Bengal	6781	7121	7514	7903	8438	8900	9425	5.7
5	Sikkim	7550	7113	7633	8236	9125	9440	9816	5.6
6	Rajasthan	6192	7158	7209	7851	8641	8735	8272	5.3
7	Tamil Nadu	8952	9944	10191	10583	11240	11775	12504	5.3
8	Delhi	18023	19454	18996	20189	22326	22977	24032	5.0
9	Manipur	5833	5565	5612	6331	6773	7014	7244	4.8
10	Goa	15602	15655	16180	18320	18122	NA	NA	4.7 #
11	Gujarat	9796	11535	11649	13206	12937	13493	13022	4.6
12	Tripura	5350	5107	5339	5724	6115	6456	6604	4.5
13	Maharashtra	12290	12299	13406	13784	14114	14312	15410	3.8
14	Andhra Pradesh	7447	7739	8086	8531	8214	9018	9318	3.6
15	Kerala	7938	8516	8748	8987	9079	9542	10107	3.6
16	Himachal Pradesh	7364	7934	7966	8326	8583	8905	9177	3.5
17	Haryana	11090	11617	11570	12664	12544	13003	13709	3.4
18	Uttar Pradesh	5258	5411	5498	5965	5848	6117	6373	3.2
19	Meghalaya	6706	6697	7150	7161	7331	7727	7826	2.8
20	Madhya Pradesh	6537	6441	6686	6962	7022	7407	7564	2.8
21	Bihar	3810	4068	3723	4093	4203	4397	4475	2.7
22	Punjab	12714	12778	12989	13687	13705	14007	14678	2.4
23	Jammu & Kashmir	6543	6619	6732	6978	7128	7296	7435	2.3
24	Orissa	4797	4913	5053	4652	5272	5264	5411	2.0
25	Andaman & Nicobar islands	15192	16191	15354	15896	16357	NA	NA	1.3 #
26	Nagaland	9129	9410	9646	9880	10287	9118	NA	0.8 \$
27	Arunachal Pradesh	8579	8407	9424	8635	8693	8401	9170	0.4
28	Assam	5715	5737	5760	5793	5796	5664	5978	0.4

Note: # : Growth rate relates to 1993-94 to 1997-98
 \$: Growth rate relates to 1993-94 to 1998-99
 P : Provisional Estimates
 NA : Not Available

Source: National Accounts Division, Central Statistical Organisation (In a floppy)

Per cent Distribution of Employment by Industrial Sectors (Usual Principal Status)

Sl. No	States	1987-88				1993-94				1999-00			
		Primary	Secondary	Tertiary	Total	Primary	Secondary	Tertiary	Total	Primary	Secondary	Tertiary	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Andhra Pradesh	67.40	10.30	22.30	100.00	67.98	9.14	22.88	100.00	60.55	9.29	30.16	100.00
2	Arunachal Pradesh	56.40	1.00	42.60	100.00	79.58	1.91	18.51	100.00	67.12	2.47	30.41	100.00
3	Assam	69.30	3.00	27.70	100.00	71.64	3.04	25.32	100.00	57.90	3.81	38.29	100.00
4	Bihar	75.70	6.70	17.60	100.00	76.62	4.86	18.52	100.00	73.55	7.32	19.13	100.00
5	Gujarat	55.90	12.90	31.20	100.00	57.40	16.20	26.40	100.00	52.48	14.00	33.52	100.00
6	Haryana	58.90	12.70	28.40	100.00	46.60	11.00	42.40	100.00	45.15	12.45	42.40	100.00
7	Himachal Pradesh	75.40	5.20	19.40	100.00	71.68	3.89	24.43	100.00	60.30	5.42	34.28	100.00
8	Jammu & Kashmir	54.30	12.30	33.40	100.00	51.55	5.95	42.50	100.00	52.77	5.57	41.66	100.00
9	Karnataka	66.80	12.00	21.20	100.00	66.37	10.64	22.99	100.00	58.40	11.52	30.08	100.00
10	Kerala	47.90	15.90	36.20	100.00	45.36	14.90	39.74	100.00	34.67	15.63	49.70	100.00
11	Madhya Pradesh	77.00	7.60	15.40	100.00	77.60	5.80	16.60	100.00	68.62	7.56	23.82	100.00
12	Maharashtra	63.20	11.30	25.50	100.00	60.40	11.20	28.40	100.00	49.96	12.63	37.41	100.00
13	Manipur	60.40	6.40	33.20	100.00	55.19	9.11	35.70	100.00	63.49	6.33	30.18	100.00
14	Meghalaya	77.63	1.69	20.68	100.00	78.80	1.10	20.10	100.00	70.34	1.31	28.35	100.00
15	Orissa	69.80	9.10	21.10	100.00	73.95	7.23	18.82	100.00	68.96	9.10	21.94	100.00
16	Punjab	52.10	14.50	33.40	100.00	49.36	11.73	38.91	100.00	43.48	13.30	43.22	100.00
17	Rajasthan	65.40	8.30	26.30	100.00	67.00	7.00	26.00	100.00	61.42	8.66	29.92	100.00
18	Tamil Nadu	51.20	19.90	28.90	100.00	52.40	18.12	29.48	100.00	41.93	20.10	37.97	100.00
19	Tripura	40.10	6.20	53.70	100.00	41.20	5.50	53.30	100.00	38.20	3.87	57.93	100.00
20	Uttar Pradesh	70.20	9.20	20.60	100.00	66.97	9.57	23.46	100.00	60.19	11.87	27.94	100.00
21	West Bengal	52.30	17.70	30.00	100.00	48.34	18.75	32.91	100.00	47.34	17.56	35.10	100.00
22	Delhi	4.20	25.20	70.60	100.00	2.20	27.70	70.10	100.00	5.26	23.61	71.13	100.00
23	Pondicherry	41.40	20.50	38.10	100.00	35.35	17.96	46.69	100.00	23.68	26.65	49.67	100.00
	Standard Deviation	16.16	6.16	12.47		17.89	6.46	13.14		16.26	6.60	11.97	
	Mean (23States)	58.82	10.85	30.33		58.41	10.10	31.49		52.43	10.87	36.71	

Source : National Sample Survey Organisation. Figure for 1999-00 is arrived at by using Urban Rural ratio of population of 2001 Census

Percentage of Population Below Poverty Line

SI No	States/Union Territories	1973-74			1977-78			1983		
		Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
1	Andhra Pradesh	48.41	50.61	48.86	38.11	43.55	39.31	26.53	36.30	28.91
2	Arunachal Pradesh	52.67	36.92	51.93	59.82	32.71	58.32	42.60	21.73	40.88
3	Assam	52.67	36.92	51.21	59.82	32.71	57.15	42.60	21.73	40.47
4	Bihar	62.99	52.96	61.91	63.25	48.76	61.55	64.37	47.33	62.22
5	Goa	46.85	37.69	44.26	37.64	36.31	37.23	14.81	27.00	18.90
6	Gujarat	46.35	52.57	48.15	41.76	40.02	41.23	29.80	39.14	32.79
7	Haryana	34.23	40.18	35.36	27.73	36.57	29.55	20.56	24.15	21.37
8	Himachal Pradesh	27.42	13.17	26.39	33.49	19.44	32.45	17.00	9.43	16.40
9	Jammu & Kashmir	45.51	21.32	40.83	42.86	23.71	38.97	26.04	17.76	24.24
10	Karnataka	55.14	52.53	54.47	48.18	50.36	48.78	36.33	42.82	38.24
11	Kerala	59.19	62.74	59.79	51.48	55.62	52.22	39.03	45.68	40.42
12	Madhya Pradesh	62.66	57.65	61.78	62.52	58.66	61.78	48.90	53.06	49.78
13	Maharashtra	57.71	43.87	53.24	63.97	40.09	55.88	45.23	40.26	43.44
14	Manipur	52.67	36.92	49.96	59.82	32.71	53.72	42.60	21.73	37.02
15	Meghalaya	52.67	36.92	50.20	59.82	32.71	55.19	42.60	21.73	38.81
16	Mizoram	52.67	36.92	50.32	59.82	32.71	54.38	42.60	21.73	36.00
17	Nagaland	52.67	36.92	50.81	59.82	32.71	56.04	42.60	21.73	39.25
18	Orissa	67.28	55.62	66.18	72.38	50.92	70.07	67.53	49.15	65.29
19	Punjab	28.21	27.96	28.15	16.37	27.32	19.27	13.20	23.79	16.18
20	Rajasthan	44.76	52.13	46.14	35.89	43.53	37.42	33.50	37.94	34.46
21	Sikkim	52.67	36.92	50.86	59.82	32.71	55.89	42.60	21.73	39.71
22	Tamil Nadu	57.43	49.40	54.94	57.68	48.69	54.79	53.99	46.96	51.66
23	Tripura	52.67	36.92	51.00	59.82	32.71	56.88	42.60	21.73	40.03
24	Uttar Pradesh	56.53	60.09	57.07	47.60	56.23	49.05	46.45	49.82	47.07
25	West Bengal	73.16	34.67	63.43	68.34	38.20	60.52	63.05	32.32	54.85
26	Andaman & Nicobar Islands	57.43	49.40	55.56	57.68	48.69	55.42	53.99	46.96	52.13
27	Chandigarh	27.96	27.96	27.96	27.32	27.32	27.32	23.79	23.79	23.79
28	Dadra & Nagar Haveli	46.85	37.69	46.55	37.64	36.31	37.20	14.81	27.00	15.67
29	Delhi	24.44	52.23	49.61	30.19	33.51	33.23	7.66	27.89	26.22
30	Lakshadweep	59.19	62.74	59.68	51.48	55.62	52.79	39.03	45.68	42.36
31	Pondicherry	57.43	49.40	53.82	57.68	48.69	53.25	53.99	46.96	50.06
	All India	56.44	49.01	54.88	53.07	45.24	51.32	45.65	40.79	44.48

Source : Planning Commission

Annexure - 3.3(2)

Percentage of Population Below Poverty Line

SI No	States/Union Territories	1987-88			1993-94			1999-00		
		Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
1	Andhra Pradesh	20.92	40.11	25.86	15.92	38.33	22.19	11.05	26.63	15.77
2	Arunachal Pradesh	39.35	9.94	36.22	45.01	7.73	39.35	40.04	7.47	33.47
3	Assam	39.35	9.94	36.21	45.01	7.73	40.86	40.04	7.47	36.09
4	Bihar	52.63	48.73	52.13	58.21	34.50	54.96	44.30	32.91	42.6
5	Goa	17.64	35.48	24.52	5.34	27.03	14.92	1.35	7.52	4.4
6	Gujarat	28.67	37.26	31.54	22.18	27.89	24.21	13.17	15.59	14.07
7	Haryana	16.22	17.99	16.64	28.02	16.38	25.05	8.27	9.99	8.74
8	Himachal Pradesh	16.28	6.29	15.45	30.34	9.18	28.44	7.94	4.63	7.63
9	Jammu & Kashmir	25.70	17.47	23.82	30.34	9.18	25.17	3.97	1.98	3.48
10	Karnataka	32.82	48.42	37.53	29.88	40.14	33.16	17.38	25.25	20.04
11	Kerala	29.10	40.33	31.79	25.76	24.55	25.43	9.38	20.27	12.72
12	Madhya Pradesh	41.92	47.09	43.07	40.64	48.38	42.52	37.06	38.44	37.43
13	Maharashtra	40.78	39.78	40.41	37.93	35.15	36.86	23.72	26.81	25.02
14	Manipur	39.35	9.94	31.35	45.01	7.73	33.78	40.04	7.47	28.54
15	Meghalaya	39.35	9.94	33.92	45.01	7.73	37.92	40.04	7.47	33.87
16	Mizoram	39.35	9.94	27.52	45.01	7.73	25.66	40.04	7.47	19.47
17	Nagaland	39.35	9.94	34.43	45.01	7.73	37.92	40.04	7.47	32.67
18	Orissa	57.64	41.63	55.58	49.72	41.64	48.56	48.01	42.83	47.15
19	Punjab	12.60	14.67	13.20	11.95	11.35	11.77	6.35	5.75	6.16
20	Rajasthan	33.21	41.92	35.15	26.46	30.49	27.41	13.74	19.85	15.28
21	Sikkim	39.35	9.94	36.06	45.01	7.73	41.43	40.04	7.47	36.55
22	Tamil Nadu	45.80	38.64	43.39	32.48	39.77	35.03	20.55	22.11	21.12
23	Tripura	39.35	9.94	35.23	45.01	7.73	39.01	40.04	7.47	34.44
24	Uttar Pradesh	41.10	42.96	41.46	42.28	35.39	40.85	31.22	30.89	31.15
25	West Bengal	48.30	35.08	44.72	40.80	22.41	35.66	31.85	14.86	27.02
26	Andaman & Nicobar Island	45.80	38.64	43.89	32.48	39.77	34.47	20.55	22.11	20.99
27	Chandigarh	14.67	14.67	14.67	11.35	11.35	11.35	5.75	5.75	5.75
28	Dadra & Nagar Haveli	67.11	0.00	67.11	51.95	39.93	50.84	17.57	13.52	17.14
29	Delhi	1.29	13.56	12.41	1.90	16.03	14.69	0.40	9.42	8.23
30	Lakshadweep	29.10	40.33	34.95	25.76	24.55	25.04	9.38	20.27	15.6
31	Pondicherry	45.80	38.64	41.46	32.48	39.77	37.40	20.55	22.11	21.67
	All India	39.09	38.20	38.86	37.27	32.36	35.97	27.09	23.62	26.10

Source : Planning Commission

**State and Regionwise Levels and Growth of Crop Yield
(At 1990-93 Constant Prices)**

S.No.	State	Average Value of Yield (Rs./Hectare)				Per Cent Annual Compound Growth Rate			
		1962-65	1970-73	1980-83	1992-95	1962-1973	1970-83	1980-1995	1962-1995
	North West Region	4092.75	5024.54	6422.63	9582.5	2.6	2.49	3.39	2.88
1	Haryana	3927.21	5090.01	6229.13	10128.73	3.3	2.04	4.13	3.21
2	Himachal Pradesh	3048.15	3733.76	3917.69	5195.63	2.57	0.48	2.38	1.79
3	Jammu & Kashmir	2986.95	4481.4	5758.75	5567.01	5.2	2.54	-0.28	2.1
4	Punjab	5395.62	7476.29	9707.65	13597.22	4.16	2.65	2.85	3.13
5	Uttar Pradesh	3970.1	4589.98	5805.13	8656.2	1.83	2.38	3.39	2.63
	Eastern Region	4338.3	4671.31	4944	7318.5	0.93	0.57	3.32	1.76
6	Assam	5727.97	6241.2	6906.69	8196.82	1.08	1.02	1.44	1.2
7	Bihar	3679.55	4009.73	4048.56	5678.08	1.08	0.1	2.86	1.46
8	Orissa	4114.37	4072.7	4374.84	5979.16	-0.13	0.72	2.64	1.25
9	West Bengal	5074.57	5614.56	5943.81	9958.45	1.27	0.57	4.39	2.27
	Central Region	2653.78	2763.12	3464.09	4943.84	0.51	2.29	3.01	2.1
10	Gujarat	3673.01	4326.57	5693.43	7460.09	2.07	2.78	2.28	2.39
11	Madhya Pradesh	2603.49	2835.86	3069.65	4773.12	1.07	0.8	3.75	2.04
12	Maharashtra	2898.61	2343.57	3794.68	5176.94	-2.62	4.94	2.62	1.95
13	Rajasthan	1740.45	2217.1	2334.77	3715.22	3.07	0.52	3.95	2.56
	Southern Region	4873.34	5872.68	6848.2	9990.63	2.36	1.55	3.2	2.42
14	Andhra Pradesh	4064.96	4363.05	6276.23	9390.64	0.89	3.7	3.41	2.83
15	Karnataka	3207.56	4267.23	4989.92	6969.7	3.63	1.58	2.82	2.62
16	Kerala	11375.65	12957.56	12333.85	15625.96	1.64	-0.49	1.99	1.06
17	Tamil Nadu	6689.49	7889.75	8756.47	14073.94	2.1	1.03	4.03	2.51
	All India	3738.19	4256.79	5090.42	7388.05	1.64	1.8	3.15	2.3

Source : Government of India, Area and Production of Principal Crops in India (various Issues), Ministry of Agriculture

Annexure-3.5(1)

Population in Thousand (Arranged in Rank Order of 2001)

SI No	States/Union Territories	1951	1961	1971	1981	1991	2001
1	All India	361088	439235	548160	684329	846302	1027015
2	Uttar Pradesh	63220	73755	88341.52	110862.5	139112.3	166053
3	Maharashtra	32002	39554	50412.24	62782.82	78937.19	96752
4	Bihar	38728	46447	56353.37	69914.73	86374.47	82879
5	West Bengal	26300	34926	44312.01	54580.65	68077.97	80221
6	Andhra Pradesh	31115	35983	43502.71	53551.03	66508.01	75728
7	Tamil Nadu	30119	33687	41199.17	48408.08	55859	62111
8	Madhya Pradesh	26072	32372	41654.12	52178.84	66181.17	60385
9	Rajasthan	15971	20156	25765.81	34361.86	44005.99	56473
10	Karnataka	19402	23587	29299.01	37135.71	44977.2	52734
11	Gujarat	16263	20633	26697.48	34085.8	41309.58	50597
12	Orissa	14646	17549	21944.62	26370.27	31659.74	36707
13	Kerala	13549	16904	21347.38	25453.68	29098.52	31839
14	Assam(2)	8029	10837	14625.15	18041.25	22414.32	26638
15	Punjab	9160	11135	13551.06	16788.92	20281.97	24289
16	Haryana	5674	7591	10036.43	12922.12	16464	21083
17	Delhi	1744	2659	4065.698	6220.406	9420.644	13783
18	Jammu & Kashmir(3)	3254	3561	4616.632	5987.389	7718.7	10070
19	Himachal Pradesh	2386	2812	3460.434	4280.818	5170.877	6077
20	Tripura	639	1142	1556.342	2053.058	2757.205	3191
21	Manipur	578	780	1072.753	1420.953	1837.149	2389
22	Meghalaya	606	769	1011.699	1335.819	1774.778	2306
23	Nagaland	213	369	516.449	774.93	1209.546	1989
24	Goa	547	590	857.771	1086.73	1169.793	1344
25	Arunachal Pradesh(1)		337	467.511	631.839	864.558	1091
26	Pondicherry	317	369	471.707	604.471	807.785	974
27	Chandigarh	24	120	257.251	451.61	642.015	901
28	Mizoram	196	266	332.39	493.757	689.756	891
29	Sikkim	138	162	209.843	316.385	406.457	540
30	Andaman & Nicobar Islands	31	64	115.133	188.741	280.661	356
31	Dadra & Nagar Haveli	41	58	74.14	103.676	138.477	220
33	Daman & Diu	49	37	63	79	101	158
33	Lakshadweep	21	24	31.81	40.249	51.707	61

Note : (1) Censused for the first time in 1961.

(2) The 1981 Census could not be held in Assam. Total population for 1981 has been worked out by interpolation.

(3) The 1991 Census could not be held in Jammu & Kashmir. Total population for Jammu & Kashmir as projected by Standing Committee of Experts on Population Projection.(Oct.1989)

Source : Office of the Registrar General of India, Ministry of Home Affairs

Percentage Decadal Growth of Population (Arranged in Rank order of 1991-2001)

S.No.	States/Union Territories	1951-61	1961-71	1971-81	1981-91	1991-2001
1	Nagaland	73.24	39.96	50.05	56.08	64.44
2	Dadra & Nagar Haveli	41.46	27.83	39.84	33.57	58.87
3	Daman & Diu	-24.49	70.27	25.40	27.85	56.44
4	Delhi	52.47	52.90	53.00	51.45	46.31
5	Chandigarh	400.00	114.38	75.55	42.16	40.34
6	Sikkim	17.39	29.53	50.77	28.47	32.86
7	Jammu & Kashmir (3)	9.43	29.64	29.69	28.92	30.46
8	Manipur	34.95	37.53	32.46	29.29	30.04
9	Meghalaya	26.90	31.56	32.04	32.86	29.93
10	Mizoram	35.71	24.96	48.55	39.70	29.18
11	Rajasthan	26.20	27.83	33.36	28.07	28.33
12	Haryana	33.79	32.21	28.75	27.41	28.06
13	Andaman & Nicobar Islands	106.45	79.90	63.93	48.70	26.84
14	Arunachal Pradesh (1)		38.73	35.15	36.83	26.19
15	Maharashtra	23.60	27.45	24.54	25.73	22.57
16	Gujarat	26.87	29.39	27.67	21.19	22.48
17	All India	21.64	24.80	24.84	23.67	21.35
18	Pondicherry	16.40	27.83	28.15	33.64	20.58
19	Punjab	21.56	21.70	23.89	20.81	19.76
20	Uttar Pradesh	16.66	19.78	25.49	25.48	19.37
21	Assam (2)	34.97	34.96	23.36	24.24	18.84
22	Lakshadweep	14.29	32.54	26.53	28.47	17.97
23	West Bengal	32.80	26.87	23.17	24.73	17.84
24	Himachal Pradesh	17.85	23.06	23.71	20.79	17.52
25	Karnataka	21.57	24.22	26.75	21.12	17.25
26	Orissa	19.82	25.05	20.17	20.06	15.94
27	Tripura	78.72	36.28	31.92	34.30	15.73
28	Goa	7.86	45.38	26.69	7.64	14.89
29	Andhra Pradesh	15.65	20.90	23.10	24.20	13.86
30	Tamil Nadu	11.85	22.30	17.50	15.39	11.19
31	Kerala	24.76	26.29	19.24	14.32	9.42
32	Bihar	19.93	21.33	24.06	23.54	-4.05
33	Madhya Pradesh	24.16	28.67	25.27	26.84	-8.76

- Note** : (1) Censused for the first time in 1961.
(2) The 1981 Census could not be held in Assam. Total population for 1981 has been worked out by interpolation.
(3) The 1991 Census could not be held in Jammu & Kashmir. Total population for Jammu & Kashmir as projected by Standing Committee of Experts on Population Projection.(Oct.1989)
(4) Figure for Madhya Pradesh, Bihar & Uttar Pradesh for 2001 is after biurcation.

Source : Office of the Registrar General of India, Ministry of Home Affairs

Access to Safe Drinking Water in Per Cent of Households

SI No	States/Union Territories	1981			1991			Average Annual Change		
		Rural	Urban	Combined	Rural	Urban	Combined	Rural	Urban	Combined
1	Andhra Pradesh	15.12	63.27	25.89	48.98	73.82	55.08	22.39	1.67	11.27
2	Arunachal Pradesh	40.16	87.93	43.89	66.87	88.20	70.02	6.65	0.03	5.95
3	Assam				43.28	64.07	45.86			
4	Bihar	33.77	65.36	37.64	56.55	73.39	58.76	6.75	1.23	5.61
5	Delhi	62.26	94.91	92.97	91.01	96.24	95.78	4.62	0.14	0.30
6	Goa	8.57	52.31	22.50	30.54	61.71	43.41	25.64	1.80	9.29
7	Gujarat	36.16	86.78	52.41	60.04	87.23	69.78	6.60	0.05	3.31
8	Haryana	42.94	90.72	55.11	67.14	93.18	74.32	5.64	0.27	3.49
9	Himachal Pradesh	39.56	89.56	44.50	75.51	91.93	77.34	9.09	0.26	7.38
10	Jammu & Kashmir	27.95	86.67	40.28						
11	Karnataka	17.63	74.40	33.87	67.31	81.38	71.68	28.18	0.94	11.16
12	Kerala	6.26	39.72	12.20	12.22	38.68	18.89	9.52	-0.26	5.48
13	Madhya Pradesh	8.09	66.65	20.17	45.56	79.45	53.41	46.32	1.92	16.48
14	Maharashtra	18.34	85.56	42.29	54.02	90.50	68.49	19.45	0.58	6.20
15	Manipur	12.91	38.71	19.54	33.72	52.10	38.72	16.12	3.46	9.82
16	Meghalaya	14.26	74.40	25.11	26.82	75.42	36.16	8.81	0.14	4.40
17	Mizoram	3.57	8.79	4.88	12.89	19.88	16.21	26.11	12.62	23.22
18	Nagaland	43.43	57.18	45.63	55.60	45.47	53.37	2.80	-2.05	1.70
19	Orissa	9.47	51.33	14.58	35.32	62.83	39.07	27.30	2.24	16.80
20	Punjab	81.80	91.13	84.56	92.09	94.24	92.74	1.26	0.34	0.97
21	Rajasthan	13.00	78.65	27.14	50.62	86.51	58.96	28.94	1.00	11.72
22	Sikkim	21.70	71.93	30.33	70.98	92.95	73.19	22.71	2.92	14.13
23	Tamil Nadu	30.97	69.44	43.07	64.28	74.17	67.42	10.76	0.68	5.65
24	Tripura	22.17	67.92	27.33	30.60	71.12	37.18	3.80	0.47	3.60
25	Uttar Pradesh	25.31	73.23	33.77	56.62	85.78	62.24	12.37	1.71	8.43
26	West Bengal	65.78	79.78	69.65	80.26	86.23	81.98	2.20	0.81	1.77
27	Andaman & Nicobar Islands	36.35	91.95	51.64	59.43	90.91	67.87	6.35	-0.11	3.14
28	Chandigarh	94.39	99.39	99.09	98.11	97.68	97.73	0.39	-0.17	-0.14
29	Dadra & Nagar Haveli	16.85	54.35	19.35	41.17	90.97	45.57	14.43	6.74	13.55
30	Daman & Diu	46.42	67.04	54.48	55.87	86.76	71.42	2.04	2.94	3.11
31	Lakshadweep	0.97	3.65	2.19	3.41	18.79	11.90	25.15	41.48	44.34
32	Pondicherry	76.88	84.18	80.59	92.86	86.05	88.75	2.08	0.22	1.01
	All India	26.50	75.06	38.19	55.54	81.38	62.30	10.96	0.84	6.31

Note : All India figure excludes Assam in 1981 and Jammu & Kashmir in 1991

Source : Housing and Amenities, Paper 2 of 1993; Census of India, 1991

Sectoral Composition of Actual Plan Expenditure

(in percent)

SI No	States/Union Territories	Social Sector			Infrastructure		
		1981-82	1991-92	1997-98	1981-82	1991-92	1997-98
1	Andhra Pradesh	17.68	20.48	22.46	41.14	43.21	37.77
2	Arunachal Pradesh	24.59	25.90	29.65	45.66	47.07	46.37
3	Assam	17.97	34.31	45.89	52.56	29.97	22.12
4	Bihar	15.18	18.28	17.26	38.59	28.88	15.82
5	Delhi	52.26	49.74	51.90	38.37	43.90	38.94
6	Goa	35.11	39.55	42.83	30.23	28.98	27.74
7	Gujarat	17.21	19.19	22.97	41.53	40.49	27.71
8	Haryana	15.84	31.82	34.26	41.80	35.55	32.41
9	Himachal Pradesh	22.95	32.64	35.24	45.06	32.78	30.41
10	Jammu & Kashmir	30.79	33.31	28.86	32.74	37.04	41.19
11	Karnataka	17.79	23.33	32.31	45.70	38.96	23.50
12	Kerala	22.82	18.23	18.88	39.59	42.61	39.38
13	Madhya Pradesh	13.80	21.89	32.74	47.01	39.03	26.39
14	Maharashtra	25.72	20.10	20.69	43.90	38.00	35.09
15	Manipur	29.07	24.58	32.44	29.93	37.31	38.57
16	Meghalaya	28.97	29.32	37.83	45.09	38.99	33.58
17	Mizoram	26.54	25.68	30.35	45.93	35.38	41.10
18	Nagaland	26.65	24.38	36.73	39.33	30.42	19.87
19	Orissa	12.28	17.60	32.38	40.79	37.94	23.43
20	Punjab	18.50	20.40	20.67	49.95	56.62	60.32
21	Rajasthan	17.19	23.30	24.22	47.99	39.00	44.19
22	Sikkim	19.83	28.09	45.38	41.42	47.07	32.90
23	Tamil Nadu	25.22	34.35	38.89	47.17	40.36	38.67
24	Tripura	28.69	30.16	43.18	27.53	26.11	22.34
25	Uttar Pradesh	15.74	18.48	29.60	45.66	51.09	34.85
26	West Bengal	29.85	21.13	22.83	41.38	47.52	48.06
27	Andaman & Nicobar Islands	17.07	17.64	34.36	65.72	71.17	48.78
28	Chandigarh	78.83	71.71	81.29	17.84	18.56	13.35
29	Dadra & Nagar Haveli	11.76	23.08	37.50	13.32	24.51	34.88
30	Daman & Diu	35.71	34.61	41.22	30.23	34.66	33.17
31	Lakshadweep	15.71	22.69	20.19	50.83	46.41	46.53
32	Pondicherry	42.82	37.13	37.24	27.43	42.36	41.15
33	Central Government	8.80	12.50	14.80	77.40	72.90	73.0

Note : Actual Plan Expenditure by major heads has been clubbed as per the following :
 Social Sector: Education, Health, Water Supply & Sanitation, Urban Development, Information, Welfare & labour.
 Data for 1981-82 is an average of 1980-82, 1991-92 an aver of 1990-93 and 1997-98 an average of 1996-98

Source : Various Plan Documents, Planning Commission, Government of India

Annexure-3. 8(1)

**State-wise Road Density in Kms.
(Road Length per '000 sq. Kms of area)
(Arranged in Rank Order of 1996-97)**

SI No	States/Union Territories	1971-72	1981-82	1991-92	1996-97
1	Delhi	7984	10527	14256	17924
7	Chandigarh	710*	1250	14000	15377
2	Pondicherry	3508*	4286	6698	4859
3	Kerala	3106	2751	3567	3749
4	Goa	1581*	2141	2005	2245
5	Orissa	366	772	1260	1687
6	Tamil Nadu	714	1020	1523	1588
8	Tripura	386	759	1341	1405
9	Punjab	594	916	1078	1278
10	Maharashtra	316	586	730	1176
11	Nagaland	284	379	901	1107
12	Dadra & Nagar Haveli	460*	492	643	1086
13	Assam	383	760	836	872
14	Uttar Pradesh	382	520	692	868
15	West Bengal	599	642	700	850
16	Karnataka	525*	557	701	750
17	All India	344	466	615	749
18	Andhra Pradesh	264	468	553	647
19	Haryana	307	542	601	637
20	Himachal Pradesh	215	369	459	542
21	Bihar	670	481	492	508
22	Manipur	392	239	314	490
23	Gujarat	221	375	419	463
24	Madhya Pradesh	162	242	321	451
26	Rajasthan	146	212	363	379
25	Meghalaya	303	233	291	378
27	Sikkim	329*	156	227	258
28	Mizoram	43*	119	179	229
29	Arunachal Pradesh	125*	152	131	168
30	Andaman & Nicobar Islands	82*	83	110	160
31	Jammu & Kashmir	40	53	56	97
33	Lakshadweep	n.a	n.a	n.a	31
32	Daman & Diu	n.a	n.a	n.a	26

Note : * Refers to data for 1975-76
n.a (not available)

Source : Basic Road Statistics, Ministry of Surface Transport (Various Issues)

**State-wise Road Density in Kms.
(Km. Per one lakh of Population)
(Arranged in Rank Order of 1995)**

SI No	States/Union Territories	1981	1988	1995
1	Arunachal Pradesh	2089.49	1130.8	1317.8
2	Nagaland	754.98	1024.7	1073.3
3	Mizoram	231.35	666.7	939.6
4	Orissa	454	741.3	666.3
5	Goa	697.69	578.8	608.6
6	Himachal Pradesh	464.32	523.8	586.8
7	Manipur	406.35	462.7	585
8	Tripura	380.1	544.6	544.7
9	Dadra & Nagar Haveli	209.62	310	509
10	Kerala	410	425.6	480.4
11	Sikkim	335	488.1	456
12	Meghalaya	358.96	478.5	428.9
13	Tamil Nadu	256.53	345.1	367.8
14	Pondicherry	351.49	447.3	336
15	Madhya Pradesh	200	241.1	319.3
16	Karnataka	296.72	340.3	312
17	Assam	235.5	323.1	305.3
18	Rajasthan	187	310.2	296.3
19	Andaman & Nicobar Islands	351.6	363.7	290.3
20	Maharashtra	171.22	330	285.5
21	Punjab	275.4	303.1	282.4
22	Chandigarh	28.67	319.3	272
23	Gujarat	171.03	219.5	263.4
24	Andhra Pradesh	219.73	256.8	258.7
25	Delhi	224.6	306	242.2
26	Haryana	178.82	200.9	166.6
27	Jammu & Kashmir	194.73	219.8	163.5
28	Uttar Pradesh	136.05	165.9	154.1
29	Bihar	119.73	121.3	101.8
30	West Bengal	104.29	105.6	90.7
31	All India	21.68		25.82
32	Daman & Diu	n.a	n.a	n.a
33	Lakshadweep	n.a	n.a	n.a

Note : n.a (not available)

Source : Basic Road Statistics, Ministry of Surface Transport (Various Issues)

Annexure-3. 9(1)

**Railway Density in km.
(per '000 sq. km. of area)
(Arranged in Rank Order of 1996-97)**

SI No	States/Union Territories	1971-72	1981-82	1991-92	1996-97
1	Delhi		84	113.28	115.54
2	Chandigarh		110	96.49	72.73
3	Punjab	42.38	42.78	42.89	42.49
4	West Bengal	41.55	41.85	43	42.46
5	Haryana	32.2	34.09	33.9	34.22
6	Assam	27.76	27.58	31.45	31.04
7	Tamil Nadu	28.91	29.96	30.83	30.75
8	Uttar Pradesh	29.36	30.2	30.29	30.27
9	Bihar	29.67	30.82	30.57	30.22
10	Gujarat	28.77	28.73	26.94	27.15
11	Kerala	22.82	23.49	25.32	27.02
12	Pondicherry		54	54.88	22.45
13	Goa		19.75	21.34	21.35
14	All India	18.33	18.63	19	19.08
15	Andhra Pradesh	17.24	17.39	18.49	18.38
16	Maharashtra	16.97	17.32	17.68	18.05
17	Rajasthan	16.34	16.42	17.02	17.21
18	Karnataka	14.61	15.7	15.98	15.95
19	Orissa	12.03	12.71	12.86	14.06
20	Madhya Pradesh	12.95	12.95	13.31	13.29
21	Himachal Pradesh	4.57	4.57	4.78	4.83
22	Tripura	1.2	1.2	4.29	4.29
23	Nagaland	0.53	0.53	0.54	1.15
24	Jammu & Kashmir	0.03	0.35	0.35	0.38
25	Mizoram			0.09	0.09
26	Manipur			0.04	0.04
27	Arunachal Pradesh	0	0	0.01	0.01
28	Meghalaya				
29	Sikkim				
30	Andaman & Nicobar Islands				
31	Dadra & Nagar Haveli				
32	Daman & Diu				
33	Lakshadweep				

Source : Railway Board

**Rail Route-length, Absolute Increase, Share and Per cent increase
(Arranged in Rank Order of % increase)**

S.No.	States/Union Territories	1980-81	1996-97	Absolute Increase	per cent Share	per cent Increase
1	Tripura	12	45	33	2.2	275.00
2	Nagaland	9	19	10	0.7	111.11
3	Kerala	916	1050	134	9.0	14.63
4	Assam	2179	2435	256	17.1	11.75
5	Orissa	1982	2190	208	13.9	10.49
6	Jammu & Kashmir	77	84	7	0.5	9.09
7	Maharashtra	5235	5554	319	21.3	6.09
8	Andhra Pradesh	4781	5057	276	18.5	5.77
9	Himachal Pradesh	256	269	13	0.9	5.08
10	Rajasthan	5614	5890	276	18.5	4.92
11	Madhya Pradesh	5736	5893	157	10.5	2.74
12	Tamil Nadu	3895	3999	104	7.0	2.67
13	All India	61,230	62725	1495	100	2.44
14	Delhi	168	171	3	0.2	1.79
15	Karnataka	3015	3059	44	2.9	1.46
16	West Bengal	3725	3768	43	2.9	1.15
17	Haryana	1500	1513	13	0.9	0.87
18	Uttar Pradesh	8880	8911	31	2.1	0.35
19	Punjab	2139	2140	1	0.1	0.05
20	Arunachal Pradesh	1	1	0	0.0	0.00
21	Goa	79	79	0	0.0	0.00
22	Manipur	1	1	0	0.0	0.00
23	Bihar	5362	5254	-108	-7.2	-2.01
24	Gujarat	5632	5322	-310	-20.7	-5.50
25	Chandigarh	11	8	-3	-0.2	-27.27
26	Pondicherry	27	11	-16	-1.1	-59.26
27	Meghalaya			0	0.0	
28	Mizoram	0	2	2	0.1	
29	Sikkim			0	0.0	
30	Andaman & Nicobar Islands			0	0.0	
31	Dadra & Nagar Haveli			0	0.0	
32	Daman & Diu					
33	Lakshadweep					

Source : Railway Board

Per Capita Consumption of Electricity (KwH)

S.No.	States/Union Territories	1970-71	1974-75	1980-81	1989-90	1996-97	1999-2000
1	D & Diu		130.8	276.4	440.1	2346.7	3927.4
2	D&N Haveli	13.5	14.8	56.3	878.8	2298.8	3882.8
3	Pondicherry	175.8	214.4	263.7	592.4	1034.5	931.9
4	Chandhigarh	280.2	363.7	309	686.2	794.4	823.8
5	Punjab	156.2	154.2	303.6	620.5	789.9	921.1
6	Goa	96.9	157.5	250.8	411.2	719.1	712.5
7	Gujrat	124.4	165	238.8	436.8	685.7	834.7
8	Delhi	250.6	299.2	403.8	673.6	589.7	653.2
9	Maharashtra	151.7	172.6	244.5	393.6	557	520.5
10	Haryana	88.8	115.1	209.5	367.4	508.3	530.8
11	Tamil nadu	124.9	126.4	186	295	469.4	484.1
12	Orissa	72.9	69.2	114	249.2	446.7	354.6
13	Madhya pradesh	45.2	61.3	100.3	217.4	368.4	351.7
14	Karnataka	101.5	119.3	146	272.8	338.3	380.1
15	INDIA	79.8	174.9	120.5	236	334	354.7
16	Andhra pradesh	50.4	55.4	101.8	233.5	331.7	391.1
17	Rajasthan	36.8	55.9	99.4	191.6	294.4	334.5
18	Himachal pradesh	34.1	58.8	66.4	191.9	278.5	339.1
19	Kerala	71.4	79.4	112	171	235.8	261.8
20	Lakshadweep		11.2	26.8	143.6	234.2	217.9
21	Jammu and Kashmir	36.8	52.7	74.8	176.4	223.7	267.9
22	A& N Islands	26.1	27.2	42.3	109.7	210	222.4
23	West bengal	107.3	106.1	117	136.2	196.6	204.4
24	Uttar pradesh	48.5	50	83.1	157.4	194.3	175.8
25	Sikkim			37.2	103.3	182.4	192.4
26	Bihar	45.9	48	74.1	109.9	145.1	140.8
27	Meghalaya		31.3	31	106.4	134.5	160.3
28	Manipur	4.7	7.7	7.9	79.5	127.9	69.5
29	Mizoram		4.3	5.6	65	127.8	120.7
30	Assam	20	24	33.5	92.7	107.6	95.5
31	Nagaland	7.8	27.2	34.2	58.6	88	84.7
32	Arunachal Pradesh		3.4	14.6	56.6	80.8	68.6
33	Tripura	4.5	6	14.5	45	80.4	95.5

Source : a) Statistical Abstract, India, CSO Publication, various issues
b) For 1999-2000 : Annual Report (2001-02) on the working of State Electricity Boards & Electricity Departments, Planning Commission

**Statewise Distribution of Aggregate Deposits and Gross Bank Credit : All Scheduled
Commercial Banks March 2001**

Region/State/ Union Territories	Rural			Semi-Urban			Urban/Metropolitan			Total		
	Deposits	Credit	C.D. Ratio	Deposits	Credit	C.D. Ratio	Deposits	Credit	C.D. Ratio	Deposits	Credit	C.D. Ratio
Northern Region	30008	11745	39.1	32841	10139	30.9	158615	117892	74.3	221464	139777	63.1
Haryana	3933	1648	41.9	6517	2500	38.4	9354	4101	43.8	19804	8249	41.7
Himachal Pradesh	4664	1110	23.8	2683	549	20.5	-	-	-	7347	1659	22.6
Jammu & Kashmir	3942	650	16.5	1130	320	28.3	5034	2905	57.7	10105	3874	38.3
Punjab	10385	5289	50.9	14203	4202	29.6	19362	8699	44.9	43950	18190	41.4
Rajasthan	5716	2719	47.6	7549	2475	32.8	14090	7985	56.7	27355	13179	48.2
Chandigarh	119	39	32.6	310	54	17.5	7092	7184	101.3	7521	7277	96.7
Delhi	1249	291	23.3	450	40	8.9	103683	87018	83.9	105382	87349	82.9
North-Eastern Region	3588	1197	33.4	5258	1102	21.0	6521	2020	31.0	15367	4318	28.1
Arunachal Pradesh	312	59	18.8	299	47	15.6	-	-	-	611	105	17.3
Assam	2323	800	34.4	3432	778	22.7	4109	1615	39.3	9864	3193	32.4
Manipur	57	46	79.4	69	38	55.8	297	81	27.1	423	165	38.9
Meghalaya	356	82	22.9	269	34	12.6	1022	161	15.7	1647	276	16.8
Mizoram	55	34	61.1	48	20	40.7	286	46	16.1	390	100	25.5
Nagaland	67	22	33.1	823	102	12.4	-	-	-	890	124	13.9
Tripura	417	155	37.2	319	83	26.1	806	117	14.5	1542	355	23.0
Eastern Region	29260	7566	25.9	25765	5421	21.0	71181	33547	47.1	126205	46535	36.9
Bihar	8991	2022	22.5	7705	1506	19.5	9810	2123	21.6	26506	5650	21.3
Orissa	5074	2160	42.6	4306	1523	35.4	5731	2581	45.0	15111	6265	41.5
Sikkim	167	33	19.9	449	63	14.0	-	-	-	616	96	15.6
West Bengal	10330	2415	23.4	8289	1505	18.2	49639	26177	52.7	68257	30097	44.1
Andaman & Nicobar Islands	92	22	23.5	293	50	17.1	-	-	-	385	72	18.6
Central Region	33217	9730	29.3	30365	9188	30.3	67481	24828	36.8	131063	43746	33.4
Madhya Pradesh	5426	2374	43.8	7755	2701	34.8	16053	9053	56.4	29233	14129	48.3
Uttar Pradesh	23056	6263	27.2	17537	4891	27.9	44463	13357	30.0	85057	24511	28.8
Western Region	17658	8545	48.4	27019	9209	34.1	191507	159346	83.2	236184	177100	75.0
Goa	2185	275	12.6	5104	1389	27.2	-	-	-	7289	1664	22.8
Gujarat	8560	3256	38.0	11414	3506	30.7	34461	20148	58.5	54436	26910	49.4
Maharashtra	6835	4997	73.1	9951	4238	42.6	157046	139197	88.6	173831	148433	85.4
Dadra & Nagar Haveli	63	16	25.9	163	21	12.9	-	-	-	226	37	16.5
Daman & Diu	14	1	5.7	387	56	14.4	-	-	-	401	56	14.1
Southern Region	25695	17233	67.1	65486	28798	44.0	129240	98929	76.5	220421	144960	65.8
Andhra Pradesh	8039	6220	77.4	12392	6341	51.2	33978	21868	64.4	54410	34429	63.3
Karnataka	7498	5136	68.5	9480	5088	53.7	38614	22760	58.9	55592	32984	59.3
Kerala	2299	1265	55.0	29650	10312	34.8	13289	7900	59.4	45238	19477	43.1
Tamil Nadu	7651	4560	59.6	13620	6962	51.1	42217	45996	109.0	63488	57518	90.6
Lakshadweep	54	5	9.7	-	-	-	-	-	-	54	5	9.7
Pondicherry	155	46	30.0	343	96	27.9	1142	405	35.5	1640	548	33.4
All India	139427	56017	40.2	186733	63857	34.2	624545	436562	69.9	950705	556436	58.5

Source : Reserve Bank Of India

Statewise Distribution of Aggregate Deposits and Gross Bank Credit : All Scheduled Commercial Banks March 1994

Region/State/ Union Territories	Rural			Semi-Urban			Urban/Metropolitan			Total		
	Deposits	Credit	C.D. Ratio	Deposits	Credit	C.D. Ratio	Deposits	Credit	C.D. Ratio	Deposits	Credit	C.D. Ratio
Northern Region	11613	4578	39.43	10449	3501	33.50	47204	31942	67.67	69265	40022	57.78
Haryana	1591	813	51.07	1949	797	40.90	2552	1310	51.33	6092	2920	47.93
Himachal Pradesh	2053	444	21.62	682	169	24.81	-	-	-	2735	613	22.42
Jammu & Kashmir	939	181	19.32	334	90	27.01	1494	800	53.57	2767	1072	38.74
Punjab	4408	1966	44.61	4886	1464	29.96	5857	2572	43.91	15151	6002	39.61
Rajasthan	2032	1098	54.04	2438	965	39.56	4331	2273	52.49	8801	4336	49.26
Chandigarh	54	16	28.79	82	9	11.45	2159	1446	66.98	2295	1471	64.10
Delhi	535	60	11.28	78	6	8.22	30811	23542	76.41	31424	23608	75.13
North-Eastern Region	1369	693	50.63	1625	535	32.95	1806	638	35.33	4799	1867	38.89
Arunachal Pradesh	234	33	14.17	3	0	9.39	-	-	-	237	33	14.10
Assam	815	460	56.47	1139	364	31.95	1200	478	39.86	3154	1303	41.29
Manipur	21	27	126.64	25	21	83.70	90	41	45.54	136	89	65.21
Meghalaya	103	34	33.03	94	12	13.20	345	48	13.89	541	94	17.39
Mizoram	29	11	39.26	89	18	19.71	-	-	-	118	29	24.51
Nagaland	50	26	52.77	193	76	39.30	-	-	-	243	102	42.07
Tripura	117	101	86.33	81	45	54.93	171	71	41.46	369	216	58.63
Eastern Region	8690	4220	48.56	8771	2564	29.24	27892	13208	47.35	45353	19992	44.08
Bihar	4121	1893	45.94	3720	1093	29.38	4912	1509	30.71	12754	4495	35.25
Orissa	1280	920	71.91	1096	564	51.43	1768	1006	56.87	4144	2490	60.08
Sikkim	42	9	22.09	80	19	23.84	-	-	-	122	28	23.24
West Bengal	3223	1392	43.18	3801	875	23.02	21211	10694	50.41	28236	12961	45.90
Andaman & Nicobar Islands	24	5	22.06	73	13	18.12	-	-	-	97	18	19.10
Central Region	11541	4806	41.64	10257	4090	39.88	19677	8523	43.31	41475	17419	42.00
Madhya Pradesh	2535	1426	56.25	3045	1360	44.65	5579	3349	60.03	11159	6134	54.97
Uttar Pradesh	9006	3380	37.53	7211	2730	37.86	14099	5174	36.70	30316	11285	37.22
Western Region	6425	3017	46.95	10087	3652	36.20	76929	43049	55.96	93441	49718	53.21
Goa	757	85	11.22	1614	344	21.34	-	-	-	2371	429	18.11
Gujarat	3015	1373	45.54	5014	1993	39.76	11136	5453	48.97	19164	8819	46.02
Maharashtra	2613	1551	59.33	3354	1299	38.74	65793	37596	57.14	71761	40446	56.36
Dadra & Nagar Haveli	37	8	21.30	-	-	-	-	-	-	37	8	21.30
Daman and Diu	4	1	14.17	104	15	14.09	-	-	-	108	15	14.10
Southern Region	9693	7356	75.89	21848	10211	46.74	38103	26306	69.04	69643	46874	67.31
Andhra Pradesh	2999	2478	82.61	4619	2613	56.58	9327	6895	73.92	16945	11986	70.73
Karnataka	2750	2005	72.90	3188	1652	51.82	9888	6731	68.07	15827	10388	65.64
Kerala	1188	644	54.24	9448	3178	33.63	4135	2674	64.68	14770	6496	43.98
Tamil Nadu	2652	2194	82.71	4509	2745	60.87	14389	12830	89.17	21550	17768	82.45
Lakshadweep	17	2	9.06	-	-	-	-	-	-	17	2	9.06
Pondicherry	86	34	39.21	83	24	28.47	365	176	48.30	534	234	43.75
All India	49331	24670	50.01	63035	24554	38.95	211610	126667	59.86	323977	175891	54.29

Source : Reserve Bank Of India

Funds Released under Externally Aided Projects during Ninth Plan (in Crore)

SI No.	States	1997-98	1998-99	1999-00	2000-01	2001-02	Total EAP in Ninth Plan	Average EAP per annum	Average per capita per annum EAP in Rs.
0	1	2	3	4	5	6	7	8	9
1	Andhra Pradesh	1117.94	624.72	1440.51	1442.34	3755.84	8381.36	1676.27	221.36
2	Arunachal Pradesh	0.00	0.00	0.00	0.00	0.32	0.32	0.06	0.59
3	Assam	0.22	33.16	41.19	78.26	93.25	246.08	49.22	18.48
4	Bihar	132.26	112.78	130.41	63.67	16.83	455.96	91.19	11.00
5	Goa	10.82	5.73	0.45	0.00	0.00	16.99	3.40	25.29
6	Gujarat	219.27	267.65	512.33	891.24	1604.96	3495.45	699.09	138.17
7	Haryana	221.25	165.01	280.85	296.66	151.93	1115.70	223.14	105.84
8	Himachal Pradesh	0.00	0.00	15.56	56.40	38.16	110.12	22.02	36.24
9	Jammu & Kashmir	10.51	8.42	24.84	15.71	38.05	97.53	19.51	19.37
10	Karnataka	264.48	316.49	456.70	579.50	1691.74	3308.91	661.78	125.49
11	Kerala	38.73	40.85	41.55	77.16	96.99	295.28	59.06	18.55
12	Madhya Pradesh	117.32	163.26	598.67	172.68	819.60	1871.53	374.31	61.99
13	Maharashtra	1073.68	597.13	245.36	318.70	289.23	2524.11	504.82	52.18
14	Manipur	0.00	8.96	18.43	19.57	16.27	63.23	12.65	52.94
15	Meghalaya	0.00	0.00	0.62	8.15	43.12	51.89	10.38	45.00
16	Mizoram	0.00	0.49	3.19	1.89	3.49	9.06	1.81	20.34
17	Nagaland	0.00	0.00	0.00	0.00	1.06	1.06	0.21	1.07
18	Orissa	535.54	415.83	391.56	516.34	310.50	2169.76	433.95	118.22
19	Punjab	149.91	171.11	106.35	187.15	209.58	824.11	164.82	67.86
20	Rajasthan	230.11	225.17	188.09	248.42	99.12	990.91	198.18	35.09
21	Sikkim	0.00	11.69	2.09	0.50	1.92	16.20	3.24	59.94
22	Tamil Nadu	568.52	305.16	591.41	775.14	340.19	2580.42	516.08	83.09
23	Tripura	0.00	0.00	0.00	0.03	3.67	3.69	0.74	2.31
24	Uttar Pradesh	721.39	465.05	431.22	1697.90	606.37	3921.92	784.38	47.24
25	West Bengal	542.31	886.21	819.67	636.09	688.45	3572.74	714.55	89.07
26	Chhattisgarh	0.00	0.00	0.00	0.00	7.17	7.17	1.43	0.69
27	Jharkhand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	Uttaranchal	0.00	0.00	0.00	9.73	17.41	27.14	5.43	6.40
29	Total	5954.25	4824.89	6341.06	8093.24	10945.23	36158.66	7231.73	70.42

Source : Ministry of Finance

CHAPTER 4

SPECIAL AREA PROGRAMMES

4.1 It is recognised that the planning and development of an area within the State is primarily the responsibility of the concerned State Governments. Within an overall State oriented approach, certain regions across and within States have for historical and special reasons called for a focused area development approach. Developmental problems are faced by certain areas arising out of their distinct geo-physical structure and location and concomitant socio-economic development. To deal with the specific problems of these areas, region-specific plan strategies are formulated keeping in view the basic needs of the people and priorities of the State Governments concerned. A core element of the Planning Commission's strategy in this regard has been to supplement the efforts of the State Governments by targeting such disadvantaged areas with funds for capital investments. The Commission would continue in the Tenth Plan to advocate the area approach and aim to strengthen decentralisation of planning. Focused developmental programmes for backward areas are expected to help reduce imbalances and speed up the economic development of these regions.

4.2 In this chapter, we look at two broad categories of such specific area development programmes. In the first section, the approach for the north eastern region is outlined. In the second section, approaches for the Tenth Plan are set out for the special area development programmes being administered by the Planning Commission for hill areas, Western Ghats, border areas and the KBK region of Orissa.

THE NORTH EASTERN REGION

4.3 The north eastern region comprises the seven contiguous States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura. It covers an area of 255,000 Sq. Kms, representing around 7.7 per cent of total geographic

area of the country. It is a distinct geographical unit connected with the rest of the country through a narrow land corridor. Ninety-eight per cent of its borders are with other countries: Bhutan and China in the north, Myanmar in the east and Bangladesh in the south and west. The region has wide variations in physical features ranging from the plains of the Brahmaputra in Assam to the dissected mountains of eastern Himalaya in Arunachal Pradesh. It can be broadly classified into the north eastern hills and basins which accounts for 65 per cent of the total area, the Brahmaputra valley which covers 22 per cent of the region and the Meghalaya plateau covering 13 per cent of the total area.

4.4 The North-East supports a population of 38.4 million, around 4 per cent of the country's total population, with Assam accounting for 70 per cent (26.6 million) of the region's population. The decadal growth rate during the period 1991-2001 has been at 21.9 per cent which is slightly higher than the national average of 21.34. The population growth in individual States (1991-2001) has been above the national average of 21.34 per cent, except in Tripura and Assam. The decadal growth of population in Nagaland; 64.41 per cent; is the highest in the country. Excluding Assam, tribals represent around 60 per cent of the total population in each State. Assam has only 13 per cent tribal population. The region has great ethnic diversity with people of Aryan, Dravidian, Indo-Burmese, Indo-Tibetan and other races inhabiting its hills and valleys.

4.5 The trauma of partition, political evolution and insurgency combined with the geographical location, transport bottlenecks, natural calamities, etc., have hindered the progress of the North East, and the region has experienced relatively slower economic growth compared to the rest of the country. Most of the north eastern States joined the planned development process later than many other States. For development purposes, Sikkim too

is treated at par with the other States of the north east region. Special focus had as such been given on the economic development of the north eastern region and Sikkim during the Eighth and Ninth Plan periods, and strategies adopted for removal of infrastructural bottlenecks, provisioning of basic minimum services and creating an overall environment for private investment.

4.6 Despite these efforts, the recent growth performance of these States has not been encouraging. During the period 1993-94 to 1999-2000, only the economy of Tripura grew at a rate higher than the national average. All the other States had lower growth rates.

4.7 The continued efforts of the Government towards removing the impediments to lasting peace in the North East, and the improved security scenario during the recent past has raised hopes for faster economic development of the region. The Government of India's commitment to accelerating the pace of socio-economic development of the region is reflected in the creation in 2001, for the first time, of a dedicated Department of Development of North Eastern Region to coordinate and give impetus to the Centre's development efforts.

4.8 The Approach Paper to the Tenth Five Year Plan, adopted by the National Development Council, spelt out the objectives of economic growth with enhancement of human well being by way of provisioning for adequate level of consumption of food and other consumer goods; access to basic social services, especially education, health, drinking water and basic sanitation, expansion of economic and social opportunities for all, reduction in disparities, greater participation in decision making etc. State Governments of the north eastern region have identified the priority areas in their Tenth Plan in the light of the objectives laid down in the Approach Paper, and the various departments of the Central Government have drawn up their sectoral strategies for implementation.

CENTRAL ASSISTANCE TO STATE PLANS

4.9 Recognising the special problems of the region, significant levels of Central assistance to State Plans have been a feature of planning in the north eastern States. Even among the special category States, the per capita levels of Central

assistance are among the highest in the country, as indeed they are intended to be. For example, for the year 2001-02, average per capita Central assistance for State Plans for all the States in the region taken together was Rs.1,546, compared to Rs.356 for the country as a whole. Further, a number of special arrangements and initiatives have been taken and will be followed up in the Tenth Plan which will help accord priority to the development of the region. The significant initiatives/mechanisms in this regard are outlined below.

NORTH EASTERN COUNCIL (NEC)

4.10 The North Eastern Council (NEC) was set up in August 1972 under the NEC Act, 1971 (with its Secretariat at Shillong) for regional planning and development. As per provisions of the statute under which it was constituted, the Council is envisaged as an advisory body empowered to discuss matters of common interest to the Union and the north eastern States, and recommend to the Central/State Governments any matter of common interest, inter-alia, in the fields of economic and social planning, inter-State transport and communications, power and flood control, etc. For securing a balanced development, the NEC may formulate, for the member States, a regional plan in regard to matters of common importance to more than one State of the region, and indicate priorities of the projects/schemes included in the plan and their location.

4.11 The projects financed by the NEC are implemented either by the State agencies or by the Central public sector undertakings/organisations. The functions of the NEC can be grouped into three categories:

- a) Regional Planning
- b) Zonal Council
- c) Security

4.12 NEC has been focusing largely on its role as a regional planning body and a zonal council. The approved outlay for the Ninth Five Year Plan (1997-2002) of the NEC was Rs. 2,450 crore which represents an increase of about 31 per cent over the Eight Plan outlay of Rs. 1,867.50 crore. The year-wise details of the expenditure during the Ninth Plan period are given in Table 4.1.

Table 4.1
Year-wise details of the Budget Estimates, Revised Estimates and
Expenditure of NEC during Ninth Plan

(Rs. Crore)

Year	Budget Estimates	Revised Estimates	Expenditure	Utilisation over BE
1997-98	324.00	324.00	319.16	98.50
1998-99	440.00@	370.00	368.55	83.76
1999-2000	450.00	425.00	413.53	91.89
2000-01	450.00&	410.90	409.48	90.99
2001-02	450.00	450.00	414.82#	92.18
Total	2114.00	1979.90	1925.54	91.08

Note: @ Outlay Approved by Planning Commission was Rs.471 crore
& Outlay Approved by Planning Commission was Rs.415 crore
Anticipated Expenditure

Source : Planning Commission

4.13 It may be seen from Table 4.1 that against the agreed outlay of Rs. 2,450 crore the budgeted outlay for the five years of the Ninth Plan period was Rs. 2,114 crore, which represented a shortfall to the extent of 13.7 per cent in the budgeting of the agreed outlay. Further, it can be seen from the figures given in the Table that the utilisation of the budgeted outlay has also fallen short of the amount provided for during the Ninth Plan period.

4.14 The outlay for the Tenth Plan of the NEC has been fixed at Rs. 3,500 crore. The strategy to be adopted by the North Eastern Council for the Tenth Plan is to put more thrust on completion of on-going priority works, initiation of a few major projects to have better impact on areas of intervention instead of taking up large number of smaller projects, consolidation of schemes, better monitoring, and improvement in project implementation. The Council is responsible for taking up projects for balanced development of the region and would continue to emphasise financing of projects with a regional approach.

NON-LAPSABLE CENTRAL POOL OF RESOURCES

4.15 Pursuant to the announcements made by the Prime Minister in October 1996 at

Guwahati, all development Ministries/ Departments in the Union Government have been directed to earmark and spend at least 10 per cent of their annual gross budgetary support for the Plan for specific programmes in the north eastern region. Under this initiative, a total of more than Rs. 5,000 crore is expected to be budgeted annually by various ministries for the region.

4.16 In case any Ministry fails to achieve this target, the unutilised portion with respect to the 10 per cent norm is pooled in a Non-Lapsable Central Pool of Resources which is re-utilised to finance infrastructure development projects in the north eastern region including Sikkim. This approach has succeeded in increasing the Plan expenditure of the Central Ministries in the North East from 6.25 per cent in 1999-2000 to 7.28 per cent in 2001-02. The percentage flow of Central funds is expected to improve further in the Tenth Plan.

4.17 During the last four financial years, a large number of development projects have been directly supported from the pool for which an amount of Rs.1346.72 crore has been released. Detailed break up of the funds released are given in Table 4.2

Table 4.2
State-wise Release of Funds from the
Non-Lapsable Central Pool of Resources, 1998-99 to 2001-02

State	Funds released (Rs. crore)			
	1998-99	1999-2000	2000-2001	2001-2002
Arunachal Pradesh	15.00	19.65	43.96	74.24
Assam	28.81	105.86	69.31	89.18
Manipur	20.34	121.67	23.85	18.56
Meghalaya	8.79	3.00	32.63	22.39
Mizoram	9.00	62.15	27.06	69.86
Nagaland	20.01	44.08	15.91	52.16
Sikkim	10.00	32.01	23.78	49.71
Tripura	10.00	22.50	67.08	115.71
Common to NE and Sikkim	—	9.00	9.46	—
TOTAL	121.95	419.92	313.04	491.81

Source : Planning Commission

DEPARTMENT OF DEVELOPMENT OF NORTH EASTERN REGION

4.18 The role of the newly created Department of Development of North Eastern Region (DONER) would be to create synergy and ensure convergence of programmes by coordinating the efforts of both Central agencies and the State Governments and by meeting the last mile resource needs for completion of projects. The department would act as a catalyst in stimulating the development process and focus on increasing opportunities for productive employment, strengthening infrastructure, particularly connectivity and communication, together with ensuring accountability in the implementation of projects.

4.19 An important initiative that is being closely followed up is the *PM's Package*. Reflecting the special attention needed for the region, announcements have been made by the Prime Ministers during the last five to six years for giving an impulse to the speedy economic development of the north eastern region. These announcements, inter-alia, included specific schemes/programmes to be implemented on priority basis. Most recently, on 22nd January 2000, at Shillong, the Prime Minister announced an Agenda for Socio-Economic Development of

North Eastern States and Sikkim. This Agenda covers 28 programmes/schemes.

4.20 The financial requirements for implementation of these programmes/schemes, as per the present estimates, aggregate to Rs. 13,388.90 crore. The entire financial requirement is to be met through the plan/non-plan budgets of the Central Ministries/agencies and through the financial support from the financial institutions such as the National Bank for Agriculture and Rural Development (NABARD) and North East Development Financial Institution (NEDFI). The execution of these programmes during the Tenth Five Year Plan period is expected to help bridge infrastructural gaps particularly in the sectors of power, rural infrastructure, roads, air-links, horticulture, medical and health services, information technology and vocational training, and provide a conducive atmosphere for expansion of border trade and strengthening of security. (*Details of progress of components of the PM's package are given in the website www.pmindia.nic.in.*)

4.21 DONER is now the lead department in the Government of India for coordinating all Central initiatives and programmes in the North East. The following would be the strategic focus of the Government of India in the Tenth Plan for the north eastern region.

(A) Improving Implementation and Ensuring Better Delivery of Results

- (i) Timely implementation of the Agenda for Socio-economic Development;
- (ii) Completion of ongoing, centrally assisted projects, and proper prioritisation of projects for effective use of resources;
- (iii) Ensuring better implementation of projects with transparency and accountability, through close monitoring and reviews, in coordination with the sectoral departments/State Governments;
- (iv) Strengthening infrastructure, particularly connectivity and communications.

(B) Providing Upstream Assistance and Policy Support

- (i) Reviewing the policies of both the Centre and the States from time to time with a view to focusing greater attention on the region;
- (ii) Providing assistance in resolving policy bottlenecks to development efforts and in expediting the clearance of projects;
- (iii) Facilitating the efforts of the States in the mobilisation of financial resources;
- (iv) Ensuring adequate availability of funds for essential public capital investments, especially where "last mile" gaps need to be filled to bring benefits to the people;
- (v) Encouraging credit flow in the priority areas through banks and financial institutions.
- (vi) Facilitating better utilisation of economic infrastructure for enhancing income generation, keeping in mind the ethnic and social setup of each State of the region;

(C) Strengthening Capacity and Public Involvement

- (i) Capacity building through training programmes for educated youths in

high growth sectors having large employment opportunities, and encouraging private sector participation in these programmes;

- (ii) Capacity building of State Government personnel in project formulation, appraisal, evaluation and monitoring;
- (iii) Ensuring greater participation and involvement of the people in project formulation and implementation;
- (iv) Building awareness through seminars, workshops for prospective private sector investors.

SPECIAL AREA PROGRAMMES

4.22 Planning and development of an area within the State is primarily the responsibility of the concerned State Governments. However, the Central Government is supplementing the efforts of the State Governments in this direction through special Central assistance for special area programmes such as Hill Area Development Programme (HADP) and Western Ghats Development Programme (WGDP), Border Area Development Programme (BADP), etc. State-wise allocations made under these programmes in the Ninth Plan are given in Annexures 4.1 and 4.2 at the end of this chapter.

4.23 Special area programmes have been formulated to deal with the special problems faced by certain areas arising out of their distinct geo-physical structure and location and concomitant socio-economic development. Funds under special area programmes are meant to deal with the specific problems of these areas. Hence special plan strategies are formulated and schemes drawn up by the State Governments keeping in view the basic needs of the people and existing environmental and socio-economic considerations.

CLASSIFICATION OF HILL AREAS

4.24 Areas under HADP were identified in 1965 by a committee of the National Development Council (NDC) and areas to be covered by WGDP were recommended in 1972 by the High Level Committee set up for the purpose. After the formation of Uttaranchal in 2001, the designated areas covered under HADP / WGDP include :

- a) Two hill districts of Assam - North Cachar and Karbi Anglong.
- b) Major part of Darjeeling District of West Bengal.
- c) Nilgiris District of Tamil Nadu.
- d) One hundred and fifty nine talukas of WGDP comprising Western Ghats in Maharashtra (62 talukas), Karnataka (40 talukas) Tamil Nadu (25 talukas), Kerala (29 talukas) and Goa (3 talukas).

Details of the classification are given in Annexures 4.3 & 4.4 of this Chapter.

HILL AREA DEVELOPMENT PROGRAMME IN THE TENTH PLAN

4.25 The HADP will continue to be funded through Special Central Assistance (SCA) on 90:10 (Centre:State) basis. The SCA will be apportioned between the Hill Areas Development Programme / Western Ghats Development Programme in the ratio of 60:40. As in the earlier plan periods, the SCA will be divided among the designated hill areas on the basis of area and population, giving equal weightage to both. In the case of the Western Ghats Development Programme, the criteria will be the same but the weightage for area will be 75 per cent and population 25 per cent.

4.26 The main objectives will continue to be eco-preservation and eco-restoration with a focus on sustainable use of bio-diversity, recognising the needs and aspirations of local communities. The planning approach would aim to facilitate community participation in the design and implementation of strategies for conservation of bio-diversity and sustainable livelihoods.

4.27 During the Ninth Five Year Plan, the two programmes (HADP and WGDP) were being operated differently. While under HADP, a sub-plan approach was used and almost all the sectors were funded from Special Central Assistance, in the case of WGDP, the Watershed Approach was used and only a few additional sectors/schemes were funded. While the WGDP approach has been more in line with ecological development, the HADP States have been requested to include schemes for ecological preservation and restoration in the sub-plan.

4.28 In the hill areas of Assam and West Bengal, the use of special Central assistance for payment of salaries/ other expenses of non-plan nature should be phased out slowly and schemes for environmental preservation and restoration introduced such that by the year 2003-04, the salary/ establishment would be reduced to 20-25 per cent and schemes for preserving the ecology and restoring the fragile eco system of these areas would be increased by a similar proportion.

4.29 The thrust areas of HADP/WGDP during the Tenth Plan will be :

- (a) Watershed Development
- (b) Participatory Approach
- (c) Innovative Schemes for Technologies suited to Hill Areas
- (d) Schemes for Bio-Diversity Conservation
- (e) Schemes for Income Generation
- (f) Gap-filling Infrastructure
- (g) Maintenance

4.30 In the Tenth Plan, the State Governments can use up to 15 per cent of the annual allocation for maintenance of assets in HADP areas.

BORDER AREA DEVELOPMENT PROGRAMME IN THE TENTH PLAN

4.31 The programme will continue in the Tenth Plan as a separate programme and will be operational in the border blocks of all the States which have international land borders. The main emphasis of the programme will continue to be on meeting the special needs of the people living in remote, inaccessible areas situated near international borders.

4.32 Special Central Assistance under the programme will be provided as 100 per cent grant. The existing criteria of the length of international border, area of the border blocks and population of the border blocks (with equal weightage to each) will be the basis for the division of funds amongst the BADP States.

4.33 Schemes under the programme are to be designed such as to take care of the special problems faced by people living in the border areas. A long-term Perspective Plan for each border block

is to be prepared by the State Governments keeping in view the objectives of overall balanced development of the region. The State Governments may undertake a study of remote villages in the border blocks in order to assess the needs of the people and the critical gaps in physical and social infrastructure. Schemes for employment generation, production oriented activities and schemes which provide for critical inputs in the social sector would also need to be identified.

4.34 Security related schemes and construction of houses for crucial functionaries such as teachers, doctors, nurses etc., may also be taken up in border blocks under the programme along with construction of small culverts, bridges, bridle paths and feeder roads. Up to 15 per cent of the total allocation could be used for maintenance of the assets already created under the programme. The BADP is expected to help address the special developmental needs of the people living in the border areas during the Tenth Plan.

DEVELOPMENT OF KALAHANDI, BOLANGIR & KORAPUT (KBK) REGION OF ORISSA

4.35 The KBK region comprises the original Kalahandi, Bolangir and Koraput districts situated in the southern and western parts of Orissa. These three districts have been reorganised since 1992-93 into eight districts, namely, Kalahandi, Nuapada, Bolangir, Sonapur, Koraput, Nabarangpur, Malkangiri and Rayagada comprising 80 blocks, 1,171 gram panchayats and 12,104 villages. This area has become the Centre of attention owing to the high levels of poverty and consequent adverse effects on the quality of life of the people of the region.

4.36 The State Government had drawn up a revised Long Term Action Plan (LTAP) (1998-99 to 2006-07) with a total outlay of Rs. 6,061.83 crore, consisting of a Central Plan and Centrally Sponsored Schemes in various sectors, namely

Agriculture, horticulture, watershed development, afforestation, irrigation, health, drinking water, emergency feeding, welfare of SC/ST and rural connectivity. In order to fill critical gaps, an additional central assistance of Rs. 243.95 crore was allocated by the Planning Commission from 1998-99 to 2001-02 to the KBK districts. However, apart from this additionality, most of the other fund flow to these districts comprised only normal flows under various Centrally Sponsored Schemes.

4.37 Hence, it was decided that a more concerted effort was required if the living conditions of the people of these districts were to be ameliorated. In order to adopt a more holistic approach to the development of the KBK districts and to tackle the basic problems of drought proofing and essential support to disadvantaged groups and economically weaker sections, the State Government was requested to prepare a projectised plan for critical sectors. The Annual Action Plan for the year 2002-03, prepared by the Government of Orissa provided for Rs. 200.00 crore as Special Central Assistance and Rs. 164.69 crore as central loan assistance under the Accelerated Irrigation Benefits Programme with emphasis on the following sectors: (i) drought proofing (soil & water conservation, afforestation, irrigation, and drinking water); (ii) livelihood support (agriculture, horticulture, animal husbandry, fisheries, agri-business, agri-market, handloom and sericulture); (iii) support for disadvantaged groups (special nutrition programme, emergency feeding, tribal development and women's self-help groups); (iv) Health; (v) Rural Connectivity; and (vi) Administrative Support.

4.38 It is proposed to provide Special Central Assistance to the special plan for the KBK Districts during the Tenth Plan period, subject to satisfactory physical and financial progress of the schemes. The main aim is to use a project based approach and local participation along with transparent and responsive administration to ensure that field level results are visible in a time-bound manner.

**Allocation of Special Central Assistance Under Hill Areas
Development Programme During Ninth Plan**

(Rs in crore)

State/Area	Ninth Plan				
	1997-98	1998-1999	1999-00	2000-2001	2001-2002
(A) Hill Areas in the State of:					
Assam	46.32	50.16	50.90	50.90	51.11
Tamil Nadu	19.62	21.70	22.01	22.01	22.10
Uttar Pradesh	217.07	237.41	240.86	240.86	0.00 &
West Bengal	22.23	22.23	22.23	22.23	22.33
Survey & Studies	0.25	0.00	0.00	0.00	0.00
Sub-Total (A)	305.49	331.50	336.00	336.00	95.54
(B) Western Ghats Region					
Kerala	9.46	11.91	13.08	13.08	13.13
Maharashtra	15.17	19.11	20.97	20.97	21.06
Tamil Nadu	7.91	9.97	10.94	10.94	10.99
Karnataka	11.22	14.13	15.51	15.51	15.57
Goa	2.32	2.95	3.20	3.20	3.21
Survey & Studies	0.28	0.26	0.12	0.12	
Western Ghats Sectt.	0.15	0.17	0.18	0.18	0.50 *
Sub-Total (B)	46.51	58.50	64.00	64.00	64.46
Grand Total (A + B)	352.00	390.00	400.00	400.00	160.00

& : Excluded from HADP from 2001-2002

* : Including Survey & Studies

Source : Planning Commission

Annexure 4.2

Border Area Development Programme : Allocations / Releases During the Ninth Plan

(Rs. Crore)

States	1997-98		1998-99		1999-2000		2000-01		2001-02 Allocation
	Allocation	Releases	Allocation	Releases	Allocation	Releases	Revised Releases	Allocation	
1. Assam	4.12	2.06	4.27	4.27	7.20	7.20	7.48	3.74	7.48
2. Gujarat	8.58	8.58	8.88	8.88	9.87	9.87	10.26	10.26	10.26
3. Jammu & Kashmir	20.68	10.34	31.38	31.38	33.52	33.52	34.85	39.65	34.85
4. Meghalaya	3.95	3.95	4.11	4.11	4.52	4.52	4.70	4.70	4.70
5. Mizoram	6.73	6.73	6.82	6.82	8.00	8.00	8.32	12.32	8.32
6. Punjab	8.54	8.54	8.82	7.72	9.70	9.70	10.08	14.08	10.08
7. Rajasthan									
i} Formula	25.63	25.63	26.52	26.52	29.17	29.17	30.32	30.32	30.32
ii} IGNP	60.00	60.00	30.00	30.00	8.00	8.00	0.00	0.00	0.00
8. Tripura	10.96	10.96	11.34	11.34	12.47	12.47	12.96	12.96	12.96
9. West Bengal	30.81	15	31.86	29.38	38.05	38.05	39.56	37.99	39.56
10. Arunachal Pradesh	4.00	4.00	11.00	11.00	13.00	13.00	13.51	6.75	13.51
11. Manipur	4.00	4.00	4.00	4.00	4.00	4.00	4.16	4.16	4.16
12. Nagaland	4.00	4.00	4.00	4.00	4.00	4.00	4.16	4.16	4.16
13. Himachal Pradesh	0.00	0.00	4.00	4.00	4.00	4.00	4.16	8.16	4.16
14. Sikkim	0.00	0.00	4.00	4.00	5.50	5.50	5.72	4.63	5.72
15. Uttar Pradesh	0.00	0.00	4.00	4.00	12.00	12.00	8.32	8.32	8.32
16. Uttaranchal	0.00	0.00	0.00	0.00	0.00	0.00	4.16	4.16	4.16
17. Bihar	0.00	0.00	0.00	0.00	7.00	7.00	7.28	3.64	7.28
Total	196.00 *	163.79	195.00	191.52	210.00	210.00	210.00	210.00	210.00 **

Note: * 1997-98 : Rs. 4 crore were left unallocated for Myanmar Border States.

** Actual = Rs. 240.00 crore.

Source : Planning Commission

Hill Area Development Programme : List of Designated Hill Areas

States	District	Area (000 Sq. Kms.)	Population (1981 Census) (in lakh)
HILL AREAS			
Assam	North Cachar	4.88	6.30
	Karbi Anglong	10.33	
Tamil Nadu	Nilgiris	2.54	6.29
West Bengal	Sub-Division of Sardar, Kurseong and Kalimpong of Darjeeling Distt.	2.42	5.51
	Total	20.17	18.10

Source : Planning Commission

Annexure 4.4

List of Talukas Covered Under Western Ghats Development Programme

(As on Date)

State	District	(No. of Talukas)	Area (000 Sq. Kms.)	Population (1981 census) in lakh
WESTERN GHATS				
Maharashtra				
	Dhule	2	3.32	4.30
	Nasik	8	9.52	17.28
	Thane	5	4.71	5.56
	Raigad	7	-	-
	Ratnagiri	5	5.43	8.33
	Sindhurg	5	3.66	5.29
	Kolhapur	10	7.09	18.26
	Sangli	1	0.64	1.11
	Satara	8	6.75	12.87
	Pune	9	9.81	16.09
	Ahmednagar	2	3.17	4.56
Karnataka				
	Belgaum	5	6.45	14.88
	Chikmaglur	5	4.41	4.08
	Kodagu	3	4.08	4.60
	Dharward	1	1.08	1.60
	Hassan	5	3.14	5.94
	Mysore	1	2.79	3.40
	North Kanada	9	8.64	8.81
	Shimoga	5	6.59	8.32
	D. Kanada	3	-	-
	Udupi	2	-	-
	Chamarajanagar	1	-	-
Kerala				
	Kannur	2	-	-
	Wayanad	3	2.12	5.54
	Kozhikode	3	2.33	22.45
	Malapuram	4	-	-
	Thrissur	1	1.32	6.74
	Ernakulam (Cochin)	3	1.68	7.91
	Idukki	4	5.13	9.71
	Kottayam	2	1.07	9.60
	Kollam	3	-	-
	Thiruvananthapuram	2	1.50	11.68
	Kasaragode	1	-	-
	Pathanamthitta	3	-	-

Annexure 4.4 contd.

State	District	(No. of Talukas)	Area (000 Sq. Kms.)	Population (1981 census) in lakh
Tamil Nadu				
	Coimbatore	7	5.92	24.65
	Erode	2	2.21	4.12
	Madurai	1	8.22	22.27
	Tirunavelli	7	5.41	15.81
	Kanyakumari	4	1.67	14.24
	Dindigul	3	-	-
	Theni	3	-	-
	Virudhunagar	3	-	-
Goa				
	Goa	3	1.72	1.33
Total			131.58	301.33

Source :Planning Commission

CHAPTER 5

PLANNING AND IMPLEMENTATION ISSUES

5.1 The experience of planning at the State level over the last five decades seems to indicate that if we are to remove bottlenecks to progress, we have to step up growth rates and also ensure that the benefits of development are shared by all, in addition, qualitative aspects need to be paid at least as much, if not more, attention than the quantitative aspects of planning. The Approach Paper to the Tenth Plan had signalled that in order to achieve its Stated objectives, the Plan had to be a reform plan, and not a resources plan as before.

5.2 The issue of governance has been separately discussed at a much broader level in Volume I of this document. The Mid-term Appraisal has however drawn attention to a number of governance-related findings that have relevance at the State level as well. Carrying this analysis further, therefore, the first section of this chapter takes a look at the perspective of governance at the State level, and proposes an agenda for reforms in this area in the Tenth Plan.

5.3 The second part of the chapter looks at more technical issues and concerns that have gradually emerged over the years in the process of Plan implementation. While they may seem to be relatively minor by themselves, many of these concerns are tending to distort and undermine the process of State level planning itself, and therefore need to be flagged and suitably addressed during the Tenth Plan.

A STATE LEVEL GOVERNANCE PERSPECTIVE

Background : The Mid Term Appraisal

5.4 Since the beginning of planned development in India, both Central and State Governments have been implementing several programmes for eradication of poverty. However, it has been the experience of development planning since

Independence that availability of funds by itself is not sufficient for tackling the problem of poverty. With liberalisation, there is an ongoing paradigm shift at the State level, with the Government increasingly playing the role of a facilitator rather than a direct provider. At the same time, more effective public intervention only can address the challenges of poverty alleviation. In this, the experience is essentially that better governance and implementation of programmes within a pro-poor policy framework is needed for effective results on the ground.

5.5 Many examples of anti-poor laws and policies are discussed in the Mid-term Appraisal (MTA) of the Ninth Plan, especially in chapters on SC/ST, forestry and decentralisation. The examples discussed therein show that a large number of policies and rules act against the interests of the poor. There is a need for putting pro-poor policies in place. A beginning can be made by reviewing the policies outlined in the MTA, and sensitising public opinion with a view to getting them modified suitably within the first two years of the Tenth Plan.

5.6 In the international context, good governance is often interpreted from a purely business point of view to mean policies that will attract foreign capital, such as effective rule of law, enforcement of contracts, protection of property rights, and reduction of uncertainties about decision-making by national Governments. In the context of development in a less developed country, good governance may be defined as the capacity of the Government to manage resources efficiently and formulate, implement, and enforce such policies and schemes that are in the interest of the poor and facilitate development.

5.7 However, good governance is not automatic. In the scarcity-ridden context of development in a poor society, the executive (both political and

bureaucratic) may amass large monopolistic and discretionary powers for the apportioning of resources. This may result in a 'rent seeking' behaviour. With a view to preventing rent seeking, more rules and regulations may be prescribed, which may further result in delays, inefficiencies and corruption. Thus a vicious circle is set up, with non-compliance of rules leading to more rules and ending up in a situation where individuals in Government, whether from the legislature or executive, may, with the best of intentions find themselves helpless in changing the 'system', and ultimately find it more convenient to join the system rather than fight it. Another tendency for any Government is to evolve a culture in which rules of decision-making or transaction are not easily amenable to scrutiny by the general public or the intended beneficiaries. Not only are the decisions difficult to be examined, they are also likely to be challenged or reversed, except by appeal to the munificence of the same executive which took them in the first place (thereby enlarging the ambit of power of the executive).

5.8. Independent studies suggest that corruption and poor governance lead to lower growth and investment. The South Asia Human Development Report also makes the point that low human development makes it easier for poor governance practices to survive, leading to a vicious circle. Thus, good governance and accelerated human development are inextricably linked and indeed, governance forms the bedrock on which gains in human development can be rapidly achieved.

Delivery of Programme Benefits

5.9. Successful implementation of development programmes requires adequate funds, appropriate policy framework, and effective delivery machinery. Past experiences suggest that availability of funds alone may be a necessary but not a sufficient condition for tackling the problems of poverty and backwardness. The determining factor seems to be the capability of the funding Governments or Ministries to formulate viable schemes, and the delivery system to optimally utilise funds and achieve sustainable growth.

5.10. There is now substantial evidence, which corroborates experiential evidence, that even

though there are variations, basic public services and programmes (such as those meant for the poor and the weaker sections) function relatively inefficiently in poorer and badly performing States. This is due to lack of motivation, accountability, absence of performance appraisal, absence of a system of incentives and penalties, understaffing and poor working conditions on the one hand, and large-scale leakages on the other.

5.11. This seems to be the case particularly for the numerous rural development programmes where studies suggest that the 'leakage' is estimated to be between 20 and 70 per cent! The weak track record of implementation of these programmes and failure to deliver intended benefits to the poor have been documented in various reports and studies including the reports of the Comptroller and Auditor General and surveys by international agencies and other independent bodies.

5.12. The implementation of development programmes by the State Governments must be more effective. Close monitoring can be organised in selected areas such as implementation of schemes relating to primary health, primary education, watershed development, empowerment of the local people to discharge their responsibilities effectively at the local level, as evidenced by the implementation of poverty alleviation programmes etc. The monitoring can be done on the basis of questionnaires designed by selected public institutions in consultation with the Planning Commission.

5.13. One way of doing so may be through a process of sampling, wherein randomly selected villages can be identified in every State for impact studies and obtaining progress reports in these sectors. These studies may be carried out either by academic institutes, consultants approved by the Planning Commission or by the Programme Evaluation Organisation of the Commission wherever possible. Incentives for improving implementation should be built into the criterion for the allocation of additional funds to the States in such a manner that the States which demonstrably perform better be entitled to more development assistance as compared to the States which do not implement these programmes effectively.

Agenda for Governance Reform

5.14. Governance reform thus needs to be at the center-stage of development planning, since without good governance and programme implementation, much of the vast quantum of resources being spent for development is wasted. It should be so designed as to bring about improved transparency, greater accountability, and streamlining of the structure of Government.

5.15. Improved transparency should have the result of improving the flow of information to the general public on the modes of decision-making, and hence lead to less arbitrariness, as decisions come under closer public scrutiny. Greater accountability implies that the decision-making (and implementing) executive is answerable for the course of action that it pursues. Since answerability is in any case implicit in the existing process, reforms should aim at improved accountability, which means that adverse results associated with wrong actions are quickly corrected and are not easily repeated. Similarly, changes in the structure and role of the Government are needed, involving a review of its role and functions, allowing it to concentrate on areas of key concern, and reducing its role in areas where it is not needed. In short, it means redesigning the structures of the Government so as to reduce distortions and allow it to optimally perform its key tasks.

5.16. Experience both within and outside the country has pointed to certain essential elements of any strategy for governance reform. This agenda of reform in governance, which is especially relevant at the State level, includes a multifaceted strategy based on decentralisation, civil services renewal, open and responsive Government, tackling corruption and strengthening the rule of law, and fiscal and environmental sustainability. Each of these elements of the strategy is outlined below.

Decentralisation

5.17. DeCentralisation of power from Centre to States, States to district, and areas within districts and villages can be one of the best ways of radically restructuring an over-Centralised system of governance, which may be somewhat removed from people, and have limited direct accountability

to them. Decentralisation results in empowering people, promoting public participation and increasing efficiency.

5.18. According to the Human Development Report 1993 of the United Nations Development Programme (UNDP), wherever decentralisation has taken place it has often been quite successful, encouraging local participation, increasing accountability of local officials, reducing costs and increasing efficiency. Decentralisation can help mobilise local resources, promote locally and regionally diverse solutions and promote equitable growth by bringing the poor into the mainstream of development. It may also increase the pressure on Governments to concentrate on those human priority concerns that are more likely to be chosen by the local community.

5.19. Decentralisation has been seen as desirable and necessary for public participation in the process of planned development. With the 73rd and 74th Constitutional Amendment of 1993, panchayat raj institutions (PRI) and urban local bodies have taken root all over the country. However, effective decentralisation has not taken place in most States, for various reasons, (see Appendix 5.1 to this Chapter) and efforts need to be made to strengthen and accelerate the process.

5.20. The 73rd Amendment envisages a polity where more and more powers are decentralised to the third stratum, but ironically, in many of the States administrative and financial powers have been heavily concentrated in the secretariats and directorates. This process of centralisation of authority has particularly been going on in the last thirty years. The concentration of power, in addition to facilitating political corruption, results in making decisions the outcome of a long and tedious process that inconveniences the public.

5.21. On the whole, the panchayat's role is still heavily influenced by the role of the development bureaucracy and the existing mechanisms and processes provide the space for considerable distortions and leakages. The present system is such that even honest panchayati raj institution (PRI) representatives find it difficult to carry out their functions.

5.22 In this connection, many lessons have been learnt from the experience of devolution in the wake of the 73rd/74th Amendment. These point to the direction of desired reforms. Governments need to sustain the devolutionary process by transferring powers and functions specified in the 11th and 12th Schedule, to the local bodies at the appropriate level, and provide administrative control to local bodies over local functionaries. We must build commensurate capacity in the local bodies, its members and its committees through training and transfer of resources - physical and financial, encourage the local bodies to raise local resources for development, and put a system of incentive-based fiscal transfers in place.

5.23. At the same time, we have to inculcate attitudinal changes in the developmental bureaucracy, which should become a facilitator of the third level of government and help develop a healthy relationship between elected governments at all levels and the bureaucracy. The accountability of the local bodies, their standing committees and the representatives, need to be defined and strengthened. Panchayati raj institutions/urban local bodies (ULB) have to be helped to evolve a code of conduct for the newly elected members. Rules and procedures should be made simple and transparent. Financial management and audit procedures have to be strengthened with the objective of facilitating the tasks to be performed by the elected functionaries drawn from all walks of life.

Civil Services Renewal

5.24. In the area of civil services reform, State Governments face three critical challenges. They must enhance the productivity of the civil services and make certain that each employee is performing socially relevant tasks. They must ensure the long-term affordability of the civil services, and must enforce procedures for rewarding and promoting merit, and disciplining malfunction and misconduct, in order to strengthen accountability and enhance performance quality.

5.25. Unfortunately, ever since higher education was introduced by the British, the State has been seen as the employer of first resort by the educated middle class in India. This mindset has to change.

Since the beginning of the 1960s, a rapid expansion of government employment has taken place, especially of the support staff. With the changing role of the government, the size and scale of the civil services no longer relate to the nature of functions that the government can or should undertake. Governments should identify the surplus staff, set up an effective redeployment plan, and a liberal system for exit. For the time being, recruitment should only take place for functional posts, and vacant posts of secretarial and clerical nature should not be allowed to be filled.

5.26. The Administrative Reforms Commission (ARC) Report, 1970 had recommended the abolition of clerical positions in the secretariat, by merging the field departments with the secretariat departments at appropriate levels, and by following the pattern prescribed in the army for decision making through the single file system. This can be done even now, as it will result in substantial reduction in the number of employees. Reducing the number of general holidays, as recommended by the Fifth Pay Commission can lead to better productivity of the existing staff. The Central Government has already restricted the recruitment of fresh personnel to just one-third of the posts falling vacant each year, and some States have taken similar steps. These are moves in the right direction.

Open and Responsive Government

5.27. Open Government is a key element of governance reform. The environment of secrecy that pervades government functioning encourages malpractices. There is no early check because decisions are taken behind closed doors. The sharing of information and making the entire system more transparent would certainly reduce the danger of the system being manipulated by a few in the name of many. Transparency builds external demand for reform and makes administration more responsive and performance oriented. One way of sending a signal for reform is to encourage the enactment of legislation for *Right to Information* along the lines of the statutory scheme of the Government of India. If the right of the ordinary citizen to information is recognised, it will dramatically increase the strength of the citizen to

understand and challenge corruption and the arbitrary exercise of State power. It should be the duty of the decision makers at all levels to proactively attempt to increase the power of the citizen in his or her relation with the State, through building in transparency in all official procedures and systems, and, suo-moto, making available all relevant information to the people.

5.28. There are many ways to bring about openness in government. The declared intention of the government should be in favour of transparency. All such information that is generally provided by the Assembly/Parliament to a Member should also be accessible to any member of the public. Departments such as the Police and Revenue, which have extensive public dealings, should be subjected to a social audit at periodic intervals. These audits, by eminent members of the public, should look at their policies and performance, and suggest constructive steps for their improvement.

5.29. The government also needs to make conscious efforts to increase its responsiveness to the ordinary people, whom it is meant to serve. At present the system of government is such that it is difficult for an average citizen to have access to information about schemes and programmes that affect him, and even about his rights and records. The complicated procedures not only distance Government from the very people that are sought to be provided with services but also create possible sources of corruption. Therefore, the stress needs to be on developing computer based information systems so that discretion and delay can be reduced.

5.30. Each department with a public interface should develop *citizens' charters*, establishing clearly enforceable norms. The citizens' charter should clearly define the standard for the services being rendered. It should also specify the remedial mechanisms available to the citizen. Merely notifying citizens' charters should not be an end in itself. After promulgating citizens' civil charters, departments should ensure that the necessary changes have also been introduced in every aspect of the functioning of the department and at every level to conform to the standards set in demand of these

charters. Each department should organise large-scale capacity building programmes to bring in attitudinal change in their employees.

Increasing Accountability

5.31. In his address in the National Development Council meeting held on February 19, 1999, the Prime Minister had Stated that, '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. Frequent and arbitrary transfers, combined with limited tenures, are harming the work ethic and lowering the morale of honest officers. While expecting discipline and diligence from the administration, the political executive should self-critically review its own performance. Unless we do this, we cannot regain credibility in the eyes of the people who have elected us to serve them.'

5.32. The existence of widespread *transaction costs* in a governmental system corrodes the credibility of public institutions leading to widespread disenchantment with them, weakening the very fabric of governance, and making it virtually impossible to speed up development tasks. Accountability, transparency and the rule of law, are integral constituents of good governance. Transparency in government functioning, as already discussed, will in itself reduce the possibilities of leakage and malpractice. The issue of accountability is crucial for effective financial management and a responsive civil service.

5.33. A responsive *legal system* is essential for the development of the private sector as well as for ensuring that all citizens, and particularly the poor, have access to justice. Streamlining of the civil and criminal justice systems with a view to reducing delays in disposal of cases is important. In addition, consideration of innovative mechanisms such as Lok Adalat (Peoples' Court for alternative dispute resolution) to reduce the burden on the courts may be necessary. The Nyaya Panchayat in the villages need also to be strengthened.

5.34. *Procurements* is an area especially prone to malpractices. Enactment of legislations/regulations to mandate strictly competitive bidding

of all contracts and procurement of works, goods and services by the government and its entities, with regular issuing of tender notices, bid closing dates and contract awards, should be effectively ensured to minimise opportunities for malpractices in procurement decisions.

5.35. Democratic Governments respond to pressures from below, and however well motivated and determined the reforms initiated by the government are, these can fructify only if government actions and decisions are subjected to continuous scrutiny and pressure by communities and the *civil society*. Yet, despite the enormous burden posed by weak governance, civil society action has been found wanting, on the whole. The pace of improvement in governance would accelerate only when countervailing forces in society develop sufficient confidence to oppose inefficiency and corruption in government. States should, therefore, not just tolerate, but actively encourage credible civil society organisations.

Sustainability: Fiscal Reform

5.36. It is important for the fiscal policies of a government to be sound and sustainable. Unfortunately, as is well known, the fiscal situation of the Centre and the States has deteriorated continuously through the 1990s, especially after 1997. The combined balance of current revenues of the Centre and the States fell from minus 13,324 crore in 1996-97 to minus 92,969 crore rupees in 1999-00. Tax Revenue as per cent of GDP of the Centre has fallen from 11.3 per cent in 1989-90 to 8.8 per cent in 1999-00. Financially weak infrastructure sectors have placed a massive burden on the States; the problem has been accentuated by the deepening culture of non-payment by customers of public utilities. The share of plan expenditure of the Centre and the States in GDP has fallen from 13.4 per cent in 1986-87 to 8.6 per cent in 1998-99, making plan outlay a residual item of Government expenditure. States' own contributions to plan financing is now totally non-existent. The debt burden of governments is rising rapidly, and most governments are increasingly borrowing even to finance their current consumption.

5.37. A fiscal crisis has major developmental implications. First, declining capital investment leads to slower growth, which in turn renders it more difficult to increase the revenue yield. Slow growth also means that the incomes of the poor do not rise significantly. Second, a rising debt burden has the serious implication of sacrificing the welfare of future generations, who will sooner or later have to pay the price for the profligacy of today.

5.38. The key to overcoming the crises being faced is to *curtail administrative expenditures*, which are absorbing larger and larger shares of the public resources, leaving very little for spending on the developmental needs of the people. There is undoubtedly a historical legacy here that has to be overcome. The pressing need of the day is to put into place an action plan for rightsizing the government with a liberal system for exit of the surplus staff.

5.39. The Government of India has to take a lead in reducing its staff, especially in ministries dealing with State subjects. It is only then that the Centre will have the moral authority to seek similar action in the States. In the Ministries, there should be restraint on initial recruitment, and most vacancies caused by retirement should remain unfilled and the posts subsequently abolished. Steps have been initiated by the Centre and many States in this direction. As is the case in some countries, to reinforce the control on staff expansion, consideration may need to be given to a legislative ceiling on the total number of posts authorised for any particular department/organisation.

5.40. Other steps necessary to tackle the fiscal problems and improve resource mobilisation include:

- (i) **External Aid:** States should be encouraged to attract and improve disbursements of external assistance, which is a significant source of additionality to a State's resources. This is a source that does not presently have a ceiling, and the extent to which it can be tapped depends only on the willingness of

a State to be pro-active, pursue sound policies and accord priority attention to timely implementation.

(ii) **Single Economic Space**: There is a need for the States to appreciate the mutual benefits of looking at the country as a single economic space, from which considerable economic advantages can be reaped by them. Greater integration and removal of barriers would encourage commerce and business and lead to a win-win situation for all concerned. Similarly, there is tax competition among States to attract private investments. Such policies are harmful, as States have lost tax revenue without influencing investment decisions. Better infrastructure, faster decision-making, and investor-friendly environment are more important in the decision matrix of the investor community, and State resources are better deployed in such areas.

(iii) **State Guarantees**: A practice that is pushing the States towards a fiscal crisis is the ready extension of guarantees to the borrowings of State-level public enterprises. These guarantees may devolve on State Governments, as the financial health of many such enterprises is not sound. This practice will hurt States' credibility and adversely influence their credit ratings and ability to raise resources in future. A legislative cap on guarantees, as has been done by some States, would improve the confidence of the investors in the States.

5.41. Similarly, there is a case for explicitly introducing *Reform Linked Central Assistance*. The medium-term fiscal strategy should include measures aimed at providing financial help to States to alleviate the fiscal stress facing them. However, the strategy would have to incorporate certain conditionalities. These would focus on critical issues facing the States on the fiscal and governance fronts. These conditionalities would be formulated with the agreement of the States concerned. The reform linked assistance would

need to be phased over time with a view to accelerating the reform process at State level, and helping State finances to be put on a sound footing in the medium term.

Environmental Sustainability

5.42. In the last thirty years there has been enough empirical evidence to establish that environmental conservation must go hand in hand with economic development, because any economic development that destroys the environment will create more poverty, unemployment and diseases – as the poor depend on the nature much more for their day to day needs - and thus cannot even be called economic development. It may just be a transfer of resources from the poor to the rich.

5.43. Environmentally destructive economic development will impoverish the poor even further and destroy their livelihood resource base. In the absence of clean air and clean water not only is the productivity of the poor going down but their expenses on medical care is shooting up, resulting in their further misery. Denuded hills and barren pastures have resulted in falling groundwater levels, reduced availability of organic manure, and loss of soil and moisture for crops, thus affecting the productivity of rain fed agriculture and income through cattle. The environmental concern in India must go “beyond pretty trees and tigers” and must be linked it with peoples' lives and concerns.

5.44. Investment in better environment and forests however requires taking unpopular decisions like closing down of polluting industries, controlling vehicular pollution, reducing subsidy on forest raw material, etc. It also needs greater investments, the benefit from which is not easily discernible or immediate. When States are starved of funds, cuts are imposed on the budgets of these departments and activities, and money is diverted to paying salaries or civil works programmes. Therefore, improving governance must mean better policies and more funds for improving the quality of life through greater attention to environmental concerns.

PLANNING AND IMPLEMENTATION: DIRECTIONS

Capital Investments

5.45. Capital investments are supposed to be the productive and growth enhancing components of developmental expenditure. In the early years of the 1950's and '60s, plans consisted largely of capital investments. In those days, since we as a newly independent country were starting from a relatively low base, governments were concerned primarily with adding to the stock of public assets. Capital expenditures as a proportion of plan outlays have been steadily declining since, and have been estimated by the Eleventh Finance Commission to form now only about 42 per cent of the States Plan outlays. In the case of some States like Kerala and Andhra Pradesh, this proportion is even less, at less than 25 per cent.

5.46. States do realise the need for the plan outlays to consist of an adequately high proportion of capital investments. Nevertheless, they find it difficult to increase capital expenditures, because of fiscal constraints, and the immediacy of the pressure generated by the administrative machinery, most of which translate into revenue expenditure. At some point States would need to take a hard look at the situation, put aside short-term considerations, and see the big picture in this regard, even if it implies tough decisions. The capital content of the Plan needs to be protected, to enable plan funds to be utilised largely to create growth-inducing productive assets. This is in the long-term interest of the development of the State.

Maintenance of Capital Assets

5.47. There is another side to it. It may be argued that in the present day, with over five decades of planned development behind us, and a large stock of capital assets having been created, State Governments should be equally concerned about preservation of the existing public assets and schemes that have been built up over the years.

5.48. The problem arises particularly since preservation and utilisation of these public assets imply recurring expenses on operation and

maintenance (O&M), which are supposed to be the normal responsibility of a Government. These are therefore not seen as falling within the purview of "new" development expenditures, and are outside the Plan. Fiscal constraints on non-plan expenditures are increasing due to rising establishment costs and interest burden. This leads to the tendency to under-provide for the maintenance of these capital assets, since establishment and interest payments have a compelling priority claim on resources, whereas the impact of under-funding of maintenance expenditures is not immediately visible. Over the medium term, however, the impact is felt through the productive assets that have been created over a long period of time having deteriorated due to lack of maintenance, and no longer serving the productive purpose they were intended to.

5.49. The expenses on maintenance, therefore, have to be provided for. A State cannot be said to be planning wisely if capital assets created at a great cost are allowed to run down for want of maintenance expenditures. Rational planning would mean fully budgeting these expenditures and recognising them as an essential component of developmental expenditure, since not providing for them would lead to running down of assets created over the years.

5.50. The immediate consequence of this approach is that O&M expenditures will gradually eat up larger and larger shares of development expenditures, crowding out new investments and giving rise to the question of sustainability. This need not happen. If this type of expenditure goes hand in hand with a policy of recovery of adequate *user charges* from the beneficiaries of the services provided, spending on O&M need not curtail plans for new projects and schemes. If, on the other hand, governments make the policy choice to bear most or the entire O&M burden themselves, the implication for them is that in doing so they reduce their ability to sustainably create the much needed fresh capital assets.

5.51. In an effort to improve the productivity of the existing capital assets, and efficiency of resource use during the Tenth Plan, however, selective use of plan funds has been permitted for the first time

under the Plan for critical repair and maintenance activities, signaling thereby a positive development in this direction.

Social Sector Expenditures

5.52. Today, there is a realisation borne out of the lessons of experience that investment in human capital is probably as much, if not more, important than “hard” capital investment. Human development is now seen not only as an end in itself, but also as a vital means to achieve the end of economic growth and prosperity for all. The Planning Commission has brought out in the first year of the Tenth Plan a National Human Development Report to signal the recognition of this.

5.53. This kind of investment creates another type of recurring expenditure dilemma, in that, the delivery of the services that create human capital is primarily through personnel and require a relatively heavy staff component e.g., teachers, health-care workers, etc. Further, unlike other capital projects, in which the bulk of the staff expenditures are linked to the construction phase of the project and such costs subsequently decline, in the case of human capital projects, staff expenditures are an essential and continuing part of the scheme or programme, since without them the desired development outcomes will not be realised. Social services will continue to expand in the foreseeable future, until the desired levels of human development are attained. However, any planned expansion of facilities in the social sectors would need to factor in and provide for the long-term implications in terms of recurring costs. Innovative solutions have to be devised to reduce costs of delivery while retaining quality, in order that the expansion of services that must take place is sustainable.

5.54. In the context of the ongoing fiscal and administrative reforms, redeployment of personnel from other government or semi-government formations to social sectors, where possible, needs to be considered. The need is to move towards a dispensation wherein rather than recruitment for a specific project without flexibility of redeployment, there should be conscious attempt to redeploy personnel from project to project, once activity ceases in any one project and a new project

commences. Further, options such as those adopted in Madhya Pradesh and Rajasthan of having contractual community appointed teachers with low infrastructure overheads, and in Uttar Pradesh of providing one time capital grants to encourage private educational institutions (rather than the policy of providing recurring grants-in-aid to such institutions) to help expand school education indicate that there are ways to move forward without compromising on the overall objective of expanding social services.

Projectisation

5.55. Yet another significant issue relates to the productive deployment of capital. “Projectisation” remains an imperfect art in Government. The problem is the delinking of project formulation and what in commercial world is called “financial closure”. A common tendency is to understate the magnitude of the projects for Plan scrutiny, so as to squeeze them through a constrained resource envelope. Then, as the years go by, they emerge in their true colours. As a result, projects are not fully funded; implementation slips, and costs escalate markedly. Comprehensive project configuration, costing and full financial commitment is necessary for proper planning of capital outlays. It should be possible to consider the deployment of potentially productive capital as a business proposition, in which a sort of financial closure in the sense of a commitment of outlays required for the project is built into the plan, so that the requisite resources are arranged and a cap put on the costs including escalation. Practically, this can be done with prospective effect, by loading subsequent plan outlays for concerned departments with an opening balance of committed outlays that are automatically set apart. While this will not immediately solve the problem of past overhang, which would be immense, this will at least ensure that what is henceforth committed, is realised.

Core Plan

5.56. Decisions on the size of the plan have been traditionally driven by the tendency to present an optimistic picture to the media and the public of ever increasing development outlays. At the same time, State Governments tend to avoid hard decisions

involving elimination or reduction in outlays for schemes/sectors, which have a reduced contemporary relevance. This leads to the over-estimation of available investment resources by a substantial margin. This can also be termed as 'overloading' of the plan.

5.57. Overloading occurs when screening mechanisms are weak, and this implies that the top decision-makers are unable to set or enforce sectoral ceilings and priorities. When an overloaded plan comes up against the real constraints of State finances, the result is inevitable: ad-hoc adjustment of funds and allocations towards the close of the financial year. Making such ad-hoc adjustments usually means across the board cuts in plan allocations to different sectors. The State is thus forced to sacrifice or dilute the priorities that were initially set and reflected in the original plan allocations. Overloading thus tends to lead to surrender of priority setting, and is ultimately self-defeating.

5.58. Overloading is to be distinguished from over-programming. Used as a management tool, over-programming means the deliberate inclusion of slightly detailed higher level of outlays in the Plan than can be realistically financed, to compensate for unanticipated project slippages. This would also go hand in hand with careful ex-ante prioritisation, so that the funds are made available for lower priority projects or schemes only if the higher priority projects fail to utilise funds to the extent programmed. And this is desirable only when full drawal of programmed funds is seen as a virtue; this may not be so if the funds are coming from high cost sources. In such cases, it may be better from a macro viewpoint to let the funds remain unutilised rather than over-programme.

5.59. Planning with a realistic resource framework, and the effective ex-ante prioritisation that results, remains the best bet for getting a developmental agenda implemented without loss of control. To assist the States in this task, the Planning Commission has taken the initiative of encouraging realism in State plans, for better planning and prioritisation. The concept of a "core plan", or the plan that would be protected in the event of resources not materialising as expected, has been

recommended to States. Annual Plan outlays are now being finalised after discussion with the States, taking into consideration the visible resources at the time of plan finalisation, and adopting a realistic and conservative estimate of resources available for financing the plan. This initiative has been appreciated by the Chief Ministers of most States in their annual plan discussions with the Deputy Chairman. It has also led to reduction in the gap between agreed outlays and actual achievement of the annual plans.

Completion of Incomplete Works

5.60. A major share of available resources should go into the meeting of existing commitments i.e., incomplete works and ongoing schemes. Incomplete works that go on for a long time due to inadequate resource allocation breed cynicism, and a loss of faith in the ability of the Government to deliver. In view of the large number of such works and schemes that may exist, it would be necessary to develop a simple transparent criterion for their prioritisation in order to enable the most productive use of resources. For example, the criterion could be to include works that are more than 80 per cent complete, and to review the possibility of termination of works on which not more than 10 per cent expense may have been incurred. State Governments hesitate at laying down rational criteria for fear that their discretionary authority will be eliminated. The aim of transparent criteria is to reduce arbitrary discretion. But any criterion has the big advantage in so far as it helps ward off unreasonable pressures for misallocation of resources, and increases probability of productive outcomes within a visible time frame.

5.61. All existing commitments and incomplete works should ideally be fully funded as per their requirements, before taking up new investment for inclusion in the Plan. New investments may be considered in the event that ongoing works are fully taken care of, or that a conscious decision is taken to set apart a certain percentage of investible plan resources for new investments. The category of approved or sanctioned schemes, works or projects should constitute the bulk of any new investment. Limiting new proposals only to those duly sanctioned and approved by the competent authority increases

the probability of timely implementation and productive use of the funds allocated.

Scheduling of the Plan

5.62. Finally, the process and scheduling of plan preparation is almost as important as the content of the Plan. No matter how well the Plan may have been prepared, if it is not prepared in accordance with a strict annual schedule, the effort may be in vain. This is because a fundamental consideration for an effective investment plan is the use of the plan document in overall programming and management of public investments and as a regular tool of financial and economic management. Although most States have arrangements such that inclusion of schemes in the Plan is usually a pre-condition to a budgetary outlay for that scheme,

the actual allocation for a particular scheme does not always bear a close relationship with the amount indicated in the plan document. This situation arises when there is a scheduling mismatch between planning and budgeting. If plans are not prepared in time and in harmony with the budgetary cycle, they cannot be accurately reflected in the budget, and as such lose their relevance as a commitment of a Government's development priorities and as an instrument of economic management. To achieve integration with the legislative timetable for budgetary approval, internal procedural reforms for improving the scheduling, and some amount of rigidity in the deadlines for various steps in the planning process, with deadlines being laid down and enforced in the same manner as for the budgetary timetable, become quite necessary.

Status of Panchayati Raj Institutions - Selected Indicators (February, 2002)

States / Union Territories	Holding of Panchayat elections	Constitution of DPC	Status of State Finance Commission Recommendations	Devolution of Funds, Functions, & Functionaries in respect of 29 Subjects (At. 243G)	Status of DRDA/ ZP linkage
1	2	3	4	5	6
1. Andhra Pradesh	GP elections held in August 2001, while Intermediate and District Panchayat elections held in July 2001	Not constituted	Accepted 54 recommendations fully, 11 with some modifications, and 19 not accepted at all. Second SFC constituted	Funds – 05 Functions – 17 Functionaries – 02	DRDA & ZP not merged, Collector is Chairperson of DRDA & President of ZP is Vice-Chairman
2. Arunachal Pradesh	Elections not held	Constituted	Not constituted	Not applicable yet	Not yet
3. Assam	Elections held in January 2002	Not constituted so far	Recommendations accepted in part	No action taken yet	Not transferred
4. Bihar	Elections held in April 2001	No	Report awaited	Funds – Functions – 20 Functionaries –	Not merged
5. Goa	GP – in 1997 DP – in 2000	No information	Report under consideration	No information available	Merger under consideration
6. Gujarat	GP- Dec.2001 PS & DP – in December 2000	Not constituted	Received, but not yet placed before Legislature for consideration	No information available	Not merged
7. Haryana	Elections held in March 2000	Only in 16 districts	Accepted major recommendations.	Funds – 0 Functions – 16 Functionaries - 0	Not merged
8. Himachal Pradesh	Elections held in December 2000	Only in 5 districts out of 12	Accepted. Second SFC constituted	Funds – 2 Functions – 23 Functionaries- 7	Merged & headed by President of Zilla Parishad
9. Jammu & Kashmir	73rd Constitutional Amendment Act has yet to be extended to State. However, the Ministry of Home Affairs has requested the Government of J&K to seek the views of the State Legislature extending the provisions of the 73rd Constitutional Amendment Act 1992, to the State. Panchayat elections in some part were held in January – February 2001 according to State Panchayati Raj Act.				
10. Karnataka	GP – Feb. 2000 PS & DP – July 2000	Only in 5 districts	Accepted major recommendations	Funds – 29 Functions – 29 Functionaries - 29	Merged
11. Kerala	September 2000	Yes	Accepted & implemented. Second SFC constituted	Funds – 15 Functions –29 Functionaries -15	Merged and headed by President of Zilla Parishad
12. Madhya Pradesh	January 2000	Yes	Accepted. Second SFC constituted	Funds – 10 Functions – 23 Functionaries – 9	Merged
13. Maharashtra	GP- Oct.1997. PS & DP – March 1997	No	Major recommendations accepted	Funds – 18 Functions – 18 Functionaries – 18	Against merger of DRDA with ZP
14. Manipur	GP & DP – January 1997	Yes in 2 out of 4 districts	Accepted	Funds – 0 Functions – 22 Functionaries –4	No information available
15. Meghalaya 16. Mizoram 17. Nagaland	73 rd Constitutional Amendment Act is not applicable as the traditional system of local self Government exists in these States				

Appendix 5.1 contd.

States / Union Territories	Holding of Panchayat elections	Constitution of DPC	Status of State Finance Commission Recommendations	Devolution of Funds, Functions, & Functionaries in respect of 29 Subjects (At. 243G)	Status of DRDA/ ZP linkage
1	2	3	4	5	6
18. Orissa	January 1997. Elections in Schedule V area invalid	Only in 6 districts	Accepted	Funds – 5 Functions –25 Functionaries –3	Merged and headed by Chairperson of ZP
19. Punjab	GP- June,1998 PS & DP – election are due	Not yet	Accepted	Funds – 0 Functions – 7 Functionaries – 0	Not merged
20. Rajasthan	January 2000	Yes	Accepted. Second SFC constituted	Funds – 0 Functions –29 Functionaries –0	Merged
21. Sikkim	October 1997	Yes	Accepted. Second SFC constituted	Funds – 24 Functions –24 Functionaries –24	Status not reported
22. Tamil Nadu	October 2001	Yes	Accepted Second SFC constituted	Funds –0 Functions – 29 Functionaries –0	Status not cleared
23. Tripura	July 1999	Yes	Accepted Second SFC constituted.	Funds – 0 Functions – 12 Functionaries – 0	Status difficult to define
24. Uttar Pradesh	June 2000	Yes	Accepted. Second SFC constituted	Funds – 12 Functions –13 Functionaries –9	Merged and headed by President of ZP
25. West Bengal	June 1998	Yes	Accepted Functions –29	Funds – 12 Functionaries –12	Merged and headed by President of ZP
26 Chhattisgarh	January 2000	Yes	Not set up	Funds – 10 Functions –23 Functionaries –09	Merged
27 Jharkhand	Election due. Reported that election will be held in September 2002	Not Constituted	Not set up	No information available	
28 Uttaranchal	Term of Panchayat expired in Dec.2001. State Panchayati Raj Act has yet to be notified.	Not Constituted	Report awaited	Funds – 12 Functions –13 Functionaries-9	
Union Territories					
29. Andaman & Nicobar Islands	September 2000	Yes	under consideration	Funds – 6 Functions – 6 Functionaries- 6	Merged and headed by Chairperson of ZP
30. Chandigarh	GP-Jan.1999 ZP- July2000 PS- not held so far	No	SFC Report awaited	No information available	Not Applicable
31. Daman & Diu	September, 2000	Yes	Under consideration	Funds – 5 Functions – 9 Functionaries – 3	Merged & headed by ZP President

States / Union Territorries	Holding of Panchayat elections	Constitution of DPC	Status of State Finance Commission Recommendations	Devolution of Funds, Functions, & Functionaries in respect of 29 Subjects (At. 243G)	Status of DRDA/ ZP linkage
1	2	3	4	5	6
32. Dadra & Nagar Haveli	October, 2000	Yes	Under consideration	Funds – 0 Functions – 3 Functionaries –3	No DRDA exists
33. Delhi	NCT Delhi had repealed the Panchayati Raj Act and sought abolition of the Panchayati Raj Institutions (PRI) System. However, it is now considering adopting the 73rd Amendment Act and reviving the Panchayats.				
34. Lakshadweep	December 1997- January 1998	Yes	Under consideration	Funds – Functions –6 Functionaries -	No DRDA exists
35. Pondicherry	Elections have not been held in the UT, as the matter relating to the validity of provisions pertaining to reservation for backward classes in the Pondicherry Panchayati Raj Act was subjudice. The Judgment of the Chennai High Court had become available and the UT Administration filed a clarificatory application in the Chennai High Court. On a similar issue pertaining to Tamil Nadu, the Hon'ble High Court at Chennai had passed Orders making it possible for the Tamil Nadu Government to hold elections. The Ministry of Rural Development has advised the UT Administration to take appropriate action to hold panchayat elections at the earliest on the same lines.				

Source : Planning Commission

CHAPTER 6

CONCERNS AND STRATEGIES

6.1 In the earlier chapters of this volume the experience of State level planning that has been set out. Certain trends in the direction of development have been found visible, and areas of concern identifiable. From an analysis of these emerging trends and concerns, lessons can be drawn. This chapter aims at highlighting the main concerns that have emerged at the State level, and sets out the strategies that need to be adopted to accelerate development in the States in the Tenth Plan.

6.2 At the broadest level, it can be said safely that progress has been made in the States over the past five decades of planning. This progress can be measured in terms of development indicators. Progress is evident in all sectors, across all States, to a greater or lesser degree.

6.3 Despite this all round progress, however, many of the imbalances in development persist. Some of these imbalances have narrowed down, but most have grown over time, widening the gap between more developed and less developed States. These imbalances are seen most prominently in the pace of growth, in patterns of development, in plan outlays and development outcomes, and in the fiscal capabilities of States to finance future development.

6.4 There are several explanations for these imbalances. Some of these explanations seem to fit the known trends better. These include differences in initial infrastructure endowments of the States, differences in policies pursued and standards of governance, dissimilarities in soundness of financial management and efficacy of implementation, and varying levels of people's involvement and participation in development programmes.

6.5 The concerns and strategies relating to the acceleration of the development process looked

at in this volume are set out here in three broad categories: (a) development assistance, (b) regional disparities and (c) fiscal and other reforms.

DEVELOPMENT ASSISTANCE

6.6 In the Approach Paper to the Tenth Five Year Plan approved by the National Development Council in 2001, the emphasis was on moving away from the traditional approach of steadily increasing the flow of development funds and expecting commensurate development results. The Approach Paper had called for the Tenth Plan to be a 'Reform Plan', not a resource plan. It also called for a shift from maximising the quantity of development funding to the quality of development outcomes, and towards increasing effectiveness of public service delivery. A 16 point minimum agenda of reforms was defined in the Approach Paper, and it had been indicated that adherence to this minimum agenda was needed to achieve the growth targets projected for the Plan.

6.7 The stress, therefore, in the Tenth Plan would be on effectiveness, quality, and reforms and not so much on volumes of investment alone. Nevertheless, it may be clarified that as far as the availability of resources for State Plans in the Tenth Plan is concerned, this will continue to increase, as it has in the past been increasing. This would be so, both in terms of Central assistance to State Plans (Table 6.1) as well as in terms of the absolute Plan size of States for the Tenth Plan (Table 6.3). Accordingly, while it is recognised that the quantity of development funding alone is not enough to deliver the desired results, the increase in the quantity of funding that have been a feature of the past Five Year Plans would be maintained in the Tenth Plan.

Table 6.1
Central Assistance to State Plans (State wise, VI Plan to X Plan)

(Rs. Crore)

Sl. No.	States	Sixth Plan (1980-85)	Seventh Plan (1985-90)	Eighth Plan (1992-97)	Ninth Plan (1997-02) Agreed	Tenth Plan (2002-07) Projected
1.	2.	3.	4.	5.	6.	7.
1.	Andhra Pradesh	1,021.00	1,830.40	7,090.58	17,267.97	22,241.89
2.	Arunachal Pradesh *	217.55	558.25	1,656.51	2,806.59	3,396.25
3.	Assam	1,215.05	2,560.46	4,925.70	7,761.58	9,527.60
4.	Bihar	1,442.48	2,686.94	6,151.06	10,474.63	11,721.41
5.	Chhattisgarh \$				588.86	4,103.57
6.	Goa * #	165.44	359.63	218.84	503.00	652.40
7.	Gujarat	622.80	1,283.75	2,578.99	11,325.20	13,156.34
8.	Haryana	280.58	431.31	1,932.22	3,884.95	3,180.00
9.	Himachal Pradesh	459.16	951.39	2,103.99	4,426.79	5540.00
10.	Jammu & Kashmir	1,029.21	2,102.56	5,685.16	11,523.55	11,820.55
11.	Jharkhand \$				732.12	4,066.41
12.	Karnataka	589.00	1,241.53	3,842.77	8,582.41	17,992.82
13.	Kerala	494.57	1,294.45	2,907.89	4,185.70	10838.55
14.	Madhya Pradesh	1,104.91	2,017.79	3,794.20	9,324.32	10,168.13
15.	Maharashtra	1,046.46	1,817.23	6,223.47	9,532.33	9770.39
16.	Manipur	286.51	613.44	1,230.03	2,493.61	3,166.42
17.	Meghalaya	247.21	531.09	1,136.03	1,931.37	2323.15
18.	Mizoram *	145.87	362.95	1,042.93	1,866.83	2,646.94
19.	Nagaland	293.61	699.72	1,085.93	1,989.19	2,594.47
20.	Orissa	759.37	1,378.91	3,677.05	9,231.50	14,607.72
21.	Punjab	261.65	285.34	6,182.59	4,188.73	3,979.00
22.	Rajasthan	731.35	1,325.08	3,692.00	7,210.79	9,640.56
23.	Sikkim	130.44	213.75	688.44	1,334.48	1,560.24
24.	Tamil Nadu	757.11	1,715.64	6,676.64	8,465.63	15,006.13
25.	Tripura	184.13	611.94	1,397.57	2,940.13	4,008.45
26.	Uttar Pradesh	2,342.18	3,219.48	12,915.79	25,996.67	35,410.12
27.	Uttaranchal \$				1,387.18	6,626.50
28.	West Bengal	729.42	1,331.77	4,997.43	13,303.52	14,345.50
	Total (States)	16,557.06	31,424.80	93,833.81	185,259.63	254,091.51

*: Was a Union Territories during 6th Plan.

#: 6th Plan figures includes Daman & Diu .

\$: Came into existence in November, 2000.

Source : Planning Commission

6.8 As may be seen from the Table 6.1, Central assistance to State Plans has been growing substantially over the last three decades. Central support to the development efforts of States is steady and is backed up by assignment of real resources.

6.9 However, the record of utilisation of this assistance in the past leaves room for improvement. A look at the Central assistance released during the Ninth Five Year Plan reveals that in each and every year of the Ninth Plan, the actual releases made have been less than the amounts committed by the Central Government at the beginning of the year, except in the case of externally aided projects (Table 6.2). Since most of the releases are formula based (in the case of normal Central assistance) or earmarked (in the case of additional Central

assistance), there should ordinarily be no shortfalls in releases if implementation takes place according to the agreed plans. This indicates that, on the whole, there has been less than full utilisation by States of the Central assistance actually released, for various reasons. Since additional resources to finance the Plan are always going to be scarce in relation to the needs, efforts would need to be made by each State to analyse the specific reasons for the shortfalls, and take corrective measures to increase the utilisation of the Central assistance that will flow to the States in the Tenth Plan period.

6.10 Along with Central assistance, total projected plan outlays of all the States and Union Territories will be higher in the Tenth Plan as compared to the Ninth Plan, as may be seen from the Table 6.3.*

* The state-wise details of the projected Tenth Plan outlays, indicating sectoral and sub-sectoral distribution of these outlays, is given in Annexure 6.1 of this chapter.

Table 6.2
Utilisation of Central Resources (NCA, ACA for EAP, other ACA: Ninth Plan)

(Rs. in Crore)

Sl. No of Schemes	1997-98		1998-99		1999-00		2000-01		2001-02		
	Budget	Actual Expenditure	Budget	Actual Expenditure	Budget	Actual Expenditure	Budget	Actual Expenditure	Budget	Actual Expenditure	
	2	3	4	5	6	7	8	9	10	11	
			% Change	% Change	% Change	% Change	% Change	% Change	% Change	% Change	
1 Normal Central Assistance	13403.5	13499.34	0.72	13874.30	16540	15126.68	16540	14803.92	18434.00	16591.62	-9.99
2 Additional Central Assistance for Externally Aided Projects #	5000	5976.13	19.52	4824.89	5500	6341.06	6000	8093.24	6500.00	10945.23	68.39
3 Others \$	7481	4947.81	-33.86	7867.06	8490	9878.41	8869.87	9524.19	14548	8600.07	-40.88
4. Total	25884.5	24423.3	-5.65	26566.25	28527.0	30337.6	31918.41	32421.4	39482.0	36136.9	-8.47

Note: # The EAP provision for 1999-00, 2000-01 is for both States & U.T in the Budgeted figures.

\$ It normally include one time ACA for specific projects, area programme & nationally important programmes for specific target groups or area. This does not include NLCPFR.

Source : Statement 16 of Expenditure Budget Vol-1 & Funds released by Ministry of Finance

Table 6.3
Ninth Plan Actuals versus Tenth Plan Outlays (Rs. Cr.)

SI. No	States	Ninth Plan Expenditure	Tenth Plan Projected Outlay
0	1	2	3
1	Andhra Pradesh	28279.37	46614.00
2	Arunachal Pradesh	2592.63	3888.32
3	Assam	7211.44	8315.24
4	Bihar	11093.98	21000.00
5	Chhattisgarh	1312.00	11000.00
6	Goa	1476.88	3200.00
7	Gujarat	25800.95	40007.00
8	Haryana	8035.41	10285.00
9	Himachal Pradesh	7922.00	10300.00
10	Jammu & Kashmir	7850.17	14500.00
11	Jharkhand	2250.00	14632.74
12	Karnataka	31125.58	43558.23
13	Kerala	13922.48	24000.00
14	Madhya Pradesh	17425.08	26189.93
15	Maharashtra	46964.10	66632.00
16	Manipur	1787.01	2804.00
17	Meghalaya	1827.15	3009.00
18	Mizoram	1758.77	2300.01
19	Nagaland	1513.64	2227.65
20	Orissa	11964.82	19000.00
21	Punjab	10666.01	18657.00
22	Rajasthan	19836.38	27318.00
23	Sikkim	1126.28	1655.74
24	Tamil Nadu	24916.71	40000.00
25	Tripura	2291.47	4500.00
26	Uttar Pradesh	29417.39	59708.00
27	Uttaranchal	1813.11	7630.00
28	West Bengal	21551.80	28641.00
	Total	343732.61	561572.86
29	Andaman & Nicobar Islands	1751.90	2483.00
30	Chandigarh	709.95	1000.00
31	Dadra & Nagar Haveli	220.90	304.00
32	Daman & Diu	177.06	245.00
33	Delhi	13260.18	23000.00
34	Lakshadweep	345.50	437.00
35	Pondicherry	1449.28	1906.49
	Grand Total	361647.38	590948.35

Note : Revised Outlay is used in place of Actual Expenditure for 2001-02 in IX Plan Expenditure.

6.11 The magnitude of Central assistance as well as overall funding for the Tenth Plan of the States will thus be going up. Along with the flow of additional funds, therefore, the efficiency of implementation must increase as also the quality of the delivery systems. The experience so far essentially has been that better governance and implementation of programmes within a pro-poor policy framework is needed for effective results on the ground.

6.12 Successful implementation of development programmes requires adequate funds, appropriate policy framework and an effective delivery machinery. Past experiences have suggested that availability of funds alone may be a necessary but not a sufficient condition for tackling the problems of poverty and backwardness. The determining factor seems to be the capacity of the financing governments or ministries to formulate viable schemes, and the ability of the delivery system to optimally utilise funds in a sustainable manner.

6.13 During the Tenth Plan, the Planning Commission will aim at providing expert technical inputs and advice to the States to help them improve the efficiency of implementation of Plan programmes. This would be done in the backdrop of the overall environment being faced by the States today. The States need to function effectively within the framework of the new market based and globalised macro environment that is emerging. To meet the challenges thrown up by this new environment, the Planning Commission has to help develop appropriate policy responses through more focused research, analysis and dissemination efforts. Some of the specific mechanisms by which the Commission would seek to do so are set out in the following paragraphs.

6.14 The primary mechanism for operationalising the Planning Commission's advisory role in the context of the States is the annual sector-wise *Working Group discussions* with each State. These working group discussions at the official level between subject matter experts from the Commission and heads of concerned departments from the State governments would continue to focus on specific issues relating to the specific sectors. The purpose of a working group discussion would be to undertake :

- (a) review of issues, problems and performance of Plan schemes;
- (b) experience sharing and dissemination of country-wide best practices, where applicable, and consideration of ways to improve existing practices;
- (c) technical advice and assistance, as may be feasible; and
- (d) assistance in the prioritisation of outlays.

6.15 In response to the problems of less developed States, which are unable to prepare projects of the requisite standard to attract institutional and external funding, the Planning Commission has set up a *Project Preparation Facility*, to finance preparation of development projects by States for external funding. This facility enables the States in preparing projects with help from professional consultants selected through an open competitive bidding process.

6.16 The background to the setting up of the Facility is the experience of a few states, notably Maharashtra and Andhra Pradesh which have been successful in tapping external and institutional sources of financing for their projects. Others have not, and very often this is not due to lack of suitable projects. It is often related to at least two other factors. One is the perceived credit worthiness of a State, or what is seen to be its implementation track record. This factor requires structural remedies.

6.17 At the same time, another very important factor is that many States lose out because of inability to undertake professional preparation of projects and proper structuring of proposals. This need not happen. Unlike in the case of budgetary proposals, project proposals put forward to external and outside agencies for funding must be prepared in line with the lenders expectations. However, professional preparation of projects by reputed consultants is expensive compared to in-house preparation. Therefore, in the present era of tight fiscal constraints faced by States, most States are unable to set aside the initial project preparation "seed money" that is necessary to

attract investment funding, and hence unable to meet the pre-requisites to access such funding. Recognising this ground reality, some external aid agencies indeed provide a project preparation facility on soft or grant terms to help prepare satisfactory proposals.

6.18 There is a felt need, therefore, for such a facility to be available to States for getting outside funding. Accordingly, the project preparation facility created by the Planning Commission in response to such a need of the States. The following are the basic features of the facility:

- (a) It is intended to be accessed primarily by the State Governments that have been less successful in attracting external and institutional financing for projects in their States.
- (b) There would be an internal upper limit to financing of any single proposal from a State;
- (c) Proposals put forward would need to have been backed up by some groundwork on the part of the States, and have reasonable prospects of obtaining external financing.

6.19 Similarly, many States desire to improve implementation and seek information on better ways of doing things that may have been adopted by others. The Planning Commission is uniquely placed to be a clearinghouse of such information, interacting as it does with all States across all sectors. In an effort to respond to this need, encourage best practices in governance and implementation, and disseminate information relevant for raising standards of implementation across the States, a *Compendium of Best Practices* in states is being proposed by the Commission.

6.20 The Planning Commission is preparing, in cooperation with the United Nations Development Programme (UNDP), a compendium of successful governance initiatives and implementation of best practices, in order to identify and highlight models of effective implementation and delivery of public services in the government sector. The objective is to document replicable success stories, which

can be used for experience sharing both at the national level and between State Governments. It is intended that the compendium will be widely disseminated and publicised. The priority areas to be focused on are, interventions in the delivery of social services, land and water management, and areas of major public interface with government. The compendium is targeted to be completed by 2002-03, the first year of the Tenth Plan, and would be updated subsequently as often as required.

6.21 The Planning Commission would also set out monitorable indicators for assessing the effectiveness of development spending by States. Plan targets and programmes would also be intensively monitored during the Tenth Plan. This will be done by the mechanism of regular *Quarterly Performance Reviews* (QPR) separately for each State, right through the Tenth Plan period. This would establish a more or less continuous interaction between the Commission and the State Governments, enabling mutual appreciation of problems, deciding on mechanisms for their resolution, as well as facilitating timely mid-course corrections in the Plan wherever necessary.

6.22 The Planning Commission has initiated, in coordination with the States concerned, the preparation of *State Development Reports* (SDR) for a number of States. In the first phase, 13 States, viz. Uttar Pradesh, Uttaranchal, Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand, Orissa, Assam, West Bengal, Maharashtra, Tamil Nadu, Rajasthan and Punjab have been taken up.

6.23 Each Report is being prepared under the supervision of a core committee, headed by a Member of the Planning Commission, and including a senior representative of the State Government. The reports for the thirteen States are in various stages of progress. Most of these reports will be finalised within the first two years of the Tenth Plan. Preparation of reports for the remaining identified States will also be taken up during the Tenth Plan.

6.24 The objective in bringing out these reports is to provide a quality reference document on the development profile and set out strategies for accelerating the growth rate of major States. They are aimed to be credible independent documents

prepared with the assistance of reputed expert national-level agencies. They are, however, not intended to be mere documents. Behind the preparation of these reports is the recognition of the reality that, over many decades of developmental planning, wide differences in the growth performance across States have emerged. Continuation of low growth rates into the future for a group of States representing almost a third of the total population, while the rest of the country enjoys robust growth, means that inter-state inequality would continue to increase and poverty would become even more regionally concentrated than it is today. These reports thus respond to the concern of regional disparities. The SDRs are expected to set out the medium-term strategies that need to be adopted to bring about the accelerated levels of growth needed to lessen disparities and reduce poverty.

6.25 The reports are expected to provide a useful reference. A typical state development report would set out the profile of the State, make an assessment of the resources and provide growth perspectives for major sectors over the next Plan period and thereafter. It would bring out the regional dimensions of growth in the State, which would seek to impart value for development practitioners interested in the State. Ultimately, these reports would highlight the critical resource gaps in the realisation of sectoral perspectives and articulate the desired policy directions, which in turn would set out a road map for accelerated growth and intensified poverty reduction for the State in the future.

REGIONAL DISPARITIES

6.26 One of the major concerns that have been highlighted, both in the Mid Term Appraisal of the Ninth Plan as well as the analysis in this volume, is that of the widening disparities between States. A major task that the country has to undertake in response to this challenge during the Tenth Plan is to narrow down these disparities. As we have seen, to some extent, States with better infrastructure now attract private investment in much larger measures than other States. A multi-pronged strategy is thus needed to accelerate the development of less developed States in backward regions. Higher level

of capital investments would have to be an essential element of this strategy. Significant proportions of both Central assistance and States, own resources would have to be devoted to the attainment of the basic development objectives and the closing of essential infrastructure gaps in less developed States.

6.27 These targeted investments would have to be accompanied by *governance and institutional reforms* in order for them to be more effective on the ground than past investments. Decentralisation of powers and functions to local bodies would have a major role to play in lessening regional tensions and allowing more space for areas and regions within a State to set a pattern of development more in tune with their aspirations. A strengthening of people's participation, with an active encouragement to civil society and non-governmental organisations would also be helpful.

6.28 A core element in the Planning Commission's strategy towards reducing regional disparities would be the targeting of less developed areas with provisions of funds for capital investments and innovative delivery mechanisms linked to institutional reforms. The Commission would also actively advocate the *area approach* and aim to strengthen decentralisation of planning.

6.29 Specifically in the Tenth Plan, the new scheme called *Rashtriya Sam Vikas Yojana* (RSVY) has been formulated to support efforts in this area. The RSVY is a new initiative with an outlay of Rs. 2,500 crore for the Annual Plan 2002-03. The main aim of RSVY is to tackle the development problems of those areas that, despite existing efforts, continue to be characterised by high poverty, low growth and poor governance. These backward pockets represent the most acute failure of the existing policies and administrative procedures, and hence it is these areas that need to be addressed if we are to have equitable and balanced growth. The RSVY will aim at focused developmental programmes for backward areas that would help reduce imbalances, speed up development and help the backward areas to overcome poverty, besides facilitating the States to take up productivity enhancing reforms.

6.30 The strategy is to assist the development of backward areas through additional grants under the RSVY only if the concerned State Government undertakes an agreed set of reforms. The basic premise here is that funds alone cannot address backwardness – reforms in the administrative and fiscal structure, in policies related to the day to day life of the ordinary people and in the way financial and administrative powers are delegated are needed to supplement the funds. The reforms undertaken are of a nature that is expected to have a multiplier effect on the economies of the concerned regions.

6.31 RSVY will be a cent percent grant programme so as to act as an incentive for States to take up reforms. It would be in addition to the existing flow of funds under ongoing schemes, and the release of funds will be performance based. It is proposed that the RSVY will have four components, namely, (i) special plan for Bihar; (ii) special plan for the KBK districts; (iii) backward districts initiative, and (iv) reforms component.

(i) Special Plan for Bihar

Under this component, additionality will be provided for identified thrust areas, such as power, irrigation, watershed development, etc., in order to mitigate some of the problems caused by the bifurcation of the State. The aim is to use innovative delivery systems so that the prevailing bottlenecks in these sectors can be overcome and basic infrastructure provided for the future development of the State.

(ii) Special Plan for the KBK Districts

Recognising the uniquely disadvantaged position of the eight KBK districts, the objective of this component is to provide funds to ameliorate the continuing poverty and difficult living conditions in the KBK districts of Orissa by concerted action in identified critical areas. This is expected to ensure drought proofing, provide livelihood support, better health facilities as well as specific assistance to the disadvantaged groups. The aim is to use the additional funds in a projectised way so that visible results are available in the field in a time bound manner.

(iii) Backward Districts Initiative

A total of 100 backward districts have been directly identified by the Planning Commission for special attention. Under this initiative, it is proposed to take up 25 backward districts on a pilot basis in the first year, i.e. 2002-03. The next year, 35 districts are to be taken up, and the following year the remaining 40 districts. Under this component, the State Governments will be required to prepare plans for the identified districts. The district plans would include schemes that would help to fill critical gaps or those which could serve as a catalyst for future development of the district. The district authorities would be expected to use the existing institutions, non-government organisations and innovative delivery systems so that maximum benefit could be derived from the additionality provided.

(iv) The Reforms Component

As mentioned earlier, development experience in the Ninth Plan has shown that funds are not the only bottleneck in the development process. More often, it is the way in which existing rules and regulations are used/interpreted in the delivery of services and the working of the local economy which perpetrate the problem of access to services and just payment for the work done by the poor. Under the reforms component all the States would be eligible for funding. A Memorandum of Agreement (MoA) signed with each State will reflect the agreed reforms (chosen by the States from a menu specified). States would be eligible to receive funds based on the Gadgil-Mukherjee Formula, and each of the reforms would have objectively verifiable indicators /milestones and well defined time frames. Details of the menu of reforms are indicated separately in the following section.

FISCAL AND OTHER REFORMS

6.32 As noted in chapter-II, the finances of the States have been steadily deteriorating over the last two Plan periods, with a marked turn for the worse in the Ninth Plan. As a result of negative balances on current revenues and increasing burden of committed expenditures, the development expenditures of States are being compressed. All States face fiscal constraints, some of them

severely. For many of those in a difficult financial situation, apart from the committed expenditures of a State Government, counterpart funding requirements for centrally sponsored plan schemes also contribute towards reducing their ability to adequately provide for and direct plan investments in directions desired by them.

6.33 There is no short-cut out of this situation. The only way for States to relieve fiscal pressures is to increase all-round tax and non-tax resource mobilisation efforts, coupled with determined downsizing of staff and administrative expenditure, and taking up fiscal reforms to restructure finances and put them on a sustainable basis.

6.34 As had been noted, the Tenth Plan projected outlays are larger for all States as compared to the Ninth Plan expenditures; the proportion of increase however varies significantly. The range of increase of the Tenth Plan projected outlay over the Ninth Plan actual expenditure varies from about 15 per cent in the case of Assam to 116 per cent in the case of Goa.

6.35 These differences can either be due to variations in Central assistance to States or variations in States, own resources mobilised for financing the Plan. The Central assistance to the State Plans is projected to increase proportionately for all States in accordance with the Gadgil Mukherjee Formula and the entitlements of States for various Central schemes in the State sector. The differential increase is thus almost entirely accounted for by its own resources that the State is able to mobilise. This can be seen from Table 6.4.

6.36 To have a larger plan size and be able to devote a greater magnitude of resources for development purposes, there is no way out but for the States to mobilise their own resources to the extent possible. While all States may not have the same capacity for mobilisation of own resources, and a special dispensation in the form of special category States provides for this, it has to be recognised that there are limits to reliance on increase in Central assistance to sustain expansion of development outlays. Fiscal and sectoral reforms are needed for the States to make public resources available for developmental purposes, rather than

see them dissipated in maintaining unsustainable establishments as is happening at present. In addition, these reforms would unleash productive forces in the State economy and realise the potential

of the State to achieve higher growth rates than done hitherto. A reforming State also creates an environment that enables it to attract outside funds in support of its development efforts.

Table 6.4
Central Assistance and States Own Resources in the Tenth Plan.

(Rs. Crore)

Sl. No.	States	States Own Resources	Central Assistance	Total
1.	2.	3.	4.	5.
1.	Andhra Pradesh	24,372.11	22,241.89	46,614.00
2.	Arunachal Pradesh	492.07	3,396.25	3,888.32
3.	Assam	-1,212.37	9,527.60	8,315.23
4.	Bihar	9,278.59	11,721.41	21,000.00
5.	Chhattisgarh	6,896.43	4,103.57	11,000.00
6.	Goa	2,547.60	652.40	3,200.00
7.	Gujarat	26,850.66	13,156.34	40,007.00
8.	Haryana	7,105.00	3,180.00	10,285.00
9.	Himachal Pradesh	4,760.00	5540.00	10,300.00
10.	Jammu & Kashmir	2,679.45	11,820.55	14,500.00
11.	Jharkhand	10,566.33	4,066.41	14,632.74
12.	Karnataka	25,565.40	17,992.82	43,558.22
13.	Kerala *	13,161.45	10838.55	24,000.00
14.	Madhya Pradesh	16,021.80	10,168.13	26,189.93
15.	Maharashtra	56,861.61	9770.39	66,632.00
16.	Manipur	-362.42	3,166.42	2,804.00
17.	Meghalaya	-23.71	2323.15	2,299.44
18.	Mizoram	-346.93	2,399.44	2,052.51
19.	Nagaland	-366.82	2,594.47	2,227.65
20.	Orissa	4,392.28	14,607.72	19,000.00
21.	Punjab	14,678.00	3,979.00	18,657.00
22.	Rajasthan	17,677.44	9,640.56	27,318.00
23.	Sikkim	95.50	1,560.24	1,655.74
24.	Tamil Nadu	24,993.87	15,006.13	40,000.00
25.	Tripura	491.55	4,008.45	4,500.00
26.	Uttar Pradesh	24,297.88	35,410.12	59,708.00
27.	Uttaranchal	1,003.50	6,626.50	7,630.00
28.	West Bengal	14,295.50	14,345.50	28,641.00
	Total (States)	306,771.77	253,844.01	560,615.78

Note : * : Includes Rs. 3102.40 crores for Power Sector Plan.

Source : Planning Commission

6.37 In the Tenth Plan, the Planning Commission would encourage reforms at the State level through a number of reform-linked financing facilities. It would thereby provide finances for states that agree to take up reforms, particularly in the critical sectors of power, irrigation and urban infrastructure.

Power Sector

6.38 At the State level, the power sector is the single most responsible sector for draining the resources of States. To help correct the distortions that have crept into the management of this sector, the Accelerated Power Development Programme (APDP) would provide investment support for States taking up power sector reforms. APDP will finance projects relating to (a) renovation and modernisation/life extension/updating of old power plants (thermal and hydel), and (b) upgradation of sub-transmission and distribution network, including energy accounting and metering.

6.39 APDP has been constituted to leverage reforms in the power sector in the States. Therefore, priority will be given to projects from those States which commit themselves to a time bound programme of reforms, as given below:

- (a) Those which set up State Electricity Regulatory Commission (SERC) and make it operational as envisaged under the law; and where the State power utilities would have sent the first proposal for fixation of tariff to the SERC.
- (b) States which create separate profit centres/restructure generation/transmission/ distribution to make the system accountable. For example, dividing the State into a number of zones for the purpose of distribution and privatisation of each zone, or alternatively, giving responsibility of electricity distribution to panchayats/ users' associations/cooperatives/franchises, in case improvement in public sector management is not feasible.

(c) States which complete 100 per cent metering in a planned manner. Under phase-I, all sub-stations up to 11 kv outgoing feeders and all HT/bulk consumers are to be covered. Under phase-II all other consumers will be covered by an agreed date.

(d) APDP funds shall also be available to the States which otherwise achieve high level of operational efficiency and financial viability.

6.40 Power Sector Reforms would also be supported as a component of the Medium-Term Fiscal Restructuring Programme administered by the Ministry of Finance.

Irrigation Sector

6.41 Similarly, another major area of public investment through the Plans has historically been the irrigation sector. On one hand huge investments in irrigation have not yielded commensurate returns, and on the other, a number of ongoing projects lack the finances for their completion. To address these concerns, the Accelerated Irrigation Benefit Programme (AIBP) is envisioned to support completion of incomplete projects in States that seek to move towards increased viability of the sector.

6.42 State level reforms in the sector would be encouraged over a five-year period within the framework following:

- i) At the end of the first year, State Government would complete calculation and communication of data of existing projects category-wise, relating to actual operation and maintenance (O & M) as Rs. per ha. and net revenue collection.
- ii) At the end of three years, States would increase water rates to enable allocation of Rs. 225/ha. for minor irrigation schemes and Rs. 450/ha. for major and medium schemes, from revenue earned without subsidy as per the Eleventh Finance Commission recommendations.

- iii) At the end of five years, States would further increase water rates to meet full O & M costs for all categories of projects.

6.43 Reforms in the minor irrigation sector would be supported as part of the proposed Rashtriya Sam Vikas Yojana for State level reforms.

Urban Sector

6.44 In the urban sector, an Urban Infrastructure Incentive Fund has been established from the first year of the Tenth Plan with the objectives of encouraging reforms in land and housing policies, pricing of utilities to augment the resources of the urban local bodies, providing for adequate maintenance of the water supply and other civic services, and undertaking expansion of infrastructure to meet the growing needs.

6.45 In the initial phase the urban reforms will address the following areas. Other urban reforms can be considered after progress in these areas.

- (i) Repeal of the Urban Land Ceiling and Regulation Act at the State level by resolution;
- (ii) Rationalisation of Stamp Duty in phases to bring it down to no more than 5 per cent by the end of the Tenth Plan period;
- (iii) Reform of Rent Control Laws to remove rent control so as to stimulate private investment in rental housing;
- (iv) Introduction of computerised process of registration;
- (v) Reform of Property Tax so that it may become a major source of revenue of urban local bodies, and arrangement for its effective implementation so that collection efficiency reaches at least 85 per cent by the end of Tenth Plan period;
- (vi) Levy of reasonable user charges by urban local bodies, with the objective that full cost

of O & M is collected by the end of the Tenth Plan period; and

- (vii) Introduction of double entry system of accounting in urban local bodies.

6.46 These reforms are long overdue in the urban sector. The Incentive Fund only highlights them and encourages their adoption. The overall intention is to encourage construction of housing including rental housing, to reduce transaction costs and delays in property transactions, to facilitate easier availability of land for construction, and improve municipal finances with a view to developing infrastructure and civic services in our cities.

Productivity Enhancing State Level Reforms

6.47 Other reforms, mainly relating to the agriculture sector which have the potential of releasing productive forces for increasing productivity, and production in rural employment are being supported through the *State reforms component* of the Rashtriya Sam Vikas Yojana (RSVY), which is targeted at less developed States and less developed regions.

6.48 Under the proposed menu of reforms for the RSVY, the State Governments will be encouraged to remove policy distortions that are impeding development and make policy changes that will speed up the development of the backward region /district on a self-sustainable basis.

6.49 The Administrative Reforms that all States would have to ensure are:

- Stability of tenure of at least two years for the Chief Administrator, the Deputy Commissioners of the concerned districts and the heads of the line departments.
- Complete transparency in the selection, formulation and implementation of the projects.
- Proactive involvement of panchayati raj institutions and non-government organisations.

6.50 In addition, the states are required to choose a set of reforms from the illustrative Menu of Reforms as follows :

- Agricultural Produce Marketing Act
 - Legal Change: Modify the Act to allow, (i) direct sale by farmers to food processing sector, (ii) setting up of private and co-operative markets.
 - Taxes/fees/commissions: Eliminate taxes on cereals and reduce them on all basic food products. [Any service charge must be linked to and commensurate with the service provided in the market]
- Essential Commodities Act (ECA)
 - Repeal of notifications issued under the ECA (storage, transport, processing, price control).
- Repeal (or amend) State Legislation that,
 - Restricts processing of milk and milk products to only co-operatives.
 - Restricts provision of warehousing space.
 - Prohibits free movement of food grains and edible oils.
 - Controls the setting up of cold storages.
- Amendments to Land Revenue Code / Land Reforms Legislation that enables States to lease out land for contract farming.
- Computerisation and updating of land records.
- Remove impediments to decentralized procurement of food grains.
- Amend rules & regulations applicable to minor irrigation, watershed development and water harvesting so that panchayat raj institutions, local government institutions and individuals can undertake these activities without legal/bureaucratic hindrance from State functionaries.
- Decentralise water distribution, collection of water charges and maintenance of local irrigation channels to local water distribution co-operatives.
- Enact legislation to regulate drawl of underground water.
- Purge Forest and environment laws, rules and regulations of anti-tribal anti-poor provisions.
- Change power policy to allow the private and co-operative sectors to produce and distribute power in the rural areas.
- Frame liberal laws/rules/regulations for private and corporate provision of all road transport services.
 - This may require a regulatory agency to ensure safety and other norms.
- Right to Information Act
 - Pass the Right to Information Legislation and notify rules and regulations, giving the citizens the right to obtain information on all expenditures made in their name (e.g. all expenditures purportedly made in the interest of the poor, landless labourers etc.)
- Panchayat raj institutions
 - Give functional responsibility for provision of local public goods to local authorities.
 - Devolve funds and functionaries (posts) to these institutions
 - Give them the right to levy local taxes within some specified bounds (minimum & maximum rates)

6.51 It would be desirable for the States to sign the following MOUs to take up the following programmes:

- (i) Medium Term Fiscal Reforms Framework with the Finance Ministry;
- (ii) Accelerated Power Development Reform Programme with the Ministry of Power.
- (iii) Accelerated Irrigation Benefits Programme (AIBP) with the Water Resources Ministry.

FISCAL OBJECTIVES & REFORMS

6.52 Pursuant on the recommendations of the Eleventh Finance Commission, the Ministry of Finance is encouraging States to work out a medium term fiscal reforms framework which would form the basis of a programme for reducing the revenue deficit of States by 5 per cent per year required for the State to be eligible for the incentive fiscal transfers mandated by the Finance Commission. The basic elements of the *Medium Term Fiscal Restructuring Programme* (MTFRP) that are recommended to assist the States achieve medium term financial sustainability are as follows:

(A) Fiscal Reforms

- Widening the tax base;
- Increasing tax rates on a year to year basis;
- Pricing services such as irrigation, water charges, bus fares, to an identified base, computing the subsidy element and preparing a schedule to reduce the subsidy element;
- Indexation of prices / user-charges to major input costs, such as, POL, Dearness Allowance, etc.
- Abolition of vacant posts in government, except primary school teachers and health workers.

- Appointment of new teachers on contract basis, as in Rajasthan and Madhya Pradesh.
- Redeployment of work charged establishments for new capital works. Practice of engaging new work-charge staff and daily-wage workers to be stopped forthwith.
- Tapering-off of subventions to grant-in-aid institutions. Registration of new grant-in-aid institutions in secondary and highly education to be phased out over five years.

(B) Power Sector Reforms

6.53 Power sector reforms would aim at reducing the negative contribution of the SEBs to the States' revenues. While the Ministry of Power is separately working out a set of monitorable Reform milestones, the basic components would include:

- Achieving an average tariff equal to the cost of power within two years.
- Setting up of State Regulatory Electricity Commissions (SERCs).
- Implementing the awards of SERCs.
- Unbundling of basic services – generation, transmission and distribution OR setting up separate profit centers.
- Reducing T&D losses by 5 per cent every year.
- Metering up to 11 KVat sub-station level.

(C) Public Sector Restructuring

6.54 The public sector restructuring programme (PSRB) should have two basic sub-sets. Each State should identify the need for continuing certain activities within the State domain. This would be regardless of whether the public sector enterprise (PSE) is making profits or incurring losses. Primary

among these would be PSEs that are in manufacturing activities such as electronics, wireless, textiles and tractors to cite a few examples. A road map for PSRP would be:

- Identify PSEs with a view to determining the need for the Government to continue as owners.
- Draw-up a comprehensive Voluntary Retirement Scheme (VRS) package for loss incurring PSEs,.
- Lay down a time-bound road map for widening up such PSEs.
- In case of commercially profitable PSEs, the Government to decide – either through a high powered committee or otherwise – the extent of dilution in government share holding.

6.55 The Planning Commission is extending support to the MTFRP by ensuring that the Annual Plan framework is consistent with the MTFRP agreed by the State in its Memorandum of Understanding with the Finance Ministry.

ECONOMIC INTEGRATION

6.56 Another fiscal issue that needs to be addressed urgently is that of the distortions in incentive structures caused by existing competitive policies, particularly in the industrial sector in the form of *industrial incentive policies*, as well as the negative impact of the existing economic barriers between States. Subsidies, whether based on capital investment or interest, cause a direct outflow from the exchequer. Tax concessions and exemptions carry a cost in terms of revenue foregone. The ultimate objective of attracting industrial investment into a State include the long-term objective of enhancement of the State's taxable capacity; these objectives are sought to be achieved by a short run sacrifice of fiscal resources. Evidence on the subject for different States so far seems to indicate that the claimed benefits of such policies are usually not commensurate with the losses to the State exchequer, and that such policies often

do not have a significant impact on industrial investment decisions, which have more to do with the level of infrastructural development and perceptions of governance.

6.57 Similarly, inter-state trade barriers exist in the form of border check posts and octroi/local taxes. These barriers inhibit the free flow of commerce and reduce income generation. There needs to be a consensus on the idea of *one economic space* in the country, to maximise efficiencies and productive potential of business and commerce, which would also be to the overall benefit of individual states. The varying sales tax regimes in different States also distort market incentives and lead to loss of revenues on various counts. The consensus on the implementation of value added tax (VAT) is an important step forward in the rationalisation of the indirect tax regime that should stimulate both economic activity and help increase revenues of States in the Tenth Plan.

6.58 In sum, there is a wide range of reforms that have now become imperative to undertake, in order to unlock the productive potential of the economy of the States, and enable faster growth, employment generation and poverty reduction. The directions of reforms are clear, and by and large there is a consensus on what needs to be done. The next step, that of summoning the will to get things done, lies ahead.

THE PATH AHEAD

6.59 The Tenth Plan strategy for the States set out earlier in the chapter draws upon the lessons of experience of planned development over the past Five Year Plans; in particular, the experience of the past two plans which have been implemented in the post-liberalisation era. Adopting the proposed strategies, it is expected, will help States to realise their development potential. The potential that is possible, given the reforms, is indicated in terms of the State-wise targets for growth in the Tenth Plan (Table 6.5). These growth targets, if achieved, would lead to reduction in poverty levels in the States by the end of the Tenth Plan, to the extent indicated in Table 6.6.

Table 6.5
Growth Targets: Potential of States in the Tenth Plan

State wise Growth Target for the Tenth Five Year Plan (2002-07) (Annual Average in %)					
Sl. No	States/Union Territories	State wise Growth Target			GSDP Growth
		Agriculture	Industry	Services	
0	1	2	3	4	5
1	Andaman & Nicobar Islands	1.00	10.41	7.97	6.62
2	Andhra Pradesh	3.05	8.01	8.39	6.84
3	Arunachal Pradesh	4.00	8.90	10.50	8.05
4	Assam	3.82	5.00	9.00	6.17
5	Bihar	3.75	6.00	8.00	6.24
6	Chandigarh	-2.00	10.41	10.96	10.61
7	Chhattisgarh	3.00	7.50	7.00	6.10
8	Delhi	-12.21	6.90	12.01	10.63
9	Goa	-0.90	6.25	12.36	9.23
10	Gujarat	4.03	12.23	10.44	10.17
12	Haryana	4.07	9.56	10.33	7.93
13	Himachal Pradesh	4.55	12.49	8.26	8.92
14	Jammu & Kashmir	4.20	5.21	8.00	6.27
11	Jharkhand	3.00	7.44	8.00	6.90
15	Karnataka	4.99	11.34	12.51	10.14
16	Kerala	3.05	5.89	8.17	6.46
17	Madhya Pradesh	4.00	7.75	9.00	7.04
18	Maharashtra	3.56	8.22	8.09	7.43
19	Manipur	3.59	8.33	7.39	6.46
20	Meghalaya	4.00	6.87	7.05	6.30
21	Mizoram	2.00	4.16	6.84	5.29
22	Nagaland	4.00	7.29	5.78	5.56
23	Orissa	4.07	4.88	8.73	6.18
24	Pondicherry	1.10	13.01	9.19	10.68
25	Punjab	4.07	8.06	8.00	6.42
26	Rajasthan	4.50	10.06	9.63	8.28
27	Sikkim	5.00	5.21	10.36	7.87
28	Tamil Nadu	3.54	7.37	9.77	7.96
29	Tripura	3.90	9.37	8.43	7.31
30	Uttaranchal	3.50	7.00	8.70	6.77
31	Uttar Pradesh	4.67	11.05	7.92	7.61
32	West Bengal	5.09	9.15	10.76	8.75
	All India	4.00	8.86	9.35	8.00

Source : Planning Commission

Table 6.6:
Poverty Reduction Targets for the Tenth Plan

Poverty Projection for 2007							
Sl. No.	States/Union Territories	Rural		Urban		Combined	
		%age of Poor	No. of Poor	%age of Poor	No. of Poor	% age of Poor	No. of Poor
1.	Andhra Pradesh	4.58	26.97	18.99	41.75	8.49	68.72
2.	Arunachal Pradesh	37.89	3.54	4.48	0.14	29.33	3.68
3.	Assam	37.89	95.36	4.48	1.78	33.33	97.14
4.	Bihar	44.81	482.16	32.69	54.74	43.18	536.91
5.	Goa	2.00	0.13	2.00	0.16	2.00	0.29
6.	Gujarat	2.00	6.88	2.00	4.38	2.00	11.25
7.	Haryana	2.00	3.30	2.00	1.51	2.00	4.81
8.	Himachal Pradesh	2.00	1.18	2.00	0.14	2.00	1.32
9.	Jammu & Kashmir	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
10.	Karnataka	7.77	28.66	8.00	16.34	7.85	45.00
11.	Kerala	1.63	4.03	9.34	8.01	3.61	12.04
12.	Madhya Pradesh	28.73	192.07	31.77	74.46	29.52	266.54
13.	Maharashtra	16.96	101.61	15.20	72.68	16.18	174.30
14.	Manipur	37.89	8.10	4.48	0.27	30.52	8.37
15.	Meghalaya	37.89	7.99	4.48	0.24	31.14	8.23
16.	Mizoram	37.89	1.88	4.48	0.23	20.76	2.12
17.	Nagaland	37.89	8.01	4.48	0.21	31.86	8.22
18.	Orissa	41.72	139.12	37.46	23.57	41.04	162.69
19.	Punjab	2.00	3.40	2.00	1.95	2.00	5.35
20.	Rajasthan	11.09	54.41	15.42	23.44	12.11	77.86
21.	Sikkim	37.89	2.08	4.48	0.03	33.78	2.12
22.	Tamil Nadu	3.68	12.46	9.64	31.61	6.61	44.07
23.	Tripura	37.89	10.70	4.48	0.28	31.88	10.98
24.	Uttar Pradesh	24.25	373.16	26.17	111.25	24.67	484.41
25.	West Bengal	21.98	137.53	8.98	22.21	18.30	159.73
26.	Andaman & Nicobar Islands	3.68	0.10	9.64	0.14	5.82	0.24
27.	Chandigarh	2.00	0.02	2.00	0.19	2.00	0.21
28.	Dadra & Nagar Haveli	2.00	0.04	2.00	0.02	2.00	0.06
29.	Daman & Diu	2.00	0.03	2.00	0.01	2.00	0.04
30.	Delhi	2.00	0.19	2.00	3.18	2.00	3.38
31.	Lakshadweep	1.63	0.01	9.34	0.02	4.59	0.03
32.	Pondicherry	3.68	0.13	9.64	0.70	7.72	0.83
	All India	21.07	1705.26	15.06	495.67	19.34	2200.94

Source : Planning Commission.

6.60 This growth trajectory would go hand in hand with the efforts by States to achieve the human development and other critical outcomes indicated in the monitorable indicators set out in the Tenth Plan.

Statement of Monitorable Indicators:

MONITORABLE TARGETS

- Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012.
- Providing gainful high-quality employment to the addition to the labour force over the Tenth Plan period.
- Achieving the target of all children in school by 2003; all children to complete 5 years of schooling by 2007.
- Reduction of gender gaps in literacy and wage rates by at least 5 per cent by 2007.
- Reduction in the decadal rate of population growth between 2001 and 2011 to 16.2 per cent;
- Increase in literacy rate to 7 per cent within the Plan period.
- Reduction of Infant mortality rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012.
- Reduction of Maternal Mortality Ratio (MMR) to two per 1000 live births by 2007 and to one by 2012.

- Increase in forest and tree cover to 25 per cent by 2007 and 33 per cent by 2012.
- Provision of to have sustained access to potable drinking water in all villages within the Plan period.
- Cleaning of major polluted rivers by 2007 and other notified stretches by 2012.

6.61 Summing up, a joint effort by the Centre and States is needed to fulfill the Tenth Plan objectives. Along with the Centre, States need to reform more and much faster, and raise substantially higher levels of their own resources to mobilise the financial resources essential for the much needed productive investments.

6.62 The message of the Tenth Plan for the States is that, achievement of the projected levels of development spending envisaged in the Plan needs to be coupled with wide-ranging fiscal and economic reforms. Further, a determined effort at streamlining the institutions and improvement in the delivery mechanisms in order to achieve the desired levels of growth, and reduction of imbalances in development is also necessary. The growth of the country is the sum total of the growth of the States, and the performance of the country in the Tenth Plan will depend on the performance of the States.

6.63 The task ahead is arduous and difficult, but not impossible. The rewards of accomplishment are there in the increased well-being of the people that will result with success. Both the States and the Centre share a common destiny, and all the States and the Centre have to work together to achieve the ambitious results that the people deserve and aspire for in the Tenth Plan.

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	ANDHRA PRADESH	ARUNACHAL PRADESH	ASSAM	BIHAR	CHHATIS GARH	GOA
1	2	3	4	5	6	7
I. AGRICULTURE & ALLIED ACTIVITIES						
Crop Husbandry	91080	17560 \1	23051	15052	28561	2405
Soil and Water Conservation	485	4600	2226	0	1546	6450
Animal Husbandry	4097	4355	8332	3308	8959	1300
Dairy Development	0	600	1454	708	\1	300
Fisheries	1270	2394	6829	1895	1884	780
Forestry & Wild Life	123779	7700	7736	4514	32718	2500
Plantations	0	6095	70	0	0	0
Food,Storage & Warehousing	0	100	50	0	0	15
Agricultural Research & Education	2042	685	10147	3000	2856	74
Agricultural Financial Institutions	5500	0	0	4245	0	0
Other Agricultural Programmes :						
(a) Marketing & Quality Control	0	5487	364	0	0	10
(b) Others	0	0	0	0	0	0
Cooperation	5068	1955	6239	20889	9573	2000
Total - (I)	233321 (5.01)	51531 (13.25)	66498 (8.00)	53611 (2.55)	86097 (7.83)	15834 (4.95)
II. RURAL DEVELOPMENT						
Special Programmes for Rural Development :						
(a) Integrated Rural Development						
Programme(IRDP) & Allied Programmes	338560 \1	504	19660	12533	4501	225
(b) Drought Prone Area Programme (DPAP)	0	0	1500	1167	0	0
(c) Integrated Rural Energy Programme (IREP)	400	384	50	0	0	85
RURAL EMPLOYMENT						
(a) NREP/Jawahar Rozgar Yojna (JRY)	47953	1243	9565 \1	71083 \1	56872	400
(b) Other Programmes(like Employment Guarantee Scheme etc.)	0	1927 \2	7365	44000 \2	0	0
Land Reforms	658	934	1899	17974	908	600
Other Rural Development Programmes (Incl.Community Development and Panchayats)	71636 \2	10825 \3	18222 \2	266893 \3	53610	7140
TOTAL - II	459207 (9.85)	15817 (4.07)	58261 (7.01)	413650 (19.70)	115891 (10.54)	8450 (2.64)
III. SPECIAL AREA PROGRAMMES						
	112352 (2.41)	6500 (1.67)	5640 (0.68)	4069 (0.19)	0	1800 (0.56)
IV. IRRIGATION & FLOOD CONTROL						
Major and Medium Irrigation	915384	166	27360	327319	172137	17540
Minor Irrigation	160719	16071	30509	68178	77664	2700
Command Area Development	6622	1700	4764	15005	676	1250
Flood Control(incl.anti-sea erosion,etc.)	1773	500	1900	191185	188	800
TOTAL - IV	1084498 (23.27)	18437 (4.74)	64533 (7.76)	601687 (28.65)	250665 (22.79)	22290 (6.97)
V. ENERGY						
Power	713947	49119	83542	271958	9919	40000
Non-conventional Sources of Energy	225	693	162	1586	3406	500
TOTAL - V	714172 (15.32)	49812 (12.81)	83704 (10.07)	273544 (13.03)	13325 (1.21)	40500 (12.66)

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	ANDHRA PRADESH	ARUNACHAL PRADESH	ASSAM	BIHAR	CHHATIS GARH	GOA
1	2	3	4	5	6	7
VI. INDUSTRY & MINERALS						
Village & Small Industries	51163	7126	17994	6123	12853	5000
Industries (other than V&SI)	112348	55	4675	17871	4508	6500
Mining	2000	455	1035	156	4051	140
TOTAL - (VI)	165511 (3.55)	7636 (1.96)	23704 (2.85)	24150 (1.15)	21412 (1.95)	11640 (3.64)
VII. TRANSPORT						
Ports and light Houses	338	0	0	0	0	25
Shipping	0	0	0	0	0	0
Civil Aviation	0	1386	0	3254	388	1100
Roads and Bridges	345180	78898	79254	116098	44776	35240
Road Transport	53216	1982	6663	10960	0	1095
Inland Water Transport	100	0	1600	0	0	800
Other Transport Services	585 13	176 14	415	0	0	1024
TOTAL - (VII)	399419 (8.57)	82442 (21.20)	87932 (10.57)	130312 (6.21)	45164 (4.11)	39284 (12.28)
VIII. COMMUNICATIONS	0	0	0	0	0	0
IX. SCIENCE, TECHNOLOGY & ENVIRONMENT						
Scientific Research (incl. S&T)	500	420	750	0	300	175
Ecology & Environment	620	42	65	0	783	300
TOTAL - (IX)	1120 (0.02)	462 (0.12)	815 (0.10)	0	1083 (0.10)	475 (0.15)
X. GENERAL ECONOMIC SERVICES						
Secretariat Economic Services	43297	1383	2430	1263	13100	450
Tourism	20135	5000	2563	16268	3731	15000
Surveys & Statistics	1365	486	1444	5797	88	405
Civil Supplies	15500	795	318	7083	0	0
Other General Economic Services :						
i) Distt. Plg./Distt. Councils	0	7500	13600	4878	0	0
ii) Weights & Measures	0	451	289	0	0	120
iii) Others	183 14	7555 15	1115 13	0	0	0
TOTAL - (X)	80480 (1.73)	23170 (5.96)	21759 (2.62)	35289 (1.68)	16919 (1.54)	15975 (4.99)
XI. SOCIAL SERVICES						
EDUCATION						
General Education	141754	48703	202996	188722	230267	20380
Technical Education	3755	0	5133	15802	5090	6350
Sports & Youth Services	41815	910	1244	4754	3237	6015
Art & Culture	4361	2435	4134	2864	2141	6280
Sub-Total (Education)	191685	52048	213507	212142	240735	39025
Medical & Public Health	133024	23129	57069	107920	43418	13135
Water Supply & Sanitation	182751	18567	63452	79590	84707	59496
Housing (incl. police Housing)	186456	12409	2137	4340	18175	2960
Urban Development (incl. state capital projects)	168653	10500	7995	21108	68229	19650
Information & Publicity	5826	882	1555	3284	313	300
Welfare of SCs, STs & OBCs	391461	0	26028	22326	26263	400
Labour & Employment						
i) Labour & Labour Welfare	12194	194	3558	33743	8114	3186
ii) Special Employment Programmes	0	388 16	0	0	0	0

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	ANDHRA PRADESH	ARUNACHAL PRADESH	ASSAM	BIHAR	CHHATIS GARH	GOA
1	2	3	4	5	6	7
Social Welfare	38573	721	22910 14	2953	12052 12	14050
Nutrition	52781	4813	17500	20267	22570	450
Other Social Services	0	282	0	0	1039	0
TOTAL - (XI)	1363404 (29.25)	123933 (31.87)	415711 (49.99)	507673 (24.17)	525615 (47.78)	152652 (47.70)
XII. GENERAL SERVICES						
Jails	0	0	500	3648	1202	950
Stationery & Printing	25	384	225	0	319	150
Public Works	8424 15	7005	1859	16836	21168	5000
Other Administrative Services :						
i) Training	8486	107	0	1029	0	0
ii) Others	30981 16	1596 17	381 15	34502 14	1140 13	5000
TOTAL - (XII)	47916 (1.03)	9092 (2.34)	2965 (0.36)	56015 (2.67)	23829 (2.17)	11100 (3.47)
GRAND TOTAL	4661400 (100)	388832 (100)	831522 (100)	2100000 (100)	1100000 (100)	320000 (100)

Note : Sectoral Outlays not finalized for Andhra Pradesh, Bihar, Chhatisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal, West Bengal & Chandigarh.

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	GUJARAT	HARYANA	HIMACHAL PRADESH	JAMMU & JHARKHAND KASHMIR	KARNA- TAK	
1	8	9	10	11	12	13
I. AGRICULTURE & ALLIED ACTIVITIES						
Crop Husbandry	197481	4971 \1	29293	33867	22878	36190
Soil and Water Conservation	19408	6497	11714	23882	0	70241
Animal Husbandry	10810	9771	14519	15173	2200	12721
Dairy Development	571	428	1112	296	1155	1542
Fisheries	6639	3720	1554	4537	2075	6765
Forestry & Wild Life	93634	12733	42377	36358	46277	73396
Plantations	0	0	0	0	0	167
Food,Storage & Warehousing	451	5	0	405	0	4026
Agricultural Research & Education	13109	3857	0	24545	0	14391
Agricultural Financial Institutions	2809	0	11686	0	0	1405
Other Agricultural Programmes :						
(a) Marketing & Quality Control	0	0	5924	8942	0	5996
(b) Others	0	0	0	0	0	0
Cooperation	9959	4971	1990	2775	7900	7854
Total - (I)	354871 (8.87)	46953 (4.57)	120169 (11.67)	150780 (10.40)	82485 (5.64)	234694 (5.39)
II. RURAL DEVELOPMENT						
Special Programmes for Rural Development :						
(a) Integrated Rural Development Programme(IRDP) & Allied Programmes	22302	1726	4674 \1	2576	315683	15876 \1
(b) Drought Prone Area Programme (DPAP)	11004	2314 \2	842	1627	\1	3792
(c) Integrated Rural Energy Programme (IREP)	0	600	2268	418	\1	2937
RURAL EMPLOYMENT						
(a) NREP/Jawahar Rozgar Yojna (JRY)	74296	10251 \3	6497 \2	11371	0	11554
(b) Other Programmes(like Employment Guarantee Scheme etc.)	3601	2977	1103	0	0	8059
Land Reforms	4426	649	9474	6370	11550	2484
Other Rural Development Programmes (Incl.Community Development and Panchayats)	20565	12068	18958	15048	0	178070
TOTAL - II	136194 (3.40)	30585 (2.97)	43816 (4.25)	37410 (2.58)	327233 (22.36)	222772 (5.11)
III. SPECIAL AREA PROGRAMMES						
	3830 (0.10)	14737 (1.43)	2080 (0.20)	77187 (5.32)	0	64074 (1.47)
IV. IRRIGATION & FLOOD CONTROL						
Major and Medium Irrigation	766091	112964	5500	23743	172086	1327733
Minor Irrigation	109849	15427	33302	33306	32584	71935
Command Area Development	3405	10285	950	4220	0	13706
Flood Control(incl.anti-sea erosion,etc.)	1660	15428	5566	19310	3000	4283
TOTAL - IV	881005 (22.02)	154104 (14.98)	45318 (4.40)	80579 (5.56)	207670 (14.19)	1417657 (32.55)
V. ENERGY						
Power	595849	139533	123500	287949	81400	220699
Non-conventional Sources of Energy	6044	514	\3	625	0	5996
TOTAL - V	601893 (15.04)	140047 (13.62)	123500 (11.99)	288574 (19.90)	81400 (5.56)	226695 (5.20)

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	GUJARAT	HARYANA	HIMACHAL PRADESH	JAMMU & JHARKHAND KASHMIR	KARNA- TAK	
1	8	9	10	11	12	13
VI. INDUSTRY & MINERALS						
Village & Small Industries	40433	4114	8914	30253	44687	114021
Industries (other than V&SI)	161986	4217	1142	10600	0	29039
Mining	4426	103	417	2712	2700	2227
TOTAL - (VI)	206845 (5.17)	8434 (0.82)	10473 (1.02)	43565 (3.00)	47387 (3.24)	145287 (3.34)
VII. TRANSPORT						
Ports and light Houses	0	0	0	0	0	0
Shipping	0	0	0	0	0	0
Civil Aviation	3405	103	656	0	2700	0
Roads and Bridges	170668	102850	154689	159994	125000	394946
Road Transport	11066	25712	8032	500	0	85529
Inland Water Transport	0	0	15	1160	0	4797
Other Transport Services	0	0	202	2416	1064	172 1/2
TOTAL - (VII)	185139 (4.63)	128665 (12.51)	163594 (15.88)	164070 (11.32)	128764 (8.80)	485444 (11.14)
VIII. COMMUNICATIONS	3405 (0.09)	0	211 (0.02)	0	0	0
IX. SCIENCE, TECHNOLOGY & ENVIRONMENT						
Scientific Research (incl. S&T)	29835	565	592	0	33000	1293
Ecology & Environment	2766	283	50	3619	0	1285
TOTAL - (IX)	32601 (0.81)	848 (0.08)	642 (0.06)	3619 (0.25)	33000 (2.26)	2578 (0.06)
X. GENERAL ECONOMIC SERVICES						
Secretariat Economic Services	213	103	2740	58728	4200	381
Tourism	10683	1286	2670	22502	9900	6424
Surveys & Statistics	979	257	315	935	0	736
Civil Supplies	1660	0	2028	0	4730	0
Other General Economic Services :						
i) Distt. Plg./Distt. Councils	69799	49389	13456	71000	0	0
ii) Weights & Measures	553	200	125	326	122	197
iii) Others	0	0	1040 1/4	20000 1/2	0	81825 1/3
TOTAL - (X)	83887 (2.10)	51235 (4.98)	22374 (2.17)	173491 (11.96)	18952 (1.30)	89563 (2.06)
XI. SOCIAL SERVICES						
EDUCATION						
General Education	248980	62049	263311	115554	81228	168709
Technical Education	21025	18341	5184	12418	0	3255
Sports & Youth Services	1702	2606	3033	6130	3375	6327
Art & Culture	4575	848	1738	2511	0	6810
Sub-Total (Education)	276282	83844	273266	136613	84603	185101
Medical & Public Health	116616	96062	78772	79666	65000	153052
Water Supply & Sanitation	390728	48168	64675	101187	55200	305719
Housing (incl. police Housing)	202844	22284	22030	2387	29100	258330
Urban Development (incl. state capital projects)	231487	15453	12885	42229	116327	322939
Information & Publicity	5533	437	2492	820	575	5140
Welfare of SCs, STs & OBCs	158326	8571	7881	4309	111309	116995
Labour & Employment						
i) Labour & Labour Welfare	25536	8382	331	11504	1800	685
ii) Special Employment Programmes	0	0	509	0	0	6596

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	GUJARAT	HARYANA	HIMACHAL PRADESH	JAMMU & JHARKHAND KASHMIR	KARNA- TAK	
1	8	9	10	11	12	13
Social Welfare	30942	140793	18042	15928	20800	41135 \4
Nutrition	28090	6771	8465	7000	0	22606
Other Social Services	42561	343	0	0	0	0
TOTAL - (XI)	1508945 (37.72)	431108 (41.92)	489348 (47.51)	401643 (27.70)	484714 (33.13)	1418298 (32.56)
XII. GENERAL SERVICES						
Jails	0	0	150	0	9350	771
Stationery & Printing	0	185	900	831	0	1456
Public Works	0	21599	3900	10500	24893	42507
Other Administrative Services :						
i) Training	2085	0	825	0	0	171
ii) Others	0	0	2700	17751	17426 \2	3855 \5
TOTAL - (XII)	2085 (0.05)	21784 (2.12)	8475 (0.82)	29082 (2.01)	51669 (3.53)	48760 (1.12)
GRAND TOTAL	1463274 (100)	1028500 (100)	1030000 (100)	1450000 (100)	1463274 (100)	4355822 (100)

Note : Sectoral Outlays not finalized for Andhra Pradesh, Bihar, Chhatisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal, West Bengal & Chandigarh.

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	KERALA	MADHYA PRADESH	MAHARA SHTRA	MANIPUR	MEGHA LAY	MIZORAM	NAGAL AND
1	14	15	16	17	18	19	20
I. AGRICULTURE & ALLIED ACTIVITIES							
Crop Husbandry	28000	70310 \1	57685	4203	10250	6299 \1	12050 \1
Soil and Water Conservation	6000	4667	184014	2035	5000	1633	3800
Animal Husbandry	14000	16244	13750	1000	5500	2333	4700
Dairy Development	700	\1	3000	100	800	187	0
Fisheries	17500	2989	7020	1375	700	607	950
Forestry & Wild Life	17500	35275	68279	1744	5250	2846	2250
Plantations	0	0	0	0	0	0	0
Food,Storage & Warehousing	250	0	0	16	150	0	0
Agricultural Research & Education	12600	6678	8000	55	165	47	0
Agricultural Financial Institutions	3000	0	0	0	30	0	0
Other Agricultural Programmes :							
(a) Marketing & Quality Control	2950	0	0	11	415	848	0
(b) Others	0	0	0	0	0	0	1250 \2
Cooperation	10000	21989	83114	847	1700	1398	550
Total - (I)	112500 (4.69)	158152 (6.04)	424862 (6.38)	11386 (4.06)	29960 (9.96)	16198 (7.04)	25550 (11.47)
II. RURAL DEVELOPMENT							
Special Programmes for Rural Development :							
(a) Integrated Rural Development							
Programme(IRDP) & Allied Programmes	6477	82630	23016 \1	1100 \1	7800 \1	1400	16078
(b) Drought Prone Area Programme (DPAP)	0	0	19500	0	0	0	0
(c) Integrated Rural Energy Programme (IREP)	0	1923	568	572	1050	52	297
RURAL EMPLOYMENT							
(a) NREP/Jawahar Rozgar Yojna (JRY)	16169	0	111900 \2	0	0	980	0
(b) Other Programmes(like Employment Guarantee Scheme etc.)	0	0	293700	5027 \2	0	541	0
Land Reforms	2000	7171	2555	0	1030	1171	1530
Other Rural Development Programmes (Incl.Community Development and Panchayats)	32329	196392 \2	240733 \3	5392 \3	10938 \2	11521	100 \3
TOTAL - II	56975 (2.37)	288116 (11.00)	691972 (10.38)	12091 (4.31)	20818 (6.92)	15665 (6.81)	18005 (8.08)
III. SPECIAL AREA PROGRAMMES							
	10000 (0.42)	0	37322 (0.56)	2288 (0.82)	4470 (1.49)	4037 (1.76)	4455 (2.00)
IV. IRRIGATION & FLOOD CONTROL							
Major and Medium Irrigation	60000	381903	1215010	22160	2475	5	4100
Minor Irrigation	20500	104746	204316	10120	6000	2683	0
Command Area Development	7500	3740	100000	2189	165	140	0
Flood Control(incl.anti-sea erosion,etc.)	5000	1200	6175 \4	2385	1100	0	0
TOTAL - IV	93000 (3.88)	491589 (18.77)	1525501 (22.89)	36854 (13.14)	9740 (3.24)	2828 (1.23)	4100 (1.84)
V. ENERGY							
Power	342500	550378	1014971	22886	50137	19280	24795
Non-conventional Sources of Energy	7500	242	1380	165	440	205	50
TOTAL - V	350000 (14.58)	550620 (21.02)	1016351 (15.25)	23051 (8.22)	50577 (16.81)	19485 (8.47)	24845 (11.15)

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	KERALA	MADHYA PRADESH	MAHARA SHTRA	MANIPUR	MEGHA LAY	MIZORAM	NAGAL AND
1	14	15	16	17	18	19	20
VI. INDUSTRY & MINERALS							
Village & Small Industries	55875	3358	51646	31451 \5	3600 \3	5273	12015
Industries (other than V&SI)	76700 \1	13665	20010	1821	10000	392	4290
Mining	300	3215	0	22	800	373	2900
TOTAL - (VI)	132875 (5.54)	20238 (0.77)	71656 (1.08)	33294 (11.87)	14400 (4.79)	6038 (2.63)	19205 (8.62)
VII. TRANSPORT							
Ports and light Houses	6000	0	20000	0	0	\2	0
Shipping	0	0	0	0	0	0	0
Civil Aviation	0	2805	10000	0	0	0	0
Roads and Bridges	242000	132500	302121 \5	22200	51500	46258	13635
Road Transport	6000	0	186900	0	1650	1558	3100
Inland Water Transport	7000	0	1000	0	0	47	0
Other Transport Services	5000	0	1700 \6	148 \6	880	327 \3	300 \5
TOTAL - (VII)	266000 (11.08)	135305 (5.17)	521721 (7.83)	22348 (7.97)	54030 (17.96)	48190 (20.95)	17035 (7.65)
VIII. COMMUNICATIONS	0	0	0	0	0	0	0
IX. SCIENCE, TECHNOLOGY & ENVIRONMENT							
Scientific Research (incl. S&T)	12000	858	4325	1227	515	513	350
Ecology & Environment	\2	5112	1200 \7	495	275	19	100
TOTAL - (IX)	12000 (0.50)	5970 (0.23)	5525 (0.08)	1722 (0.61)	790 (0.26)	532 (0.23)	450 (0.20)
X. GENERAL ECONOMIC SERVICES							
Secretariat Economic Services	31385	66753	98695	19088	870	1145	4361 \6
Tourism	82600	5360	35279	1000	1650	1056	1600
Surveys & Statistics	2145	175	732	495	470	373	400
Civil Supplies	500	3642	0	0	165	826	700
Other General Economic Services :							
i) Distt. Plg./Distt. Councils	0	0	0	3938	0	8324	15000
ii) Weights & Measures	175	36	0	0	165	233	200
iii) Others	0	0	150245 \8	0	2650 \4	598 \4	542 \7
TOTAL - (X)	116805 (4.87)	75966 (2.90)	284951 (4.28)	24521 (8.75)	5970 (1.98)	12555 (5.46)	22803 (10.24)
XI. SOCIAL SERVICES							
EDUCATION							
General Education	28100	319463	253811	19716	25400	23280	7630
Technical Education	26900	12860	43837	1776	5500	3948	5707
Sports & Youth Services	5850	2750	57000	1463	3900	814	4800
Art & Culture	5400	4339	7157	3911	2000	1210	1000
Sub-Total (Education)	66250	339412	361805	26866	36800	29252	19137
Medical & Public Health	40840	71533	110666	8173	18000	12370	7965
Water Supply & Sanitation	115900	89425	776276	32187	23500	12333	16445
Housing (incl. police Housing)	35400	88480	96214	8232	7255	22748	16603
Urban Development (incl. state capital projects)	19750	42694	309336	13361	10650	13604	5900
Information & Publicity	3000	299	460	259	1000	612	800
Welfare of SCs, STs & OBCs	138555	72978	158911	2315	55	0	0
Labour & Employment							
i) Labour & Labour Welfare	4400	770	57956	703	175	350	200
ii) Special Employment Programmes	0	4931	0	5000	750	0	850

ANNEXURE - 6.1

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	KERALA	MADHYA PRADESH	MAHARA SHTRA	MANIPUR	MEGHA LAY	MIZORAM	NAGAL AND
1	14	15	16	17	18	19	20
Social Welfare	8900	8385	12790	616	1500	1493	2540
Nutrition	3050	32852	34707	4488	3750	2925	3400
Other Social Services	0	11738	4200 \9	1000 \7	0	0	0
TOTAL - (XI)	436045 (18.17)	763497 (29.15)	1923321 (28.86)	103200 (36.80)	103435 (34.38)	95687 (41.60)	73840 (33.15)
XII. GENERAL SERVICES							
Jails	0	1225	4560	270	800	808	0
Stationery & Printing	600	98	0	280	500	467	450
Public Works	13200	1330	18164	3452	3000	2969	3100
Other Administrative Services :							
i) Training	0	0	0	0	100	0	800
ii) Others	800000 \3	126887 \3	137294 \10	5643 \8	2310 \5	4542 \5	8127 \8
TOTAL - (XII)	813800 (33.91)	129540 (4.95)	160018 (2.40)	9645 (3.44)	6710 (2.23)	8786 (3.82)	12477 (5.60)
GRAND TOTAL	2400000 (100)	2618993 (100)	6663200 (100)	280400 (100)	300900 (100)	230001 (100)	222765 (100)

Note : Sectoral Outlays not finalized for Andhra Pradesh, Bihar, Chhatisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal, West Bengal & Chandigarh.

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	ORISSA	PUNJAB	RAJAS THAN	SIKKIM	TAMIL	TRIPURA
1	21	22	23	24	25	26
I. AGRICULTURE & ALLIED ACTIVITIES						
Crop Husbandry	18981	12935	10534	7000	135000	21208 \1
Soil and Water Conservation	12948	2940	27071	1500	43760	816
Animal Husbandry	1022	5261	4477	2425	10000	9241
Dairy Development	456	2756	0	274	5000	403
Fisheries	3445	694	302	200	20400	2603
Forestry & Wild Life	69446	28075	115320	3500	134810	4835
Plantations	0	0	0	0	0	2087
Food,Storage & Warehousing	1811	0	1030	200	1455	838
Agricultural Research & Education	959	2000	1819	300	35000	168
Agricultural Financial Institutions	4	5225	2605	0	3550	11
Other Agricultural Programmes :						
(a) Marketing & Quality Control	227	0	0	900	\1	988
(b) Others	0	0	0	0	0	0
Cooperation	7221	3655	1790	1200	4230	1802
Total - (I)	116520 (6.13)	63541 (3.41)	164948 (6.04)	17499 (10.57)	393205 (9.83)	45000 (10.00)
II. RURAL DEVELOPMENT						
Special Programmes for Rural Development :						
(a) Integrated Rural Development Programme(IRDP) & Allied Programmes	8181 \1	6550	12907 \1	1000 \1	13145 \2	168 \2
(b) Drought Prone Area Programme (DPAP)	550	0	2785	0	0	0
(c) Integrated Rural Energy Programme (IREP)	123	1600	64	500	0	199
RURAL EMPLOYMENT						
(a) NREP/Jawahar Rozgar Yojna (JRY)	39242 \2	20175	22751 \2	1000	59669 \3	0
(b) Other Programmes(like Employment Guarantee Scheme etc.)	0	0	0	1500	0	8344 \3
Land Reforms	1258	0	301	400	0	1068
Other Rural Development Programmes (Incl.Community Development and Panchayats)	40437	99325 \1	191076	3000	337186 \3	44221
TOTAL - II	89791 (4.73)	127650 (6.84)	229884 (8.42)	7400 (4.47)	410000 (10.25)	54000 (12.00)
III. SPECIAL AREA PROGRAMMES						
	0	13437 (0.72)	16922 (0.62)	3000 (1.81)	0	31500 (7.00)
IV. IRRIGATION & FLOOD CONTROL						
Major and Medium Irrigation	232902	159251	226961	0	170000	4418
Minor Irrigation	160444	27505	28541	1500	50000	21925
Command Area Development	3575	15000	19351	1500	17500	0
Flood Control(incl.anti-sea erosion,etc.)	13000	59395	1935	100	\4	9657
TOTAL - IV	409921 (21.57)	261151 (14.00)	276788 (10.13)	3100 (1.87)	237500 (5.94)	36000 (8.00)
V. ENERGY						
Power	285854	596365	667422	24000	800000	22330
Non-conventional Sources of Energy	634	1908	58652	290	2965	170
TOTAL - V	286488 (15.08)	598273 (32.07)	726074 (26.58)	24290 (14.67)	802965 (20.07)	22500 (5.00)

ANNEXURE - 6.1

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	ORISSA	PUNJAB	RAJAS THAN	SIKKIM	TAMIL	TRIPURA
1	21	22	23	24	25	26
VI. INDUSTRY & MINERALS						
Village & Small Industries	8074	4083	12304	2600	35000	6797
Industries (other than V&SI)	2768	1500	13450	3300	20000	6035
Mining	91	5	69812	300	500	668
TOTAL - (VI)	10933 (0.58)	5588 (0.30)	95566 (3.50)	6200 (3.74)	55500 (1.39)	13500 (3.00)
VII. TRANSPORT						
Ports and light Houses	1328	0	0	0	3000	0
Shipping	0	0	0	0	0	0
Civil Aviation	523	350	0		0	0
Roads and Bridges	192601	85775	229371	25000	600000	24230
Road Transport	1419	3525	23116	1500	70000	2978
Inland Water Transport	120	0	0	0		0
Other Transport Services	0	181500	51492	0	0	22292
TOTAL - (VII)	195991 (10.32)	271150 (14.53)	303979 (11.13)	26500 (16.00)	673000 (16.83)	49500 (11.00)
VIII. COMMUNICATIONS	0	0	0	0	0	900 (0.20)
IX. SCIENCE, TECHNOLOGY & ENVIRONMENT						
Scientific Research (incl. S&T)	2281	3303	753	600	4735	904
Ecology & Environment	2030	572	464	500	11305	446
TOTAL - (IX)	4311 (0.23)	3875 (0.21)	1217 (0.04)	1100 (0.66)	16040 (0.40)	1350 (0.30)
X. GENERAL ECONOMIC SERVICES						
Secretariat Economic Services	273	3430	43262	500	4000	4034
Tourism	2195	356	12658	2500	10200	1389
Surveys & Statistics	68	520	305	500	1000	134
Civil Supplies	227	140	164	500	2360	940
Other General Economic Services :						
i) Distt. Plg./Distt. Councils	38318	5000	0	40	0	10
ii) Weights & Measures	2	0	176	0	0	243
iii) Others	187421	5569	51424	0	0	0
TOTAL - (X)	228504 (12.03)	15015 (0.80)	107989 (3.95)	4040 (2.44)	17560 (0.44)	6750 (1.50)
XI. SOCIAL SERVICES						
EDUCATION						
General Education	104713	141090	142726	25000	150000	54936
Technical Education	699	6688	4056	5000	4900	221
Sports & Youth Services	956	5512	514	1500	10285	1611
Art & Culture	1750	6606	2187	1500	8240	225
Sub-Total (Education)	108118	159896	149483	33000	173425	56993
Medical & Public Health	52139	53081	56892	8000	70000	25072
Water Supply & Sanitation	65650	88852	108082	7525	480000	23007
Housing (incl. police Housing)	48658	10767	63923	6950	100000	38286
Urban Development (incl. state capital projects)	48264	10870	330217	4000	237500	7475
Information & Publicity	729	520	236	800	2155	1414
Welfare of SCs, STs & OBCs	108436	33773	31204	1800	188200	10156
Labour & Employment						
i) Labour & Labour Welfare	52	1637	2600	250	4075	1421
ii) Special Employment Programmes	114	0	0	0	0	0

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	ORISSA	PUNJAB	RAJAS THAN	SIKKIM	TAMIL	TRIPURA
1	21	22	23	24	25	26
Social Welfare	31068	120000	4204	1400	20000	3948
Nutrition	44361	5000	52836	2900	40000	7456
Other Social Services	0	1441	0	0	50000	7022 \5
TOTAL - (XI)	507589 (26.72)	485837 (26.04)	799677 (29.27)	66625 (40.24)	1365355 (34.13)	182250 (40.50)
XII. GENERAL SERVICES						
Jails	189	985	352	0	0	1329
Stationery & Printing	1	601	0	300	700	62
Public Works	4527	8970	8326	3000	28175	4174
Other Administrative Services :						
i) Training	5	0	0	0	0	9
ii) Others	45230 \5	9627	78	2520 \4	0	1176 \6
TOTAL - (XII)	49952 (2.63)	20183 (1.08)	8756 (0.32)	5820 (3.52)	28875 (0.72)	6750 (1.50)
GRAND TOTAL	1900000 (100)	1865700 (100)	2731800 (100)	165574 (100)	4000000 (100)	450000 (100)

Note : Sectoral Outlays not finalized for Andhra Pradesh, Bihar, Chhatisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal, West Bengal & Chandigarh.

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	UTTAR PRADESH	UTTRAN CHAL	WEST BENGAL	TOTAL (STATES)	A & N ISLANDS	CHANDI GARH	D & N HAVELI
1	27	28	29	30	31	32	33
I. AGRICULTURE & ALLIED ACTIVITIES							
Crop Husbandry	157198	14483	19412	191093	1908.00	13.50	650.00
Soil and Water Conservation	110866	26099	1327	138292	1211.00	10.00	700.00
Animal Husbandry	17500	1771	11033	30304	2180.00	121.00	180.00
Dairy Development	8000	2281	3215	13496	0.00	\1	0.00
Fisheries	5000	367	17560	22927	2725.00	100.00	0.00
Forestry & Wild Life	120800	20693	16443	157936	7243.00	1733.00	1200.00
Plantations	0	0	1306	1306	0.00	0.00	0.00
Food,Storage & Warehousing	0	0	301	301	0.00	0.00	0.00
Agricultural Research & Education	33376	2808	5427	41611	0.00	0.00	0.00
Agricultural Financial Institutions	20000	0	2522	22522	0.00	0.00	0.00
Other Agricultural Programmes :				0			
(a) Marketing & Quality Control	0	0	0	0	0.00	0.00	0.00
(b) Others	35000	0	3922	38922	0.00	0.00	0.00
Cooperation	6500	990	8995	16485	2510.00	55.00	53.50
Total - (I)	514240 (8.61)	69492 (9.11)	91463 (3.19)	675195 (7.03)	17777.00 (7.16)	2032.50 (2.03)	2783.50 (9.16)
II. RURAL DEVELOPMENT							
Special Programmes for Rural Development :							
(a) Integrated Rural Development							
Programme(IRDP) & Allied Programmes	65000 \1	0	7444 \1	72444	0.00	0.00	0.00
(b) Drought Prone Area Programme (DPAP)	10000	0	0	10000	0.00	0.00	0.00
(c) Integrated Rural Energy Programme (IREP)	3000	0	0	3000	303.00	25.00	20.25
RURAL EMPLOYMENT							
(a) NREP/Jawahar Rozgar Yojna (JRY)	310000 \2	0	27474	337474	0.00	0.00	0.00
(b) Other Programmes(like Employment Guarantee Scheme etc.)	0	0	19843	19843	0.00	0.00	0.00
Land Reforms	2200	0	2228	4428	666.00	0.00	33.00
Other Rural Development Programmes (Incl.Community Development and Panchayats)	322591	42052	322780	687423	14115.00	992.00 \2	1000.00
TOTAL - II	712791 (11.94)	42052 (5.51)	379769 (13.26)	1134612 (11.82)	15084.00 (6.07)	1017.00 (1.02)	1053.25 (3.46)
III. SPECIAL AREA PROGRAMMES							
	100000 (1.67)	388 (0.05)	106379 (3.71)	206767 (2.15)	0.00	0.00	0.00
IV. IRRIGATION & FLOOD CONTROL							
Major and Medium Irrigation	642458	10328	89585	742371	0.00	0.00	500.00
Minor Irrigation	53527	5986	23849	83362	2757.00	200.00	620.00
Command Area Development	40000	0	5205	45205	0.00	0.00	140.00
Flood Control(incl.anti-sea erosion,etc.)	24750	1539	71227	97516	0.00	0.00	0.00
TOTAL - IV	760735 (12.74)	17853 (2.34)	189866 (6.63)	968454 (10.09)	2757.00 (1.11)	200.00 (0.20)	1260.00 (4.14)
V. ENERGY							
Power	908249	184705	784645	1877599	19380.00	10894.00	7750.00
Non-conventional Sources of Energy	52950	9663	905	63518	1363.00	48.00	25.00
TOTAL - V	961199 (16.10)	194368 (25.47)	785550 (27.43)	1941117 (20.22)	20743.00 (8.35)	10942.00 (10.94)	7775.00 (25.58)

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	UTTAR PRADESH	UTTRAN CHAL	WEST BENGAL	TOTAL (STATES)	A & N ISLANDS	CHANDI GARH	D & N HAVELI
1	27	28	29	30	31	32	33
VI. INDUSTRY & MINERALS							
Village & Small Industries	33946	1233	28302	63481	3746.00	190.00	170.00
Industries (other than V&SI)	91000	6851	119614	217465	0.00	0.00	0.00
Mining	1300	218	3068	4586	0.00	0.00	0.00
TOTAL - (VI)	126246 (2.11)	8302 (1.09)	150984 (5.27)	285532 (2.97)	3746.00 (1.51)	190.00 (0.19)	170.00 (0.56)
VII. TRANSPORT							
Ports and light Houses	0	0	0	0	7146.00	0.00	0.00
Shipping	0	0	0	0	47345.00	0.00	0.00
Civil Aviation	3000	1518	384	4902	2240.00	0.00	0.00
Roads and Bridges	600816	106600	232052	939468	40048.00	300.00	6258.95
Road Transport	70199	0	42639	112838	1040.00	4180.00	0.00
Inland Water Transport	10	0	2569	2579	0.00	0.00	0.00
Other Transport Services	0	788	2273	3061	0.00	140.00	15.00
TOTAL - (VII)	674025 (11.29)	108906 (14.27)	279917 (9.77)	1062848 (11.07)	97819.00 (39.40)	4620.00 (4.62)	6273.95 (20.64)
VIII. COMMUNICATIONS	0	0	0	0 0.00	908.00 (0.37)	0.00	0.00
IX. SCIENCE, TECHNOLOGY & ENVIRONMENT							
Scientific Research (incl. S&T)	5950	304	13831	20085	212.00	60.00	35.00
Ecology & Environment	235525	5902	1688	243115	0.00	270.00	0.00
TOTAL - (IX)	241475 (4.04)	6206 (0.81)	15519 (0.54)	263200 (2.74)	212.00 (0.09)	330.00 (0.33)	35.00 (0.12)
X. GENERAL ECONOMIC SERVICES							
Secretariat Economic Services	14350	843	526	15719	900.00	10.00	5.00
Tourism	138273	21077	4381	163731	4118.00	302.00	503.00
Surveys & Statistics	5000	164	212	5376	180.00	10.00	14.00
Civil Supplies	0	1265	1720	2985	900.00	528.00	10.00
Other General Economic Services :							
i) Distt. Plg./Distt. Councils	0	0	18789	18789	0.00	0.00	0.00
ii) Weights & Measures	0	186	219	405	0.00	50.00	5.00
iii) Others	72102	0	0	72102	0.00	1065.00	80.00
TOTAL - (X)	229725 (3.85)	23535 (3.08)	25847 (0.90)	279107 (2.91)	6098.00 (2.46)	1965.00 (1.97)	617.00 (2.03)
XI. SOCIAL SERVICES							
EDUCATION							
General Education	321750	85459	79789	486998	23986.80	7065.00	4013.50
Technical Education	98897	14790	10652	124339	3340.80	3512.00	800.00
Sports & Youth Services	5300	1796	10106	17202	586.90	1058.00	40.00
Art & Culture	4334	1910	3316	9560	429.50	1234.00	50.00
Sub-Total (Education)	430281	103955	103863	638099	28344.00	12869.00	4903.50
Medical & Public Health	240543	38767	103618	382928	11400.00	22426.00	1225.00
Water Supply & Sanitation	533797	106356	73317	713470	15256.00	6393.00	2025.00
Housing (incl. police Housing)	46500	6323	13723	66546	7868.00	3750.00	585.00
Urban Development (incl. state capital projects)	102066	14506	348102	464674	9590.00	30344.25	488.80
Information & Publicity	2500	272	2148	4920	330.00	50.00	30.00
Welfare of SCs, STs & OBCs	110895	6524	41034	158453	503.00	466.00	0.00
Labour & Employment							
i) Labour & Labour Welfare	7260	190	5444	12894	509.00	152.25	155.00
ii) Special Employment Programmes	0	2978	0	2978	0.00	0.00	0.00

ANNEXURE - 6.1

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	UTTAR PRADESH	UTTRAN CHAL	WEST BENGAL	TOTAL (STATES)	A & N ISLANDS	CHANDI GARH	D & N HAVELI
1	27	28	29	30	31	32	33
Social Welfare	57330	2160	46776	106266	1175.00	610.00	40.00
Nutrition	77947	1391	31429	110767	1360.00	35.00	330.00
Other Social Services	0	663 \1	17326	17989	251.00	49.00	0.00
TOTAL - (XI)	1609119 (26.95)	284085 (37.23)	786780 (27.47)	2679984 (27.92)	76586.00 (30.84)	77144.50 (77.14)	9782.30 (32.18)
XII. GENERAL SERVICES							
Jails	0	0	3961	3961	1060.00	0.00	10.00
Stationery & Printing	2103	0	114	2217	0.00	0.00	60.00
Public Works	39142	0	42859	82001	2800.00	0.00	430.00
Other Administrative Services :							
i) Training	0	0	0	0	0.00	0.00	0.00
ii) Others	0	7813 \2	5092	12905	2710.00 \1	1559.00	150.00 \2
TOTAL - (XII)	41245 (0.69)	7813 (1.02)	52026 (1.82)	101084 (1.05)	6570.00 (2.65)	1559.00 (1.56)	650.00 (2.14)
GRAND TOTAL	5970800 (100)	763000 (100)	2864100 (100)	9597900 (100)	248300.00 (100)	100000.00 (100)	30400.00 (100)

Note : Sectoral Outlays not finalized for Andhra Pradesh, Bihar, Chhatisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal, West Bengal & Chandigarh.

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	DAMAN & DIU	DELHI	LAKSHAD WEEP	PONDI CHERRY	TOTAL (UTs)	TOTAL STATES & UTs)	% age to TOTAL OUTLAY
1	34	35	36	37	38	39	40
I. AGRICULTURE & ALLIED ACTIVITIES							
Crop Husbandry	210.80	1077.50	860.79	5050.00	9770.59	1097707.59	1.86
Soil and Water Conservation	40.00	300.00	81.51	0.00	2342.51	583867.51	0.99
Animal Husbandry	77.65	4167.50	929.47	4400.00	12055.62	227857.62	0.39
Dairy Development	10.00	2775.00	0.00	200.00	2985.00	38323.00	0.06
Fisheries	223.00	50.00	5989.26	1280.00	10367.26	132421.26	0.22
Forestry & Wild Life Plantations	278.00	2600.00	92.30	500.00	13646.30	1144434.30	1.94
Food, Storage & Warehousing	0.00	2430.00	0.00	0.00	2430.00	12155.00	0.02
Agricultural Research & Education	0.00	0.00	0.00	2600.00	2600.00	186708.00	0.32
Agricultural Financial Institutions	0.00	0.00	0.00	0.00	0.00	62592.00	0.11
Other Agricultural Programmes :							0.00
(a) Marketing & Quality Control	0.00	45.00	0.00	750.00	795.00	33857.00	0.06
(b) Others	0.00	0.00	0.00	0.00	0.00	40172.00	0.07
Cooperation	84.00	300.00	2730.27	4800.00	10532.77	247686.77	0.42
Total - (I)	923.45 (3.77)	13745.00 (0.60)	10683.60 (24.45)	19580.00 (10.27)	67525.05 (2.30)	3818885.05 (6.46)	6.46
II. RURAL DEVELOPMENT							
Special Programmes for Rural Development :							
(a) Integrated Rural Development Programme(IRDP) & Allied Programmes	0.00	0.00	0.00	0.00	0.00	991716.00	1.68
(b) Drought Prone Area Programme (DPAP)	0.00	0.00	0.00	0.00	0.00	55081.00	0.09
(c) Integrated Rural Energy Programme (IREP)	0.00	300.00	0.00	40.00	688.25	17778.25	0.03
RURAL EMPLOYMENT							
(a) NREP/Jawahar Rozgar Yojna (JRY)	0.00	0.00	0.00	0.00	0.00	910445.00	1.54
(b) Other Programmes(like Employment Guarantee Scheme etc.)	0.00	0.00	0.00	0.00	0.00	397987.00	0.67
Land Reforms	112.54	25.00	0.00	112.00	948.54	81786.54	0.14
Other Rural Development Programmes (Incl. Community Development and Panchayats)	945.50	46000.00	559.61	3000.00	66612.11	2639720.11	4.47
TOTAL - II	1058.04 (4.32)	46325.00 (2.01)	559.61 (1.28)	3152.00 (1.65)	68248.90 (2.32)	5094513.90 (8.62)	8.62
III. SPECIAL AREA PROGRAMMES	0.00	0.00	0.00	0.00	0.00	626467.00 (1.06)	1.06
IV. IRRIGATION & FLOOD CONTROL							
Major and Medium Irrigation	150.00	0.00	0.00	0.00	650.00	7090229.00	12.00
Minor Irrigation	72.00	1000.00	0.00	5190.00	9839.00	1383725.00	2.34
Command Area Development	100.00	0.00	0.00	0.00	240.00	278688.00	0.47
Flood Control(incl. anti-sea erosion, etc.)	130.00	14600.00	1733.85	2180.00	18643.85	461699.85	0.78
TOTAL - IV	452.00 (1.84)	15600.00 (0.68)	1733.85 (3.97)	7370.00 (3.87)	29372.85 (1.00)	9214341.85 (15.59)	15.59
V. ENERGY							
Power	5126.50	345600.00	1388.96	16500.00	406639.46	9322571.46	15.78
Non-conventional Sources of Energy	22.00	150.00	648.76	60.00	2316.76	160186.76	0.27
TOTAL - V	5148.50 (21.01)	345750.00 (15.03)	2037.72 (4.66)	16560.00 (8.69)	408956.22 (13.92)	9482758.22 (16.05)	16.05

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	DAMAN & DIU	DELHI	LAKSHAD WEEP	PONDI CHERRY	TOTAL (UTs)	TOTAL STATES & UTs)	% age to TOTAL OUTLAY
1	34	35	36	37	38	39	40
VI. INDUSTRY & MINERALS							
Village & Small Industries	144.00	10000.00	506.23	7100.00	21856.23	660094.23	1.12
Industries (other than V&SI)	51.00	0.00	0.00	10200.00	10251.00	754588.00	1.28
Mining	0.00	0.00	0.00	0.00	0.00	103994.00	0.18
TOTAL - (VI)	195.00 (0.80)	10000.00 (0.43)	506.23 (1.16)	17300.00 (9.07)	32107.23 (1.09)	1518676.23 (2.57)	2.57
VII. TRANSPORT							
Ports and light Houses	180.00	0.00	7705.94	2000.00	17031.94	47722.94	0.08
Shipping	0.00	0.00	4305.89	0.00	51650.89	51650.89	0.09
Civil Aviation	300.00	0.00	1113.35	0.00	3653.35	35225.35	0.06
Roads and Bridges	6000.00	250780.00	657.14	13786.00	317830.09	5032082.09	8.52
Road Transport	0.00	293891.00	0.00	2240.00	301351.00	920690.00	1.56
Inland Water Transport	0.00	0.00	833.06	0.00	833.06	20051.06	0.03
Other Transport Services	215.00	0.00	0.00	0.00	370.00	273124.00	0.46
TOTAL - (VII)	6695.00 (27.33)	544671.00 (23.68)	14615.38 (33.44)	18026.00 (9.46)	692720.33 (23.58)	6380546.33 (10.80)	10.80
VIII. COMMUNICATIONS	0.00	0.00	0.00	0.00	908.00 (0.03)	5424.00 (0.01)	0.01
IX. SCIENCE, TECHNOLOGY & ENVIRONMENT							
Scientific Research (incl. S&T)	80.00	700.00	307.64	140.00	1534.64	121413.64	0.21
Ecology & Environment	0.00	4800.00	400.30	176.00	5646.30	281092.30	0.48
TOTAL - (IX)	80.00 (0.33)	5500.00 (0.24)	707.94 (1.62)	316.00 (0.17)	7180.94 (0.24)	402505.94 (0.68)	0.68
X. GENERAL ECONOMIC SERVICES							
Secretariat Economic Services	10.00	1280.00	19.03	120.00	2344.03	424147.03	0.72
Tourism	520.00	6000.00	5015.45	6050.00	22508.45	460244.45	0.78
Surveys & Statistics	60.00	1250.00	29.70	40.00	1583.70	27083.70	0.05
Civil Supplies	24.00	2000.00	0.00	1200.00	4662.00	49925.00	0.08
Other General Economic Services :							
i) Distt. Plg./Distt. Councils	0.00	0.00	0.00	0.00	0.00	319041.00	0.54
ii) Weights & Measures	12.00	200.00	0.00	20.00	287.00	4305.00	0.01
iii) Others	0.00	0.00	54.75 \1	745.00 \2	1944.75	584213.75	0.99
TOTAL - (X)	626.00 (2.56)	10730.00 (0.47)	5118.93 (11.71)	8175.00 (4.29)	33329.93 (1.13)	1868959.93 (3.16)	3.16
XI. SOCIAL SERVICES							
EDUCATION							
General Education	1345.50	184000.00	1221.82	21585.48	243218.10	3798734.10	6.43
Technical Education	1192.33	25000.00	0.00	5344.92	39190.05	381974.05	0.65
Sports & Youth Services	75.00	6000.00	361.53	2469.60	10591.03	205896.03	0.35
Art & Culture	87.50	6860.00	241.56	1250.00	10152.56	103934.56	0.18
Sub-Total (Education)	2700.33	221860.00	1824.91	30650.00	303151.74	4490538.74	7.60
Medical & Public Health	1750.00	238150.00	901.30	16360.00	292212.30	2176734.30	3.68
Water Supply & Sanitation	1800.00	376600.00	904.33	10785.00	413763.33	4420655.33	7.48
Housing (incl. police Housing)	516.00	20000.00	1271.83	5030.00	39020.83	1412534.83	2.39
Urban Development (incl. state capital projects)	608.00	294025.00	225.96	10300.00	345582.01	2901332.01	4.91
Information & Publicity	100.00	1500.00	160.99	280.00	2450.99	46811.99	0.08
Welfare of SCs, STs & OBCs	107.00	15800.00	0.00	5300.00	22176.00	1800881.00	3.05

TENTH PLAN - 2002-07 PROJECTED OUTLAY - STATES / UNION TERRITORIES

(Rs. lakh)

Major Heads/Minor Heads of Development	DAMAN & DIU	DELHI	LAKSHAD WEEP	PONDI CHERRY	TOTAL (UTs)	TOTAL STATES & UTS)	% age to TOTAL OUTLAY
1	34	35	36	37	38	39	40
Labour & Employment							
i) Labour & Labour Welfare	322.00	4325.00	7.51	1360.00	6830.76	203540.76	0.34
ii) Special Employment Programmes	0.00	0.00	0.00	0.00	0.00	22116.00	0.04
Social Welfare	52.00	32250.00	112.73	8800.00	43039.73	725048.73	1.23
Nutrition	450.00	20230.00	74.56	3575.00	26054.56	565859.56	0.96
Other Social Services	0.00	0.00	0.00	0.00	300.00	137915.00	0.23
TOTAL - (XI)	8405.33	1224740.00	5484.12	92440.00	1494582.25	18903968.25	31.99
	(34.31)	(53.25)	(12.55)	(48.49)	(50.88)	(31.99)	
XII. GENERAL SERVICES							
Jails	30.00	16000.00	0.00	0.00	17100.00	48150.00	0.08
Stationery & Printing	215.00	0.00	139.87	400.00	814.87	11565.87	0.02
Public Works	545.00	30010.00	0.00	5000.00	38785.00	386864.00	0.65
Other Administrative Services :							
i) Training	0.00	400.00	0.00	0.00	400.00	14017.00	0.02
ii) Others	126.68	36529.00	2112.75	2330.00	45517.43	1317188.43	2.23
TOTAL - (XII)	916.68	82939.00	2252.62	7730.00	102617.30	1777785.30	3.01
	(3.74)	(3.61)	(5.15)	(4.05)	(3.49)	(3.01)	
GRAND TOTAL	24500.00	2300000.00	43700.00	190649.00	2937549.00	59094832.00	100.00
	(100)	(100)	(100)	(100)	100	100	

Note : Sectoral Outlays not finalized for Andhra Pradesh, Bihar, Chhatisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Uttar Pradesh, Uttaranchal, West Bengal & Chandigarh.