

CHAPTER 3

OBJECTIVES AND STRATEGY OF THE SIXTH FIVE YEAR PLAN

The Sixth Five Year Plan has been formulated taking into account the achievements and failures of the past three decades of planning, recent economic developments which have a bearing on the growth prospects of the economy in the medium term as well as the vision of the future as reflected in the long term perspective. The removal of poverty is the foremost objective of the Sixth Plan even though it is recognised that given the magnitude of the task, it cannot be accomplished in a short period of five years. Inevitably, the pace of movement towards the long-term objectives of removal of poverty and the achievement of self-reliance and the nature of priorities in the immediate period ahead, are influenced by the current economic situation and the constraints operating in the economic system. It should be recognised that the Sixth Plan is being launched under difficult conditions. These include the acute inflationary pressures which have prevailed since March 1979, a set-back in the functioning of such critical sectors as power, coal, railways and steel and the steep rise in the price of petroleum products resulting in an increasing deterioration in the nation's terms of trade and the balance of payments. A realistic blue-print of the Sixth Plan must take note of these unfavourable developments. Effective solution for the existing difficulties are a precondition of successful implementation of the Sixth Plan. It goes without saying

that any effective solutions for these problems must be consistent with long term social and economic objectives so that the economy emerges out of these difficulties with improved growth prospects. Thus the economy is faced with many challenges and these will have to be met with courage, determination and a firm faith in India's destiny and future.

3.2 The wholesale price index has risen by nearly 17 per cent between 1979 and 1980 and by nearly 16 per cent between April and November, 1980-81. With rising prices, the real resource content of the Plan is likely to erode over time with consequent adverse effects on the prospects for growth. Rational and balanced economic policies for checking inflation and measures to protect the real size of the Plan will need to be formulated.

3.3 Trends in capacity utilisation upto 1979-80 in major industries have been a source of considerable concern because in most cases there has been a decline after 1976-77. For accelerating the tempo of industrial growth, improving the rates of return on capital and generating additional resources for the Plan, improvement in capacity utilisation must be regarded as a pre-condition for the success of the Sixth Plan (Table 3.1).

Table 3.1

Measurement of Capacity Utilisation in Major Sectors, 1976-77 to 1979-80

		(Per cent)			
Sl. No.	Sector	1976-77	1977-78	1978-79	1979-80
(0)	(1)	(2)	(3)	(4)	(5)
1	Saleable Steel (Integrated Plants)	91.9	90.3	81.5	69.1
2	Aluminium	83.5	61.3	66.4	58.2
3	Fertilizers (N) (Stabilised Plants)	83.6	82.3	83.3	76.6
4	Fertilizers (P ₂ O ₅)	66.0	78.0	73.4	61.5
5	Cement	86.6	88.8	85.6	72.6
6	Newsprint	76.9	74.7	64.0	63.2
7	Paper and Paper Board	79.0	76.0	72.4	68.2
8	Power Generation Thermal (All India Average Percent Capacity Factor)	56.0	50.8	48.4	45.0
9	Railways (Index of Net Tonne-Kilometres Freight Traffic, 1950-51=100)	356	369	351	350

As is evident from the table, recent trends in capacity utilisation in several industries are discouraging. This is also true for agriculture. For example, the irrigation potential which has been created is not fully utilised. Levels of yield per acre for many parts of the country are far below what can be attained with known technology. While the poor utilisation of capacity represents a waste of resources and thus adds to the resource constraint, it also provides an opportunity for a quick increase in output and productivity in the short run, thus improving the prospects for controlling inflation and creating conditions for accelerated growth in output as well as investment in coming years.

3.4 The poor utilisation of capacity in agriculture as well as in industry stems from many factors but the major problem areas can be located in the basic infrastructure of power and transport. The efforts currently under way are expected to improve the short run situation with respect to power and transport; but further intensive efforts will be required over the Sixth Five Year Plan.

3.5 India's balance of trade has shown an adverse trend since 1977-78. As against a surplus of Rs. 72 crores in 1976-77, the deficit in trade balance was Rs. 621 crores in 1977-78 and is reported to have been more than Rs. 2370 crores in 1979-80. The available data regarding the balance of trade for the first six months of 1980-81 show that the deficit has already exceeded Rs. 3000 crores. The increase in trade deficit during 1977-80 was due not only to the lower export growth of 6.1 per cent compared to

the growth rate of 26.8 per cent between 1974-77 at current prices, but also due to the rise in the value of imports at an average rate of 19 per cent annually.

3.6 This unfavourable picture is largely due to sharply deteriorating terms of trade since 1973-74 with some improvement temporarily in 1976-77 and 1977-78. The index of terms of trade with 1968=100 shows a decline to 90 in 1978-79 when export prices declined somewhat and import prices rose in general by 4.4 per cent and further deteriorated very sharply in 1979-80 when import prices, particularly those of petroleum products, rose considerably resulting in a large trade deficit.

3.7 If despite this picture on the trade account, the foreign exchange reserves continued to rise upto 1978-79 it was due to the buoyancy of invisible receipts, in particular remittances from Indians working abroad. It is quite possible that these remittances have reached their peak. Also the international economy in general faces a sharp recession of demand which, together with the protectionist tendencies in the industrialised countries, poses a serious challenge to our efforts to expand export earnings. The general situation in the oil exporting countries is also such as not to hold out hopes of any substantial increase in the demand for our exports or for migrant labour. Already in 1979-80, there was a slight decline of Rs. 56 crores in foreign exchange reserves and in 1980-81 by December 26, they had fallen further by Rs. 381 crores despite recourse to the I.M.F. to the tune of Rs. 815 crores. Table 3.2 shows the main indicators of external constraints.

Table 3.2

Selected Indicators of Developments in the External Sector

Sl. No.	Item	1976-77	1977-78	1978-79	1979-80
(0)	(1)	(2)	(3)	(4)	(5)
1	Exports as per cent of Imports	101.4	89.7	84.1	73.0
2	P.O.L. bill :				
	(i) Rs. crores	1413	1551	1677	3200
	(ii) As per cent of exports	27.5	28.7	29.5	49.8
3	Net External Assistance as per cent of imports	16.6	7.7	5.7	7.8
4	Foreign Exchange Reserves (year end) (Parenthesis show variation) (Rs. crores) .	2863 (1371)	4500 (1637)	5220 (720)	5164 (-56)
5	Debt service as per cent of exports (i.e. Repayment and interest)	14.7	15.2	15.4	11.1
6	Invisibles as per cent of exports	16.0	26.2	33.3	35.2
7	Trade deficit (Rs. crores)	72	(-621)	(-1088)	(-2370)

3.8 Growth prospects of the economy have been adversely affected by all these three factors: inflationary situation, constraints imposed by a poor performance in the basic infrastructure and the deteriorating balance of payments position. Since, however, the long term prospects of the economy depend significantly on the development of domestic resources of oil, coal, power, and renewable source of energy, on the investment in the modernisation and expansion of transport and on a rapid growth in agriculture and rural development, it will be necessary to make the requisite effort to mobilise resources in the face of all these difficulties so as to put the economy back on the path of sustained and self-generating growth.

OBJECTIVES

3.9 It is in the light of these considerations that the objectives of the Sixth Plan have been formulated. These are given below. Along with the objectives are also listed major areas of effort which will be required to fulfil these objectives:

- (i) a significant step up in the rate of growth of the economy, the promotion of efficiency in the use of resources and improved productivity;
- (ii) strengthening the impulses of modernisation for the achievement of economic and technological self-reliance;
- (iii) a progressive reduction in the incidence of poverty and unemployment;
- (iv) a speedy development of indigenous sources of energy, with proper emphasis on conservation and efficiency in energy use;
- (v) improving the quality of life of the people in general with special reference to the economically and socially handicapped population, through a minimum needs programme whose coverage is so designed as to ensure that all parts of the country attain within a prescribed period nationally accepted standards;
- (vi) strengthening the redistributive bias of public policies and services in favour of the poor contributing to a reduction in inequalities of income and wealth;
- (vii) a progressive reduction in regional inequalities in the pace of development and in the diffusion of technological benefits;
- (viii) promoting policies for controlling the growth of population through voluntary acceptance of the small family norm;
- (ix) bringing about harmony between the short and the long term goals of development by promoting the protection and improvement of ecological and environmental assets; and
- (x) promoting the active involvement of all sections of the people in the process of development through appropriate education, communication and institutional strategies.

3.10 The strategy adopted for the Sixth Plan consists essentially in moving simultaneously to strengthen the infrastructure for both agriculture and industry so as to create conditions for an accelerated growth in investments, output and exports, and to provide, through special programmes designed for the purpose, increased opportunities for employment especially in the rural areas and the unorganised sector and meet the minimum basic needs of the people. Stress is laid on dealing with inter-related problems, through a systems approach rather than in separate compartments; on greater managerial efficiency and intensive monitoring in all sectors and active involvement of the people in formulating specific schemes of development at the local level and in securing their speedy and effective implementation. The attack on the problem of poverty is most effective only in the conditions of an expanding economy. Since growth by itself may not, however, suffice, other programmes and policies will need to be adopted with the specific aim of improving the living conditions of the masses and to bring about a reduction in inequalities of income and wealth. The scheme of the Sixth Plan outlays thus provides for specific allocations for such programmes.

MACRO-DIMENSIONS

Aggregate Saving and Investment

3.11 The Sixth Plan envisages a total investment (gross capital formation) of Rs. 158710 crores over the plan period 1980-85 at 1979-80 prices. This is to be financed by domestic saving of Rs. 149,647 crores estimated at 1979-80 prices during the Sixth Plan and net inflow of funds from abroad to the extent of Rs. 9063 crores. Thus, nearly 94.3 per cent of the total investment is to be financed from domestic resources.

3.12 The total investment has been projected to grow from Rs. 23,618 crores in 1979-80 to Rs. 36,797 crores in 1984-85. At the same time the GDP at market prices has been projected to increase from Rs. 108,546 crores to Rs. 146,540 crores during the same period. Thus, investment (as per cent of GDP at market prices) is expected to rise from 21.8 per cent in 1979-80 to 25.1 per cent in 1984-85.

3.13 Domestic saving has been projected to grow from Rs. 23,055 crores in 1979-80 to Rs. 35,870 crores in 1984-85. As per cent of GDP at market prices, the saving rate is envisaged to increase from 21.2 per cent in 1979-80 to 24.5 per cent in 1984-85 implying a marginal rate of saving of the order of 33.7 per cent over the plan period 1980-85.

3.14 The Sixth Plan aims at stepping up the rate of saving by bringing about an improvement in the ratio of saving to disposable income in the different sectors. Detailed estimates of sectoral disposable income, consumption and saving in 1979-80 and 1984-85 are given in Annexures 2.1 and 2.2, and summarised in Table 3.3.

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Table 3.3

Estimates of Disposable Income, Consumption and Saving: 1979-80 and 1984-85

Sl. No.	Item	Rs. crores at 1979-80 prices		Per cent of GNP	
		1979-80	1984-85	1979-80	1984-85
(0)	(1)	(2)	(3)	(4)	(5)
1	Public Sector				
	(i) Disposable Income	15772	25789	14.4	17.5
	(ii) Consumption	11757	16879	10.7	11.5
	(iii) Saving	4015	8910	3.7	6.0
	Private Corporate and Cooperative Sector.				
	(i) Disposable Income	1714	2972	1.5	2.0
	(ii) Consumption	..	..	..	..
	(iii) Saving	1714	2972	1.5	2.0
3	Household Sector				
	(i) Disposable Income	92379	118374	84.1	80.5
	(ii) Consumption	75053	94386	68.3	64.1
	(iii) Saving	17326	23988	15.8	16.4
4	Total				
	(i) Disposable Income	109865	147135	100.0	100.0
	(ii) Consumption	86810	111265	79.0	75.6
	(iii) Saving	23055	35870	21.0	24.4

3.15 Saving as per cent of corresponding disposable income is expected to rise from 25.5 to 34.5 per cent in the case of public sector and from 20.2 to 22.2 per cent in the case of private sector over the plan period 1980-85. Thus, saving effort in terms of sectoral disposable income is expected to show an improvement of 9 percentage points in the case of public sector and 2 percentage points in the case of private sector.

3.16 The share of public sector in aggregate domestic saving would rise from 17.4 per cent to 24.8 per cent, while that of the households would decline from 75.2 per cent to 66.9 per cent, as shown in Table 3.4.

Table 3.4
Sectoral Shares in Total Domestic Saving

Sl. No.	Sector	Rs. crores ¹		Share (per cent)	
		1979-80	1984-85	1979-80	1984-85
(0)	(1)	(2)	(3)	(4)	(5)
1	Public Sector	4015	8910	17.4	24.8
2	Private corporate and Cooperative sector	1714	2972	7.4	8.3
3	Household sector	17326	23988	75.2	66.9
4	Total	23055	35870	100.0	100.0

¹At 1979-80 prices.

Rate and Pattern of Growth

3.17 The choice of the rate of growth of gross domestic product of 5.2 per cent per annum has already been explained in Chapter 2. The sectoral growth rates are determined by the demand for and supply of different commodities and services either through the market mechanism or as a result of specific public policies adopted to clear specific markets. Sectoral growth rates are thus subject to technical, behavioural and institutional constraints as well as policies of the Government. A large part of the supply is determined by the investment decisions already made in the past; a large part of demand originates from the need for building up capacity for the future. There is also the foreign demand for our exports and the supply of imports from abroad. The pattern of growth is derived from a consistent system which is solved inter-temporally with an open economy model.

3.18 The model consists of an 89 sector input-output model integrating the Sixth Plan period with the perspective period (1985-95) through a 14 sector investment planning model. In working out the input-output model for the Sixth Plan, technological characteristics of the economy have been taken into account. The treatment of private consumption, public consumption, investment and foreign trade used in the model for projecting the sectoral outputs is discussed below.

3.19 Public consumption expenditure and exports for the terminal year have been estimated exogenously. While the aggregate public consumption expenditure has been assumed to grow at an annual rate of 7.5 per cent, certain social services like health and medical services, education and other social services have been postulated to grow at slightly higher rates in line with the objective of increasing social consumption. Exports have been projected to grow at an average rate of 9 per cent per annum at the overall level, while individual commodity exports have been projected to grow at different rates.

3.20 The total investment outlay envisaged for the Sixth Plan period has been appropriately phased over the Plan period taking into account the gestation lags of the individual sectors and the growth profile both in the Sixth Plan and post Sixth Plan period. Sectoral investment outlay thus generated (i.e. investment by destinations) has been disaggregated into various capital goods and changes in stocks and used in the model (i.e. investment by sources).

3.21 Import projections for inter-industry use and final use for the terminal year have been endogenously derived through the use of import co-efficient matrices.

3.22 Private consumption expenditure on goods and services in the terminal year has been projected through the use of a consumption sub-model which considers demand functions for people below and above the poverty line as well as rural and urban areas separately. The projected demand pattern takes into account the consumption requirements consistent with the objective of a significant reduction in the proportion of people below the poverty line. Redistribution of consumption in favour of the poorer sections of the population has been provided for to assess the output implications of the postulate of a reduction in the percentage of population below the poverty line to 30, both in rural and urban areas by 1984-85.

3.23 The internally consistent and feasible sectoral pattern of growth satisfying the selected growth strategy, corresponding to the aggregate annual growth rate of 5.2 per cent in GDP and the envisaged reduction in poverty is given in Table 3.5.

3.24 While significant growth is projected for all the sectors, the changing pattern of demand, as is to be expected in a developing economy, indicates different growth rates at sectoral level, leading to a diversification of the production structure of the economy. The consequent structural change in the composition of gross domestic product over the Plan period is shown in Table 3.6. The share of mining and manufacturing in gross value added goes up from 19.59 per cent in 1979-80 to 21.22 per cent in 1984-85, of electricity from 1.71 per cent to 1.88 per cent, of transport from 4.89 per cent to 4.95 per cent and of services from 33.61 per cent to 34.00 per cent, indicating that agriculture would contribute 32.90 per cent of gross value added in 1984-85 as against 35.13 per cent in 1979-80.

Table 3.5

Projected Sectoral Growth Rates of Value of Gross Output and Gross Value Added at Factor Cost
1984-85/1979-80

Sl. No.	Sector	Value of Gross Output	Gross Value Added
(0)	(1)	(2)	(3)
(Per cent Per Annum Compound)			
1	Agriculture	5.20	3.83
2	Mining and Manufacturing	7.76	6.90
	(a) Mining	11.50	11.25
	(b) Manufacturing	7.62	6.50
	(i) Food Products	6.20	4.35
	(ii) Textiles	4.40	3.61
	(iii) Wood and Paper Products	6.80	5.30
	(iv) Leather and Rubber Products	6.50	6.33
	(v) Chemical Products	11.00	9.33
	(vi) Coal and Petroleum Products	7.50	7.35
	(vii) Non-Metallic Mineral Products	6.50	5.15
	(viii) Basic Metals	10.40	8.75
	(ix) Metal Products	8.20	8.09
	(x) Non-Electrical Engineering Products	11.20	9.11
	(xi) Electrical Engineering Products	10.02	8.70
	(xii) Transport Equipment	10.15	9.00
	(xiii) Miscellaneous Industries	4.20	4.06
3	Electricity, Gas and Water Supply	11.25	7.15
4	Construction	7.10	5.10
5	Transport	6.70	5.46
6	Services	6.00	5.44
	TOTAL . . . . .	..	5.20

3.25 The projected rates of growth in output in the different sectors have been translated in terms of physical targets for important commodities in order to facilitate the formulation of necessary investment projects and production programmes. In addition, the physical targets for key commodities have also been cross-checked through the system of material balances.

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Table 3.6

Sectoral Composition of Gross Value Added:
1979-80 and 1984-85

Sl. No.	Sector	(Per cent)	
		1979-80	1984-85
(0)	(1)	(2)	(3)
1	Agriculture	35.13	32.90
2	Mining and Manufacturing	19.59	21.22
	(A) Mining	1.52	2.01
	(B) Manufacturing	18.07	19.21
	(i) Food Products	1.77	1.70
	(ii) Textiles	3.11	2.88
	(iii) Wood and Paper Products	1.02	1.03
	(iv) Leather and Rubber Products	0.50	0.52
	(v) Chemical Products	2.55	3.09
	(vi) Coal and Petroleum Products	0.45	0.49
	(vii) Non-Metallic Mineral Products	1.05	1.05
	(viii) Basic Metals	1.26	1.49
	(ix) Metal Products	0.96	1.10
	(x) Non-electrical Engineering Products	1.38	1.66
	(xi) Electrical Engineering Products	0.60	0.71
	(xii) Transport Equipment	1.02	1.23
	(xiii) Miscellaneous Industries	2.40	2.26
3	Electricity, Gas and Water Supply	1.71	1.88
4	Construction	5.07	5.05
5	Transport	4.89	4.95
6	Services	33.61	34.00
	TOTAL	100.00	100.00

Pattern of Public and Private Investment

3.26 The total Plan investment for the period 1980-85 is estimated at Rs. 158710 crores. Of this, Rs. 84000 crores* (53 per cent) is estimated to be in the public sector and the balance of Rs. 74710 crores (47 per cent) in the private sector.

3.27 Estimates of investment during the Plan period by 14 sectors of destination as derived from the investment planning model are given in Table 3.7. Incremental gross value added over the Plan period in the respective sectors is also provided in the table.

*In addition the public sector plan includes current outlays amounting to Rs. 13,500 crores.

Table 3.7

Gross Investment by Destination Sectors and Increment in Gross Domestic Product (GDP) at Factor Cost (1980-85)

Sl. No.	Sector	(Rs. crores at 1979-80 prices)	
		Investment (at market prices)	Incremental GDP (at factor cost)
(0)	(1)	(2)	(3)
1	Agriculture	32242	6404
2	Forestry and Logging	478	327
3	Fishing	748	318
4	Mining and Quarrying	6575	1040
5	Manufacturing	45515	6500
6	Construction	1760	1389
7	Electricity, Gas and Water Supply	23554	686
8	Railways	4724	420
9	Other Transport	11330	1025
10	Communications	2902	262
11	Trade, Storage and Ware Housing	7299	5026
12	Banking and Insurance	260	968
13	Real Estate and Ownership of Dwellings	16437	923
14	Other Services (including Public Administration and Research)	4886	2711
15	Total at factor cost . . . . .	..	27999
16	Total at market prices	158710	37994

3.28 The distribution of private investment in the major sectors is shown in Table 3.8.

Table 3.8

Distribution of Private Sector Investment 1980-85

Sl. No.	Sector	(Rs. crores at 1979-80 prices)	
		Amount	Share(%)
(0)	(1)	(2)	(3)
1	Agriculture & Allied	16101	21.55
2	Industry & Minerals	30323	40.59
3	Power	189	0.25
4	Transport & Communications	3390	4.54
5	Others	24707	33.07
	TOTAL	74710	100.00

The estimates of investment requirement for the different activities in the private sector have been derived on the basis of the targeted growth rates, the contribution of the public sector and the investment requirements for the generation of new capacity estimated from incremental capital-output ratio derived from past time-series data.

3.29 Investment in mining and manufacturing (including small and village industries) in the past has been nearly one-third of the total private investment. In the present Plan this ratio is likely to go up to nearly 41 per cent of the total. The organised private corporate and cooperative sectors in mining, manufacturing and non-financial services have shown an investment requirement of Rs. 19582 crores. Of this, cooperative sector is estimated to require an investment of Rs. 2000 crores.

3.30 The broad pattern of allocation of corporate mining and manufacturing investment by major industry groups is given in Table 3.9.

Table 3.9

Distribution of Private Corporate Investment in Mining and Manufacturing

(Rs. crores at 1979-80 prices)

Sl. No.	Industry Group	Total
(0)	(1)	(2)
1	Mining	25 [@]
2	Metallurgical	1244
3	Engineering	2463
4	Chemicals	3920
5	Consumer Industries	5375
6	Miscellaneous	2155
TOTAL		15182

[@]Excluding captive mining which is included under respective industries.

NOTE: Figures include about Rs. 2000 crores in cooperative manufacturing sector.

3.31 The inter-sectoral capital flows for the period 1980—85 are presented in Table 3.10.

Table 3.10

Inter-sectoral Capital Flows: 1980—85

(Rs. crores at 1979-80 prices)

Sl. No.	Item	Public Sector	Corporate & Cooperative Sector	Household Sector	Total
(0)	(1)	(2)	(3)	(4)	(5)
1	Own Saving	34200	10588	104859*	149647
2	Transfer from other domestic sectors	38871	8994	(—)47865	—
3	Inflow from rest of the world	10929	—	(—)1866	9063
4	Investment	84000	19582	55128	158710

*Details are given in Annexure 5.1.

3.32 Table 3.10 shows household savings of Rs. 104859 crores. These are used partly to finance the sector's investment in physical assets of Rs. 55128 crores; the rest are transferred to the public sector and the corporate and cooperative sectors. The latter sectors will have a total investment of Rs. 19582 crores financed by own savings and transfers from other domestic sectors, including the household sector.

SECTORAL GROWTH PROFILE

3.33 The experience of the recent past shows that a lack of coordination among critical sectors acts as a general drag on economic growth. Production capacities created after a massive investment effort remain under-utilised due to shortfalls in performance of a few sectors. It is, therefore, essential that the projected production profile should be internally consistent not only at the sectoral level, but also at the level of specific commodities/services. Commodity-wise demand-supply (material) balances presented below project the consistency of production targets of principal commodities/services with the targets of user-sectors. These balances are for the country as a whole. In taking operational decisions regarding production of the respective commodities and also for creation of additional capacities, inter-sectoral balances will need to be supplemented by inter-regional balances.

3.34 Physical targets of production for the principal commodities and services are presented in Table 3.11. Sectoral priorities have been built into the projected targets of demand and output of the principal commodities. These are discussed under the respective sectors.

POVERTY AND EMPLOYMENT

Poverty

3.61. The economic development during the last three decades has enabled a perceptible increase in average per capita income from Rs. 466 in 1950-51 to Rs. 730 in 1978-79, both at 1970-71 prices. In spite of this increase, the incidence of poverty in the country is still very high. Thus determined measures are necessary to combat poverty. A substantial increase in the overall rate of growth of the economy will no doubt create favourable conditions for a reduction in poverty and unemployment. However, in the light of past experience, it will not be realistic to rely solely on the growth process to find a solution to this problem. Specific policy measures will be needed not only to influence the composition of output in favour of mass consumption goods but also to ensure a more even regional and class distribution of output, paying special attention to stimulating growth in more backward regions. In addition, the on-going poverty eradication programmes aimed at the specified target groups of population will also have to be improved and enlarged with regard to both content and coverage. The objectives of these programmes will be to improve the productivity and therefore income of the poor and also to ensure that employment opportunities are enlarged at a fast enough pace. Labour-intensive village and small industries will need adequate encouragement to grow. Institutional reform designed to impart a greater redistributive bias to public policies in favour of the poorest sections will have to be pursued with greater vigour and effectiveness. Effective implementation of these programmes will demand the highest standard of devotion, efficiency and integrity from public services at all levels as well as active involvement and participation of the people in this vital national undertaking.

3.62. The Sixth Plan places a very high priority on the alleviation of poverty. For an assessment of the problem and for setting targets a quantitative index for poverty was formulated in the report of the "Task Force on Projections of Minimum Needs and Effective Consumption Demand" set up by the Planning Commission in 1977, where poverty line is defined as the mid-point of the monthly per capita expenditure class having a daily calorie intake of 2400 per person in rural areas and 2100 in urban areas. In 1979-80 prices, the mid-points are Rs. 76 in rural areas and Rs. 88 in urban areas.

3.63. Subsequently on the basis of an assessment of several rounds of National Sample Survey of household consumer expenditure it has been observed that nearly 50 per cent of our population has been living below the poverty line continuously over a long period (Table 3.33).

Table 3.33

Percentage of people below poverty-line				
Sl. No.	Area	1972-73	1977-78	
(0)	(1)	(2)	(3)	
1	Rural	54.09	50.82	
2	Urban	41.22	38.19	
3	All India	51.49	48.13	

3.64. The Sixth Plan approaches the problem of poverty alleviation by three major stages:

- Identification and measurement;
- Developing realistic targets; and
- Formulation of specific programmes to match the targets.

3.65. The majority of the poor live in the rural areas and belong to the categories of landless labourers, small and marginal farmers, rural artisans including fishermen, and backward classes and backward tribes. These people have either no assets or assets with very low productivity, few relevant skills and no regular fulltime jobs or very low paid jobs.

3.66. The number of poor people as defined above and the distribution of the consumption expenditure as estimated from 32nd Round of National Sample Survey are indicated in Table 3.34.

Table 3.34

Distribution of total private consumption expenditure by deciles: 1977-78

Decile	(Per cent)	
	Rural	Urban
(0)	(1)	(2)
0-10	3.65	3.36
10-20	5.12	4.67
20-30	6.24	5.59
30-40	6.56	6.50
40-50	8.03	7.39
50-60	8.66	8.69
60-70	9.84	9.77
70-80	11.77	12.31
80-90	14.55	14.24
90-100	25.58	27.48
0-100	100.00	100.00

Average monthly per capita consumption for people below poverty line*	44.96	53.87
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Average aggregate monthly per capita consumption*	75.61	108.73
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People below poverty line (million)	251.66	51.10
-------------------------------------	--------	-------

Total population (million)	495.2	133.8
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*Rupees at 1977-78 prices as per total private consumption given in the National Accounts Statistics, Central Statistical Organisation, February, 1980.

3.67 Assuming that the consumption distribution in 1977-78 remains constant in future years, and taking account of the actual growth of the economy between 1977-78 and 1979-80 and the planned growth

between 1979-80 and 1984-85, the poverty profile is estimated for both the years as given in the Tables 3.35 and 3.36.

Table 3.35
Consumption Expenditure*, 1979-80

Sl.No.	Population Group	Average monthly per capita consumption (Rupees at 1979-80 Prices)			No. of people (in million)		
		Rural	Urban	Total	Rural	Urban	Total
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Bottom decile	32.11	41.38	34.12	51.20	14.21	65.41
2	Below poverty line @	51.27	59.75	52.80	259.56 (50.70)	57.28 (40.31)	316.84 (48.44)
3	Total Population	87.97	123.16	95.62	512.00	142.10	654.10

Table 3.36
Consumption Expenditure*, 1984-85
(without redistribution)

Sl.No.	Population Group	Average monthly per capita consumption (Rupees at 1979-80 Prices)			No. of people (in million)		
		Rural	Urban	Total	Rural	Urban	Total
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Bottom decile	37.07	46.06	39.12	55.34	16.38	71.72
2	Below poverty line@	53.44	61.37	55.01	223.97 (40.47)	55.21 (33.71)	279.18 (38.93)
3	Total Population	101.55	137.10	109.67	553.40	163.80	717.20

Table 3.37
Consumption Expenditure in 1984-85
(with redistribution)

Sl. No.	Population Group	Average monthly per capita consumption (Rupees at 1979-80 Prices)			No. of people (in million)		
		Rural	Urban	Total	Rural	Urban	Total
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	People below poverty line@	60.31	64.09	61.17	166.02 (30.0)	49.14 (30.0)	215.16 (30.0)
2	Total Population	101.55	137.10	109.67	553.40	163.80	717.20

*With same consumption distribution as in 1977-78.

@ Figures in bracket are percentage of people below the poverty line.

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Urban Total

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51.28 316.8
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Total

(6) (7)

6 71.7

5.21 279.1
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people
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Total

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9.14 215.1
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3.68 The above calculation shows that assuming the distribution of consumption of 1977-78 remaining unchanged, the poverty percentage will be reduced from 48.44 per cent in the base year 1979-80, to 38.93 per cent in 1984-85. But the public sector outlay in the Sixth Plan provides for many poverty alleviation programmes which operate mainly by way of transforming assets and skills and by providing employment in the slack seasons of the year. The Integrated Rural Development Programme (IRDP) belongs to the former category and the National Rural Employment Programme (NREP) to the latter. Besides, there are a large number of other public sector schemes which will contribute to the reduction of unemployment and underemployment. In this context, mention may be made of the Special Component Plan for the uplift of scheduled castes for which a substantial provision has been made in the Sixth Plan by way of special Central assistance. The special programmes for drought prone areas, tribal areas and hill areas will also help to strengthen the redistributive bias in public policies. If all these programmes are implemented effectively, the distribution of consumer expenditure in 1984-85 is not expected to be the same as in the year 1977-78. A rough calculation of the new distribution and the number of people below the poverty line in 1984-85 can be made by going into programme details.

3.69 The total number of households to be covered by IRDP during the Plan period is nearly 3,000 families per block. There are altogether 5,000 blocks in the country. This means that the programme intends to cover nearly 75 million people *i.e.* more than 13 per cent of the rural population. The total investment outlay set aside for this purpose is Rs. 1500 crores over the Sixth Plan period supplemented by Rs. 3000 crores from institutional finance. The target group for this purpose is located in the poorest of the rural population. The detailed estimates of income generation from this transfer of assets show that an income of Rs. 3000 crores per annum will be generated out of this transfer. This implicitly means a capital output ratio of 1.5. By making an independent study of the consumption distribution in the rural sectors of the economy it is found that this amount of income transfer will bring nearly 11 per cent of the rural population (61 million in 1984-85) above the poverty line covering about 12 million households in the rural sector, which will almost satisfy the Plan target. Besides, a provision for moving nearly 6.1 million of the poor in the urban sector above the poverty line has been made in the Plan in terms of providing additional consumption benefits to these people mainly through public redistributive services like health, education and sanitation, housing and drinking water, and urban slum improvement programmes. Consumption expenditure in 1984-85 for the people below poverty line with redistribution of income as stipulated above would be as in Table 3.37.

3.70 Nearly 75 per cent of the farming population operate between them only a quarter of the cultivated area. Since wage employment from all sources may not make up the deficiency in their consumption, it would be essential as a poverty alleviation pro-

gramme to implement a limited measure of land redistribution. A redistribution of 5 per cent of the cultivated area from holdings above 5 acres to small farmers and agricultural labour households will have the effect of increasing income accruing to this class by about 20 per cent. In addition, a sizeable amount is expected to be transferred by NREP, which by providing jobs during the slack season, will further help in bringing these families above the poverty line.

Employment

3.71 In the field of employment the picture has been far from satisfactory. The number of people unemployed and underemployed have risen significantly over the last decade. In the above context therefore our employment policy should cover two major goals:

Reducing underemployment by increasing the rate of growth of the gainfully employed and reducing unemployment on the basis of usual status, commonly known as open unemployment.

For assessing the nature and extent of the problem and in order to develop corresponding programmes to tackle them, attempts have been made in the Plan to measure the number of full-time employed by constructing a statistical index of standard person years employed. Any individual working 8 hours a day for 273 days of the year is regarded as employed on a standard person year basis. Similarly, for defining open unemployment, definition of unemployment on the usual status basis is adopted. In analysing the employment potential of different sectors we observe that almost all industries and most of the major infrastructure activities which have high capital intensity, are very deficient in terms of employment generation. The major employment generation activities are to be found in agriculture, rural development, village and small scale industries, construction, public administration and other services. The employment generation capacity of a sector is derived by studying its past employment performance against its growth. Statistically, the employment in an activity is related as a non-linear function (double log) of either gross output or value added and in the case of agriculture as a fixed coefficient of land, the major input.

3.72 To go into more details, employment in agriculture has been based on employment norms per hectare of gross cropped area separately for HYV and local varieties, irrigated and unirrigated area under each crop using the same cropping pattern as used for the estimation of production of agricultural commodities. Employment in the mining sector has been related to the growth in physical output while in the manufacturing and electricity sectors this has been related to the growth in gross value of output using the respective employment elasticities. In the case of services, growth in employment has been considered as a function of growth in gross value added in these sectors. Employment potential of specific employment programmes has been estimated separately.

3.73 On this basis, the increase in employment (in standard person years) has been estimated. The estimates are given in Table 3.38. These estimates take into account the specific employment generation programmes in the Plan like NREP, IRDP, etc. in addition to the choice of investment and output mix of the economy. The growth of employment in the construction sector will be higher than the one presented in the table, as part of the employment generation shown against special programmes is expected to take place in construction activities.

3.74 The present estimates show that employment on the basis of standard person years will grow at 4.17 per cent per annum in the Sixth Plan period *i.e.*, at a rate much higher than the growth of labour force of 2.54 per cent per annum over the same period. In terms of absolute numbers, it means an increase in employment in standard person years by 34 million which will almost match the increase in the labour force defined as persons of fifteen years age and above, over the same period. This result can be interpreted thus: if all new employment is on full-time basis, then the total jobs created will accommodate the entire increase in the labour force. However, assuming that in reality all the newly employed cannot be on a full-time basis, there will be a greater absorption and the existing backlog of unemployment will be reduced.

Table 3.38
Estimated Sectoral Employment: 1979-80 and 1984-85
(Million Standard Person Year)

Sl. No.	Sector	1979-80	1984-85
(0)	(1)	(2)	(3)
1	Agriculture	72.184	85.237
2	Forestry & Logging	6.207	7.794
3	Fishing	1.940	2.220
4	Mining & Quarrying	0.724	0.894
5	Manufacturing	22.012	27.759
6	Construction	9.286	11.321
7	Electricity, Gas & Water Supply	0.723	0.927
8	Railways	1.662	1.704
9	Other Transport	7.109	8.677
10	Communication	0.800	0.917
11	Trade, Storage & Warehouses	13.278	16.042
12	Banking & Insurance	1.038	1.225
13	Real Estate and Ownership of Dwellings	0.028	0.032
14	Public Administration, Defence and other Services	14.119	16.042
15	Special Programmes for Employment Generation, including National Rural Employment Programme	4.000
16	Total	151.110	185.389

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Annexure 4.1
Plan Outlays of States

(Rs. crores)

States	Outlay 1980—85
Andhra Pradesh	3100.00
Assam	1115.00
Bihar	3225.00
Gujarat	3680.00
Haryana	1800.00
Himachal Pradesh	560.00
Jammu and Kashmir	900.00
Karnataka	2265.00
Kerala	1550.00
Madhya Pradesh	3800.00
Maharashtra	6175.00
Manipur	240.00
Meghalaya	235.00
Nagaland	210.00
Orissa	1500.00
Punjab	1957.00
Rajasthan	2025.00
Sikkim	122.00
Tamil Nadu	3150.00
Tripura	245.00
Uttar Pradesh	5850.00
West Bengal	3500.00
<i>Special Area Programmes</i>	
Hill Areas	560.00
Tribal Areas	470.00
North Eastern Council	340.00
Other Unclassified	26.00
TOTAL	48600.00

Annexure 4.2

Plan Outlays of Union Territories

(Rs. crores)

Union Territories	Outlay 1980—85
Andaman and Nicobar Islands	96.60
Arunachal Pradesh	212.00
Chandigarh	100.75
Dadra and Nagar Haveli	23.09
Delhi	800.00
Goa, Daman & Diu	192.00
Lakshdweep	20.35
Mizoram	130.00
Pondicherry	71.55
Other Unclassified	3.66
TOTAL	1650.00

	Head
I. <i>AGRICULTURE</i>	
	Agriculture
	Crops
	Soil
	Animals
	Fish
	Forestry
	Land
	Manure
	Agricultural
	Food
	Investment
II. <i>RURAL</i>	
	Integration
	National
	Communities
	Cooperation
	Special
III. <i>SPECIAL</i>	
	Hill
	Tribes
	North
	Development
IV. <i>IRRIGATION</i>	
	Major
	Minor
	Communities
	Flood
V. <i>ENERGY</i>	
	Power
	New
	Petro
	Coal
VI. <i>INDUSTRY</i>	
	Village
	Large

Annexure 4.3
Sixth Five Year Plan—Public Sector Outlays

(Rs. crores)	(Rs. crores)
Outlay 1980—85	
Head of Development	Centre States Union Territories Total
I. AGRICULTURE	2450.13 3119.02 125.92 5695.07
Agricultural Research and Education	340.00 197.67 * 537.67
Crop Husbandry	293.00 906.50 34.48 1233.98
Soil and Water Conservation	90.00 323.16 20.41 433.57
Animal Husbandry and Dairying	398.00 430.56 22.82 851.38
Fisheries	174.00 185.13 12.29 371.42
Forestry	105.00 559.54 28.10 692.64
Land Reforms	30.10 272.62 1.91 304.63
Management of Natural Disasters	15.00 — — 15.00
Agricultural Marketing	46.65 48.55 0.91 96.11
Food, Storage and Warehousing	294.00 38.61 5.00 337.61
Investment in Agricultural Financial Institutions	664.38 156.68 — 821.06
II. RURAL DEVELOPMENT	2314.87 3020.03 28.87 5363.73
Integrated Rural Development and related Programmes	997.55 } 1508.09 1.00 3486.64
National Rural Employment Programme	980.00 }
Community Development & Panchayat Institutions	7.17 335.29 9.74 352.20
Cooperation	330.15 566.00 18.09 914.24
Special Employment Programmes	— 610.65 — 610.65
III. SPECIAL AREA PROGRAMMES	— 1480.00 — 1480.00
Hill Areas	— 560.00 — 560.00
Tribal Areas	— 470.00 — 470.00
North Eastern Council	— 340.00 — 340.00
Development of Backward Areas	— 110.00 — 110.00
IV. IRRIGATION AND FLOOD CONTROL	635.00 11395.48 129.55 12160.03
Major and Medium	90.00 8301.46 56.90 8448.36
Minor	70.00 1710.70 29.60 1810.30
Command Area Development	300.00 555.92 0.35 856.27
Flood Control including Anti-Sea Erosion	175.00 827.40 42.70 1045.10
V. ENERGY	11995.00 14293.56 246.88 26535.44
Power	4725.00 14293.56 246.88 19265.44
New and Renewable sources of Energy	100.00 — — 100.00
Petroleum	4300.00 — — 4300.00
Coal	2870.00 — — 2870.00
VI. INDUSTRY & MINERALS	12771.47 2185.86 60.24 15017.57
Village and Small scale	923.40 815.11 41.94 1780.45
Large and Medium	11848.07 1370.75 18.30 13237.12

*Included under Crop Husbandry.

Annexure 4.3—Continued

(Rs. crores)

Head of Development	Centre	States	Union Territories	Total
VII. TRANSPORT	8418.64	3797.34	285.99	2411.97
Railways	5100.00	—	—	5100.00
Roads	830.00	2398.87	210.09	3438.96
Road Transport	70.00	1111.40	14.15	1195.55
Ports	575.00	63.85	43.75	1414.60
Light Houses	12.00			
Shipping	720.00	24.36	2.30	71.66
Inland Water Transport	45.00			
Civil Aviation	850.00	6.30	2.80	859.10
Meteorology	43.00	—	—	43.00
Tourism	72.00	102.56	12.90	187.46
Farakka Barrage	50.00	—	—	50.00
INSAT—Space Segment	51.64	—	—	51.64
VIII. COMMUNICATIONS AND INFORMATION AND BROADCASTING	3101.98	28.61	3.67	3134.26
Communication	2810.00	0.15	0.12	2810.27
INSAT—Space Segment	51.65	—	—	51.65
Broadcasting & Television	210.33	—	—	210.33
Information & Publicity	30.00	28.46	3.55	62.01
IX. SCIENCE AND TECHNOLOGY	848.15	17.05	—	865.20
Atomic Energy;	248.98	—	—	248.98
Space	245.80	—	—	245.80
Scientific Research	304.87	17.05	—	321.92
Ecology and Environment	40.00	—	—	40.00
National Test Houses	8.50	—	—	8.50
X. SOCIAL SERVICES	4453.42	8830.88	750.96	14035.26
Education				
(a) General Education	515.75	1493.09	153.39	2162.23
(b) Art and Culture	51.00	31.85	1.05	83.90
(c) Technical Education	168.00	99.13	10.48	277.61
Health Including Medical	601.00	1091.19	128.86	1821.05
Family Planning	1010.00	—	—	1010.00
Housing	300.00	1065.95	124.92	1490.87
Urban Development	110.00	780.77	106.76	997.53
Water Supply & Sanitation	614.22	3123.65	184.15	3922.02
Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	240.00	709.00	11.30	960.30
Special Central Additive for Scheduled Caste Component Plans	600.00	—	—	600.00
Social Welfare	150.00	109.78	12.19	271.97
Nutrition	14.95	214.55	8.64	238.14
Labour & Labour Welfare	78.50	111.92	9.22	199.64
XI. OTHERS	261.34	522.17	17.96	801.47
Statistics	68.87	24.56	2.01	95.44
Rehabilitation of displaced persons	154.12	—	—	154.12
Planning Machinery	20.07	—	—	20.07
Stationery and Printing	12.00	26.06	1.49	39.55
Public Works	—	190.30	4.87	195.17
Training for Development	2.28	—	—	2.28
Other unclassified Services	4.00	281.25	9.59	294.84
Total (I to XI)	47250.00	48600.00	1650.00	97500.00

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RESOURCES FOR THE PLAN

Table 5.1

Estimates of Gross Domestic Saving, Investment and Aggregate Resources 1980—85

(Rs. crores at 1979-80 prices)

Sl. No.	Item	Amount
(0)	(1)	(2)
1	Public saving	34200
2	Private saving	115447
3	Aggregate Domestic Saving	149647
4	Net inflow from abroad	9063
5	Total saving available for gross investment	158710
6	Current Development outlay in the public sector	13500
7	Aggregate Resources	172210

DOMESTIC SAVING

5.4 Of the total domestic saving of Rs. 149,647 crores, public saving, comprising savings of Government, public sector non-financial enterprises (including departmental enterprises) and public sector financial enterprises has been estimated at Rs. 34200 crores. The balance of Rs. 115447 crores is accounted for by private saving comprising corporate, cooperative and household saving. The composition of the total domestic saving is shown in Table 5.2.

5.5 Public saving accounts for 22.9 per cent of the total domestic saving estimated for the Plan period, while the balance of 77.1 per cent represents saving generated in the private sector. Within the private sector, household saving dominates with a share of as much as 70.1 per cent of the total domestic saving. The details of estimates of private saving are given in Table 5.3.

Planning involves generation, distribution and utilisation of productive assets. The generation of physical assets takes place through private or public institutions. So does the generation of financial resources which are a counterpart, so to say, of the process of creation of physical assets. In this Chapter, an analysis has been made of the financial resources likely to be generated and the funds needed for investment in different sectors of the economy. These resources are derived from domestic and foreign sources. The uses of financial resources may deviate from their sources by transfers between the public and private sectors and also by the activities of financial intermediaries. In the planning exercise, a matching between the needs of the different agencies for investment and the financial resources which can be made available through financial intermediaries and fiscal measures is carefully examined with the help of an appropriate accounting model.

5.2 The estimates of resources of the public sector and the underlying policy assumptions are described in this Chapter. A broad indication is also given of the resources required by the private sector and the availability of such resources. The estimates of financial resources as well as of outlays have been made at 1979-80 prices. However, due account has been taken of the rise in prices that has occurred in 1980-81 in assessing the purchasing power of resources and the growth potential of the economy. Some adjustments in outlays and the target of additional resource mobilisation have been made so as to protect, to the extent possible, the real volume of investment, in face of rise in project costs in 1980-81.

5.3 The aggregate resources for the Sixth Five Year Plan 1980—85, are placed at Rs. 172210 crores, consisting of an investment outlay of Rs. 158710 crores and current development outlay in the public sector of Rs. 13500 crores. The investment outlay is to be financed through domestic saving of Rs. 149647 crores and net inflow of funds from abroad to the extent of Rs. 9063 crores, as shown in Table 5.1.

CHAPTER 7

POLICY FRAMEWORK

The Plan is primarily a set of consistent and feasible investment programmes designed to achieve the targets of output and generation of surpluses for development in different sectors of the economy; but in order to ensure that the programmes move as scheduled and to bring about the requisite direction and effort in the wideranging economic activities of the people, corporate and non-corporate entities and government machinery itself, it is necessary to indicate the framework of policies affecting these activities as an integral part of the Plan. The success of the Plan depends on many factors among which the choice of the correct policy framework must be rated as crucial.

7.2 Such a policy framework has to embrace mobilisation of savings, supply and demand management, measures for improving the performance of the public sector and adoption of specific steps required for the attainment of the objectives of the Plan in different sectors of the economy: accelerated growth in agriculture, pursuit of a well coordinated energy policy aiming at reduced dependence on imported oil, promotion of employment including self-employment, reduction of regional disparities, protection of environment and ecological balance, family planning and welfare and so on. An attempt is made in this Chapter to indicate the underlying assumptions of the Plan in respect of some of these matters and the kind of policy measures which will need to be adopted from time to time. A more elaborate treatment of the issues involved is given in the relevant Chapters of the Plan.

GROWTH WITH STABILITY

7.3 A major task of economic policy in the Sixth Plan is to create the necessary conditions for the mobilisation of resources for development in a non-inflationary manner. The control of inflation and generation of stable price expectations are crucial for a successful implementation of the Plan. However, anti-inflationary policies must be so devised as to facilitate basic structural changes which are essential for a progressive increase in the country's productive potential. This is by no means an easy task even under normal conditions. It is rendered all the more difficult when the international environment is highly inflationary, the outlook for the country's terms of trade and external payments is unfavourable and there are bottle-necks in certain critical domestic sectors (like power, coal, rail transport) which fan inflationary expectations and can be overcome only

gradually. In the background of such difficult external and internal conditions, the rate of inflation can be reduced only gradually. A great deal of ingenuity and imagination will be needed to devise effective economic policies to cope with inflationary pressures.

7.4 Sensible demand management policies will continue to be an important element of an effective package of anti-inflationary policies. Fiscal and monetary policies will have to be so designed as to prevent an excessive growth of money supply. Due attention will have to be paid to the proper phasing of investments so that inflationary pressures are not accentuated. If demand management policies are not to hurt the country's longer term growth prospects, major emphasis must be laid on curbing the growth of conspicuous consumption, preventing diversion of investible resources into low priority activities and on promoting savings so that investment requirements of accelerated growth can be financed in a non-inflationary manner. Thus fiscal and monetary policies will need to provide positive encouragement to savings, particularly to savings in the form of assets which are under social control.

7.5 In Indian conditions, agricultural prices are the kingpin of the price structure. Thus fluctuations in agricultural output can give rise to a price spiral which is not easily controlled by demand management policies once it gets started. In the long run, an increase in agricultural production and a reduction in the amplitude of fluctuations will no doubt contribute to greater stability of the price level. In the short run, the effects of fluctuations in weather conditions on the price level can be moderated if adequate buffer stocks of important agricultural products like food-grains, cotton, and sugar are built up and these are accompanied by an effective system of public distribution of essential commodities.

7.6 Recent experience shows that bottlenecks in certain critical sectors like power and transport can have a significant bullish effect on price expectations. These factors, together with the inevitable adjustments in prices demanded by an era of rising energy costs, bring out the growing importance of structural factors in generating inflationary pressures. To this extent, inflation has acquired a structural character. Thus, in any viable anti-inflationary strategy, adequate emphasis on supply management—involving both fuller utilisation of existing capacities and growth of these capacities over time—must go hand in hand with demand management. Indeed, in a situation in

which India is terms of trade both in agriculture maintaining a reasonable increase in framework of

MOBILISATION

7.7 The size of the pattern of output and including infrastructure in view of maintaining a demand and important raw materials implementation the realisation of these, therefore, of view of ensuring measures that are indicated

Fiscal Policies

7.8 The scope described in the Plan as to be essential calls for additional resources by the Government their enterprise to be restricted

7.9 As a result of taxation expenditure national income is thus only resources in the form of taxes, the per capita through income are somewhat evasion through machinery for in the tax law adjustment of as well as so

7.10 Direct taxes constitute less than 10% of income. Land tax on agriculture consequently minimum subsidies agricultural or concessional in-comes, therefore, necessary additional resources introducing taxation. C that this does increase pro

7.11 The has been c

which India is faced with a sharp deterioration in her terms of trade, a significant increase in productivity, both in agriculture and industry, is essential for maintaining a reasonable degree of price stability. Such an increase in productivity can materialise only in the framework of an expanding economy.

MOBILISATION OF RESOURCES

7.7 The size of the Plan, its scheme of financing, the pattern of allocation of resources, the composition of output and the physical targets for various sectors including infrastructure etc. have been arrived at keeping in view the objective of accelerated growth while maintaining a reasonable balance between aggregate demand and supply of essential goods and services, important raw materials and other key inputs. The implementation of the Plan according to schedule and the realisation of the targets in different sectors is, therefore, of crucial importance from the point of view of ensuring relative price stability. The policy measures that need to be adopted in different areas are indicated below.

Fiscal Policy

7.8 The scheme of financing the Plan, which is described in detail in Chapter 5, has been so designed as to be essentially non-inflationary in character. It calls for additional resource mobilisation of Rs. 21,302 crores by the Central and State Governments and their enterprises while deficit financing is proposed to be restricted to Rs. 5,000 crores.

7.9 As a result of progressive increases in tax rates, taxation expressed as a percentage of the country's national income now stands at 20 per cent. There is thus only a limited scope for raising additional resources through taxation. In the field of direct taxes, the possibilities of raising additional resources through income tax, corporation tax and wealth tax are somewhat limited. There is need to check tax evasion through a strengthening of the administrative machinery for tax collection, plugging the loopholes in the tax laws and also through an imaginative adjustment of tax policy so as to reduce the incentive as well as scope for such evasion.

7.10 Direct taxes on agriculture at present constitute less than 1 per cent of the total agricultural income. Land revenue, which is the principal direct tax on agriculture, is generally a flat rate levy and, consequently, regressive in character. Fixation of minimum support and procurement prices for major agricultural crops and provision of various inputs such as fertilisers, irrigation and electricity at subsidised or concessional rates have helped raise agricultural incomes, particularly of large farmers. It is, therefore, necessary to consider measures for raising additional resources from the agricultural sector and introducing a measure of progressivity in agricultural taxation. Care should, however, be taken to ensure that this does not in any way affect the incentives to increase production and productivity.

7.11 The resource base of the Indian fiscal system has been considerably eroded, among other things,

due to the inability of the public sector enterprises to generate adequate resources for the expansion of public sector investment. In the case of Central Government's industrial and commercial enterprises, which accounted for an investment of over Rs. 15,600 crores at the end of March, 1979 the projections made for the Plan period on the basis of 1979-80 pricing policies imply a rate of return on capital employed of about 8 per cent. This should be raised to at least 10 per cent by the end of the Plan period. For this purpose, it would be necessary to improve management increase capacity utilisation, reduce inventories and adopt appropriate pricing policies. The Railways and Posts and Telegraphs are also expected to raise substantial additional resources.

7.12 In the States, the Electricity Boards are incurring huge losses. In the case of irrigation, the gross receipts are not sufficient to cover even the working expenses. Most of the State Road Transport Corporations are also making losses. It would be necessary for these undertakings to improve their financial performance through a revision of tariffs, water charges and taxes and other suitable measures.

7.13 Another area which offers scope for contribution to the Plan resources is reduction of subsidies by both the Centre and the States. The Central Government has already reduced the net burden of fertiliser subsidy by increasing its prices. Further, while increasing the procurement prices of rice and other kharif cereals, the Central Government has also simultaneously decided to increase their issue prices to avoid additional subsidy. It is recognised that it may not be possible to eliminate altogether the subsidies that exist at present. Nevertheless a significant reduction in subsidies from the level budgeted for 1980-81 is necessary to raise the required order of resources for the Plan.

7.14 It will also be necessary for the Central and State Governments to take measures to improve tax collections, curb tax evasion and observe strict fiscal discipline. Severe restraints will have to be imposed on the growth of non-Plan and unproductive expenditure. In particular, there is no basis for the assumption that every item of non-Plan expenditure should automatically register growth at a certain minimum rate every year.

7.15 The possibilities of mobilising local resources for local use need to be fully explored. Block level committees and village panchayats could be given powers to raise specified resources, including land revenue, for deployment on local development schemes. The experience of some States demonstrates the usefulness of market cesses, for instance, in mobilising additional resources. In small towns and metropolitan areas also, local authorities have not fully tapped the resources through appropriate means available to them. Rent control and the consequent low valuation of properties, have the effect of eroding the tax base of local authorities; they in turn depend for resources for local programmes of development and improvement on the State Governments. The question of municipal finance needs to be reviewed in all its aspects.

7.16 Finally, it would be necessary to adopt further measures—fiscal, monetary and others—to increase savings. In so far as this contributes to the increase in financial savings in the form of bank deposits, life insurance premia and contribution to provident funds, there would be an increased flow of resources for the public sector Plan through market borrowings; an increase in small savings and provident fund accumulations of Government employees would flow directly to the public sector.

7.17 Studies in the Planning Commission indicate that the Indian fiscal system does not have adequate built-in elasticity to generate additional resources automatically for financing higher project costs in the wake of inflation. If, therefore, prices continue to rise, leading thereby to a rise in project costs, the additional resource mobilisation in nominal terms may have to be higher than indicated above if the real size of the Plan is to be protected. Any resort in such a situation to an increase in deficit financing to cover the gap between the desired level of Plan outlay and available resources will have to be scrupulously avoided as this would accentuate inflationary trends and create distortions in the structure of the Plan.

Monetary and Credit Policies

7.18 Money supply increased by over 13 per cent in 1979-80 (after adjustment for the change in the classification of demand and time deposits). This order of increase in money supply in the context of a decline in both agricultural and industrial production was an important factor contributing to the price rise in that year. Its impact was all the more severe as it came over and above the substantial increase in money supply that had taken place in the preceding years. The rate of growth of money supply has, however, decelerated in 1980-81 and this has helped materially in restraining the price rise in the last few months.

7.19 Monetary and credit policies, while aiding the process of economic and social development in line with the priorities of the Plan, have to be so designed as to help maintain a balance between the aggregate demand and supply of goods and services. For this purpose, it would be necessary to ensure that the growth of money supply over the Plan period bears a reasonable relationship with the increase in national income.

7.20 This would require coordination of fiscal, monetary and credit policies so that deficit financing by the Government, credit to public agencies or agencies designated by the Government for purchase of foodgrains and other commodities as well as credit to the commercial sector taken together do not lead to an excessive increase in money supply. The anticipated deficit in the balance of payments would provide some cushion for monetary growth. On the other hand, food credit, which has declined since 1979-80 as a result of the reduction in food stocks, may be expected to go up with the rebuilding of food stocks. Procurement of other commodities under

price support operations or for the purpose of public distribution would add to the requirements of credit. Proper planning in regard to the deployment of monetary and credit resources is, therefore, of utmost importance.

7.21 Credit policy is being reoriented to meet increasingly the needs of the poorer and weaker sections of the community in order to increase their productive capacity. It has been decided to increase the proportion of advances to the priority sectors, comprising agriculture, small-scale industry, retail trade and small business, professional and self-employed persons etc., from 33 1/3 per cent of total bank advances in 1979-80 to 40 per cent by 1985. Further, out of the total advances to the priority sectors, at least 40 per cent will be extended to the agricultural sector. To ensure a larger flow of funds to the weaker sections, separate targets are to be fixed for them within the priority sector lending for agriculture and small-scale industries, which account for a predominant share of the total priority sector lending.

7.22 The monetary and credit trends would need to be monitored closely and may be reviewed periodically with a view to determining whether any corrective measures are needed. The level and pattern of interest rates will also need to be kept under constant review in the light of the evolving economic trends. There is evidence to suggest that savings in the form of deposits with financial institutions and certain other types of financial assets are responsive to changes in the rates of interest. Interest rate policy can thus be effectively employed for augmenting savings, in addition to its use in the regulation of credit expansion by increasing the cost of inventories and speculative hoarding. The interest rates must also reflect the relative scarcity of capital and the need to promote labour intensive techniques of production. It will, of course, be necessary to ensure that the interest rates are not too high for the poor and weaker sections or for investment in high priority areas. This could be taken care of by differential rates of interest on a selective basis.

Income Policies

7.23 The existence of wide disparities in incomes and living standards inevitably creates an atmosphere in which it is extremely difficult to secure discipline and dedicated effort in major areas of economic activity. On the other hand, given the fact that the vast bulk of the incomes are generated in the agricultural sector and among those who are self-employed, it is not easy to design an incomes policy on the same pattern as that attempted in some of the western countries. The paramount need to promote a sustained increase in agricultural productivity requires maintenance of adequate incentives for the farmers; similarly incentives for private industrial investment are also required consistent with the objective of avoiding concentration of wealth and economic power. None of these considerations, however, come in the way of creating a general climate of austerity and against conspicuous consumption.

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7.24 An incomes policy as such has to derive its rationale from the objective of the Plan. It has to aim at reducing the existing disparities in order to bring about a more rational and equitable pattern of income distribution. Besides, it must help in stabilising the prices. In fact, the success of the incomes policy itself is better assured under conditions of price stability.

7.25 In spite of the various measures taken so far, there has been no significant dent yet in the problem of income disparities. While this is attributable partly to the limitations of the measures adopted and shortcomings in their implementation, the development process itself has also tended to benefit more the favourably placed sections of the community. The recurrence of the inflationary phenomenon has further accentuated the distortions in income distribution. The problem is extremely complex on account of the skewed distribution of assets on the one hand and the deep-rooted historical socio-economic factors on the other. The need to provide adequate incentives for increased efficiency and productivity renders the task income redistribution even more difficult.

7.26 In a country where nearly half of the population lives below the poverty line, the most important task of the incomes policy has to be to increase the income levels of the poorer and weaker sections. One of the major objectives of the Plan is, therefore, to progressively reduce the incidence of poverty and unemployment and improve the quality of life of the people. The household-centred poverty alleviation strategy under the Integrated Rural Development Programme, development of agriculture and ancillary activities, promotion of cottage, village and small industries and creation of additional employment under the National Rural Employment Programmes are among the important measures designed to achieve this objective. In addition, the Minimum Needs Programme would provide certain amenities to the people in the form of drinking water, elementary education, health care, house sites to the landless labour, etc. Further, the purchasing power of the incomes of the poorer and weaker sections of the community would be protected through the supply of essential consumer goods at reasonable prices under the public distribution system.

7.27 At the same time it is essential to exercise some control on high incomes as well as on non-functional incomes. Reliance will have to be placed mainly on fiscal policy and measures such as industrial licensing, regulation of monopolies and restrictive trade practices, etc. It is of utmost importance in this context to tighten up tax administration and curb tax avoidance and evasion. Expansion of the public sector will also help indirectly in preventing accrual of large incomes at the top level. There are ceilings on income in the public sector and certain guidelines have also been adopted for fixing the emoluments of top executives in the corporate sector. However, suitable differentials in emoluments in favour of managerial and high skill jobs will have to be permitted in order to attract the best people to these jobs.

7.28 In regard to wages, there is marked disparity between the organised and unorganised and urban and rural sectors. One of the main problems is that of lower wages than the prescribed minimum. It is therefore, necessary to enforce the Minimum Wages Act and to undertake periodical revision of the minimum wages notified under the Act. The real solution to the problem, however, lies in increasing substantially the employment opportunities and bringing about a better balance between the demand for and supply of labour. Measures to impart skills and promote diversification of occupations could contribute further to an improvement in wages.

7.29 Wage levels in the organised sector vary not only between regions and industries but even among units in the same industry. These are related neither to the nature of occupations nor to the level of skills. These anomalies and disparities have resulted in social tensions and industrial unrest. There is, therefore, need for bringing about a greater rationalisation of the wage structure and linking of wages at least in some measure to labour productivity. This can be done only with the full and willing cooperation of workers and their representatives and the success of any such attempt will depend a great deal on the pursuit of policies conducive to reduce the disparities in income and consumption. In an environment which promotes economic discipline generally, it should be possible to ask those who are fully employed, both wage earners as well as others to accept some restraint on the growth of their consumption in the interest of those who are under-employed or unemployed. In the medium to longterm, real wages must be allowed to move with gains in productivity in the economy as a whole; but such a policy may still require those engaged in occupations with rapidly rising productivity to accept a somewhat lower increase in earnings in order to permit a measure of equity *vis-a-vis* occupations in which productivity growth is likely to be small. Also, in the immediate period ahead, there should be less insistence on improvements in real incomes on the part of those who are fully employed to help establish expectations of price stability, so important for mounting the development effort called for by the Plan. There is also urgent need to generate a climate in favour of modernisation in industry and adoption of new techniques which help in increased productivity, without being detrimental to employment. In the small and decentralised sectors the scope for technological improvement is quite considerable and this must be explored to the full.

Pricing Policy

7.30 In view of the increases in demand on account of the increase in population as well as the growth of incomes, the durable solution to the problem of maintaining a proper macro-balance between demand and supply would essentially lie in increasing the production and availability of goods and services in relation to the growing demand. This would be specially necessary in the case of basic consumer goods and essential raw materials and other inputs

It is important, therefore, that the targets of production both in agriculture and industry are realised and, for this purpose, the various programmes, schemes and policy measures included in the Plan are effectively implemented. As recent experience indicates the increase in production would critically depend on adequate and timely availability of the basic facilities such as power and transport. Particular attention has, therefore, to be given to improving and developing the infrastructure so as to ensure that constraints in these sectors do not hamper growth. It would also be necessary to improve the monitoring system, so that remedial measures are taken expeditiously as and when necessary.

7.31 Overall stability of prices does not mean rigidity in prices. Changes in relative prices may occur in response to changes in the demand-supply situation. These may also have to be induced to influence resource allocation in order to achieve the desired pattern of consumption, production and investment. The policy in regard to agricultural and industrial commodities is discussed below.

7.32 *Agricultural commodities:* Prices of agricultural products exercise a significant influence on the general price level as several of the essential articles of mass consumption as well as some of the industrial raw materials are agriculture based. In fact, prices of foodgrains act as a pace setter in the behaviour of general prices. Food and food products account for a weight of over 60 per cent in the All India Consumer Price Index for Industrial Workers and of over 75 per cent in the Consumer Price Index for Agricultural Labour. In the Wholesale Price Index, agricultural and agriculture based products account for more than half of the total weight. The output of agricultural commodities is not only subject to year to year fluctuations but the demand for these being generally inelastic, a marginal rise or fall in their output causes a disproportionate increase in prices. Maintenance of relative stability and reduction in seasonal fluctuations in their case is, therefore, of vital importance.

7.33 Since fluctuations of agricultural production tend to generate instability of prices and, in the lean years, trigger inflationary pressures, an important instrument of maintaining price stability is the establishment of adequate buffer stocks in as many of the essential commodities as possible. A buffer stock of about 15 million tonnes in respect of foodgrains, for instance, is considered absolutely necessary in order to minimise the impact of weather fluctuations on their availability and prices. Buffer stocks for the articles of common consumption will need to be created as the situation permits and marginally with the help of imports, to the extent feasible.

7.34 Minimum support/procurement prices are fixed for major agricultural commodities each year on the basis of the recommendations of the Agricultural Prices Commission (APC). In making its recommendations, the Agricultural Prices Commission is expected to take into account the need for a "balanced and integrated price structure in the perspective of overall needs of the economy and with due regards to

the interests of the producer and the consumer". Accordingly it takes into account all relevant factors such as the demand and supply situation in respect of individual commodities, cost of cultivation, changes in terms of trade between agricultural and non-agricultural sectors, prices of competing crops, etc.

7.35 It is hardly necessary to emphasise that the farmers need to be provided remunerative prices so as to ensure that they have adequate incentive to produce more and improve productivity. In determining remunerative prices, due account will have to be taken of the cost of production and other relevant factors, including changes in terms of trade, overall needs of the economy and interests of consumers. At the same time, the various programmes and schemes designed to increase yields should be effectively implemented to reduce unit costs. Improvement in management practices can also help in reducing costs. Moreover, it is necessary to bring about an improvement in marketing to reduce the excessive share going to the middlemen and ensure better realisation for the farmers. There is also need to improve the efficiency of the public procurement purchase agencies and increase the area of their operation whenever necessary.

7.36 Over time, the pattern of relative prices of agricultural commodities has to be such as to promote the desired pattern of crop production. However, in the case of commodities like pulses and oilseeds, where there is an imbalance between demand and supply, the use of the price instrument alone may not be sufficient to bring about the desired level of production. The main solution would seem to lie in technological break-through, and institutional improvements.

7.37 *Industrial Commodities:* In the interest of overall price stability, it will also be necessary to control or regulate the prices of certain essential industrial products, particularly basic consumer goods and important industrial or agricultural inputs. Care has, however, to be taken to limit price control and regulation measures, or the system of administered prices, to as few commodities as possible.

7.38 Administered prices are generally fixed on the recommendations of an expert body like the Bureau of Industrial Costs Prices (BICP) or, in the case of certain public enterprises, of specially constituted Inter-Ministerial Committees or Groups. While recommending prices, the BICP normally goes by the guidelines for price fixation prescribed by the Government and *inter alia*, takes into account the cost of more efficient firms which account for a large percentage of the total output (to ensure a certain level of efficiency in production), the optimal norms of consumption of raw materials and energy as well as capacity utilisation and provides a fair rate of return on net worth, depending on differences with respect to factors such as risk, priority, growth prospects, etc. In order to reconcile the interests of consumers as well as producers, a system of retention prices for different producers on the basis of costs of production on the one hand and uniform sale price for consumers on the other has been recommended and is in operation.

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7.39 The principal of fair return is relevant to public enterprises as well. However, these enterprises are generally engaged in the provision of infrastructural services or in the manufacture and supply of basic industrial materials such as coal, steel and POL, or agricultural inputs such as fertilisers and the increase in their prices generally has a cascading effect. Hence, an attempt has been made to keep down their prices. This, together with managerial deficiencies and other factors, has resulted in inadequate resource generation by public enterprises, losses in some of them and a heavy draft on the public exchequer. It has also meant supply of goods and services produced in the public sector at subsidised prices even for non-priority uses, and, consequently, accentuated the imbalances between demand and supply. Further, a delay in the revision of prices results in the subsequent revisions having to be of a substantial order. In the interest of making public enterprises viable, enabling them to play their assigned role and raising additional resources for development, there is need for rationalising their pricing policies in a phased manner. While doing so, due weight will also have to be given to considerations of social costs and benefits.

7.40 It may be noted that in a number of public enterprises, there is sub-optimal utilisation of the existing capacities due to various factors, particularly infrastructural constraints and managerial deficiencies. Besides, delay in the implementation of projects has resulted in costs over-runs. Substantial improvement in the working of public enterprises as well as in the execution of projects is, therefore, necessary to increase production, reduce costs and improve the rate of return. Enterprises in both the public and private sectors have, therefore, to strive to achieve greater efficiency and reduce costs through the adoption of modern management techniques, better inventory control, etc. Wherever economies of scale exercise an important influence on the cost of production, the expansion of existing enterprises has to be preferred to setting up of new plants. Tariff policies may also be reviewed to avoid excessive protection to indigenous industries and induce them to improve their competitiveness.

PUBLIC DISTRIBUTION SYSTEM

7.41 From the point of view of maintaining stable price conditions, an efficient management of the supplies of essential consumer goods is of crucial importance. The demand for such commodities being largely inelastic, even a marginal fall in their output and availability often leads to a disproportionate increase in prices. Further, as most of these commodities are agriculture-based, their prices are subject to large seasonal variations. Public distribution will, therefore, have to play a major role in ensuring supplies of essential consumer goods of mass consumption

to people at reasonable prices, particularly to the weaker sections of the community.

7.42 A large proportion of agricultural products—foodgrains as well as industrial raw materials tends to come to the market immediately after the harvest when prices are depressed. A mechanism for buying such commodities at prices which ensure a certain minimum profit to the producers and their distribution through the public channels would provide a two-sided shield to protect the poor; in relatively easy times, they would be assured a minimum profit margin and in critical times they would receive supplies of essential commodities at reasonable prices. The public distribution system will, therefore, have to be so developed that it remains hereafter a stable and permanent feature of our strategy to control prices, reduce fluctuations in them and achieve an equitable distribution of essential consumer goods.

7.43 The public distribution system will also be necessary for operating the dual pricing arrangements in the case of certain commodities. Under these arrangements, a certain proportion of the output of the commodities involved is procured by public agencies or agencies designated by the Government at reasonable prices for distribution through approved channels, while remaining supplies may be disposed of by the producers at market prices. This would ensure availability of certain quantities of selected commodities to the consumers, particularly the vulnerable sections, at reasonable prices and at the same time allow the producers to realise on the whole a fair price for their produce.

7.44 An efficient public distribution system requires a nexus between production, procurement, transportation, storage and distribution of the selected commodities.

7.45 In the past, responsibilities for these have been fragmented and thus there has been a lack of an integrated systems of approach which alone can ensure an effective system of public distribution. It is proposed in the Sixth Plan to follow such an approach and to pay attention, apart from production and procurement, to transportation and proper storage of the commodities covered by the public distribution system. A linkage will be established among the concerned agencies in the Central and State Governments as well as public undertakings and cooperative institutions at various levels.

7.46 In view of the complexity of the problem, a selective approach is called for in the matter. The essentiality of commodities to be covered under the system has to be determined with reference to the needs of the common man. Applying this criterion, cereals, sugar, edible oils, kerosene, soft coke, controlled cloth, tea, coffee, toilet soap, washing soap, match boxes and exercise books for children, etc. could be treated as essential items for public distribution. The emphasis has to be on reaching all parts of the country, even if it means selection of a fewer essential commodities for supply through the system. Besides it is not necessary that the public distribution

system all over the country should have a standardised list of commodities. The different regions may have different preferences. Further, different commodities may assume importance in the scheme of public distribution at different points of time. But having regard to the standard of living of the vast majority of the people, it is obvious that the overwhelming majority of commodities needing the care of the public distribution system will be fairly common for the entire country. Depending on local conditions the public distribution agencies may undertake operations in respect of certain perishable commodities also, provided suitable storage facilities are available or can be provided.

7.47. For the success of the public distribution system the maintenance of the supply line of the commodities selected for distribution would be of crucial importance. Even a temporary interruption in supplies could create great hardship to the people. The Plan includes suitable programmes for increasing the production of essential articles of mass consumption. There would, however, be need for forward planning in respect of individual commodities, so that the domestic supplies could be suitably augmented by timely imports, wherever possible. Besides, adequate arrangements should be made for procurement, transportation, storage and distribution of the commodities at the Central, State and local levels. Buffer Stocking may also be desirable in respect of certain commodities. In regard to foodgrains, the Plan envisages building up of buffer stock of 15 million tonnes to minimise the impact of weather fluctuations on their availability and prices.

Infrastructure for Public Distribution

7.48 For the effective functioning of the public distribution system, it would be necessary to revamp and strengthen its infrastructure and expand the system quickly to cover all areas in the country, particularly the backward, remote and inaccessible areas. Special attention will need to be given to rural areas, as the system is relatively less developed in such areas.

7.49. At the national as well as State levels, arrangements generally exist for procuring essential commodities and supplying them through the public distribution outlets. In regard to foodgrains, the necessary operations are undertaken by the Food Corporation of India. In the case of sugar, the operations are undertaken by the Food Corporation of India in some States and Civil Supplies Corporations or co-operatives in other States. The responsibility for importing and distributing edible oils has been entrusted mainly to the State Trading Corporation of India. Soft coke is being handled by the Department of Coal and Coal India Ltd. Kerosene is being handled by the public sector corporations like Indian Oil Corporation, Hindustan Petroleum, Bharat Petroleum, etc. The production of controlled cloth has now been generally entrusted to the National Textile Corporation and distributed through the National Consumers Co-operative Federation. Similarly, tea is being procured and distributed by the National Consumers Coopera-

tive Federation and coffee supplied by the Coffee Board. The supply of match boxes is arranged through the Khadi and Village Industries Commission. As regards exercise books, the State Governments receive paper at controlled price for conversion into exercise books through their own organisations. For toilet soap, in the absence of any public sector agency, the necessary arrangements for supply are being made by the Indian Soap and Toiletries Manufacturers Association. These arrangements will need to be kept continuously under watch and suitably strengthened or modified whenever necessary.

7.50 In the States, distribution of essential commodities received from or through the Central agencies is, by and large, being handled by the State Civil Supplies Essential Commodities Corporations, State level apex consumer cooperative federations and other designated agencies. In some States like Tamil Nadu, Punjab and Kerala, the Civil Supplies Corporations have opened their own retail outlets also.

7.51 A number of States have a fairly developed system of consumer cooperatives. In 1979-80, out of the total fair price shops numbering 2.5 lakhs, nearly 72,000 were in the cooperative sector—about 58,000 in rural areas and 14,000 in urban areas. Besides, there were 470 wholesale consumer stores with 4500 branches (including 200 departmental stores) and 1500 primary stores functioning in urban areas. There are State level cooperative federations in each State and a national level cooperative consumers federation is also in existence.

7.52 The cooperatives in both urban and rural areas are selling consumer articles worth about Rs. 1600 crores per annum. The Civil Supplies Corporations' operations at the retail level are, however, rather limited. The cooperatives and Civil Supplies Corporations together, therefore, seem to be meeting only a small proportion of the essential consumer needs at present. Their share in the trade in essential commodities will need to be increased substantially in the Sixth Plan period.

7.53. For the successful operation of the public distribution system, it would be necessary to revamp and strengthen the existing arrangements. In the States where a strong cooperative movement exists, the apex body of consumer cooperatives and marketing societies may take up the responsibility of procurement storage movement and distribution of essential commodities. However, in other States, it would be necessary to set up Civil Supplies Corporation or strengthen the existing Civil Supplies Corporations Essential Commodities Corporations.

7.54 The Civil Supplies Corporations may have to construct some godowns also for meeting their requirements, where adequate godown space is not available from the Central and State Warehousing Corporations, cooperatives, etc. The Corporations will also have to build up a cadre of trained personnel. For this purpose, effective training will be necessary.

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inaccessible areas, especially areas inhabited by the tribals and weaker sections of the community because of the non-viability of operations there. The State Governments will have, therefore, to shoulder this burden through their own Civil Supplies Corporations or other suitable agencies. Some subsidy may also have to be given to retail outlets in such areas in the initial years of their operation.

7.56 In view of the weak resource base of the North-Eastern States, the Plan includes a provision for assisting such States in setting up Civil Supplies Corporations as also for assisting these corporations for constructing godowns and for subsidy to retail outlets in inaccessible areas, etc.

7.57 It would also be necessary to strengthen and expand the structure of consumer cooperatives in both urban and rural areas and increase the number of co-operative retail outlets, in order to cover effectively all sections of the community, particularly the weaker sections. Necessary provision for this purpose has been made in the Plan. The main targets are indicated below:

Consumer Cooperatives

	1979-80	1984-85
1 Fair price shops (number)		
(a) Urban	14,501	20,000
(b) Rural	57,744	80,000
2 Distribution of consumer articles (Rs. crores)		
(a) Urban	800	1600
(b) Rural	800	2000

The total number of fair price shops, including private outlets, in the country is proposed to be increased from 2.5 lakhs at present to 3.5 lakhs by the end of the Sixth Plan.

7.58 Every care will have to be taken to ensure that the retail outlets established by the Civil Supplies Corporations or those operating in the co-operative sector are economically viable. Since a considerable infrastructure of private retail outlets exists and these have generally been operating for a long time, they would continue to play an important role in the public distribution during the Sixth Plan period also.

Other Improvements in the Public Distribution System

7.59 Emphasis has to be placed on efficient and socially-oriented marketing techniques and every effort will have to be made to reduce the cost of distribution by taking advantage of the economies of bulk handling, avoiding cross movement of goods, building up a network of rural godowns and use of non-mechanised means of transport from these godowns to consumer centres as far as possible. Besides, some fast selling

items may be allotted to fair price shops in the public and co-operative sectors to improve their financial viability. They should also be encouraged to handle postal articles and family planning materials.

7.60 Coordination and linkage between the consumer and marketing cooperatives would be strengthened so that the former could procure farm products directly from the farmers. Further, with a view to enabling the cooperatives to play a larger role in the public distribution system and the supply of essential articles in the rural and urban areas, considerable expansion in the storage capacity of cooperatives is envisaged.

7.61 The usefulness of the public distribution would be enhanced through horizontal linkages with Plan programmes. For instance, mobile fair price shops may be organised at Centres where rural works are in progress. Regular fair price shops could be established in areas where large-scale employment is generated under the Plan projects and programmes. The possibilities of non-formal staffing, i.e. use of personnel on part-time basis, may also be explored in appropriate places in order to minimise costs.

7.62 In the tribal areas, it may be noted, the problem is not merely one of supplying essential consumer goods, but also of supplying the other requirements, including the requirements of production inputs, and of procuring the products of tribals at reasonable prices, since they are often exploited by the middlemen. Some arrangement may also have to be made to supply goods to tribals on barter basis. The public agencies in tribal areas will have to take up all these tasks.

Consumer protection

7.63 It is necessary to provide a measure of protection to consumers in relation to quantity, quality and prices of at least essential consumer goods. The basic legal framework for providing such protection already exists. However, it needs to be reviewed and strengthened. Steps should also be taken for more effective enforcement of the laws and the various consumer protection measures. Besides, there is need for a coordinated price policy in regard to important consumer goods in order to ensure reasonable prices of such goods.

7.64 Voluntary consumer organisations could help a good deal in ensuring effective functioning of the public distribution system and providing more effective consumer protection. There is, therefore, need for promoting such organisations in both urban and rural areas. The major thrust of voluntary organisations should be towards reaching the generality of consumers. Women should be actively involved in voluntary organisations. Where it is not practicable to organise consumer organisations, there should be no hesitation to utilise the services of established and reputed social welfare organisations. In rural areas, local representative institutions like the Panchayats may be used to create consumer awareness through meetings and dissemination of information of consumer interest.

Intelligence and information system, enforcement and training

7.65 Finally, there is need for strengthening the intelligence, early warning and demand-supply management information system. It would be necessary to have an effective and integrated system at different levels. Based on the intelligence reports, prompt action should be taken at the block, district, State or Central level as the case may be. The enforcement machinery should be strengthened. Provision has also to be made for proper training of the personnel required for the collection of information, analysing it, monitoring the supply system and enforcing the legal provisions.

FOREIGN TRADE POLICIES

7.66 A major task facing the country is to reduce its dependence on imported energy and generally to promote exports and invisible earnings in an effort to secure self-reliance. It should be obvious, but often is not, that self-reliance does not mean self-sufficiency in all sectors of the economy. So long as the country is able to pay its way, it cannot be said to be dependent on others. The choice of the outputs to be produced domestically and those to be imported should then depend broadly on economic calculus and the long-term comparative advantage which the economy enjoys. While it may be necessary in respect of the basic and strategic sectors of the economy for Government itself to make such a choice, it should be possible in the rest of the economy to leave the choice to be made on the basis of criteria of rates of return. Given the resource constraint, the present skewness in income distribution and the balance of payments problem facing the country in the immediate future, there cannot be a question of adopting anything like a free trade policy. A considerable restraint on imports is inevitable, whether it is imposed through tariffs or import restrictions or both. A rapid increase in the domestic production of petroleum, fertilisers, cement, steel and vegetable oils is essential in order to contain growth of imports within reasonable limits. In addition, adequate stress will continue to be laid on promoting import substitution in activities where the country has a distinct long-term comparative advantage. Simultaneously, there is need to recognise, as has been done in recent years, that foreign trade policies should be such as not to come in the way of a rapid and wide ranging growth of exports. The system of incentives and disincentives should thus be neutral to the maximum extent possible as between export promotion and import substitution. This is not to deny that there could be a conflict as between different objectives of the Plan and that in making a choice of the appropriate foreign trade policy it would be necessary to keep in mind the other objectives of the Plan as well. When it comes to exports, however, it seems clear that over the next five years or so the balance of payments prospects facing the country are such that it can ill-afford not to give high priority to the promotion of exports and other foreign exchange earning activities.

7.67 To a considerable extent, the task of achieving the growth of 9 to 10 per cent a year in export volume

will be greatly eased if inflation is brought under control. The most rapid growth of exports in recent history has been during the two years when our rate of inflation was well below that in the rest of the world. The prospects are for a further increase in the price of oil which would transfer resources from the rest of the world to the OPEC countries. We must continue our endeavour to capture as large a share as possible in the imports of the OPEC countries, which may be expected to continue to grow even if at a slower rate than in the past. As the scope for earnings from remittances of migrant workers is likely to be limited, we will need to enlarge opportunities for exports of commodities, technology and enterprise to these countries. In developing a general strategy of export growth, it is necessary to identify specific areas of relevance for exports to OPEC and give them a priority treatment. A case in point is the production and export of vegetables and fruits. The Plan provides for special schemes for intensive cultivation in areas in the vicinity of easy air transport. Procedural and other obstacles in the way of Indian enterprises seeking to establish permissible business in the OPEC countries, e.g. construction activities—should be removed after a quick review of the present position.

7.68 A sustained increase in exports over a period of years cannot be achieved in the absence of a stable policy environment governing exports as well as production for export and production generally. Frequent changes in policies create uncertainty which is detrimental to the establishment of a stable market abroad and to risk-taking inherent in investment decisions. The environment for production also has to be such as to enable enterprising individuals, agencies and corporations to exploit the available opportunities to the full. Except in very special cases, any conflict between objectives must therefore be resolved in favour of exports. On a broad review of the current policies, it would appear that maximum attention will need to be given in the coming years to:

- (a) Removing the disadvantages which exports suffer because of the restrictions on imports;
- (b) Removing obstacles to the expansion of capacity for export;
- (c) Streamlining the existing cash compensation and other schemes intended to remove the disadvantages suffered by exports on account of taxation and physical controls operating in the economy;
- (d) Ensuring that Government intervention in the foreign trade policies is such as not to discriminate against exports and production for export, there is a case for making exporting marginally more profitable than import substitution, in view of the need to diversify export trade which involves capturing new markets abroad and retaining them; and
- (e) Maintaining adequate links with technological developments abroad so that our export capability is not hurt by outdated technology.

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7.69 An effort has been made in the Sixth Plan to provide investments necessary to remove the infrastructure bottlenecks—e.g. in power and transport and to the extent that this effort succeeds, the environment for increased production and export will improve. A tight control on domestic demand will similarly help the export effort.

POLICIES FOR ACCELERATED GROWTH IN AGRICULTURE

7.70 The Sixth Plan aims at an annual average increase of 3.9 per cent in the gross value added in agriculture (and over 5 per cent in agricultural production). This involves a considerable step up over the past trend of a little less than 3 per cent a year in gross value added. Indeed, the objective of attaining 5.2 per cent growth in gross domestic product is crucially dependent on achievement of the agricultural production targets. The success in the export effort of the country on the scale visualised in the Plan will also depend to a great extent on augmenting agricultural production. A clear strategy will have to be evolved to ensure that agriculture receives a very high priority in all policies and programmes. The postulated increase in output is expected to result from increases in area under irrigation and high yielding varieties, a substantial increase in the consumption of chemical fertilisers and adoption of a system approach for consolidating the gains already achieved and extending the benefits of new technology to all categories of farmers and all regions.

7.71 Along with the growth of production, it is proposed to remedy the imbalance in the relative growth of different crops, in particular by acceleration of the growth rate in the output of pulses and oilseeds. The structure of production will be diversified for enabling a sustained rise in output and incomes and for helping the export efforts.

7.72 All available instruments of policy will have to be geared to the promotion of the proposed increase in agricultural production. In particular, it will be necessary to ensure that crop production is remunerative to the farmer through adoption of appropriate policies concerning pricing of agricultural inputs and outputs, arrangements for supply and distribution of inputs, adequacy and timeliness of credit as well as marketing support, an intensification of research, education and extension. These are spelt out in greater detail in the Chapter on Agriculture.

7.73 An important task of policy is to ensure that the gains of the technology and publicly supported programmes accrue increasingly to the small and marginal farmers and are reflected in the adequacy of remuneration for agricultural labour. The National Rural Employment Programme will help provide additional employment opportunities in the lean season to the under-employed and thereby assist the efforts to enforce the minimum wage laws. Credit policies as well as special programmes including the integrated rural development scheme will be so designed as to make an effective contribution to the productive

effort of small and marginal farmers. Organisation of relevant services and diversification of the employment base—for instance, by providing employment opportunities in occupations outside agriculture, including village and cottage industries such as handlooms, carpet weaving and the like—are the two principal elements in the strategy of improving the economic status of the weaker sections in rural areas.

7.74 In order to transmit the growth process throughout the agricultural sector, it will be necessary to increase the productivity of the small and marginal farmer. Provision of inputs and credit will help, but it is necessary, in order to induce durable investments in land, to give the tiller a stake in land. Thus the importance of effective land reforms can hardly be over-emphasised. Even a limited redistribution of land can make a significant contribution to the generation of productive employment opportunities in the rural areas. But the other elements of the land reform policies which give security to the tenant are also important particularly for promoting productive investment in land. State Governments will take specific measures to record rights in land which remain unrecorded as in the case of share-croppers and the credit institutions will need to devise systems whereby credit for land development and improvement could be provided jointly to the land owner and the share-croppers. If necessary, legislation will be undertaken to permit this.

7.75 Keeping in view the perspective of the next fifteen to twenty years, it is proposed to organise a National Water Development Corporation for the preparation of detailed blueprints for inter-basin transfers of water. Measures will also be taken for the conjunctive use of surface and ground water resources. Further, it is important to evolve a suitable policy frame-work for dealing with inter-State disputes in sharing river waters.

7.76 Long-term policy measures will also be necessary for a balanced re-structuring of energy use and energy supply for agricultural purposes, taking account of substitution possibilities in energy-intensive inputs as well, such as chemical fertilisers. Agriculture is increasingly becoming science based, and future advances in application of science to agriculture will need to concentrate on improving productivity in agriculture consistent with the need to conserve non-renewable sources of energy.

POLICIES TOWARDS INDUSTRY IN THE PRIVATE SECTOR

7.77 Government intervention in industry is both direct and indirect. In so far as successive Five Year Plans have laid emphasis on the leading role of the public sector in basic and producer goods industries, Government has the responsibility of planning the requisite investments for securing the growth of these industries and of managing their current operations with a view to reaching a level of performance which permits maintaining adequate returns from

these investments. While several of the industrial units in the public sector have reached a profitable operation, others are still making losses. In an earlier section, reference is made to the paramount importance of improving the efficiency of the public sector; this applies to industrial undertakings in the public sector as much as to those concerned with provision of power or transport.

7.78 The indirect intervention of Government in industry arises from the need to ensure that private investment subserves national objectives and that its claims on resources of domestic as well as foreign finance, scarce raw materials and manpower are so regulated as to conform broadly to the Plan priorities. Government also is concerned about due dispersal of industry for the development of backward regions, to avoid concentration in metropolitan regions and to promote the growth of small industries and labour intensive operations, having regard to the general scarcity of capital and the need to promote opportunities for employment on a large scale. Industrial policies also have the objective of preventing the concentration of economic power in a few hands. Thus the growth of monopolies and restrictive practices has to be regulated in the larger public interest.

7.79 It is clear by now that the basic structure and objectives of policies governing Government's intervention in industry have stood the test of time. The commanding heights of the economy must continue to remain with the public sector. At the same time the review of past developments presented in Chapter 1, as well as the need for rapid increase in industrial production and exports visualised in the Sixth Plan suggest a greater emphasis in the direction of competitive ability, reduced cost and greater mobility and flexibility in the development of investible resources available in the private sector in accordance with broad national priorities. In order to secure these, it would be necessary, apart from general fiscal and monetary measures, to use the instruments of licensing policy and policies governing the regulation of capital markets, including the operations of term-lending institutions. Measures taken recently (described in the Chapter on Industry) have already shown the flexibility with which industrial licensing policies are being operated.

7.80 Turning to the capital markets and the role of term-lending institutions, it is necessary to pursue somewhat different approaches simultaneously. On the one hand it is necessary to adopt flexible policies to revive investor interest in the capital market. On the other hand, the role of term-lending institutions in promoting Plan objectives will need to be more carefully defined.

7.81 The new issue market has remained weak for a number of years, causing serious problems of shortage of risk capital and drawing the term-lending institutions gradually into the business of risk taking which is not their primary function. To the extent that the controls on capital issues come in the way of corporate entities drawing on the funds available

in the market, such controls will need to be reviewed and the scope for simplification explored. It seems, however, that the absence of interest in new issues is due to the long gestation of many of the investment projects, difficulties in the supply of basic inputs such as power and transport which postpone the prospects of profitable production, a low rate of return compared with the relative rewards available on fixed interest instruments and the general lack of innovation in the issue of new kinds of instruments which might suit the investors' needs. There is clearly need for improving the investment climate and broadening the new issue market so as to reduce the dependence of private industry on public financial institutions.

7.82 The activities of the term-lending institutions themselves, on the other hand need to be directed more than in the past to programmes germane to the implementation of the Plan targets. These institutions are operating under general guidelines issued by Government with respect to priorities they have to observe in their lending operations. If the efforts to revive the new issue market bear success, the term-lending institutions will be better able to concentrate on priority areas. The contribution that these institutions make in promoting systematic project formulation and monitoring is of particular value for investments in critical sectors of the economy. The resource position of the term lending institutions, their capital base and their ability to raise resources from domestic and foreign sources will be kept under constant review during the Plan period.

REGIONAL DISPARITIES

7.83 An important objective of the Plan is to bring about a progressive reduction in regional inequalities in the pace of development and in the diffusion of technological benefits. It should be generally accepted that the fulfilment of the objective requires upgrading the development process in the backward regions rather than curtailing the growth of these regions which have acquired a certain momentum. Thus the measures to be pursued for reduction of regional inequalities have to be consistent with the general objective of achieving a 5 per cent growth rate in the economy as a whole. The fact that there are vast areas of the country which have remained backward over the years is both a challenge and an opportunity. Diffusion of skills and technology to these areas should bring forth a proportionately greater improvement in productivity. Their resource base is low; and many of them face one or the other of the adverse natural factors which inhibit the prospects of growth: scanty rainfall, frequency of floods, difficult terrain, desert areas and so on. Specific programmes meant to deal with these deficiencies are already in operation and they will need to be strengthened. Backwardness does not recognise State boundaries; and it may be necessary over time, to take account of this in the policies concerning resource transfers. Relatively rich States need to pay adequate attention to the backward areas within their territories and the claims of

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the backward States must also be sustained on the basis of proven programmes for the benefit of the backward regions. District and blockwise planning will bring to light the nature of the specific problems in each area and the manner in which they need to be dealt with.

7.84 Central policies with respect to resource transfers will need to be suitably tailored to the benefit of backward regions and broadly in relations to the effort made by the States in this regard. The IATP formula introduced in 1979 and the doubling of the segment for backward States in the Gadgil Formula for allocation of Central assistance for State plans illustrate the effort made in recent years to modify the distribution of resources in favour of the backward States. There are, however, obvious limits to the role of Central assistance in the promotion of backward areas and reduction of regional imbalances in development. The problem of regional disparities has several dimensions and action on several fronts is indicated if there is to be a perceptible decline in such disparities. Moreover, an increase in the flow of resources to the backward States does not necessarily imply that adequate provisions will be made for the backward regions. State Governments have a crucial role to play in evening out inter-State disparities, identifying local development potential and providing the administrative and financial support needed for local programmes. It must also be remembered that the special programmes for backward regions have to be dovetailed with the overall development plan in order to make them cost effective. Thus mechanisms of area planning have been adopted to provide an integrated approach to the problems of regional inequalities, and the sub-plan approach has been promoted so that the area plans are fully integrated with the national development plan. Special Tribal Component Plan, Hill Area Schemes and specific programmes handled by the North East Council have all been evolved from these approaches. Greater emphasis is placed on all these in the Sixth Plan.

7.85 The exact content of the development programme will vary between different types of backward areas. However, with regard to modalities of implementation, there are certain common problems. Some of them are the weakness of the administrative structure, both in the hierarchical insufficiency of technical personnel and in horizontal coordination, diversion of sectoral provisions to more developed areas where they can be more readily spent, insufficient delegation of power to local authorities and unwillingness of staff to serve in the area. The special programmes for area development will come to nought unless these problems are tackled. The National Committee on Development of Backward Areas (NCDBA) has recently recommended that the following features should form a part of financial arrangements for the development of backward areas.

- (i) Sub-Plan Approach: The concept of a sub-plan has been developed in the Integrated Tribal Development Programme. There

should be a 'Sub-Plan' for the development of backward areas both at the State and Central levels. In the Plan of every development department there are programmes which are divisible. In the Sub-Plan approach, weighted allocation is proposed to be given to the backward area from the divisible part of the plan of the development department.

- (ii) Project fund for local planning and special additive fund: Even though the divisible part of the State Plan is allocated to the projects the sheer inertia of on-going programmes will leave very little scope to the local planning group to adjust the funding to local requirements of an integrated development approach at the local level. Special steps will, therefore, have to be taken to force gradually a discretionary allocation to the local planning and implementation group to enable them to bring in local planning of greater and greater magnitude gradually. In addition, as development of backward areas has to be expedited, a special allocation of Rs. 5 lakhs per year for each block in the project area should be available as a special additive for the plan period.
- (iii) Financial discipline: In view of the tendency to divert funds intended for backward and difficult areas to more forward areas and easier programmes, financial discipline will have to be imposed to ensure that the funds included in the Sub-Plan for the development of backward areas and allocated to the projects in the backward area by various departments and the additives are spent properly within the year in that project area.

7.86 According to the NCDBA, the effective implementation of the special programmes will require the adoption of the following organisational features:

- (i) Project-based implementation: The development programmes for backward areas should be implemented through project authorities created by an executive order for groups of 2 or 3 blocks, the actual size being left to the States, depending on the local conditions. The chief executive of the project should coordinate the work of all development functionaries in the project and should have the powers to issue orders to them for action on agreed programmes.
- (ii) Incentives for staff: The most serious problem of backward areas is that the hierarchies of development departments that should be working in those areas generally have lots of gaps because of the unwillingness of staff to go to those backward areas. The Committee has identified lack of housing, health and educational facilities for children as three serious constraints to free movement of staff to those areas. In addition, a mix of incentives and penalties will have to be

tried to ensure that the backward areas get their fair share of development staff and technical aid.

Many of these organisational features have been incorporated in some schemes like the Tribal Sub-Plan programmes and according to NCDBA they need to be extended to all backward areas development schemes.

7.87 The recommendations of the NCDBA on special areas development programmes will be considered by the Government and the required changes in scope coverage and organisational modalities will be introduced during the Sixth Plan period.

7.88 Apart from resource transfer and public sector programmes of development aiming specifically at the development of backward regions, Central policies have also been designed to provide incentives to private entrepreneurs through schemes of concessional finance, seed/margin money scheme, Central investment subsidy schemes, tax reliefs, specific interest subsidies for engineer entrepreneurs and so on. The experience of these schemes will be evaluated and the required modifications made so as to make these programmes more effective. The National Committee on Development of Backward Areas has also submitted a report on industrial dispersal which makes a number of recommendations concerning the development of backward areas through industrialisation. The Committee's evaluation of the existing policy for industrial dispersal shows that the Central investment subsidy and the scheme of concessional finance have benefited a small number of districts, mostly in close proximity to relatively developed industrial centres;

that with a few exceptions the industrial estate programme has not helped relocate industries away from developed areas; that licensing policy is only a negative instrument and cannot by itself promote industrial development in backward regions; that the availability of concessional finance and subsidy has been a significant motivating factor in persuading entrepreneurs to locate their units in backward districts. Having regard to this experience as also the natural tendency of industry to congregate at certain locations, the Committee has recommended a policy of encouraging location of industry in suitable growth centres with due weightage for such centres in industrially backward States. The Committee has suggested establishment of an Industrial Development Authority in such selected centres which will work on a commercial basis to provide the necessary infrastructure and to channel development funds which might be allotted by Central or State Governments. The Authority will provide a Master Plan on the basis of which financial institutions would be able to assist development of the area. The Committee has also made recommendations regarding modification of some of the existing schemes of incentives. The Committee's recommendation will be examined and a suitable policy frame evolved.

7.89 The transmission of growth impulses from the developed to the backward regions is only one part of the process of reduction of regional disparities; generation of growth impulses within the backward regions is an equally important part. It will be necessary to strengthen the arrangements for area planning so as to enable financial institutions, commercial banks and cooperatives to augment substantially their lending in the backward regions in agriculture and allied activities as well as for village and small industries.

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PLAN IMPLEMENTATION, MONITORING AND EVALUATION

Successive five year Plans have stressed the importance of strengthening the implementation machinery so that the projects and programmes included in the Plan move according to time schedules and targets. It has also been recognised that implementation needs to be supported by adequate monitoring and current and post-evaluation of major programmes so that lessons of experience enable improvements in the design of programmes themselves. There is further indication from experience that deficiencies in implementation may also be due to inadequate planning of projects at the initial stage causing slippages in schedules, cost over-runs and poor performance generally. Thus when one talks of failures of implementation, one should look upon planning, implementation and evaluation as an integral process, each deriving strength from the other (and transmitting its weaknesses all the way through the process). The problems in all these three areas—planning, implementation and evaluation—differ from sector to sector. In the sectors, such as industry, power and transport, project formulation techniques, as well as methods of appraisal, monitoring and evaluation are more advanced than in the poverty removal and social services sectors.

IMPLEMENTATION OF PROJECTS/SCHEMES

8.2 In the public sector of the Sixth Plan, the targets in respect of projects/schemes will have to be implemented within the fixed time-frame and with full achievement of the programme content particularly in such programmes as NREP, IRDP, Minimum Needs, Family Planning, etc.

8.3 To achieve the optimum results out of investment, care has to be taken to ensure that the following points with regard to the implementation of the various schemes/projects, etc. included in the Plan are given adequate attention.

(i) The Sixth Five Year Plan like the previous Plans is a plan of action for the national economy which is drawn up after very careful consideration and exhaustive consultations with the State Governments, Central Ministries and various other organisations concerned with the Plan formulation and its implementation. Consultations have also been held with a wide variety of professional organisations as well as

individual experts and mass media and trade union representatives. It may be difficult to include new schemes without sacrificing essential programmes which have been included in the original Plan. It would, therefore, appear desirable that after the Plan has been accepted and approved, no new scheme/project etc. should be introduced in the Sixth Five Year Plan by any agency unless there are some compelling considerations that such a scheme/project should be introduced during the operation of the Plan; but in that case these new proposals should be very carefully considered by the concerned authority, whether it be the State Government or the Central Ministry and the Planning Commission. This is with a view to ensure that the resources which have been calculated while drawing up of the plan are indeed spent over schemes/projects etc. which are included in the Plan. This, in fact, would ensure that on-going schemes/projects are completed expeditiously and the resources earmarked for them are not spread over a large number of other schemes resulting in neither the on-going schemes being productive, nor the new ones progressing satisfactorily due to sub-critical investment.

(ii) It is essential that for each scheme/project included in the Sixth Plan, whether in the State sector or in the Central sector, a firm time-table is drawn up consisting at least of the following major components:

- (a) The date on which the project report will be firmed up taking into account various parameters specified in the Plan.
- (b) The dates on which the sanctioning authority, whether it is the State Government or the Central Government (as the case may be) will be ready with the formal sanction separately in respect of each of the schemes/projects, whether it is in the industrial, irrigation, power, education, transport or any other sector of the national economy.
- (c) The dates on which different contracts for various schemes/projects will be finalised and the contract documents signed.

After these critical landmarks are determined, which may be called the pre-implementation stages of each of the projects/schemes, the Departments/organisations concerned with the implementation of the Plan should be under an obligation and made responsible

to adhere to the time table as determined in the above formulations.

(iii) In order to ensure that the time table as mentioned above is strictly adhered to, the delegation of authority for investment decisions, clearance of contracts etc. should be considerably enhanced, and indeed a good deal of trust be placed on those who are directly responsible for implementing the schemes/projects etc. included in the Plan.

(iv) After determining the exact date of physical start-up of the projects, a PERT network should be drawn up for each scheme/project, no matter in what discipline such a scheme or project exists, and the end date of the completion of the scheme be determined. After this end date has been determined, there should be no revision backwards of the end date, and all performance should be judged against the final targets.

(v) Experience gained over the last thirty years has shown that it would be highly desirable that before a project is included in the Plan and later on taken up for implementation, a very detailed examination of the scheme/project be undertaken. Detailed site investigations, geological investigations, testing of raw materials, technology assessment, etc. should be undertaken in all cases. Expenditures on these investigations are very necessary and should be sanctioned liberally.

(vi) With regard to major projects in the field of industry, power, irrigation, etc. a good deal of controversy tends to surround matters like exact location, choice of technology etc. The time taken to resolve these controversies is inordinately long and the economy loses very valuable benefits in the meantime. It is necessary, therefore, that the procedures used for resolving these controversies are simplified and made expeditious.

(vii) Public sector projects funded from the budget have to obtain funds on an annual basis. Under our budgetary procedures, unutilised funds have to lapse towards the end of the financial year. The possibility of funding on a long term basis, at least in critical sectors, will have to be examined as against the present system of annual funding. This will avoid delay in the implementation of projects.

(viii) Persons responsible for the implementation of the Plan should be made to feel a sense of involvement in fulfilling of the Plan targets. Every impediment which thwarts initiative, and sense of expedition in operating the Plan schemes ought to be removed. For this purpose, the existing procedure would need a very careful examination so that proper formulations are drawn up quickly, and implemented.

(ix) Experience has shown that when the project is undertaken, and even before the first phase of the project has been completed, expansion schemes have been introduced with the result that neither the objectives of the first phase were achieved, nor the various expansion projects which were loaded on to the original projects were productive. Such arrangements have also resulted in considerable time and cost overruns as also financial resources originally envisaged have seldom been achieved. It has also diluted

responsibility. It would, therefore, be imperative that no expansion projects should be taken up unless the original project is completed, and is fully stabilised, and has given the desired results both in regard to the physical and fiscal performance.

(x) Project consultancy and design engineering organisations in the country would need considerable strengthening in such disciplines and type of projects where such consultancy organisations do not exist. Proper consultancy organisations would need to be developed and, if necessary, financed in the initial stages by the Government. The requisite expertise where it is not available in the country could be drawn from amongst highly experienced and motivated Indians abroad. In fact, such Indians who are abroad and who are capable to set up consultancy organisations in India should be encouraged by way of financial incentive and other measures.

IMPLEMENTATION OF RURAL DEVELOPMENT AND EMPLOYMENT PROGRAMME

8.4 While the problems of project preparation and execution in the sectors of industry, power, transport and the like are capable of being dealt with broadly within the present administrative structure i.e. through public sector organisations adopting the methods and practices suggested above, there is need for a major modification of the administrative arrangements for the implementation of rural development and employment programmes. It will be necessary to identify the deficiencies encountered in different States and areas and take corrective action to strengthen the arrangements. Some broad areas of action in this respect are indicated below:

Employment

8.5 Detailed micro-level planning of manpower development and employment generation, to start with at the district level, has been suggested. The District Manpower Planning and Employment Generation Councils will be effective in discharging their mandate only if adequate professional back-up for making a realistic assessment of the opportunities for salaries, wage and self-employment is available. The cost-return-risk structure of self-employment enterprises will have to be carefully worked out and individual and group self-employment promoted. The Employment Exchanges in the district will have to provide the necessary data input and all the professional and credit institutions in the area will have to be harnessed in finding a meaningful solution to the problem of unemployment both among the educated and illiterate. This will call for non-formal staffing patterns involving the employment of part or full-time consultants drawn from academic and voluntary organisations and other appropriate agencies in the district. The proliferation of formal staff should be kept to the minimum and local people employed to the maximum possible extent in the creation and utilisation of assets of value to the local community.

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Rural Development

3.6 The rural development programme during the Sixth Plan period will cover all the blocks of the country so that every block can develop its potential for growth according to the genius and efforts of the people and the resources of the block. The IRDP programme envisages a household approach to the alleviation of poverty. This will involve a considerable restructuring of input delivery systems. The "Training and Visit system" of extension already introduced in agriculture provides a methodology for organising visits by extension personnel to all families in the area at least once in a fortnight and for arranging for the timely supply of the needed inputs. Similarly, credit-cum-input supply means can help the economically weaker sections of the rural community to get credit in the form of the inputs for which the credit is intended without bureaucratic delays. Economic emancipation of the family, education of children and the voluntary adoption of the small family norm are the three principal components of the household centred poverty alleviation strategy. This calls for horizontal coordination among the agencies dealing with agriculture and village industries, education and other minimum needs, health and family welfare. The block level administration will have to be so structured that the desired degree of horizontal coordination is achieved. Obviously, this task is a difficult one; fortunately however, the necessary infrastructure for successfully implementing this programme already exists. What is needed is a determined effort to put all the pieces together and to measure the progress made in rural development, among other things, by the extent of reduction in poverty and in the drain of resources from the village to the city.

Agriculture

8.7 Organisations of relevant services which would help small and marginal farmers and sharecroppers to derive economic benefits from new technology and diversification of farm income through mixed farming, agro-industries and small scale industries are two of the major thrusts of the agricultural Plan. The effective implementation of this programme will call for greater efforts in the field of scientific land and water use planning and in linking production with processing, storage and marketing. Improved management through a flood of cash and non-cash inputs will have to be achieved. Both internal and external markets will have to be properly served through well-planned linkages between co-operative marketing federations, Civil Supplies Corporations and foreign trade agencies. Structured linkages involving forward planning will have to be developed among the concerned agencies. Scientific management of agriculture will require a highly orchestrated effort in policy formulation and implementation on the part of the agencies concerned with the development of packages of technology, services and public policies. Both at the State and national levels, this aspect will have to receive attention if the desired growth rates

in agricultural production and exports are to be achieved.

Irrigation

8.8 The maximisation of production and income from every available litre of water will be one of the important objectives of the Plan. This will call for detailed attention to on-farm management of water jointly by the farmers in the command area of an irrigation project and the project authorities. Command area management in irrigated areas, watershed management in unirrigated areas and catchment area management in the catchments of major river systems will all have to be designed in such a manner that the people concerned and the administration can work together as partners in elevating and stabilising yields without damage to the eco-system.

Small and Village Industries

8.9 Next to agriculture, the small and village industries sector provides the major avenue of employment in rural and semi-urban areas. The management of the various enterprises in this sector through detailed attention to (a) the supply of raw material in adequate quantity and of proper quality, (b) design improvement on the basis of analysis of preferences of consumers both in the home and foreign markets, (c) skill upgradation, (d) energy supply and (e) producer-oriented marketing will all demand a much greater management and organisational input into this sector than hitherto. In this sector also, extension and training methods based on the T & V system could be introduced. This sector in particular will provide opportunities for group self-employment and for home employment for women and will hence be vital for improving the income of families without land and/or livestock assets.

Special Component Plan for Scheduled Castes

8.10 Since the special Central assistance has been introduced for the first time, concerted efforts will be needed for preparing worthwhile projects. The Development departments and the Scheduled Caste Development Corporations need to work closely. Unless the requisite degree of co-ordinated effort can be generated, it will be difficult to fulfil the objectives of the Special Component Plan.

Tribal Sub-Plans

8.11 Several authorities have adversely commented on the introduction of a complex system of administration and new laws and rules for tribal society which was formerly used to a very simple administration. The present distinction made between regulatory and developmental administration has led to a multiplicity of authorities with whom they have to deal and causes confusion and mistrust among them. These activities need to be combined and brought within the purview of the

Integrated Tribal Development Projects (ITDP) and extended to the village level. The Project Administrator, ITDP should combine in himself the quasi-judicial and revenue powers of an additional District Magistrate and the Additional Collector. The relationship between the Block and the ITDP should be clear with the Project Administration having full control over the Block Development Officer, the Block should be an integral part of the command—chair which may be State-Division-District-ITDP-Block-Gram Panchayat-Village. The Public Distribution System should function through LAMES (Large Area Multipurpose Cooperatives) organised at the village market level and under the supervision and control of the Project Administration. Other appropriate devices like the organisation of mobile fair price shops operating both on a cash and barter basis will have to be introduced to prevent the tribal from being exploited by the traditional market system.

Anti-poverty Programmes

8.12 The organisational framework of anti-poverty programme calls for careful planning on the basis of the socio-cultural and socio-economic features of each area. If greater decentralisation is to be achieved so that programmes are made responsive to local problems, needs and potentials, district and block level implementing agencies will have to be given much greater flexibility. Greater use of such institutional devices as registered societies or corporations at the district level offer a means of accomplishing this. These agencies should be given greater freedom to reallocate funds in accordance with local priorities and even to innovate new programmes as long as these subserve objectives already agreed upon. Greater flexibility in recruitment will also be required so as to facilitate the induction not only of short-term consultants for specific tasks but of young professionals including social scientists keen to participate in rural development. This will serve to strengthen the analytical capabilities of rural development agencies, an area they tend to be weak at present. The effective organisation of a Rural Resource Corps consisting of professionally qualified youth will also help to bridge the growing gap between professionals in the modern, mostly urban, and the rural sector. The governing body of these agencies could serve as a forum for the direct representation of target group beneficiaries. Such representation will help to prevent the frustration of the distributional objectives of these programmes. The representation of local credit, educational and voluntary agencies on these bodies would facilitate coordination and encourage wider public participation.

8.13 It should be recognised that anti-poverty programmes need to be projectised to the extent possible. This will facilitate appraisal, phasing, coordination, monitoring and all the other components of successful programme management and implementation. Thus it is not enough to distribute milch cattle without simultaneously organising marketing, providing health cover and artificial insemination

services, promoting fodder cultivation and organising fodder and feed banks. Project appraisal techniques, network and survey methods are just a few examples of tools and techniques that need to be simplified in a responsible manner so that they can be placed within the reach of district level planners and managers. They need to be made relevant to the day-to-day experience of district level personnel and to the type of project planning and management tasks our rural development will increasingly throw up. All this calls for a systematic and comprehensive programme of training of district level planners and managers, a task which State Planning machinery and research institutions could undertake.

8.14 However, the new anti-poverty programme will also place new demands on the patience, persistence and skills of our grassroot development functionaries as they reach out to target group families who have by and large remained untouched by development programmes so far. In order to elicit the required degree of dedication and effort, renewed attention will have to be paid to questions of motivation, morale and orientation of the extension services, which have undergone a decline since the earlier days of the community development programme. Attention will have to be paid in particular to inculcating a greater degree of honesty in appraising achievements and identifying problems, and in developing a new culture of openness in communication between different levels of the development hierarchy. Only then are we likely to ensure the necessary feedback required to make programmes practical, productive and truly responsive to the needs of the poor.

District Administration

8.15 As already stated, it will be necessary to make arrangements for horizontal linkages at the block level. The task of planning and implementation for development programmes at the district level is acquiring greater complexity.

It will be necessary therefore to strengthen the district level administration by the appointment of District Development Officers who should have complete authority and responsibility with respect to development work and should enjoy the same rank and status as the District Magistrate/Collector. Some State Governments have already acted in this direction and there is need to adopt this practice all over the country. The DDO's must have professional expertise and his continuity should not be disturbed at least during a plan period, if found to be effective and dedicated.

MONITORING OF IMPLEMENTATION

8.16 Adequate organisation and systems at present do not exist for monitoring and evaluation of plan projects and programmes at different levels. At the Central level, monitoring systems have been established and are in operation in respect of major projects

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in certain key sectors only like chemicals and fertilisers, steel, petroleum, coal, power and irrigation. For other sectors there is need to develop organised monitoring arrangements. Major public sector undertakings of the Central Government have their own monitoring systems. For projects and programmes within the jurisdiction of the State Governments, monitoring systems for use at the Central level have been designed for certain sectors like tribal development, development of backward classes, primary and adult education and water supply.

8.17 The implementation of the plan both by the State Governments, as well as the Central Ministries would need to be effectively monitored with a view to ensuring that for each scheme various targets relating to time and cost, production of goods and services, social and economic benefits relating to the individual projects in the industrial, agricultural, education, irrigation, family planning, health or any other sector of the economy are achieved.

8.18 Implementation of the Annual Plans has to be very effective, and for this task, various Departments concerned in the State Governments, State Planning agencies, Ministries concerned at the Centre as well as the Planning Commission will have to be strongly geared. It would be desirable to have a report every six months with regard to the implementation of the State Plans, as also the Plans of various Ministries at the Centre. This report should be drawn up by the above groups with regard to the schemes/projects etc. concerning them, and these could be examined by the Planning Commission.

MACHINERY FOR PLANNING

8.19 The present position is that there has been a general lack of effective machinery for appraisal of investment proposals with the exception of certain categories of major products in selected sectors; the lack is more pronounced in the agriculture and social services sectors. A project included in the plan needs to be appraised in terms of its techno-economic feasibility and social costs and benefits. At present such appraisals are generally confined to Central Government projects costing Rs. 1 crore and above. In the case of State projects and schemes the appraisal machinery is inadequate in most States except for medium and major irrigation and power projects appraised by the Central Water Commission and Central Electricity Authority respectively. The financial institutions and concerned State Government agencies also appraise some of the smaller size State projects in certain sectors.

8.20 The State Planning machinery would need to be strengthened in the areas where deficiencies exist with regard to their role in supervising project formulations, drawing up of the Plans, and also the monitoring and implementation of the Plan projects. It would be desirable that the State Planning agencies co-ordinate effectively with the Planning Commission in respect of formulation of the Five Year Plans, as well as the implementation of the Plans.

8.21 Planning at the local level has an important role to play in investment decisions in agriculture, minor irrigation, animal husbandry, fisheries, marketing and processing, cottage and small scale industries, local infra-structure and social services including water supply, housing, health, education, sanitation and local transport. During the Sixth Plan, planning at the block level will be further strengthened. The programmes will be made area specific at the grass root level based on local endowments and potential for growth and fuller employment. It is proposed to formulate comprehensive block level plans and identify programmes for development of the area which aim at making full use of local endowments. The object of these plans will be to integrate various programmes for optimal utilisation of local endowments with plan objectives and local needs.

8.22 The block level plans would need to be in harmony with the District and State Plans. The investment decisions at the local level would need to take into account the effects of Central/State Plans in that area and of neighbouring localities. The block is intended to be the primary area for local planning. As further experience is gained on the nature of local resources and socio-economic factors, programmes will be refined through local planning. Area specific development programmes will help deal with the problems of regional imbalances and intra-regional variations. The area level planning project would, however, require specific skills and manpower resources and considerable delegation of powers to area planning bodies within a framework of guidelines formulated at the State level. The Central scheme for assisting the States for strengthening their planning machinery would be continued during the Plan period. Other State level agencies for promoting location-specific research and action plans should include State Councils of Science and Technology and of Environmental Protection. The State Land Use Boards should become effective.

PEOPLE'S INVOLVEMENT IN PLANNING AND IMPLEMENTATION

8.23 Apart from decentralisation of the administrative machinery and provision of adequate coordinating mechanisms at the local level, it will be necessary to ensure that at every stage of planning and implementation there is full participation and involvement of the people. Allocations of public funds for schemes in these sectors, whether by the Central or the State Governments are on the basis of certain patterns of funding designed to achieve the targets of the Plan. The selection of the specific tasks, however, is governed by local conditions and in assigning priorities it might be necessary to involve both the administration at the local level as well as the representatives of people particularly of the beneficiary groups.

8.24 The institutional mechanism for this purpose will need to be adapted to changing requirements. The Panchayati Raj institutions should be strengthened

in order to become institutions of democratic management of rural development both at the district and block levels. Some State Governments have already established systems where at the district level the development work is entrusted to an officer of the rank of the district magistrate and who acts as the chief executive of the Zila Parishad. The district and block level representative institutions will, however, have to give adequate voice in their affairs to the weaker sections of the society who are the major beneficiaries of the programmes of development. The welfare of women and their economic emancipation should receive special attention.

8.25 Special emphasis would need to be placed on involving the youth. More imaginative ways will need to be devised to tap the potential and idealism of the youth for constructive action. For instance, while pursuing household approach to poverty elimination, it would be possible to induce active participation of the youth. Similarly it would be desirable to encourage villagers to obtain energy (from decentralised sources) as well as plant nutrients from organic and biological sources in a sustained manner and partially to solve the problems of rural unemployment and under-employment. Involvement of people for this purpose will be achieved by persuasion, mass education, consultation, demonstration and by assisting peoples' own organisations for development. Student organisations like NSS and NCC and non-student youth organisations like Yuvak Mandals and Nehru Yuvak Kendras should be assigned specific tasks in each block.

PERSONNEL POLICIES

8.26 Personnel policies require careful review at all levels so as to bring about a proper match between job requirements and the competence and dedication of the personnel employed for implementation. In this context, personnel policies relating to staff posted in tribal, hill and backward regions require attention so that competent staff can be attracted and retained in such regions. Personnel policies should also provide for getting specific jobs done in such areas through individual and institutional consultations and through part-time employment of local people. For developing special institutions in neglected regions like agricultural, medical, engineering colleges, etc. consortia of Universities with commitment to seconding competent staff members for 2 or 3 years or until locally trained staff become available, will have to be formed. The aim should be to maximise the benefits from existing institutions for accelerating the development of backward areas. Another key area in personnel policies is the need for merit promotion systems, which can help to retain persons doing good work in the same job. Considerable mobility takes place among professionals just for the sake of salary improvement. Conversely, those who are misfits in key positions should be shifted before irreparable damage is done to the programme. While it is difficult to build good enterprises and organisations, they can be destroyed in no time by ineffective or corrupt management. Personnel policies should not be so

rigid as to impair project implementation. Decentralisation of powers down the line will also have to be insisted upon if a sense of identification is to be fostered in all staff members.

8.27 The Five Year Plans have provided for considerable investments in the rural, tribal and other neglected areas. There were, however, lags in the utilisation of plan outlays in these mainly because of lack of adequate administrative framework. A major difficulty has been the disinclination of government employees to be posted in those areas, due to lack of basic amenities like housing, education, health and communication and in some cases even security. Those posted tend to leave behind their families in the urban areas where facilities are available and live alone in the place of posting; inevitably the job suffers. Thus posts in these areas either remain vacant for long periods or they are manned by unwilling persons who do not give of their best. The fact is that the present personnel policies do not provide adequate incentives for taking up postings in rural and tribal areas. What is required is a package of monetary and non-monetary incentives for attracting the right type of personnel in the rural and tribal areas and some administrative restructuring. All the rural and tribal areas do not lack the facilities uniformly and therefore the incentives will have to be graded taking into account factors like remoteness from urban centres, inaccessibility, unhealthy surroundings, lack of residential accommodation, medical, educational and entertainment facilities. A special group had made a number of recommendations with particular reference to the needs of tribal and backward areas and these have been sent to the State Governments by the Home Ministry for implementation. These recommendations could be made applicable to remote rural areas lacking in housing and other facilities. Other incentives can also be provided e.g., weightage for service rendered in rural and backward areas while considering secretariat postings. rent-free accommodation, certain preferences towards of such employees in hostel accommodation in urban areas, additional travel allowance combined with education of children and the like.

PROGRAMME EVALUATION

8.28 The Programme Evaluation Organisation which was set up in 1952, has been carrying out studies particularly of programmes affecting large sections of our population, such as small and marginal farmers, rural artisans, agricultural labourers, women and children. The feed-back from such evaluation studies is of crucial importance for mid-course corrections in the operational framework so that the desired objectives are achieved. Although, an evaluation machinery exists both at the Centre and in almost all the States, the need for improving the machinery as to promote concurrent and continuing evaluation is much greater than what available resources permit. A Committee on Review and Strengthening of Central and State level Evaluation Organisations has made recommendations of far-reaching importance in developing evaluation work. One of its recommendations is that the programmes which account for a major

share of K every year directed to level evaluation which join Efforts would be to constant evaluation projects. for involving in such work

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share of plan allotment of funds should be evaluated every year. During the Sixth Plan, efforts would be directed to strengthen the State as well as the Central level evaluation organisations and locate the areas in which joint evaluation studies should be conducted. Efforts would be strengthened during the Plan period to constantly and effectively use the findings of these evaluation studies in formulating the development projects. Full use will be made of the scope available for involving appropriate consultancy organisations in such work.

8.29 The strengthening of the evaluation organisations at the Centre and in the States to a large extent would depend upon the training and skill formation of the personnel for evaluation of a variety of developmental projects. There is need for a suitable training strategy so that the right type of training may be imparted to improve the quality of evaluation. There is ample scope, for example, for improvement in skills needed in methodological aspects such as designing, field work, tabulation, analysis, interpretation and reporting which are basic to an evaluation study. The evaluation personnel have been functionally categorised into three levels i.e., senior supervisory and junior levels and there is need for suitable training programmes for each of these categories.

8.30 As a follow up of the recommendations of the Committee, the Central Programme Evaluation Organisation has already organised four Regional Workshops for the senior level evaluation personnel and two training programmes for the middle level. During the Sixth Plan period, it is proposed to train all the evaluation personnel numbering about a thousand in the country. The strategy during the Sixth Plan would thus be to strengthen the evaluation capacity both qualitatively and quantitatively at the Centre as well as in the States.

8.31 The total outlay for strengthening of the Programme Evaluation Organisation at the Centre including its training and activities would be Rs. 2 crores during the Sixth Plan. In the States and Union Territories also, some outlay has been proposed to strengthen their evaluation machinery during the Sixth Plan period.

INFORMATION SYSTEM, DATA BASE FOR PLANNING

8.32 At present the data base for planning at different levels according to specified objectives is inadequate and information systems required for appropriate formulation of plans in different sectors have not been evolved in all the concerned organisations. During the Sixth Five Year Plan, steps will be taken to improve the data base for planning and policy making. The National Informatics Centre under the Department of Electronics is developing computer based information systems for data storage, retrieval and processing of certain Government Departments and sectors. During the Sixth Plan period, Management Information Systems would be established in all the Central Ministries and the State Governments

would be helped to develop similar systems for their use.

8.33 Timely and reliable statistics are a basic prerequisite for effective planning. Although, the statistical system in India has made strides since the inception of planning in the country, it has not always been possible for the statistical system to keep pace with the ever-growing requirements in many areas. A recent review has revealed that the data base is still rather weak in some of the important sectors and the information at present is not detailed enough for undertaking purposeful action in respect of such vital issues as price control, removal of poverty, eradication of unemployment, reduction of social and economic disparities, etc. There is also an urgent need for greater vigilance in maintenance of accepted standards in collection, processing and dissemination of statistics.

8.34 The development plans for the system have generally been guided by the inadequacies in the data base of the economy as identified by the Data Improvement Committees, National Commission on Agriculture, Committee on Regional Accounts, seminars organised by the Indian Econometric Society, National Seminar on Social Statistics and the Conference of Central and State Statistical Organisations. A Committee set up by the Government of India in July 1979 to review the National Statistical System has made a number of recommendations to strengthen the existing statistical system and re-structure it so that it could meet adequately the requirements of planning and decision making. During the Sixth Plan (1980—85) efforts will be made to implement the recommendations of this Committee after careful consideration.

8.35 In the Central sector, the major tasks to which attention will be given are conduct of economic census and follow-up surveys for collecting vital information pertaining to unorganised segment of the non-agricultural sector, survey of urban non-manual employees, providing estimates of national sample surveys at regional and lower levels, increasing the sample size of sample registration system with a view to providing reliable estimates of vital rates at the State level, electronic processing of data collected under various censuses and national sample surveys, setting up a data bank etc. Programmes will also be undertaken to develop the methodology for collection of data on wholesale and retail trade and improve the statistics of services sectors. The State Governments will undertake development programmes aimed at strengthening the statistical machinery at lower levels, collection of data on prices and wholesale trade, training of statistical personnel and setting up of data banks etc.

8.36 An allocation of Rs. 95.44 crores has been made under the head 'Other social surveys' for the development of a sound data base at various levels to provide a more scientific basis for plan formulation and evaluation. Allocation for development of statistics have also been provided under the respective sectoral heads, e.g., for Agricultural Statistics, under 'Agriculture'.

TRAINING

8.37 The training programmes for personnel engaged in developmental activities would be further strengthened during the plan period. The Central scheme, initiated in 1976-77 for Government and project personnel would be continued during the Sixth Plan period with a provision of Rs. 2.28 crores.

NATIONAL EFFICIENCY DRIVE

8.38 The Sixth Plan aims at a higher growth rate in all sectors of the economy. This is both possible and essential in the national interest. Improved

management of all projects, appropriate reorganisation of organisations dealing with anti-poverty programmes and diversification of employment opportunities in rural areas will have to be achieved speedily, if the social and economic objectives of the Plan are to be realised.

8.39 A national efficiency drive is the need of the hour. Attention to detail in project formulation and implementation and promotion of a work culture where there is pride in performance are the twin instruments of achieving efficiency. This is the task to which everyone involved in implementing the Sixth Plan should give utmost attention.



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Annexure 13.9

Estimates of stock of Manpower, economically active and unemployment at the beginning of the years 1980 and 1985 and addition to the economically active persons during 1980-85

SL. No.	Manpower Educational Category	At the beginning of 1980				At the beginning of 1985				Addition to the economically active popn. during 1980
		Stock of Man-power	Economically active popn. (i.e. labour force)	Unemployed persons	Percentage of un-employed persons in labour force	Stock of Man-power	Economically active popn. i.e. labour force)	Unemployed persons		
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
					(in thousands)					
1	Engineering degree holders (BE)	254.5	221.4	15.7(0.5)	7.09	306.1	266.3	18.9(0.4)	44.9	
2	Engineering diploma holders	378.6	329.4	65.5(1.9)	19.88	494.1	429.9	85.5(1.8)	100.5	
3	Medical Graduates (MBBS)	178.5	155.3	10.1(0.3)	6.50	211.9	184.3	12.0(0.3)	29.0	
4	Dental Surgeons (BDS)	11.6	10.1	0.2(0.01)	1.98	13.4	11.6	0.2(0.00)	1.5	
5	Nurses (B.Sc. Nursing)	2.2	2.2	..	..	2.8	2.8	..	0.6
*6	Agricultural graduates	98.8	77.1	8.8(0.3)	11.41	115.9	90.4	10.3(0.2)	13.3	
*7	Veterinary graduates	22.3	19.4	0.7(0.02)	3.60	27.3	23.7	0.9(0.02)	4.3	
8	Education graduates (B.Ed.)	852.7	665.1	104.2(3.0)	15.67	1136.7	910.4	142.7(3.1)	245.3	
9	Arts graduates (B.A.)	1931.4	1506.5	337.9(9.7)	22.43	2597.6	2026.1	454.5(9.8)	519.6	
10	Arts Post-Graduates (M.A.)	957.3	746.7	29.9(0.9)	4.00	1296.3	1011.1	40.4(0.9)	264.4	
11	Science Graduates (B.Sc.)	961.9	750.3	154.3(4.4)	20.57	1226.3	956.5	196.8(4.2)	206.2	
12	Science Post graduates (M.Sc.)	278.9	217.5	10.6(0.3)	4.87	350.0	273.0	13.3(0.3)	55.5	
13	Commerce Graduates (B. Com.)	810.1	631.9	111.4(3.2)	17.63	1126.1	878.3	154.8(3.3)	246.4	
14	Commerce Post graduates (M. Com.)	121.9	95.1	6.2(0.2)	6.52	176.3	137.5	9.0(0.2)	42.4	
15	Other graduates	1249.6	974.7	153.6(4.4)	15.76	1654.2	1290.3	203.4(4.4)	315.6	
	Total Graduates and above including Diploma holders	8110.3	6402.7	1039.1(29.1)	15.76	10735.0	8492.2	1342.7(28.8)	2089.3	
16	Matriculate/Hr. Sec-secondary passed	26650.5	16256.8	2462.9(70.9)	15.15	35860.3	21874.8	3314.0(71.2)	5614.0	
	Total Educated	34760.8	22659.5	3472.0(100.0)	15.32	46595.3	30367.0	4656.7(100.0)	7703.3	

NOTE :—Figures in parantheses in columns 4 & 8 indicate percentages to total.

*Includes post-graduates.

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MINIMUM NEEDS PROGRAMME

The concept of the MNP emerged and crystallised out of the experience of the previous plans that neither growth nor social consumption can be sustained, much less accelerated, without being mutually supportive.

14.2 The programme is essentially an investment in human resource development. The provision of free or subsidised services through public agencies is expected to improve the consumption levels of those living below the poverty line and thereby improve the productive efficiency of both the rural and urban workers. This integration of social consumption programmes with economic development programmes is necessary to accelerate growth and to ensure the achievement of plan objectives.

14.3 In the absence of such a programme, the pressure for investments in the development of infrastructure and production sectors left relatively small allocations for social services. Even such outlays as were available were the first to get reduced in any conflict of priorities created by resource constraint. Further, the benefits of social services cannot reach the poorest without conscious efforts to that end. Disparities in social consumption obtain not only between income groups but also between areas. The level of development of the various social services and infrastructure varies widely from State to State.

14.4 The Minimum Needs Programme lays down the urgency for providing social services according to nationally accented norms within a time bound programme. Its allocations are earmarked and it seeks to ensure the necessary provision of resources.

14.5 The programme introduced in the Fifth Five Year Plan will continue during the Sixth Plan. Its components are as follows:

1. Elementary Education
2. Rural Health
3. Rural Water Supply
4. Rural Roads
5. Rural Electrification
6. Housing assistance to rural landless labourers
7. Environmental improvement of urban slums
8. Nutrition

14.6 For optimising benefits, these programmes have to be taken as a package and related to specific areas and beneficiary groups. A sectoral approach which programmes are formulated and implemented separately will not be adequate either for the overall development of the area or for bringing about the desired distribution of benefits. The need for integration is especially greater at the micro-level where the programmes are implemented.

REVIEW

14.7 With the Sixth Five Year Plan 1980—85, the programme would enter the seventh year of its implementation. During the past years States such as Punjab, Haryana, Maharashtra, Gujarat, Kerala, Andhra Pradesh, Tamil Nadu and Karnataka have made good progress, while States like Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar, Orissa, West Bengal and the North Eastern States have lagged behind.

14.8 The approved outlays and expenditure on the programme from its beginning in the Fifth Plan are as follows:

Table 14.1
Outlay and Expenditure on Minimum Needs Programme 1974-80

(Rs. crores)

Sl. No.	Item	1974-75 Outlay	1974-78 Expenditure	1978-79		1979-80	
				Outlay	Expd.	Outlay	Expd.
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Elementary Education	463	230	139	132	88	61
2	Adult Education . . . . .	..	1	7	4	13	7
3	Rural Health	296	74	40	33	39	33
4	Rural Water Supply	563	262	114	133	152	188
5	Rural Roads	502	231	120	152	121	182
6	Rural Electrification	282	103	52	34	53	45
7	House-sites/Houses for Rural Landless labourers	109	50	16	22	32	53
8	Environmental Improvement of Slums	105	38	11	10	16	16
9	Nutrition	287	49	26	20	21	22
10	TOTAL	2607	1038	525	540	535	607

14.9 The present data base of physical achievements is weak and some systematic arrangements are required to be made to build it and maintain it up to date. The position is discussed in detail under each component of the programme.

PROGRAMMES

14.10 The components of the programme would basically be the same as for the Fifth Plan 1974-79. A total provision of Rs. 5807 crores has been made in the Plan as against Rs. 2607 crores for the Fifth Plan. Targets have been fixed after taking into consideration financial and physical constraints so that the programme is a realistic one. The outlays to be provided would continue to be earmarked so that the investment under these programmes is assured. It is expected that this programme coupled with various other programmes of rural development would enhance opportunities for employment and improved life of the rural poor. A high level machinery for monitoring the implementation of the programme at Central and State level would need to be set up, which would also ensure improvement in data base. The physical constraints of the programme would be kept under constant review to achieve the stated objectives and effort will be made to overcome them. The norms, targets and outlays for the different components of the programme are given in the Annexure 14.1.

Elementary Education

14.11 The objective continues to be the universalisation of elementary education. But taking into consideration the progress made in the various States and Union Territories, it is proposed through the formal system, to achieve this objective in two stages, i.e. 95 per cent of enrolment in the age group 6-11 and 50 per cent in the age

group 11-14 by 1985 and universal enrolment in the age group 6-14 by 1990. The availability of funds will not be allowed to stand in the way of more rapid universalisation of primary education wherever it can be achieved. The Planning Commission will keep this matter under review. The formal system would be supplemented by non-formal education. In achieving cent per cent enrolment for the age group 6-11, the constraint is predominantly the socio-economic circumstances of families below the poverty line. This aspect will hence need special attention.

14.12 The position in respect of elementary education varies from State to State and would continue to be so at the end of the Sixth Plan even though steady progress would be maintained in all the educationally backward States. As against 13 States and Union Territories, which are yet to universalise primary education for boys in 1979-80, their number would be reduced to just 4 by 1984-85, these being Haryana (93.4 per cent coverage expected), Karnataka (86.2 per cent), Rajasthan (94.3 per cent) and Uttar Pradesh (97.0 per cent). In the case of girls education, there is a wide variation in coverage from about 30 per cent in Rajasthan to virtually complete coverage in States like Kerala, Meghalaya, Nagaland, Punjab and Tamil Nadu in 1979-80. The gap would be reduced and the lowest expected coverage is about 43 per cent in Rajasthan in 1984-85. With a view to making up this deficiency the States lagging behind would need to strengthen the non-formal classes for elementary education.

14.13 In regard to enrolment in classes VI-VIII, the target for formal education of 50 per cent in relation to the population of 11-14 would be achieved in 23 States and Union Territories; those lagging behind would be Andhra Pradesh, Bihar, Madhya Pradesh, Orissa, Rajasthan, Tripura, Uttar

Pradesh, and Arunachal Pradesh. These States have a backlog to be cleared in respect of primary education for which concerted efforts would be made during the Sixth Plan. Universalisation of middle school education in these States as also in others would be a major task to be taken up during 1985-90.

14.14 Special efforts will have to be made to reach backward and remote areas and the more socially and economically disadvantaged, specially girls and children belonging to scheduled castes and scheduled tribes, who constitute the bulk of non-starters and drop-outs. At present, out of every 100 children that enter Class I, only 36 complete Class V. The proportion of drop-outs has remained almost unchanged since the beginning of the planning in the country. Therefore, efficiency of the system will have to be improved to retain students. Appropriate incentive programmes will be designed to ensure regular presence of the students. On this basis, an outlay of Rs. 905 crores has been provided for this programme in the Plan 1980-85.

14.15 Non-formal education for adults, particularly in the productive age group 15-35 years would also be part of the elementary education component of the MNP. The target will be 100 per cent coverage of the age group 15-35 years by 1990. As the programme is just developing, it is difficult to lay down the target for 1980-85. An outlay of Rs. 128 crores has been provided for adult education under this component. Thus the total outlay on elementary education in the Plan 1980-85 is Rs. 1033 crores i.e. Rs. 905 crores plus Rs. 128 crores.

Rural Health

14.16 Rural health infrastructure would be further strengthened in order to achieve the objective of Health-for-All by 2000 A.D. The norms envisaged are:

- (i) One Community Health Volunteer for every village or a population of 1000 chosen by the community to form the base unit.
- (ii) One sub-centre for a population of 5000 in plains and 3000 in hilly and tribal areas.
- (iii) One PHC for 30,000 population in the plains and 20,000 in hilly and tribal areas.
- (iv) One Community Health Centre (CHC) for population of one lakh or one C.D. Block.

14.17 The Community Health Volunteer scheme and the scheme of training and employment of multipurpose workers will be continued under the MNP. It is proposed to increase the number of Community Health Volunteers from 1.40 lakhs as on April 1, 1980 to 3.60 lakhs by 1985. 40,000 sub-centres will be added to the 50,000 centres existing on 1-4-1980. This would account for about 74 per cent of the total number of 122,000 sub-centres to be set up on the basis of mid-1984 rural population. Additional 600 Primary Health Centres will be set up during 1980-85 and priority will be given to tribal areas. In addition to the existing 1,000 Subsidiary Health Centres, another 1,000 will be added during 1980-85 by con-

verting the rural dispensaries into Subsidiary Health Centres. All these Subsidiary Health Centres will in subsequent Plans be converted into Primary Health Centres. Thus there will be 6,000 PHCs and 2,000 Subsidiary Health Centres. The Community Health Centre (CHC), a modified form of the upgraded 30 bedded hospital, would provide for necessary specialities of gynaecology, paediatrics, surgery and medicine along with the provision of beds. In addition to the existing 340 rural hospitals, 174 new rural hospitals (CHC) will be set up in the Plan period.

14.18 The backlog of construction works of sub-centres, PHC buildings and residential accommodation, along with construction works of new units will be taken up and completed to the extent resources are available. A total provision of Rs. 577 crores has been made for Rural Health for 1980-85.

Rural Water Supply

14.19 The total number of problem villages conforming to the following criteria is estimated to be 1.90 lakh as on 1-4-1980:

- (i) those which do not have an assured source of drinking water within a reasonable distance, say 1.6 kms;
- (ii) those where the sources of water supply are endemic to water-borne diseases like cholera, guinea-worms etc.; and
- (iii) those where the available water suffers from excess of salinity, iron or fluorides or toxic elements hazardous to health.

14.20 During the Sixth Plan, the effort will be to cover all the problem villages of the three categories mentioned above. With the financial provisions made in the State Plans, it will be possible to achieve this objective except in certain difficult areas in the hill and desert regions where, because of physical constraints, the programme may take a longer time.

14.21 A recent study made by the Programme Evaluation Organisation of the Planning Commission has shown that in the past the scheduled castes and other weaker sections have not gained proportionately from the facilities created for water supply under the Minimum Needs Programme. In this context, during the Sixth Plan period, special attention will need to be paid to the location of safe drinking water points in a manner such that these Communities can benefit fully.

14.22 The average cost per village for providing safe drinking water varies widely according to the type of facility such as hand pumps, wells or piped water supply. In Karnataka for example, it is Rs. 1600, while in Nagaland it is Rs. 2.16 lakhs. In Punjab where only pipe water supply schemes are being implemented it is Rs. 4.26 lakhs. On the basis of average cost per village in each State, the cost of the programme during 1980-85 is estimated to be around Rs. 2007 crores and provision has been made accordingly.

Rural Roads

14.23 Under the Fifth Plan the norm was to link up all villages with a population of 1500 or more with all weather roads. It is proposed to con-

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ect with roads all the remaining villages with a population of 1500 and above and 50 per cent of the total number of villages in the population group 1000-1500 by 1990. On 1-4-80, the number of vil- lages remaining to be linked according to the above criterion was about 40,000. About 50 per cent of the villages remaining to be linked according to the above criterion were included in the physical programme, i.e. 20,000 villages would be completed by 1985 for which an outlay of Rs. 1165 crores has been provided in the Plan, though some of the States namely, Andhra Pradesh and Orissa may be behind in achieving the MNP objective.

Rural Electrification

14.24 In the Fifth Plan the target was to cover 40 per cent of the rural population under electrification. It has been decided to shift the criterion of population coverage to village coverage and to ensure that at least 60 per cent of the villages in each State and Union Territory are electrified by 1990. Of the total number of 1,15,165 villages required to be electrified to achieve this target, 10 per cent i.e. about 46,464 additional villages will be electrified during 1980-85. The States in which more intensive MNP effort is required are Uttar Pradesh, Himachal Pradesh, Madhya Pradesh, Bihar, Orissa, Rajasthan, West Bengal, Sikkim and North Eastern States. The total cost of this programme during 1980-85 has been estimated to be Rs. 301 crores—Rs. 160 crores for completing spillover works and Rs. 141 crores for new works. The rural electrification programme would include provision of street-lights on internal village roads and in Harijan bastis.

Housing for Landless Labour Households

14.25 It has been estimated that the number of landless labour households needing housing assistance would be around 14.5 million by March 1985. So far 7.7 million landless families have been allotted house-sites. It is proposed to allot house-sites to the remaining 6.8 million families during the Plan period. Of the 14.5 million families eligible for assistance for construction of houses/huts, about 0.56 million families have already been provided with assistance for construction. It is proposed to provide assistance to about 25 per cent of the eligible households i.e. about 3.6 million families by 1985. An assistance of Rs. 250 per family is envisaged for provision of developed plots, a masonry well for a cluster of 30-40 families and approach road. Assistance of Rs. 500 per family is visualised for local building materials for construction of a house. All labour inputs will be provided to the beneficiaries. Accordingly, an outlay of Rs. 354 crores has been provided for this programme—Rs. 170 crores for provision of house-sites and Rs. 184 crores towards construction.

Environmental improvement of Urban Slums

14.26 A particular area becomes a slum because of its structure but because of its environment and insanitation. Of the urban population nearly a fifth is estimated to constitute slum population. The slum popula-

tion in 1985 needing attention is estimated to be about 33.1 million. Of this only 6.8 million have been covered by March 1980. It is proposed to cover about 40 per cent of the remaining slum population i.e. 10 million slum population by 1985. Assuming per capita investment of Rs. 150 the total cost of this programme during the Plan would be Rs. 151 crores. Depending on the strategy to be adopted in the area, facilities to be provided under the programme are water supply, storm water drains, paving of streets, street-lighting and community latrines. Areas inhabited by the scheduled castes are to be given priority.

Nutrition

14.27 The nutrition programme has two components—(a) Special Nutrition and (b) Mid-Day Meals.

14.28 The Special Nutrition Programme (SNP) was introduced on the non-Plan side during 1970-71 and subsequently was brought into the Fifth Plan as a part of the Minimum Needs Programme. It provides 300 calories and 8-12 grams of protein for the age group 0-6 for 300 days and 500 calories and 25 grams of protein for the pregnant and nursing mothers for 300 days. The eligible target group for this programme as on 1-4-1980 is 70 million children of 0-6 years and 7 million mothers.

14.29 The programme is likely to achieve a cumulative coverage of 8.18 million i.e. 5.75 million outside the Plan and 2.45 million under the Plan by 31-3-1980. The programme would be expanded to cover the additional 400 integrated Child Development Services (ICDS) Projects. The scheme would thus cover additional about 5 million children and 500,000 women during the Plan period. The scheme outside the ICDS projects will be restructured by providing health and other welfare inputs and also adequate staff for supervision and monitoring. It will be linked to projects of economic activity particularly in areas of women's employment so as to meet the felt needs of the women from poorer sections.

14.30 The Mid-day Meals (MDM) Programme for the age group 6-11 was introduced in 1962-63. It provides for mid-day meals to these children for 200 days in a year and 300 calories and 8-12 grams of protein per child per day. It was made a part of the Minimum Needs Programme in the Fifth Plan. It will continue as part of the MNP in the Sixth Plan. About 15.1 million children are being covered outside the Plan and 2.3 million under the Plan. Recent studies have shown that the scheme has not made much impact in increasing enrolment or in reducing the drop-out ratio. It would, therefore, be necessary to reorganise it and link it with health services, safe drinking water, environmental and personal hygiene, incentive schemes and kitchen and horticultural gardens in the schools, from where vegetables and fruits would be available for the feeding programmes, before any further expansion is undertaken.

14.31 The total cost of the Nutrition Programme for the Plan 1980-85 is estimated to be Rs. 219 crores

Annexure 14.1

Minimum Needs Programme : Targets and Outlays

Head	Objective	Target by 1985	(Rs. crores)		States/UTs.
			States/UTs Plan	Central Plan	
Elementary Education	100% enrolment in the age group 6—14 by 1990. It would be supplemented with non-formal education.	95% enrolment in the age group 6—11 and 50% in the age group 11—14. It would be supplemented with non-formal education.	851	54	(1)
	100% coverage of adults in the age group 15—35 by 1990 through non-formal education.	Target not fixed.	68	6	1 Andhra Pradesh
Rural Health	1. One Community Health Volunteer for a population of 1000 or a village by 1990.	To increase the number of Community Health Volunteers from 1.4 Lakh as on 1st April, 1980 to 3.60 Lakhs.	408	15	2 Assam
	2. Establishment of one sub-centre for a population of 5000 in plains and 3000 in tribal and hilly areas by 2000 A.D.	To increase the number of sub-centres from 50,000 to 90,000 or 75% achievement of the objective.			3 Bihar
	3. One PHC for 30,000 population in plains and 20,000 in tribal and hilly areas by 2000 A.D.	To establish 600 additional PHCs and 1000 SHCs over and above 5400 PHCs and 1000 SHCs existing now for achieving about 45% of the number required.			4 Gujarat
	4. Establishment of one Community Health Centre for a population of one lakh or one C.D. Block by 2000 A.D.	To establish 174 Community Health Centres, in addition to converting existing 340 upgraded PHCs into Community Health Centres.			5 Haryana
Rural Water Supply		Coverage of all the remaining problem villages by 1985 excepting in some difficult areas like hilly and desert regions.	1407	60	6 Himachal Pradesh
Rural Roads	Linking up of all remaining villages with a population of 1500 and above and 50% of the total number of villages with population of 1000—1500 by 1990.	To cover about 50% of the total number of villages required to be covered to achieve the objective i.e., additional about 20,000 villages.	1165		7 Jammu & Kashmir
Rural Electrification	At least 60% of the villages in each State and Union Territory to be electrified by 1990.	40% of the villages required to be covered to achieve the objective i.e., additional 46,464 to be electrified.	301		8 Karnataka
Housing assistance to rural landless labourers.	Provision of housing assistance to all landless labour households by 1990. Assistance to include house-site construction materials, drinking water well for a cluster of houses and approach road.	To cover all the remaining households for allotment of house-sites and 25% of the eligible households i.e. about 3.6 million for provision of assistance for construction of houses.	354		9 Kerala
Environmental Improvement of urban slums.	100% coverage of the urban slum population by 1990. Facilities to include water supply, sewerage, paving of streets, storm water drains, community latrines. Areas inhabited by scheduled castes particularly scavengers would be given priority.	40% of the remaining slum population i.e. additional 10 million slum population to be covered.	151		10 Madhya Pradesh
Nutrition		SNP: 5 million children in 600 ICDS blocks and 5 lakh women to be covered by providing integrated services of feeding, health, welfare, etc. MDM: The existing level of beneficiaries i.e. about 17.4 million children to be continued and the programme to be integrated with other essential services.	219		11 Maharashtra
					12 Manipur
					13 Meghalaya
					14 Nagaland
					15 Orissa
					16 Punjab
					17 Rajasthan
					18 Sikkim
					19 Tamil Nadu
					20 Tripura
					21 Uttar Pradesh
					22 West Bengal
					TOTAL—State
					23.
					1 Andaman & Nicobar
					2 Arunachal Pradesh
					3 Chandigarh
					4 Dadra and Nagar Haveli
					5 Delhi
					6 Goa, Daman and Diu
					7 Lakshadweep
					8 Mizoram
					9 Pondicherry
					TOTAL—UTs
					GRAND TOTAL

NOTE: In a Scheme

Annexure 14.2

Minimum Needs Programme—1980-85 States and Union Territories

Minimum Needs Programme—1980-85 States and Union Territories												
(Rs. crores)			(Rs. lakhs)									
Sl. No.	Outlay		States/UTs.	Rural Electrification	Rural Roads	Elementary Education	Rural Health	Rural Water supply	Rural Housing	Environmental Improvement of Slums	Nutrition	Total
	States	UTs										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)			
8			1 Andhra Pradesh	420	1500	3850	2439	9500	7675	800	1100	27284
			2 Assam	3500	3600	5250	1200	3000	1000	75	270	17895
			3 Bihar	3304	14000	11000	3627	7500	1100	410	1000	41941
			4 Gujarat	364	13500	3500	2009	6500	3085	500	1650	31108
			5 Haryana	..	350	2100	853	8000	990	380	400	13073
			6 Himachal Pradesh	240	3500	822	500	3500	25	40	117	8744
408			7 Jammu & Kashmir	250	1600	1950	903	4500	100	440	120	9863
	13		8 Karnataka	140	4500	3000	2003	1900	5500	1500	243	20786
			9 Kerala	..	1300	1650	954	4500	1200	600	1400	11604
			10 Madhya Pradesh	4855	4000	6460	3607	6000	2900	800	2000	30622
			11 Maharashtra	..	9400	3300	3000	23000	3500	1400	2600	46200
			12 Manipur	376	1000	600	527	1750	..	25	110	4388
14	68		13 Meghalaya	318	520	520	443	1950	..	30	125	3906
			14 Nagaland	126	325	480	297	1175	..	..	130	2533
			15 Orissa	2034	3000	2800	1600	3400	800	100	650	14384
16			16 Punjab	..	2000	2200	1377	6800	1200	500	80	14157
			17 Rajasthan	2810	6500	6900	1743	10629	475	250	327	29634
			18 Sikkim	60	900	390	139	600	..	15	125	2229
01			19 Tamil Nadu	..	7000	2400	2182	5000	2500	2500	2600	24182
			20 Tripura	229	1100	940	336	1200	100	50	580	4535
35			21 Uttar Pradesh	8879	31500	11300	7489	22000	1800	1000	883	84851
			22 West Bengal	1338	3750	12750	2588	4800	1200	2700	2500	31676
			Total—States : .	29293	114845	84162	39816	137204	35150	14115	21010	475595
51			UTs.									
			1 Andaman & Nicobar Islands	90	450	434	44	405	5	..	15	1443
			2 Arunachal Pradesh	568	300	2720	400	1277	..	..	50	5315
			3 Chandigarh	..	10	418	85	..	..	..	125	638
			4 Dadra and Nagar Haveli	..	40	70	37	60	10	..	20	237
			5 Delhi	..	30	2950	12	700	45	920	450	5107
			6 Goa, Daman & Diu	..	25	380	55	170	50	75	40	795
			7 Lakshadweep	..	10	58	22	13	..	..	5	108
			8 Mizoram	154	720	520	326	800	..	..	50	2570
			9 Pondicherry	..	60	195	48	82	90	35	109	620
			Total—UTs	812	1645	7745	1030	3507	200	1030	864	168.3
			GRAND TOTAL	30105	116490	91907	40846	140711@	35350	15145	21874	492428
@ NOTE: In addition Rs. 600 crores are provided for the States and Union Territories.												

@ Note: In addition Rs. 600 crores are provided for accelerated Rural Water Supply Programme under the Centrally Sponsored Scheme

INDUSTRY AND MINERALS

Industrial development plays a crucial role in our development strategy particularly with regard to the objectives of structural diversification, modernisation and self-reliance. The overall pace and the pattern of industrial investment and growth in the Sixth Plan have to reflect this orientation of development policy and take into account the lessons from past experience.

REVIEW

16.2 The progress of industrialisation over the last thirty years has been a striking feature of Indian economic development. The process of industrialisation was launched as a conscious and deliberate policy in the early fifties. In pursuance of this policy, large investments have been made in building up capacity over a wide spectrum of industries. Industrial production has gone up by about five times during this period. Apart from the quantitative increase in output, the industrial structure has been widely diversified covering broadly the entire range of consumer, intermediate and capital goods. In most of the manufactured products, the country has achieved a large measure of self-sufficiency, providing the capability to sustain the future growth of vital sectors of the economy primarily through domestic effort. This is reflected in the commodity composition of our international trade in which the share of imports of manufactured products has steadily declined; on the other hand, industrial products, particularly engineering goods, have become a growing component of our exports. The rapid stride in industrialisation has been accompanied by a corresponding growth in technological and managerial skills, not only for efficient operation of highly complex and sophisticated industrial enterprises but also for their planning, design and construction. Considerable advance has also been made in industrial research and in absorbing, adapting and developing industrial technology.

16.3 Impressive as these achievements are, the rate of industrial growth has not been uniform during this period. After a steady growth of about 8 per cent during the initial period of 14 years, there was a fluctuating trend in the industrial growth rate, approaching near stagnancy in 1966-68 climbing to a level of 9.5 per cent in 1976-77 and dipping to 1.4 per cent in 1979-80. There are many reasons for these fluctuations in the rate of industrial growth. In the initial years of planning, industrial development was largely based on import substitution and had the

advantage of a captive market. A steady growth could thus be maintained. Thereafter, the growth in industrial production was conditioned by the general pace of economic development in the country. With the changing international and national environment, it has been difficult to match the sustained growth of earlier years. During the last decade (1970-71 to 1979-80) the average growth rate has been about 4 per cent per annum. While no single factor can be identified as having a significant bearing on the rate of industrial growth, a close relationship could be identified between the trends in total investment (particularly public investment) and industrial production. Other factors which have affected the growth rate from time to time are the shortage of infrastructural and other vital inputs (such as power, transport, coal, cement), unremunerative administered prices, disturbed industrial relations and to an extent inefficient management.

16.4 A significant aspect of industrial development during this period has been the predominant role assigned to the public sector in the establishment of basic industries. The public sector has taken the initiative for the development of such industries as steel, non-ferrous metals, petroleum, coal, fertilisers and heavy engineering. It has also made investments in consumer industries like textiles, drugs and pharmaceuticals, cement and sugar, partly as a result of the need for it to assume the responsibility for nursing back sick units which were taken over by the Government. While the investments in the public sector in the States are largely confined to medium scale industries appropriate from the point of view of accelerated exploitation of local resources, the major thrust for the development of capital intensive industries has been provided by the Central Government. The total investment in the Central public sector undertakings as on March 1979, amounted to Rs. 15,600 crores of which approximately Rs. 12,800 crores were invested in industrial and mining undertakings. Arising from these large investments in the public sector, the share of public sector in the net domestic product in organised industry and mining has also moved up from 8 per cent in 1960-61 to 28.9 per cent in 1977-78.

16.5 The performance of the public sector cannot be judged on the basis of the yard-stick normally applied to the private sector. The justification of the public sector lies in its contribution to fulfilling certain broader socio-economic objectives. Viewed in this

light, the public sector as a whole has acquitted itself reasonably well. But for the entry of the public sector in a major way in the development of these basic industries, the structural changes witnessed in the Indian economy could not have been achieved. It has also provided the necessary counter-poise to the private sector for supply management as needed from time to time in periods of crisis in vital sectors of the economy. The public sector has also devoted comparatively greater attention to research and development, so essential for achieving the goals of technological self-reliance.

16.6 In aggregate financial terms the internal resources generated by the public sector undertakings for financing the Plan have been comparatively meagre. The major factors responsible for these are—

- (a) low return on investment on account of price constraints imposed on some public sector undertakings;
- (b) considerable number of private sector sick units (particularly in the textile and engineering industries) which the Central Government had to take over in the interest of maintaining employment and production; and
- (c) the technological complexity of the industries which had to be promoted in the public sector where a longer gestation period and slower learning curve are inevitable.

16.7 Notwithstanding these considerations, there is need for substantial improvement in the working of the public sector undertakings. The continued growth prospects of the public sector, and indeed of the economy, are critically dependent on its ability to generate resources for its future growth. A substantial improvement in the efficiency of these undertakings, so as to provide a reasonable rate of return on large investments made on them is, therefore, of crucial importance. To the extent pricing policy has inhibited the resource raising capacity of certain undertakings, it would be necessary to review it to bring it in line with prudent commercial norms. There is also the need to improve management practices within the undertakings so as to impart a greater concern for optimal utilisation of capacity and higher levels of technical efficiency. Inordinate delays have been a common feature in the implementation of public sector undertakings: these not only lead to loss of production but also significantly contribute to higher investment costs. Modern techniques of project monitoring and construction management will need to be introduced to avoid the excessive costs inherent in the serious slippages in the construction of projects. At the same time it is necessary that there should be adequate delegation of authority to the public sector undertakings and also within the public sector undertakings at various levels. As far as possible, the authority and discretion of the public sector management, within the delegated functions, should not be brought into question; the performance of the management should be

judged on the basis of overall results achieved as distinct from the soundness of individual decisions taken by it. The induction of professional management and industrial culture in the public sector enterprises should be steadily promoted. An intensive institutionalised programme of induction and short term training for senior public sector managers should be introduced to ensure continuous availability of a body of properly trained and motivated personnel for top level positions in the public sector.

16.8 Certain other deficiencies in the nature and pattern of industrial development have also emerged. Regional imbalances in industrial development have not been corrected to the extent required. The expectation that massive investments in Central sector projects would have a wide ranging 'trickle down effect' in stimulating small and ancillary industries has not been realised in many States. Even within States, industries have tended to gravitate towards existing centres, the backward areas remaining substantially untouched. The incentive schemes for attracting industries to backward areas have not been able to prevent this tendency to an adequate extent. Schemes for giving capital subsidies to the backward districts appear, in retrospect, to have been used to a large extent, in fact, by the developed States.

16.9 The pattern of industrial development has not been sufficiently guided by cost considerations. In a regime of protection from international competition, industries have tended to get established at sub-optimal capacities, leading to a high cost industrial structure. Adequate attention has also not been given to improvements in technology and quality of products. Some of these factors have led to the emergence of sickness in certain industries particularly when market conditions tend to generate a measure of competition within the economy.

STRATEGY FOR THE SIXTH PLAN

16.10 In the above context, the perspectives for the coming years have been identified. Such projections must take as their starting point the economic situation in the base year of the Plan i.e. 1979-80. During this year, the weakness of the infrastructure particularly coal, power and transport, has been an overriding constraint to industrial production, and virtually for the first time since the beginning of planned development, a fall in industrial output (of—1.4 per cent) was recorded. The capacity in a number of industries remained substantially unutilised, leading to shortages of various industrial products. A further consequence of this has been a sharp worsening in our balance of trade, since large imports of cement, sugar, steel fertilisers etc. had to be resorted to so as to augment domestic supplies, accentuating an already difficult situation that arose from the increase in the prices of crude oil in the international market.

16.11 In addition to the conventional strategies of aiming at optimum utilisation of existing capacities and improvement of productivity, certain other elements of policy would be necessary in the medium

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term perspective. These would encompass the following:—

(a) Substantial enhancement of manufacturing capacities in public/private sector covering a wide range of industries for providing not only consumer goods and consumer durables but also for supporting agricultural and industrial growth through supply of intermediate and capital goods. The pace of industrial investment will need to be speeded up so that manufacturing capacities are in position well ahead of demand to permit competitive market forces to operate and to avoid possibilities of shortages with attendant adverse effects on the economy.

(b) The capital goods industry in general and the electronics industry in particular will need special attention as these support the growth of a wide range of economic activity. The proper development of these industries in terms of competitive costs and high quality would be essential to ensure that the projects based on domestic capital goods do not become very costly. Similarly other selected industries would need to be identified (such as machine tools and commercial vehicles) for accelerated development for supporting not only the domestic requirements but also for exploiting the export potential in a larger measure than hitherto.

(c) In the context of the substantial foreign exchange resources required to support the Plan, export of engineering goods and industrial products, as also project exports will need to be stepped up. Manufacturing capacities would have to be substantially augmented on a selective basis, to generate adequate domestic supplies to support the export effort. Suitable strategies will need to be identified.

(d) Industrial progress will necessarily depend upon continued technological excellence; this would call for a judicious blend of permitting import of contemporary technology, and promoting the development of indigenous know-how through domestic research and development. A re-orientation and review of the existing procedures and parameters for transfer of technology for this purpose appears necessary. Further, instead of responding to initiatives from foreign parties, suitable perspectives and strategies will have to be developed for seeking out and arranging for appropriate and advanced technologies of relevance to the specific areas of our interest. This may require the strengthening of appropriate institutional arrangements.

Although industrial development would increase the demand for energy, measures

will need to be taken in the context of the emerging energy situation to improve energy efficiency, not only of manufacturing industry, but also of their end-products. Further, efforts will need to be made to adjust the energy consumption pattern in the industrial sector to domestic energy endowments. This will have particular relevance in sectors such as road transport for which alternative solutions (for example in terms of alternative fuels for commercial vehicles) will need to be developed on an urgent basis.

(f) New strategies for development of backward regions will need to be devised. The thrust would be to implement a new model of development which would prevent concentration of industry in existing metropolitan areas. The recommendations of the National Committee on Development of Backward Areas will be examined so as to evolve a viable strategy in this direction.

INDUSTRIAL POLICY INITIATIVES FOR THE SIXTH PLAN

16.12 Industrial policy cannot be static and will have to respond to the changes in the economic scene as set out in the preceding paragraphs. The framework of rules and regulations relevant to the nascent stage of development are not necessarily appropriate to the complex industrial structure which has since been built up. Without sacrificing the basic principles of a planned economy, sufficient flexibility would need to be built into the system to impart a sense of dynamism to take advantage of the considerable technological and managerial capabilities that have been developed over the years. In order to make efficient use of scarce capital, much greater attention will have to be paid to securing greater efficiency and competitiveness in the functioning of our industry. In order to protect employment, all encouragement will have to be given to the growth of cottage, village and small industries. Sectors where efficient production can be secured on a small scale would continue to be reserved for future expansion only by the small scale units. However, if social costs of protection of the decentralised sector are to be contained within reasonable limits, there must be a greater play of competition in the remaining sectors which are not reserved exclusively for small scale industry. In industries where the economies of scales are not important dispersal of industries to secure greater regional balance is both economically efficient as well as socially desirable. However, where economies of scale exercise an important influence on the cost of production, expansion of existing enterprises is to be preferred to setting up new plants of uneconomic size. This applies particularly to the expansion of capacities which depend on export markets. Moreover, consistent with the emphasis on technological self-reliance, adequate stress must also be laid on keeping the technology in use upto-date. To that end, import of technology particularly for export oriented and key industries may need to be liberalised.

16.13 The directional changes in the Industrial Policy are reflected in the Industrial Policy Statement of July, 1980. This accords particular emphasis on improving efficiency and productivity in the industrial sector through optimum utilisation of existing capacity. To this end, it is proposed to grant recognition to increased capacities arising from technological improvements and labour productivity by endorsing industrial licences selectively on the basis of such capacities and to permit automatic growth in industries in the core sectors or those which have a direct linkage with the core sectors or with long term exports. The Industrial Policy Statement of 1980 also provides for the induction of advanced technology, introduction of processes which would aim at optimum utilisation of energy as also for the establishment of appropriate capacities to achieve economies of scale. A special thrust is to be given to the establishment of export-oriented units. The operational elements of the industrial policy will have to be kept constantly under review in order to meet the challenges arising from the shifts in the international and national economic situation.

INVESTMENT PROGRAMMES AND TARGETS

16.14 The Plan envisages an average annual rate of growth of 8 per cent of industrial production during the five year period. Against the background of the actual rate of growth in the last decade, this may appear to be a formidable task and determined efforts will be required in order to achieve the substantially higher industrial growth postulated in the Plan. A significant improvement in the functioning of the infrastructure, particularly coal, power and railways is an essential pre-condition for the realisation of the industrial growth target. It is expected that with the concentrated attention being given to improving the operational efficiency of the infrastructural system, the trend of improvement seen in the second half of 1980-81 and the large investments provided in the Plan for these sectors, these constraints would be eliminated to a considerable extent in the near future. Assuming such an improvement, a detailed analysis suggests that capacity is not likely to be a constraint in achieving the production targets envisaged in the Plan. Based on levels of capacity utilisation actually achieved in the past, the existing capacity and the capacity currently under implementation are adequate to achieve the production targets envisaged. With the substantial step up in public sector investment and the more hopeful prospects for agricultural growth, demand is also unlikely to be a constraint in achieving the postulated growth in industrial production. The suggested order of increase is in any case necessary to secure an increase of 9 per cent per annum in exports.

16.15 The capacity and production targets for selected industries for 1984-85 are indicated in Annexure 16.1.

16.16 The objectives of self-reliance would require that the pattern of investment in the industrial sector should continue to give high priority to the creation of adequate capacity in basic industries such as steel,

non-ferrous metals, capital goods, fertilizers and petrochemicals. The public sector will have to assume a major role in the expansion of these industries. There will, however, be a substantial scope for the expansion of the private, joint and cooperative sectors within the framework of the broad policy. The fields in which these sectors are expected to contribute significantly are fertilizers, cement, paper, textiles, chemicals, pesticides, drugs and pharmaceuticals.

16.17 Arising from the investment envisaged in the Plan, structural shifts in the pattern of industrial production are expected to emerge in the eighties. Production of natural gas, petroleum and coal, and industries based on these resources, and more particularly fertilizers, plastics, synthetic fibres, synthetic rubber and other petro-chemicals are expected to grow rapidly during this period. A major expansion in the electronic industry in which the country has a competitive advantage due to the availability of a large pool of technically qualified personnel is also visualised. While the expansion in metal and engineering industries would continue, chemical and electronic industries are expected to assume the leading role in industrial investment and production.

16.18 The salient features of the industrial programmes envisaged for the Plan are briefly indicated in the following paragraphs.

Iron and Steel

16.19. *Demand and supply:* The capacity utilisation of the integrated steel plants was 90 per cent in 1977-78 but due to a setback in production, the capacity utilisation dropped to 81.5 per cent in 1978-79 and to 69 per cent during 1979-80. The shortfall in the production of saleable steel particularly in integrated steel plants has been primarily on account of infrastructural constraints in terms of availability of coal, power and rail transport. However, the loss of production of saleable steel from the integrated steel plants during 1979-80 was more than off-set by the increased contribution from the small steel plants and a substantial increase in imports (and curtailing of exports) so that the total availability of steel to the economy was about 5 per cent higher than in the previous year. The shortages of power proved to be a major constraint, such that even the molten steel that was produced with the restricted supplies of coal, etc. could not be converted into saleable steel and resulted in accumulation of 0.75 million tonnes of ingot steel. In the preceding year also the production of saleable steel from the integrated steel plants has shown a declining trend:

	(Million tonnes)
1976-77	1.10
1977-78	1.05
1978-79	0.95
1979-80	0.85

The outlook for 1980-81 is not better than the previous year. Already from being a net exporter of steel during 1976-77 and 1977-78, we have become

importers of steel. The net output of steel is 2.8 per cent of the total output. The net output of steel is 2.8 per cent of the total output.

16.20 Strategy for short-term and long-term development of the steel sector encompasses

(a) Removal of bottlenecks including supply of high quality coal and some iron ore.

(b) Provision of the essential infrastructure particularly power and transport.

(c) Acceleration of utilisation of existing furnaces, to get higher output.

(d) Speedy replacement and replacement to enhance productivity.

(e) Speedy implementation of schemes.

(f) Implementation of the next five year plan.

Targets: The absolute demand for steel by 1984-85 is estimated to be 1.5 million tonnes in 1983-84, starting from 1.1 million tonnes in 1979-80. The output of steel is planned to be increased from 0.85 million tonnes in 1979-80 to 1.15 million tonnes in 1984-85. Under this condition, the net output of steel, as the various categories of products and a surplus.

16.21 Capacity expansion is a major step up in the steel industry. It would fructify only in the long period and most of the investment is inherent in the steel industry.

economic and will, therefore, produce products at costs which compare favourably with international prices. Consequently, the time phasing for the setting up of new capacities will take into account the possibilities of imports till there is sufficient gap between domestic demand and supply to ensure that economically viable units are established. The possibility of exports will be taken into account whenever the internal market is not able to absorb the total indigenous production.

16.48 Integrated operations can minimise investment costs and effectively utilise existing facilities. The possibilities in existing refineries and petrochemical units in the public/private sector, have been taken into account in formulating the programme.

16.49 It is tentatively proposed to initiate steps to establish in the Central public sector (a) one olefins complex using natural gas as feed-stock, (b) aromatics recovery facilities for the recovery of benzene and xylenes, (c) a caprolactam plant; and (d) a DMT/PTA Plant. Furthermore, expansion of some of the activities in IPCL and Petrofils is contemplated.

16.50 The overall programme for petrochemicals leaves substantial scope for the expansion of activities in the private/joint sector also. Some of the important areas in which necessary action is being initiated are synthetic fibres, polystyrene and detergent alkylates.

Drugs and Pharmaceuticals

16.51 The drugs and pharmaceuticals industry has made considerable progress in the last two decades. The production of basic drugs and pharmaceutical formulations was estimated to be Rs. 226 crores and Rs. 150 crores respectively in 1979-80. The contribution of the public sector amounted to 26 per cent in the case of bulk drugs and 6.3 per cent in the case of formulations, the organised private sector accounting for 63.4 per cent and 67 per cent respectively, with the balance being the output of the small industry sector. To meet the supply gap, bulk drugs worth Rs. 150 crores (landed cost) were imported.

16.52 Requirements of bulk drugs and formulations by 1984-85 have been estimated at Rs. 815 crores and Rs. 2450 crores respectively. The production of basic drugs is expected to increase to Rs. 663 crores and the balance of Rs. 150 crores would continue to be met by imports. The production of bulk drugs in public sector is expected to increase from Rs. 59 crores to Rs. 215 crores and formulations from Rs. 72 crores to Rs. 330 crores.

16.53 The policy on drugs aims at:

- (a) development of self-reliance in drug technology;
- (b) providing a leadership role to the public sector;

(c) making drugs available at reasonable prices and in abundance to meet the health needs of the people; and

(d) fostering and encouraging the growth of the Indian sector.

16.54 Keeping in view the important role assigned to the public sector, a provision of Rs. 145 crores has been made for Hindustan Antibiotics Ltd., Indian Drugs and Pharmaceuticals Ltd. and the three drug units in the Eastern region: Smith Stanstreet Pharmaceuticals Ltd., Bengal Chemical & Pharmaceutical Works Ltd., and Bengal Immunity Co. Ltd.

16.55 The major on-going schemes which would be completed are: the second phase expansion of the synthetic drugs plant; the nicotinamide project and expansion of the antibiotics plant of IDPL and the expansion of the streptomycin and penicillin plant of HAL. A number of joint sector units are proposed to be established with the participation of State Governments to serve local needs. Provision has also been made for new starts in the Plan on a selective basis.

Other Organic and Inorganic Chemicals

16.56 The only public sector undertaking that is involved in the manufacture of basic chemicals, which are important intermediates in the manufacture of drugs and pharmaceuticals, dyes, rubber chemicals, pesticides and laminates is Hindustan Organic Chemicals (HOC). One of the major projects currently under implementation by HOC at Cochin is a 40,000 TPA phenol plant alongwith 24,000 TPA of acetone. HOC is also expected to initiate action on a polytetrafluoroethylene project and a caustic soda/chlorine project during the Sixth Plan.

16.57 The overall programme for organic and inorganic chemicals will leave substantial scope for the expansion of activities in the private/joint sector also. Several new caustic soda and soda ash projects are expected to be implemented during the Sixth Plan mainly to cater to the projected demands in the Seventh Plan period.

Textiles

16.58 The overall requirements of textiles covering cotton, blends and man-made fabrics are estimated at 13,300 million metres including exports of 1,400 million metres in 1984-85. The basic objective of the textile programme is to make available textiles in adequate measure and at reasonable prices for the population and at the same time to encourage and support the production of cloth in the handloom sector to the maximum extent possible. It is envisaged that an addition to capacity should be permitted in the powerloom sector and a series of measures by way of disincentives will be devised to prevent powerloom from competing with the handlooms.

16.59 The level of production in the decentralised sector in 1979-80 was 6350 million metres (handlooms 2900, and powerlooms 3450 million metres) which is expected to go up to 8400 million metres in 1984-85. The share of the handloom will be 4100 million metres and the powerlooms 4300 million metres. While targeting the production for handloom the maximum level of production that could be achieved in the handloom sector has been taken into account in the context of the organisational and technological problems involved in reaching the millions of handloom weavers spread in different parts of the country. It is envisaged that the production in the mill sector would reach 4900 million metres. The pattern of production in the three sectors projected for 1984-85 is as follows:—

(in million metres)

Sector	Cotton	Non-cotton	Blends	Total
Mill	3500	400	1000	4900
Powerloom	2600	1200	500	4300
Handloom	3150	200	750	4100
TOTAL	9250	1800	2250	13300

To achieve the envisaged production target, considerable addition to capacity in terms of spindles (2.1 million) is needed. While creating additional spindleage, preference would be given to the existing units to bring them to an economic size. Arrangements will also be made to meet the requirements of hank yarn for the handloom sector.

16.60 A provision of Rs. 90 crores has been made in the Plan for rehabilitation and modernisation, as well as for installation of additional spindles under the National Textile Corporation (NTC). NTC will increasingly utilise institutional funds for its programme and the total investment envisaged is Rs. 220 crores.

Jute Textiles

16.61 A production target of 1.5 million tonnes of jute manufacture is projected for 1984-85 including requirements for export estimated at 0.55 million tonnes. For achieving the export target, efforts will need to be made for improving the quality of secondary backing, production of specialised sacking constructions and the greater use of lighter hessian. The present capacity of the jute industry is estimated at around 1.32 million tonnes per annum. In order to achieve the production target additional capacity of 0.2 million tonnes would need to be created. It is envisaged that the two new jute mills in Tripura and Orissa would result in creating additional capacity of 0.25 lakh tonnes. With the implementation of scheme of modernisation/renovation of the existing units, and marginal expansion of spinning capacity, the addition to capacity by existing units is envisaged at 1.25 lakh tonnes. There would

be need, therefore, for creation of additional capacity of 50 thousand tonnes per annum. It is proposed to give preference to units coming up in cooperative/public sector and the units to be located in North-Eastern region.

16.62 The Government has set up a National Jute Manufacturers Corporation which has under its control six jute mills. A scheme for modernisation and rehabilitation of these mills is under way. A Plan provision of Rs. 5.60 crores is envisaged for this purpose.

Paper and newsprint

16.63 Demand for paper and paper board is estimated to increase from 1.1 million tonnes in 1979-80 to 1.54 million tonnes by 1984-85. The capacity and production targets envisaged for 1984-85 are 2.05 million tonnes and 1.5 million tonnes respectively. The additional capacity is expected to come up largely through establishment of small sized paper mills based on secondary raw materials and three large units being set up in the public sector.

16.64 The present consumption of newsprint which is of the order of 0.35 million tonnes is largely met through imports. Taking into account the present trend in consumption of newsprint, it is estimated that the demand for newsprint would increase to 0.5 million tonnes by 1984-85. Capacity for newsprint is expected to increase to 0.23 million tonnes and production to 0.18 million tonnes in 1984-85; imports of newsprint will have to continue during the plan period.

16.65 It is expected that the Nagaland paper project and Nowgong and Cachar paper projects in Assam, in the public sector, with a total capacity of 0.233 million tonnes of paper and paper board would be commissioned by 1984-85. Similarly, the Kerala Newsprint project with an annual installed capacity of 80 thousand tonnes per annum of newsprint and the newsprint project of Mysore Paper Mills with a capacity of 75 thousand tonnes per annum are expected to go into production during the Plan period.

16.66 The raw materials for the paper and newsprint industry require to be planned on a more systematic and long term basis in view of the limited forest resources of the country and the long gestation period for their regeneration. Maximum use of non-conventional raw materials has assumed importance in the context of emerging shortage of conventional raw materials to support the expanding paper industry. Steps for encouraging their use have already been initiated and policy measures of greater use of bagasse for the manufacture of paper and newsprint have been announced.

16.67 The Outlay provided in the Plan fully takes care of the ongoing programmes for the paper and newsprint industry in the public sector. Additionally, consideration will be given to the possibility of initiating new paper/pulp projects based on forest resources in the North East region.

Cement

16.68 The main bottleneck in the lower production of cement is inadequate infrastructure and transport. It is expected that capacity will be improved during the Plan period. Capacity is expected to increase from 2.1 million tonnes in 1984-85 to 2.6 million tonnes in 1989-90. This has been targeted as a significant improvement. This could result in a surplus of cement.

16.69 In planning being taken of economic development of large size. This has been possible through pre-calcination technology. One million tonnes of cement will be produced during the Plan period. A number of mini cement plants have been established which will produce cement.

16.70 The public sector has been utilising a capacity of 1.08 million tonnes of cement being set up by U.P. using slag from Bokaro. The cement capacity at Bhilai slag.

16.71 The Cement Board has an ambitious programme to increase cement capacity to 1.68 million tonnes by 1984-85. A cement plant at Yerraguntala, Andhra Pradesh, is envisaged for the purpose.

16.72 The capacity of cement production will increase from 3.60 million tonnes in 1984-85 to 4.2 million tonnes in 1989-90. Their share in capacity will increase from 22 per cent to 25 per cent.

16.73 As the world's population grows, the country has to develop the sugar industry as well as the cooperative sugar industry. The cooperative sugar industry will produce 50 per cent of the sugar required for the domestic market as well as the harmonisation of prices and those of the world.

16.74 The wide fluctuations in the price of sugar result in periodic shortages causing distress to the consumer. The Government is taking steps to bring the pricing of sugarcane under control and to regulate the activities of the marketing agents like

Cement

16.68 The main bottlenecks which had resulted in lower production of cement and under-utilisation of capacity during recent years have been the lack of adequate infrastructural facilities like coal, power and transport. Efforts are being made to improve infrastructure facilities as a result of which it is expected that capacity utilisation would be substantially improved during the Plan period. The cement capacity is expected to increase to 43 million tonnes in 1984-85 from 24.3 million tonnes in 1979-80. A production target of 34.5 million tonnes for 1984-85 is envisaged. A higher production than what has been targeted could be achieved if there is significant improvement in the infrastructural facilities. This could result in narrowing the gap between supply and demand.

16.69 In planning additional capacity, advantage is being taken of economies of scale through the installation of large size one million tonne capacity plants. This has been possible because of the induction of pre-calcination technology. More than 8 plants of one million tonne capacity are expected to go on stream during the Plan period. In addition, a large number of mini cement plants are expected to be established which may contribute around one million tonnes of cement.

16.70 The public sector units have major programmes for utilisation of slag from the steel plants. A capacity of 1.68 million tonnes of slag cement is being set up by U.P. Cement Corporation at Chunar, using slag from Bokaro. Besides, Steel Authority of India are also setting up a two million tonne slag cement capacity at Chilhati using Rourkela and Bhilai slag.

16.71 The Cement Corporation of India have an ambitious programme of setting up three one-million tonne capacity cement plants at Tandur, Neemuch and Yerraguntala. An investment of Rs. 300 crores is envisaged for the Cement Corporation of India.

16.72 The capacity in public sector units will increase from 3.60 million to 9.30 million tonnes and their share in capacity will rise from around 15 per cent to 22 per cent during the Plan period.

Sugar

16.73 As the world's largest producer of sugarcane, the country has considerable potential for the development of the sugar industry to meet domestic demand as well as exports. The rapid growth of the cooperative sugar factories, which account for over 50 per cent of sugar production, illustrates the potential for the development of this industry, as well as the harmonisation of the interest of the farmers and those of the manufacturers of sugar.

16.74 The wide fluctuations in the sugarcane production result in periodic scarcity and surplus in sugar causing distress to the farmers, sugar industry and the consumer. This calls for a rational policy of pricing of sugarcane and sugar, as also the other intervening agents like gur and khandsari.

16.75 Taking into account the trend in the consumption of sugar the domestic requirements are estimated at 6.64 million tonnes in 1984-85. An export level of one million tonnes is tentatively projected. The level of exports, however, would be influenced by the international demand-supply position and prices. Capacity and production targets of 8 million and 7.64 million tonnes respectively are envisaged for 1984-85.

16.76 The policy for licensing of new sugar factories announced by the Government in July, 1980 gives priority to the cooperatives and public sector units. Applications from private sector would also be considered, if adequate response is not forthcoming from the preferred sectors.

16.77 Incentives to sugar factories established at high cost have been revived in November, 1980, to help in the establishment of adequate capacity to meet the projected demand. A differential price policy of giving an additional levy price for smaller and older units has been adopted for the first time. The proposed development cess and assistance to sick units for modernisation and rehabilitation are other important features of this new policy. The present policy of constructing storage tanks for conservation of molasses would need to be continued for maximising the production of alcohol.

Vegetable oils and Vanaspathi

16.78 There is currently a large gap between the demand and domestic production of edible oils requiring considerable imports. With a view to attaining self-sufficiency the production of oilseeds is envisaged to be stepped up from 10.20 million tonnes in 1979-80 to 13.10 million tonnes by 1984-85. An integrated programme for augmenting the total supply of oils both for edible and industrial purposes is under formulation. The maximisation of production of edible oils from newer sources like soyabean, rice-bran, etc. will be a major element in the Sixth Plan strategy for this sector. Facilities for extraction of these oils will be augmented. The demand for vanaspathi by 1984-85 is estimated at 0.9 million tonnes. The industry is being supplied with imported oils at pre-determined prices in order to relieve the pressure on indigenous oils which are commonly used for direct consumption. A review of the existing capacity for vanaspathi is being carried out taking into account such factors as the prolonged hydrogenation that is required because of the use of a different mix of oils, correction of regional demand-supply imbalance etc.

16.79 The outlay of Rs. 38.65 crores provided in the Plan for development of vegetable oils relates to such programmes as setting up of processing facilities for soyabean oil, modern oil complexes, establishment of a national level organisation for integrated management of vegetable oilseeds and oils and a coordinated research and development programmes. In addition there is a large project in the cooperative sector for the modernisation of the vegetable oil industry in-

cluding production of oilseeds organised through the National Dairy Development Board.

Leather

16.80 India has the world's largest source of leather-its livestock population. With the present availability of 33.2 million raw hides and 69.9 million raw skins per annum, India is well placed to satisfy a significant part of the world's requirement of leather footwear and leather goods. The pattern of leather exports has undergone a significant change since 1973-74. The share of finished leather in the total exports has gone up from about 19 per cent during 1974-75 to about 57 per cent during 1979-80. This is a significant achievement in the first stage of switch over, i.e. from semi-finished leather exports to finished leather exports.

16.81 During the eighties, the most crucial task before the industry is to attain the second phase of conversion from finished leather exports to exports of leather goods. An appropriate policy would be evolved and expeditiously implemented to increase on a sustained basis the export of leather footwear and leather goods, along with the generation of increased employment. In this effort, the various State leather Development Corporations and the Bharat Leather Corporation would play a significant role.

Atomic Energy (Industry and Mineral sector)

16.82 The main objectives underlying the programmes of Atomic Energy under the industry and minerals sector are the development of indigenous capability for achieving self-sufficiency in the production of special materials and equipment needed for all the activities in the nuclear fuel cycle from uranium exploration to waste disposals, development of viable technology and facilities for the application of radiation and radio-isotopes in the field of industry, medicine and agriculture and promoting the commercial exploitation of technology, materials and equipment developed primarily for meeting the needs of the nuclear programme. The bulk of the provision in the Plan is intended for completion of various schemes under implementation in the Bhabha Atomic Research Centre, Electronics Corporation of India, Uranium Corporation, and Indian Rare Earths Ltd. Substantial provision has also been made for expanding the capacity for the production of heavy water.

OUTLAYS

16.83 The overall outlay envisaged in the plan is Rs. 20,407 crores including coal and petroleum. A major part of the outlay amounting to Rs. 19,018 crores is in the Central sector and the balance of Rs. 1,389 crores in the States sector. Some two-third of the outlay in the Central sector is on continuing schemes, the balance one-third representing new starts during the Sixth Plan period. These new starts are intended primarily by way of advance action in order to create the necessary capacity to meet the anticipated demand in the early years of the Seventh

Plan period. The outlays of the Central sector programmes are indicated in Annexures 16.2 and 16.3. The provision in the Central Plan for major section is given below:

	(Rs. crores)
1 Steel	3613
2 Petroleum	4300
3 Coal	2870
4 Fertilizers	2367
5 Heavy Engineering	704
6 Iron ore	223
7 Non-ferrous metals	1262
8 Petrochemicals	962
9 Paper and newsprint	340
10 Cement	421
11 Drugs & pharmaceuticals	145
12 Textiles	102
13 Electronics	165

A significant portion of the outlay has been allocated to petroleum, coal, metals and fertilizers in line with the priorities of the Plan. A rough analysis indicates that approximately 26 per cent of the overall outlay in the public sector would go to support the programmes in the rural and agricultural sector. In the case of metals, the new steel plant at Vizagapatnam, the alumina complex at Orissa and the continuing programmes of expansion of steel plants at Bhilai and Bokaro account for the large investment proposed. In the case of fertilizers, several new starts for nitrogenous fertilizers based on natural gas and also for phosphatic fertilizers are envisaged.

16.84 The Plan provision for the public sector undertakings also includes support for R & D activities many of which will, besides supporting the needs of the concerned public sector units, also cater to the overall technological needs of the industries concerned. Provision has also been made for replacement, rehabilitation and technological improvements in existing undertakings.

16.85 However, the resource constraint for the industrial sector of the Plan has limited the flexibility for inclusion of many essential new schemes. The fact that these schemes are desirable and necessary for maintaining the pace of growth, has been noted but funds would be provided for starting these schemes on the basis of a mid-term appraisal of the Plan and an assessment of the emerging resource position at that time. Schemes which have been so treated

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those where investment expenditure would normally be required in the later part of the Plan period.

(Rs. crores)

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16.86 The outlay in the States and Union Territories is generally meant for augmenting the share capital of State Financial Corporations and State Industrial Development and Investment Corporations to enable them to extend financial assistance to small and medium entrepreneurs and to undertake other promotional activities in their respective States. Particular emphasis has been laid on the provision of infrastructural facilities under the programme of development of industrial areas. The State Plans also contain provisions for projects under industries such as cotton spinning, cement, electronics, ceramics,

tannery, light engineering and consumer products based on the processing of local raw materials or to cater to the local market. Under mineral development, provision has been made for carrying out detailed exploration of mineral resources. Special attention has been paid to exploiting the industrial potential of the North East Region and arrangements would be made to ensure a continued and integrated support for quick implementation of the programmes so identified for this region.

16.87 A statement containing the provisions made in the Plans of States and Union Territories for large and medium industries, including mineral development, is at Annexure 16.4.

Annexure 16-I

Capacity and Production Estimates for Selected Industries for 1984-85

Sl. No.	Industry	Unit	1979-80		1984-85	
			Actuals/Anticipated		Targets	
			Capacity	Production	Capacity	Production
(0)	(1)	(2)	(3)	(4)	(5)	(6)
1 Mining						
(1) Coal		M. Tonnes	..	104	..	165
(2) Lignite		"	..	3.12	..	8
(3) Crude Oil		"	..	11.77	..	21.60
(4) Iron Ore		"	..	39	..	60
2 Basic Metals						
(1) Hot Metal (Integ. Plants)		"	12.20	8.47	15.27	13.20
(2) Pig Iron for sale		"		1.09		1.52
(3) Steel Ingots		"	14.47	9.62	17.90	14.45
(4) Steel Ingots (Integ. Plants)		"	11.40	8.03	14.56	12.45
(5) Saleable Steel		"	11.21	7.38	14.30	11.51
(6) Saleable Steel (Integ. Plants)		"	8.73	6.04	11.30	9.71
(7) Alloy & Special Steels		'000 T.	772	610	1050	920
(8) Sponge Iron		"	330	160
(9) Aluminium		"	330	192	350	309
(10) Copper (Blister)		"	47.50	22.45	60	50
(11) Zinc		"	92	52.60	98	85
(12) Lead		"	18	11.40	30	25
3 Metall Products						
(1) Steel Castings		"	168	72	200	135
(2) Steel Forgings		"	220	110	240	180
4 Non-Metallic Mineral Products						
(1) Cement		M. Tonnes	24.30	17.68	43	34.50
(2) Refractories		'000 T.	1640	850	1800	1250
5 Petroleum Products		M. Tonnes		25.83		35.34
6 Basic Chemicals						
(1) Sulphuric Acid		'000 T.	3830	2131	5000	3600
(2) Caustic Soda		"	768	550	1050	850
(3) Soda Ash		"	633	556	1000	850
(4) Calcium Carbide		"	149	87	250	200
(5) Industrial Oxygen		MCM	123.70	83.50	200	150
7 Agricultural Chemicals						
(1) Nitrogenous Fertilizers		'000 T.	3891	2226	5938	4200
(2) Phosphatic Fertilizers		"	1230	757	1825	1400

(3) BHC (in

(4) D.D.T.

(5) Malathion

(6) Other Pe

Thermo Plastic

(1) L.D. Poly

(2) H.D. Poly

(3) Polyvinyl

(4) Polypropy

(5) Polystyren

(6) Synthetic

Styrene Bu

Polybutad

Petro-chemicals

(1) Acrylonitril

(2) DMT

(3) Caprolacta

(4) Detergent A

(5) Methanol

Man-made Fibr

(1) Viscose Fila

(2) Viscose Stap

(3) Viscose Tyre

(4) Nylon Filar

(5) Nylon Tyre

(6) Polyester Sta

(7) Polyester Fil

(8) Acrylic Fibr

Drugs and Pharm

(1) Bulk Drugs

(2) Formulation

Food Products

(1) Sugar

(2) Vanaspati

Textiles

(1) All Yarn (Co

(2) Cloth (Mil

(3) Cloth (Decen

(4) Jute manufac

Leather and Rubbe

(1) Leather Foot

including art silk fab

Annexure 16. I—Contd.

(1)	(2)	(3)	(4)	(5)	(6)
(3) BHC (in terms of 13% isomer)	'000 T.	37.90	31.80	43.90	43
(4) D.D.T.	"	4.10	4.70	9.10	10
(5) Malathion	"	3.50	2.10	9.20	7.50
(6) Other Pesticides	"	24.90	11.40	37.60	26.40
<i>Thermo Plastics and Synthetic Rubbers</i>					
(1) L.D. Polyethylene	'000 T.	112	71.30	112	100
(2) H.D. Polyethylene	"	30	25.40	30	27
(3) Polyvinyl Chloride	"	77.90	49.90	173	128
(4) Polypropylene	"	30	13.40	30	27
(5) Polystyrene	"	23.50	12	23.50	20
<i>Synthetic Rubbers</i>					
Styrene Butadiene Rubber	"	30	21.60	30	27
Polybutadiene Rubber	"	20	8.70	20	18
<i>Petro-chemical Intermediates</i>					
(1) Acrylonitrile	'000 T.	24	3.70	24	20
(2) DMT	"	24	27.90	66	56
(3) Caprolactam	"	20	13.50	20	18
(4) Detergent Alkylate	"	30	13.10	37.50	35
(5) Methanol	"	44.50	43.20	124	100
<i>Man-made Fibres</i>					
(1) Viscose Filament Yarn	'000 T.	41.10	41.80	43	43
(2) Viscose Staple Fibre	"	97.40	84.50	150	120
(3) Viscose Tyre Cord	"	21	15	21	21
(4) Nylon Filament Yarn	"	21	17.70	31.40	28
(5) Nylon Tyre Cord & Industrial Yarns	"	12.10	11.20	13.50	13.50
(6) Polyester Staple Fibre	"	30.40	23.60	58.60	55
(7) Polyester Filament Yarn	"	8	9	18	18
(8) Acrylic Fibre	"	16	3.40	16	14
<i>Drugs and Pharmaceuticals</i>					
(1) Bulk Drugs	Rs. crores		226		665
(2) Formulations	"		1150		2450
<i>Food Products</i>					
(1) Sugar	M. Tonnes	6	3.90	8	7.64
(2) Vanaspathi	'000 T.	1291	626	1351	900
<i>Textiles</i>					
(1) All Yarn (Cotton, blended and mixed)	Cap. Mill Spindles	20.78	1216	22.80	1425
(2) Cloth (Mill Sector)	Prod. Mill. Kg.				
(3) Cloth (Decentralised Sector)	Prod. million Mtrs.	2.07	4085 @	2.17	4900
(4) Jute manufactures	Prod. million Mtrs.		6350		8400
(5) Leather and Rubber Goods	'000 tonnes	1325	1336	1500	1500
(6) Leather Footwear (Organised Sector)	Mill. pairs	20.80	13	30	25
(7) Hand art silk fabrics					

(0)	(1)	
4.7.3	New Schemes	11
4.7.3.1	Expansion & Modernisation of Catalyst Plants	10
4.7.3.2	Others	1
4.8.	<i>Pyrites, Phosphates and Chemicals Ltd.</i>	25
4.8.1	Continuing Schemes	6
4.8.1.1	Amjhore Mining Project	1
4.8.1.2	Others	1
4.8.2	New Schemes	19
4.8.2.1	Mining and Beneficiation of Pyrites at Saladipura & Phosphate at Mussoorie	15
4.8.2.2	Others	4
4.8.3.	S & T Programmes	1
4.9	<i>Hindustan Organic Chemicals Ltd.</i>	8
4.9.1	Continuing Scheme	1
4.9.1.1	Phenol Project	1
4.9.1.2	Phase II Expansion	1
4.9.1.3	Nitrochlorobenzene Project (Expansion)	1
4.9.1.4	Others	1
4.9.2	Replacement and Renewals	1
4.9.3	New Schemes	1
4.9.3.1	Caustic Soda/Chlorine Project	1
4.9.3.2	Polytetrafluoroethylene Project	1
4.9.3.3	Others	1
4.9.4	S & T Programmes	1
4.10.	<i>Hindustan Insecticides Ltd.</i>	1
4.10.1	Continuing Schemes	1
4.10.1.1	DDT Project	1
4.10.1.2	Others	1
4.10.2	Replacement and Renewals	1
4.10.3	New Schemes	1
4.10.4	S & T Programmes	1
4.11	<i>Indian Drugs & Pharmaceuticals Ltd.</i>	1
4.11.1	Continuing Schemes	1
4.11.1.1	Antibiotics Plant Expansion	1
4.11.1.2	Synthetic Drugs Plant Expansion	1
4.11.1.3	Others	1
4.11.2	Replacement and Renewals	1
4.11.3.	New Schemes	1
4.11.3.1	Vitamin B1 and B2 Projects	1

(0)	(1)	(2)
411.3.2	Analgin Project	
411.3.3	Others	2.80
411.4	S & T Programmes	12.10
412	<i>Hindustan Antibiotics Ltd.</i>	5.00
412.1	Continuing Schemes	32.37
412.1.1	Streptomycin Project (Expansion)	11.37
412.1.2	Semi Synthetic Penicillin Project	2.83
412.1.3	Formulation Plant Pimpri	2.51
412.1.4	Gentamycin Sulphate Project	2.19
412.1.5	Others	2.12
412.2	Replacement and Renewals	1.72
412.3	New Schemes	10.00
412.3.1	Streptomycin Project—Additional Capacity	8.00
412.3.2	Others	5.00
412.4	S & T Programmes	3.00
413	<i>Smith Stanistreet Pharmaceuticals Ltd.</i>	3.00
413.1	Continuing Schemes	4.13
413.2	Replacement and Renewals	0.48
413.3	New Schemes (Bulk Drugs)	0.50
413.4	S & T Programmes	3.00
414	<i>Bengal Chemical & Pharmaceutical Works Ltd.</i>	0.15
414.1	Replacement and Renewals	8.20
414.2	New Schemes	5.00
414.3	S & T Programmes	3.00
415	<i>Bengal Immunity Company Ltd.</i>	0.20
415.1	Replacement and Renewals	12.00
415.2	New Schemes	4.00
415.3	S & T Programmes	7.00
416	<i>Schemes under the Department of Chemicals and Fertilizers</i>	1.00
416.1	New Schemes	719.00
416.1.1	Nitrogenous Fertilizer Plant I	719.00
416.1.2	Nitrogenous Fertilizer Plant II	200.00
416.1.3	Nitrogenous Fertilizer Plant III	75.00
416.1.4	Nitrogenous Fertilizer Plant IV	60.00
416.1.5	Phosphatic Fertilizer Plant I	40.00
416.1.6	Phosphatic Fertilizer Plant II	130.00
416.1.7	Phosphatic Fertilizer Plant III	50.00
		50.00

HEALTH, FAMILY PLANNING AND NUTRITION

Sustained efforts towards promotion of health care services during the last 30 years have resulted in significant improvement in the health status of the country. The mortality rate has declined from 27.4 in 1941-51 to an estimated 14.2 in 1978. The life expectancy at birth has gone up from about 32 years as per 1951 Census to about 52 years during 1976-81. The infant mortality rate has come down from 146 during the fifties to 129 in 1976. The health infrastructure has been strengthened. The country has about 50,000 sub-centres, 5,400 primary health centres including 340 upgraded primary health centres with 30 bedded hospital, 106 medical colleges with admission capacity of 11,000 per annum and about 5 lakh hospital beds. The per capita expenditure on health incurred by the State has gone up from about Rs. 1.50 in 1955-56 to about Rs. 12 in 1976-77. The doctor population ratio though satisfactory on an average in the country (1977), varies widely from 1 doctor for 8333 in Meghalaya to 1 doctor for 1400 in Delhi. The bed population ratio has also improved but varies widely in urban and rural areas.

22.2 The country was declared free from smallpox in April, 1977. The National Malaria Eradication Programme initiated in 1958 had brought down the incidence of the disease to about 1 lakh cases with no deaths in 1965 although there has been a slippage in the subsequent years. The National Programme for Control of Leprosy, Tuberculosis, Filariasis and Blindness have also helped to reduce mortality/morbidity.

22.3 National Programmes have also been initiated for promotion of maternity and child care such as immunization of expectant mothers against Tetanus and children against Tetanus, Whooping Cough, Diphtheria, Tuberculosis, Polio etc., besides prophylaxis against Vitamin 'A' and iron deficiencies. Programmes of improving the nutrition of mothers and children have also been taken up.

22.4 In the field of curative services some of the State Hospitals have built up specialised sophisticated services comparable with facilities available in some of the advanced countries for cardiac diseases, cancer and neurological, nephrological disorders.

HEALTH

Review

22.5 The programmes initiated in the earlier plans for control/eradication of major communicable diseases and for providing curative, preventive and promotive health services backed by training of adequate number of medical and para-medical personnel were strengthened further in the Fifth Plan, and in the subsequent annual plans. Provision of minimum health services in the rural areas was integrated with family planning and nutrition for vulnerable groups of population—children, pregnant women and lactating mothers. The programmes were aimed at:—

- (i) Increasing the accessibility of health services to rural areas.
- (ii) Correcting regional imbalances.
- (iii) Further development of referral services by removal of deficiencies in District/Sub-divisional hospitals;
- (iv) Intensification of the control/eradication of communicable diseases especially Malaria and Smallpox;
- (v) Qualitative improvement in the education and training of health personnel; and
- (vi) Development of referral services by providing specialist attention to common diseases in rural areas.

22.6 The Minimum Needs Programme was the main instrument through which health infrastructure in the rural areas was expanded and further strengthened to ensure primary health care to the rural population. The outlays earmarked for this programme were considered almost a prior charge on the Plan budget for medical and public health of the States. The facilities available in selected rural dispensaries were expanded to provide preventive and promotive health care facilities by adding the necessary health components. These functioned as subsidiary health centres. The following table shows the number of sub-centres, primary health centres and upgraded primary health centres with a 30 bed-

hospital set up by 31st March, 1980 vis-a-vis targets set for 1974-79 Plan:—

Table 22.1

(Nos.)

Programme	At the beginning of Fifth Plan 1973-74	Target set for 1974-79 Plan (cumulative)	Likely achievement by 31-3-1980 (cumulative)
Centres	33509	43836	50000
Primary Health Centres	5250	5351	5400
Subsidiary Health Centres	Nil	Nil	1000
Graded Primary Health Centres	Nil	Nil	340

27 The programme of conversion of health workers serving in vertical public health programmes like malaria control, TB control, smallpox etc., into multi-purpose health workers through reorientation training was assigned a high priority. This programme was completed in about 183 districts out of 400 districts in the country was completed by 31st March, 1980.

28 In accordance with the recommendations of the Study Group on Medical Education and Support Empower, (1975) two Centrally Sponsored Schemes, (i) Community Health Volunteers and (ii) Reorientation of Medical Education were initiated in 1977. The community health volunteers programme initiated in October 1977 had the objective of providing a trained community health volunteer selected by the community itself for every village or a population of 1000. Under the scheme of reorientation of Medical Education, each medical college in the country was to adopt 3 primary health centres in the first phase with the twin objectives of providing a rural bias to medical education and also curative health care and referral facilities to the rural population covered.

29 In spite of several significant achievements, the health care system obtaining in the country suffers from some weaknesses and deficiencies. There has been pre-occupation with the promotion of curative clinical services through city based hospitals which have by and large catered to certain sections of the urban population. The infra-structure of sub-centres, primary health centres and rural hospitals set up in the rural areas touches only a fraction of the rural population. The concept of health in its entirety with preventive and promotive health care services in addition to the curative, is still to be made operational. Doctors and para-medicals are reluctant to serve in the rural areas. They are generally city oriented and their training is not adequately adapted to the needs of the rural areas particularly in the field of preventive and promotive

health. There has been over dependence on the States for health care measures and voluntary and local effort has not been able to take up responsibility in any significant measure. The involvement of the people in solving their health problems has been almost non-existent.

22.10 The incidence of malaria has shown an upward trend since 1965. There have also been reported cases of malaria caused by Plasmodium falciparum parasite accounting for some deaths. This type of malaria is also spreading from the North Eastern region where it originally occurred to other States. Resistance of this parasite to specific drugs has been reported. The vector mosquitoes have also developed resistance to DDT and BHC in certain areas of Gujarat and Maharashtra. There has been incidence of Japanese Encephalitis in certain pockets.

22.11 Of an estimated 3.2 million leprosy patients in the country, 20 per cent are infectious and another 20 per cent suffer from various deformities. Curative and rehabilitative services for these are necessary.

22.12 Nearly 2 per cent of the total population in the country is estimated to suffer from radiologically active lesion of which 25 per cent are sputum positive and infectious cases. The control measures adopted under the T.B. control programme do not appear to have made any appreciable dent on the dimensions of the problem and the incidence of TB continues to be high.

22.13 According to the survey conducted by the Indian Council of Medical Research, out of an estimated 9 million blind persons in the country, about 5 million could be cured by proper surgical interference. In addition, 45 million persons were reported to be otherwise visually impaired. It was also observed that the existing backlog of 5 million cataract cases was likely to go up by another million new cases every year.

22.14 Maternal and infant mortality rates are still on a higher plateau compared to advanced and some developing countries. The decline in the sex ratio (females per 1000 males) from 946 in 1951 to 930 in 1971 indicates the need for greater attention to maternal and child health care. There are also considerable inter-State and regional disparities in health and medical care standards. The general position of the Scheduled Castes/ Scheduled Tribes and other backward classes is comparatively more unsatisfactory.

Policies and Strategy of Health Care Programme

22.15 An investment on health is investment on man and on improving the quality of his life. It is, therefore, well recognised that health has to be viewed in its totality, as a part of the strategy of human resources development. Horizontal and vertical

linkages have to be established among all the inter-related programmes like protected water supply, environmental sanitation and hygiene, nutrition, education, family planning and maternity & child welfare. Only with such linkages can the benefits of various programmes be optimised. An attack on the problem of diseases cannot be entirely successful unless it is accompanied by an attack on poverty itself which is the main cause of it. For this reason the Sixth Plan assigns a high priority to programmes of promotion of gainful employment, eradication of poverty, population control and meeting the basic human needs as integral components of the Human Resources Development Programme.

22.16 The country has adopted the policy of 'Health for all by 2000 AD' enunciated in Alma Ata Declaration in 1977. Alongwith this the long term objective of population stabilisation by reducing Net Reproduction Rate (NRR) to 1 by 1995 is to be achieved. The health care system in the country has to be restructured and re-oriented towards these policy objectives. The strategy to be followed over a period of 20 years upto 2000 AD, based on the recommendation of the Working Group on Health, will be as follows.

- (i) Emphasis would be shifted from development of city based curative services and super-specialities to tackling rural health problems. A rural health care system based on a combination of preventive, promotive and curative health care services would be built up starting from the village as the base.
- (ii) The infra-structure for rural health care would consist of primary health centres each serving a population of 30,000 and sub-centres each serving a population of 5,000. These norms would be relaxed in hilly and tribal areas. The village or a population of 1000 would form the base unit where there will be a trained health volunteer chosen by the community.
- (iii) Facilities for treatment in basic specialities would be provided at community health centres at the block level for a population of 1 lakh with a 30 bedded hospital attached and a system of referral of cases from the community health centre to the district hospital/medical college hospitals will be introduced.
- (iv) Various programmes under education, water supply and sanitation, control of communicable diseases, family planning, maternal and child health care, nutrition and school health implemented by different departments/agencies would be properly coordinated for optimal results.

(v) Adequate medical and para-medical manpower would be trained for meeting the requirements of a programme of this order and all education and training programmes will be given suitable orientation towards rural health care.

(vi) The people would be involved in tackling their health problems and community participation in the health programmes would be encouraged. They would be entitled to supervise and manage their own health programmes eventually.

The crucial indicators as at present and those desirable by 2000 AD are shown below:

Table 22.2

Index	Present level	2000 AD Target
Infant Mortality Rate (per 1000 live birth)	129 (1976)	Below 60
Crude Death Rate (per 1000 population)	14.2 (1978)	9.0
<i>Life Expectancy at birth (in years)</i>		
Male	52.6 (1976-81)	64
Female	51.6 (1976-81)	64
Crude Birth Rate (per 1000 population)	33.3 (1978)	21.0
Net Reproduction Rate (NRR)	1.51 (1980-81)	1.0

In substance, a reduction of 5.2 points in the death rate and 12.3 points in the birth rate by 2000 AD would be the target for achievement. The rate of infant mortality is also to be reduced by more than 50 per cent and life expectancy raised to 64 years.

22.17 The expanded immunization programme and the programme of prophylaxis against iron and Vitamin 'A' deficiencies would be strengthened. The targets envisaged for Sixth Plan are indicated in Annexure 22.6. All the national public health schemes like Malaria control, Leprosy control, TB control etc., would be monitored towards the specific goal of adequate health care for all envisaged for the period 1980-2000 AD.

Rural Health Programme

22.18 The minimum needs programme in the State Sector would continue to be the main instrument for development of the rural health care delivery system. It will be supplemented by Centrally Sponsored Programme for training of medical and para-medical workers.

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219 Minimum Needs Programme: Primary health centres at the rate of one for each community development block had been established by the end of Fifth Plan. It was also proposed to have one sub-centre for 10,000 population and upgrade one out of every four selected primary health centres to a 30 bedded rural hospital to serve as a first link in the chain of referral services. Full coverage of the backlog of primary health centres and sub-centres buildings were also contemplated in the Fifth Plan. Although the progress of setting up of primary health centres has been satisfactory, many of them are not having necessary buildings and other facilities. The sub-centre programme has been proceeding very slow. These programmes would, therefore, be accelerated over the successive plan periods to achieve by 2000 AD the objective of establishing one primary health centre for every 30,000 population or 20,000 in tribal and hilly areas and one sub-centre for every 10,000 population. As against the earlier policy of setting up a 30 bedded rural hospital by upgrading one out of 4 primary health centres, a community health centre will be established for a coverage of 1 lakh population with 30 beds and specialised medical care services in gynaecology, paediatrics, surgery and medicine.

teers, Employment and Training of Multi-purpose Workers and Re-orientation of Medical Education which are all continuing schemes.

22.22 The community health volunteers scheme is yet to be evaluated fully, although two quick evaluations have been made. There are about 1.40 lakh community health volunteers in field as on 1st April, 1980. It is proposed to extend the programme further during the 1980-85 Plan to add another estimated 2.20 lakh community health volunteers raising the total number to 3.60 lakhs by 1985, with a view to cover the whole country. The States of Jammu & Kashmir, Kerala, Tamil Nadu and the Union Territories of Arunachal Pradesh and Lakshadweep Islands are implementing alternative schemes of health care at the grass roots level. An in-depth evaluation of the Centrally Sponsored Community Health Volunteers Scheme as well as these alternative schemes will be made to develop, if necessary, a modified scheme to promote health consciousness among the rural people and provide a link between them and the primary health centres.

Training of Multi-purpose workers is expected to be completed by 1983.

22.23 The Re-orientation of Medical Education Scheme was initiated with the twin objective of providing curative health care facilities to the rural people and giving a rural bias to medical education. The 106 medical colleges in the country were provided each with three mobile clinics obtained from the UK Government for the purpose. The scheme provides for one-time assistance to the medical colleges for meeting a part of the recurring and non-recurring costs, the State Governments meeting the required additional non-recurring and recurring costs. The scheme will be continued in the Plan and each medical College would cover a whole district in due course.

22.24 Schemes to train public health and para-medical workers will be taken up in the Plan since at present there is dearth of trained workers in various fields and the present training courses and curricula are also not standardised in some cases. The requirements of various categories of personnel would be identified and training programmes mounted for the required number. Full advantage would be taken of the 10+2 system and para-medical courses would be introduced in that system to the extent possible.

Control of Communicable Diseases

22.25 Next to rural health, the control of communicable diseases will be given priority.

22.26 Diseases like TB, Gastro-intestinal infections, malaria, filaria, infectious hepatitis, rabies and hook worm are inter-related to environment.

22.20 Keeping in view the training capacity of ANMs and other para-medicals and the constraint of financial resources, it is proposed to establish 10,000 additional sub-centres during 1980-85 Plan raising the number of centres to an estimated 90,000 against the total requirement of about 1,22,000 centres i.e., 74 per cent coverage on the basis of Mid 1984 estimated population. 600 additional primary health centres will be set up in areas where mostly the existing primary health centres cater to a relatively larger population on present norms. Out of these over 100 primary health centres are expected to be located in tribal and hill areas. In addition, 1000 out of the existing rural dispensaries will be converted into subsidiary health centres to accelerate the promotion of promotive and preventive health care facilities. These will be eventually converted to primary health centres. There will thus be 1000 primary health centres and 2000 subsidiary health centres (1000 existing+1000 new proposed) by 1984-85 against the total requirement of about 1560 centres. Coverage of backlog construction works of sub-centres, primary health centres buildings and staff quarters, besides construction works of units to the extent possible within the available resources will be aimed at during the Plan period. 14 primary health centres will be upgraded to Community Health Centres with 30 bedded hospital in addition to completion of construction works of upgraded primary health centres already taken up. These will be converted into community health centres emphasising the public health aspects.

22.21 Centrally Sponsored Schemes: The minimum needs programme will be supported by the Centrally Sponsored Schemes of Community Health Volun-

They accounted for 17.2 per cent of morbidity and 20.8 per cent of mortality in 1970. Other preventable diseases like diphtheria, whooping cough, polio and tetanus accounted for 1.0 per cent of morbidity and 0.4 per cent of mortality. Improvement of environmental sanitation and expanded immunization programmes coupled with improved preventive and promotive facilities through the network of hospitals, community health centres and sub-centres would be the main strategy for control/eradication of the communicable diseases.

22.27 The ongoing programmes of control/eradication of communicable diseases like malaria, filaria, leprosy, TB would be further intensified and fully integrated with other health care programmes to ensure effective reach of these services through a network of multi-purpose health workers under the supervision of medical officers at the primary health centres. Efforts would also be made for involvement and participation of the community in the programmes. Research and training components of these programmes would be stepped up towards the objective of developing more effective alternate approaches to control of these diseases.

22.28 The details of the programmes are briefly indicated below:—

(i) *Malaria*: Keeping in view the current status of malaria as discussed earlier, the modified operational plan of control initiated in 1977 will be implemented vigorously. The salient features of the Plan are:—

- Re-organisation of malaria units to conform to geographical boundaries of the district for better supervision by the Chief Medical Officer of the District entrusted with the responsibility to implement the programme;
- Linking residual insecticidal spray with incidence by continuing spraying in areas with an annual parasite index (API) of 2 or more per 1000 population;
- Full surveillance including focal spraying in areas with an API less than 2;
- Priority attention to *P. falciparum* infection;
- Assured supply of required quantity of anti-malarial drugs through community health volunteers, sub-centres, primary health centres, panchayat agencies, school teachers etc.
- Multi-media publicity to arouse public awareness and participation; and
- A step up in research effort both in the laboratory and field.

A large allocation of over Rs. 400 crores has been made in the Plan for control of malaria. Research on immunological and therapeutical aspects of Japanese

Encephalitis and *P. falciparum* infection would be intensified.

(ii) *Filaria Control*: Experimental studies have been initiated in the selected pockets of the country for evolving an effective strategy to control the disease in rural areas. These studies will be further intensified so as to evolve a suitable strategy by 1985 to protect the rural population susceptible to Bancrofti filariasis. Filaria and malaria control measures would be integrated into a composite programme for maximum utilisation of available resources and effective implementation in urban areas.

(iii) *Leprosy*: The leprosy control programme will be intensified in the Plan towards the objective of its eradication as early as possible. The programme will be directed towards the following objectives:

- (a) To cover the entire endemic population of the country to the extent of 90 per cent by 1985 and 100 per cent by 1990 with a corresponding step up in disease arrested cases from present level of 20 per cent to 40 per cent in 1985 and 60 per cent in 1990.
- (b) To introduce newer drugs, multi-drug therapy and specially supervised treatment of infectious cases and epidemiological surveillance by a network of early detection measures.
- (c) To provide medico-surgical facilities to leprosy patients for rehabilitation through reconstructive surgery, physiotherapy, occupational therapy, jobs and tools adoption etc.
- (d) To improve and extend training facilities in leprosy through training centres, Regional Leprosy Training-cum-Referral Institutes and workshops.
- (e) Encourage the participation of voluntary agencies through financial support. Public education and mass publicity will be stepped up to remove the social stigma attached to the disease.

(iv) *Control of Visual Impairment and Blindness*: Among the major causes responsible for visual impairment and blindness, cataract accounts for 55-58 per cent followed by trachoma and other eye infections 20-22 per cent. The balance is due to injuries, malnutrition and other causes. Under the Centrally Sponsored Scheme, Ophthalmic treatment facilities in primary health centres, rural hospitals and District hospitals will be improved. Provision will be made for mobile units and strengthening of ophthalmic departments in selected medical colleges and regional ophthalmic institutes. Comprehensive eye health care facilities through the strengthened infrastructure should help reduce blindness in the country from the present 1.4 per cent to about 1 per cent by 1985.

(v) *Control of other diseases*: Measures for control and prevention of TB and Cholera, and maintenance

of zero incidence. The Centrally Transmitted with general the State Plan one of the de identified to vector borne in the a

Hospitals a

22.29 Except centres like Central Government and dispensary Governments/ The facilities in district levels h graded system curative service ons, super-sp facilities are e. the rural popu scheme of refe these hospitals the region. M management of existing facilitie and establishm and Dharamshra reduce pressure

22.30 Super-s the limited exte requirements and

22.31 The run Governments w health care inste A good numbe subsidiary health discussed under

Medical Educ

22.32 Under-g. 16 medical colle estimated 11, new of the in graduates and al. ers to para-med ment is not colleges or the in on bringing ab al education a return of medic est among ther are available to : hospitals. 'I by the fact es, by their, tions find them

of zero incidence of small-pox would be continued. The Centrally Sponsored Scheme concerning Sexually Transmitted Diseases programme will be integrated with general health care facilities provided through the State Plans with effect from 1981-82. Goutre is one of the deficiency diseases which will be tackled in the identified endemic pockets. Attention will be paid to vector borne diseases which are gaining in importance in the areas covered by major irrigation projects.

Hospitals and Dispensaries

22.29 Except in the national capital and selected centres like Chandigarh and Pondicherry, E.S.I. and Central Government Health Service Scheme, hospitals and dispensaries are under the control of the State Governments/Union Territory Administrations. The facilities in the hospitals of the medical colleges/district levels have in the past been improved and upgraded systematically to cater to the requirements of curative services. In selected hospitals and institutions, super-specialities have also been set up. These facilities are expected to provide curative facilities to the rural population on an increasing scale under the scheme of referral services. Further development of these hospitals would be with reference to felt needs of the region. Measures will be taken for efficient management of the hospitals through consolidation of existing facilities and proper maintenance of equipment and establishment of convalescent homes, poly-clinics and Dharamshalas in the vicinity of hospitals to help reduce pressure on hospital beds would be encouraged.

22.30 Super-specialities will be developed only to the limited extent necessary to meet the regional requirements and to fill in critical gaps.

22.31 The rural dispensaries set up by the State Governments will be gradually oriented towards total health care instead of providing curative facilities only. A good number of them are being converted into subsidiary health centres in the Sixth Plan as already discussed under the minimum needs programme.

Medical Education

22.32 *Under-graduate Medical Education:* From the 16 medical colleges existing at present in the country, estimated 11,000 doctors pass out every year. In view of the increasing unemployment of medical graduates and also the imbalance in the ratio of doctors to para-medical workers, the policy of the Government is not to increase the number of medical colleges or the intake capacity. The emphasis would be on bringing about qualitative improvement in medical education and training. Despite the high yearly turn of medical graduates and growing unemployment among them, in several States there are no doctors available to serve in the rural primary health centres/hospitals. This phenomenon can be explained by the fact that many of the young medical graduates, by their background, training and career ambitions find themselves out of place in a rural set up.

22.33 It will, therefore, be necessary in the years ahead to reorient medical education to meet the requirements of rural areas. The Centrally Sponsored Scheme of Re-orientation of Medical Education would be continued and the present deficiencies noted in the implementation of the schemes set right. The Medical Council of India has also prescribed service in rural medical institutions for six months as part of the compulsory internship. In addition, reforms in other directions like modification of the curriculum, training of medical under-graduates in certain fields relevant to the problems of rural health care, community orientation etc., would be necessary. These would be given adequate attention in the Sixth Plan.

22.34 Besides providing incentives to government doctors to serve in rural areas, it would also be necessary to encourage private practitioners to settle in the rural areas so that their services could supplement the efforts of Government in the field of rural health. This would also correct the situation where almost every medical graduate, who comes out, looks up to Government to provide him with a job. In fact, it is precisely this situation that has contributed to growing unemployment amongst doctors in some States and not lack of opportunities for service. The nationalised banks have already a scheme for providing financial assistance to professionally qualified people for self-employment including doctors. Efforts would be made to ensure that adequate number of medical graduates are enabled to avail of this assistance. The Government of Andhra Pradesh have initiated a scheme under which some allowance is provided to medical practitioners who settle down in a village where there is no doctor and provide part-time service at the nearest sub-centre. The Tamil Nadu Government have taken up the Mini-health Centre Scheme under which financial assistance is provided to voluntary organisations which provides medical care facilities at the village level through doctors employed on part-time basis. Based on the experience gained from such schemes, suitable steps can be taken to promote the settling of doctors in rural areas.

22.35 *Post-Graduate Education:* Post-graduate Medical Education would be rationalised to effect a balance between the national requirements of specialities and advanced opportunities for medical graduates.

22.36 The National Academy of Medical Sciences will be strengthened and assisted to fulfil the objective of improving the quality of post-graduate level medical education.

22.37 *Improvement of Skills:* Continuing education and inservice training facilities will be promoted to help updating the knowledge of service doctors, improve the skills of teaching doctors and familiarise them with modern advances in medical sciences.

22.38 *Improvement of facilities:* Deficiencies in terms of equipment, "teaching beds", buildings, laboratory staff etc., in the existing medical college hospitals would be assessed and steps taken to overcome these deficiencies under a phased programme within the available resources.

Medical Research

22.39 The current health status of the country discussed earlier calls for vigorous research efforts in several problem areas. Research on Bio-medical and public health problems, particularly communicable diseases call for a high priority. There are also areas such as economic aspects of health administration and management, contraceptive methods and family planning which need attention.

22.40 Task oriented research programmes in the following fields would be initiated towards the above objectives:

- (i) Promotion of research on epidemiological, microbiological and immunological approaches towards control of communicable diseases accounting for major causes of morbidity and mortality.
- (ii) Research in curative practices like rehydration towards the control of diarrhoeal diseases especially among children.
- (iii) Research in the field of nutrition, metabolic problems, food production, processing, preservation and distribution.
- (iv) Research in the field of drugs for various non-communicable diseases, keeping in view the aspects of quality, safety, toxic effects etc.
- (v) Close and continuous studies in the area of information support, manpower development, appropriate technology, management and community involvement to ensure the reach of benefits of primary health care programmes to the rural population.

22.41 Besides the Indian Council of Medical Research which would play a pivotal and coordinating role in medical research, other institutions such as the All India Institute of Medical Sciences, New Delhi; Post-Graduate Institute, Chandigarh; National Institute of Communicable Diseases, Delhi; A.I.I.H. & P.H. Calcutta; JIPMER, Pondicherry under the control of the Health Ministry would also continue to be engaged in relevant research work. Adequate funds for research have been earmarked for the activities of the Indian Council of Medical Research and other institutions under the control of the Health Ministry.

22.42 Cancer research and treatment facilities will continue to be developed through a net-work of early detection centres, cobalt units and development of selected regional research and training centres.

Traditional Systems of Medicine and Homoeopathy

22.43 In recent years some attention has been paid to development and popularisation of traditional systems of medicine like Ayurveda, Siddha, Unani and Homoeopathy. There are certain States where each individual system enjoys prestige and popularity such as Ayurveda in Kerala and Siddha in Tamil Nadu.

22.44 Each of these systems has now a Central Council and an attached Research Council. Centrally Sponsored Schemes were initiated in the past for providing grants-in-aid to States for promotion of post-graduate education and establishment of pharmacies with Government of India providing 100 per cent financial assistance. These will be continued.

22.45 The State Governments have also schemes for development of medical education, setting up hospitals and dispensaries under these systems.

22.46 There is need for coordinated efforts for further research for providing drugs for communicable diseases like Malaria, T.B. etc. as also for such other diseases like cancer, diabetes etc. The traditional system can also contribute to the national effort for finding effective methods of contraception.

22.47 It would be necessary to take steps in the following directions:

- (i) Prevention of the growth of sub-standard teaching institutions under these systems.
- (ii) Adequate financial support to existing recognised institutions for improving the quality of teaching and research.
- (iii) Introducing modern and scientific methods of investigation and equipping students with adequate knowledge of subjects like physiology, pathology, anatomy etc.
- (iv) Developing curative facilities under these systems through hospitals and dispensaries and involving them in public health activities also.
- (v) Co-ordinating all research efforts to ensure purposive and fruitful research.
- (vi) Standardising the pharmacopoeia and production of quality drugs.

Drug Control and Prevention of Food Adulteration

22.48 Effective measures will be taken for balancing demand and supply of essential and life saving drugs. Vaccine production units will be strengthened to meet the requirements of the country. The pattern of drug production/import and distribution system would be rationalised towards the objective of promoting primary health care and to overcome the short supply of inexpensive anti-infective drugs like Sulphenimides, anti-TB drugs, anti-leprosy drugs like Depsone etc. Measures like cheap packing, marketing by generic names in preference to brand names and transfer of advantage of exemption from customs/excise duty on drugs to the consumers etc., would be pursued. The infrastructure for testing drugs would be strengthened to ensure that public health is not endangered by spurious/harmful drugs.

22.49 The problems of drug addiction particularly among the student community is causing concern. The problem will be tackled through psychiatry departments of medical colleges in the country and through

addiction areas for the Plan.

Prevention

22.50 Air Pollution Act has been enforced. Lack of adequate laboratory machinery were discharged. Some States are implementing the Act. Funds for Food Directorates. Sponsored Schemes for strengthening their laboratories and the scheme for Sector and strengthening laboratories, staff, etc. The Central Government, Mysore.

22.51 Since standard food inspection measures for import. This will be for and inspection Territories. PI continue to have food in for Food Standards of Health Services adequately.

Health Education

22.52 Since promoting concept health education of school education system. Education Bureau effectively coordinate activities.

22.53 The school back up of their deficiencies. Programme which have of nutrition. in the State.

Health Information

22.54 It is necessary supported by an the machinery is adequately streamlined evaluation of

addiction centres in problem pockets of urban areas for which a new scheme has been included in the Plan.

Prevention of Food Adulteration

22.50 Although the Prevention of Food Adulteration Act has been on the Statute Book from 1954, its enforcement had many shortcomings. There was lack of adequate number of trained inspectors and laboratory facilities for analysis. The administrative machinery was weak. By and large, the municipalities were discharging this responsibility. In recent years, some States have shown greater interest in implementing the Act vigorously by establishing separate Departments for Food and Drug Administration, while others have established a separate Food Wing under the Directorate of Health Services. Under a Centrally Sponsored Scheme, the States were assisted for strengthening their Combined Food and Drug Testing Laboratories and training of Analysts and Food Inspectors. The scheme is now being continued in the States Sector and the State Plans include provision for strengthening of these laboratories, setting up of new laboratories, training and appointment of additional staff, etc. There are four regional laboratories under the Central Government located at Calcutta, Ghaziabad, Mysore and Pune to serve as referral laboratories.

22.51 Since consumption of adulterated and sub-standard food is a major health hazard, stringent measures for implementation of the Act will be taken. This will be facilitated by the expanded testing facilities and inspectorate staff provided under the States/Union Territories Plans. The Central Government would continue to lay down the standards for various items of food in consultation with the Central Committee for Food Standards headed by the Director General of Health Services. The Central Laboratories would be adequately strengthened.

Health Education

22.52 Since education has an important role in promoting concepts of health and prevention of diseases, health education would be included in the curriculum of school education. It would also be made part of formal systems of education such as workers' education programme, farmers' education programme, etc. Education Bureau in States and at the Centre would effectively coordinate health education promotion activities.

22.53 The school health programme for periodical check up of school going children and attention to their deficiencies and diseases is an important programme which has to be integrated with the programme of nutrition. These programmes have been included in the State Sector to the extent resources permit.

Health Information Systems

22.54 It is necessary that health care facilities are supported by an improved health information system. The machinery in States and at the Centre would be adequately streamlined to ensure a systematic review and evaluation of the on-going programmes.

22.55 The system of collection of statistical data on health at the Central and States levels will be improved so that reliable data base for proper health planning is available. The States are also to strengthen their official machinery for recording and maintaining vital statistics under the Registration of Births and Deaths Act, 1969.

22.56 Physical targets envisaged under the rural health programme and major schemes of control of communicable diseases are given in Annexures 22.3 and 22.4 respectively.

Outlays

22.57 Resources allocated for different schemes vis-a-vis the corresponding outlays provided in the Fifth Five Year Plan (1974-79) are indicated in Annexure 22.1.

The outlays for the States and Union Territories Plan under the Health Sector are shown in Annexure 22.2, which include provision for the States' share of Centrally Sponsored Schemes also.

FAMILY PLANNING

22.58 According to the estimates of the Expert Committee on Population Projections, the population of the country as on 1st March, 1980 stood at 659 million recording a growth of 83 per cent over the 1951 Census figures. The growth rate of population was 1.9 per cent during 1978 alone. This large addition to the population has been the result of a sharp decline in the death rate coupled with a much slower decline in the birth rate. The death rate in the country declined from 27.4 per thousand population in the forties to 14.2 per thousand population in 1978, while the birth rate declined at a much slower rate from 41.2 per thousand population in the sixties to 33.3 per thousand population in 1978. The birth rate is still as high as 40.4 per thousand population in Uttar Pradesh while it is 25.2 per thousand population in Kerala which is the lowest for the States in the country. Uttar Pradesh has also the highest death rate of 20.2 per thousand population while Kerala has a death rate of 7 per thousand population establishing the close inter-relation between fertility and mortality rate. An analysis of the position in respect of other States also by and large supports the nexus between low mortality rate and low birth rates. The other important socio-economic factors influencing fertility rates are higher level of literacy and education, more particularly female education, better status enjoyed by women and greater availability of employment opportunities to them.

Review

22.59 Although the official Family Planning Programme was introduced in the First Five Year Plan in 1952, it gathered momentum only in 1966-67 when the programme was made target-oriented and time bound. Since then, the objective of stabilising the growth of population over a reasonable period of time

has been accorded a high priority in the Plans. The strategy proved to be successful as judged from the fact that there was a reduction of 8 to 9 points in the birth rate between 1966 to 1978. Unfortunately the Family Planning Programme received a set back in recent years. The Fifth Plan objective of reducing the birth rate from 35 per thousand population at the beginning of the Plan to 30 per thousand population by 1978-79 could not be achieved. In fact, the level of effective family planning couple protection has come down from 23.9 per cent in 1976-77 to 22.5 per cent in March, 1980. This trend needs to be arrested and reversed especially in the back-ground of an increase in the population in the reproductive age-group.

22.60 The non-attainment of the birth rate targets adopted in the Plans is largely on account of our inability to carry forward the programme throughout the country with the active involvement of the people. Public enthusiasm and community participation in the programme which is necessary for its success has not been generated in adequate measure. This programme is still viewed by the public as a routine governmental activity. Some voluntary organisations have no doubt done creditable work in the field of family planning, but their out-reach is mostly confined to the urban areas. There is need for projecting the programme as a peoples' programme backed by support from governmental and non-governmental agencies. Inadequacy in infrastructure available for implementation of the programme has also been partly responsible for the slow progress of the programme. In some cases, even the infrastructure available had not been put to effective use or properly maintained. There were shortages of trained manpower under the schemes of appointment of multi-purpose workers and maternal and child health which are so important to the programme. The performance of the family planning staff in motivational work on the basis of well-maintained and updated eligible couple registers, left much to be desired.

22.61 Apart from the constraints on the supply side, the generation of necessary acceptance in favour of the small family norm proved to be a far more elusive problem. Quite a large segment of the population is steeped in poverty, bound by traditional value systems. Certain sections have no doubt adopted the small family norm, but their number is small. A large majority of the population has not been adequately motivated and made aware of the benefits of a small family. The communication channels, both formal and informal including the educational system, have by and large not succeeded entirely in imparting the knowledge and information which the community needs.

22.62 The prevalent high rates of mortality in general and very high infant mortality in particular is inhibiting acceptance of family planning and creating a psychological barrier against the programme. The estimates of infant mortality for 1976 available from the Sample Registration Scheme (SRS) of the Registrar General of India shows that this rate is still as high as 139 in rural areas, 80 in urban areas and 129

for the country as a whole. The pre-school death rate among 0-4 age group is also around 51 per thousand population.

Objectives of the Sixth Plan

22.63 The Working Group on Population Policy set up by the Planning Commission has recommended the adoption of the long-term demographic goal of reducing the net reproduction rate (NRR) to one by 1996 for the country as a whole and by 2001 in all the States from the present level of 1.67. The implications of this are as follows:—

- (i) The average size of the family would be reduced from 4.2 children to 2.3 children.
- (ii) The birth rate per thousand population would be reduced from the level of 33 in 1978 to 21.
- (iii) The death rate per thousand population would be reduced from about 14 in 1978 to 9 and the infant mortality rate would be reduced from 129 to 60 or less.
- (iv) As against 22 per cent of the eligible couples protected with family planning at present 60 per cent would be protected.
- (v) The population of India will be around 900 million by the turn of century and will stabilise at 1200 million by the year 2050 AD.

22.64 Keeping in view the long term demographic goal of reducing NRR to 1 by 1995 as approved by the National Development Council, the following targets have been envisaged for the Sixth Plan keeping in view the past performance, present capacity and future potential:—

Table 22.3

Year	Family Planning Expectations/ levels of Achievement		Percentage of couples protected		
	(in million)	(in million)	Eq. C.C. and oral pill users	Currently	Effectively
(1)	(2)	(3)	(4)	(5)	(6)
1980-81	3.00	0.80	5.50	27.21	24.74
1981-82	4.00	1.10	5.50	29.07	26.63
1982-83	4.50	1.50	7.00	32.51	29.46
1983-84	5.00	2.00	9.00	36.72	33.69
1984-85	5.50	2.50	11.00	41.20	36.56
Total for Sixth Plan	22.00	7.90			

22.65 The percentage of couples protected by 1985 is 30.62 million. The net reproduction rate (NRR) for a tremendous increase in the population will be taken care of in the context that the population will be required to maintain the present level because the population will be rising and are held constant by various efforts.

22.66 It is also estimated that the population can in the year 2050 AD. However, the population can be controlled by about a 50 per cent reduction in the size of family. The population will be stabilised by the year 2050 AD. The young age group is nearly 40 per cent of the population. This is a heavy burden on the future. Therefore, one of the main objectives of the Sixth Plan is to adopt the small family norm as an appropriate programme for population control. It is to be made a part of the national policy to make a massive investment in the health and poverty reduction towards the marginal farmers, women, schedule castes, and National Rural Extension Programme to promote the health and welfare of the people. The programme is to be able for children to receive adequate education. Special attention and employment opportunities are to be given to the marginal status.

22.67 Family Planning is a controversial issue. The programme by all

th rate
ou- id 22.65 The number of sterilisations which were around 1.74 million in the base year (1979-80) will go up to 5.50 millions in the terminal year of the Plan. The number of IUD insertions will go up from 0.62 million in 1979-80 to 2.50 million in 1985. The percentage of effective couple protection envisaged by 1985 is 36.56 against the present 22.5. This calls for a tremendous motivational effort backed by adequate infrastructural facilities which have to be taken care of in the Plan. It needs mention in this context that a total of 15.5 million sterilisations will be required during the Plan period 1980-85 for maintaining the birth rate at the existing level, assuming present levels of IUD and CC Users. This is because the proportion of women in the reproductive age will be rising. Even if, age-specific fertility rates are held constant, the birth rates will rise unless matched by vigorous family planning promotional efforts.

Strategy and Programme

22.66 It is almost axiomatic that economic development can in the long run bring about a fall in fertility rate. However, developing countries with large populations cannot afford to wait for development to bring about a change in the attitudes of couple to limit the size of families as the process of development itself is stifled by population growth. An important facet of the present demographic situation in the country, is the young age structure of the present population. Nearly 40 per cent of the people are below the age of 14 years, denoting a high dependency ratio which is a heavy burden on the bread winner. It also means a high potential for rising trends in growth of population in future. Limiting the growth of population is, therefore, one of the main objectives of the Sixth Plan. This has to be achieved through persuasion of people to adopt the small family norm voluntarily backed by appropriate programmes of supplies and services for contraception. The Family Planning Programme has also to be made a part of the total national effort for providing a better life to the people. The Plan seeks to make a massive attack on the problem of unemployment and poverty through specific programmes directed towards the target groups such as small and marginal farmers, rural artisans, landless labourers, women, scheduled castes and scheduled tribes etc. A National Rural Employment Programme is being initiated to promote gainful employment to landless labourers and marginal farmers families. Under these programmes the household will remain the basic unit of poverty eradication. Economic emancipation will enable for children from poor families to attend school to receive adequate nutrition and develop into useful citizens. Special attention will be paid to the education and employment of women and to liberate them from dependence and insecurity and improve their social status.

Involvement of all Ministries/Departments

22.67 Family Planning Programme must rise above controversies and should be accepted as a national programme by all sections of the population. A

national consensus on this subject has therefore to be developed.

22.68 Family Planning cannot be the sole responsibility of any one Department but of Government as a whole. The areas of useful activity in each Ministry/Department in relation to family planning will have to be identified, spelt out in precise terms and responsibility for these activities squarely fixed on the Ministries/Departments concerned.

Integrated approach and co-ordination of activities

22.69 An integrated approach to the problems of public health and proper coordination of activities of different departments having a bearing on family planning such as maternal and child care are necessary. The Minimum Needs Programme under Health, in particular offers a good infrastructure for promoting the family planning work through proper co-ordination. At the District level, the Collector could be made responsible for effecting the linkages and ensuring co-ordination at the district and lower formations.

Role of Education

22.70 The role of education, specially female education, in reducing fertility is evidenced in our own country by the example of Kerala. Stress has, therefore, to be laid in increasing the enrolment in the high schools and minimising dropouts. At the high school stage a proper syllabus on health and reproductive biology should be introduced. The high school curriculum has to be suitably revised to incorporate this. Considerable work has already been done by NCERT in this regard; this has to be followed up. Education on health and biology of reproduction has to be imparted through all channels of formal and informal education including technical education, professional education, adult education, workers education and farmers education.

Extension Education and Motivation and Involvement of Officials and Voluntary Agencies

22.71 Given its limitations the official extension machinery alone cannot be expected to meet fully the requirements of a programme of mass contact and motivation like family planning. Besides the official extension agencies, all channels of communication available including youth organisations, mahila mandals, voluntary organisations etc., should be fully exploited. The schemes of community health volunteers and training of opinion leaders offers a good potential for communication. The services of the village "Dai" who is in constant touch with rural women, could also be usefully availed of and training programmes for them could be strengthened. The Panchayati Raj Organisations and other local bodies and cooperatives which have a democratic base also offer a useful channel for motivation and for reducing the gap between awareness and acceptance of family planning, as also the gap between acceptance and actual services provided.

The role of the mass media in propagating family planning is crucial. The potential of the mass media such as Radio, TV, Cinema and newspapers will be fully exploited.

Incentives

22.72 The scheme of providing financial assistance to acceptors of sterilisation and IUD by way of compensation for loss of wages will be continued during the Plan period.

Delivery of Services

22.73 The promotion of family planning has to be viewed as an essential component of the total package of health delivery system which includes Health, Family Planning and Maternity & Child Health. The Health & Family Planning infrastructure has to be strengthened towards realisation of these objectives. The Working Group on Health for the Sixth Plan 1980-85 has identified the infrastructure that will be required for the purpose by 2000 AD which has been discussed under Health. In the past, the States have been slow in setting up the sub-centres which are very crucial for the Family Planning Programme, since services like IUD and supplies could be provided to the rural population from these sub-centres. In order to give an impetus to the Family Planning Programme, new sub-centres to be set up in the Sixth Plan would be financed from the budget of Department of Family Planning at the Centre. Keeping in view the importance of rural health infrastructure for the Family Planning, concerted efforts would be made to build up Sub-centres, Primary Health Centres and the Community Health Centres under the Minimum Needs Programme.

Maternity and Child Health Care

22.74 High morbidity and mortality rates among infants and mothers are generally believed to be responsible for the desire for more children. The aim would be to bring down these rates through improvement of health and nutrition status and through various extension programmes of immunisation, prophylaxis, supplementary nutrition and health care services. Diarrhoeal and respiratory diseases being largely responsible for infant morbidity and mortality, ensuring protected water supply to every village and town and also improvement of personal hygiene and environmental sanitation will receive high priority. The school health programme will be strengthened to cover all school going children in due course.

Choice of Methods

22.75 Facilities for all methods of family planning will have to be made available on a wider scale and at all levels. Apart from sterilisation, the non-terminal methods like IUD, CC and Oral Pills have to be popularised, since a large number of young couples will prefer these methods. While the choice of methods would be left to the couples avoiding any form

of coercion, it has to be ensured that facilities and supplies under different methods are made available on an adequate scale. There is also need to remove any misapprehension in the minds of the people about safety in accepting any particular method. Proper follow up of the women accepting different methods like IUD and oral pills is important for timely intervention in case of any complications. Adequate follow up of sterilisation cases also is necessary since any accidental mishap may give a set-back to the programme. Continuous contact of family planning staff with the couples in their area is necessary. An arrangement similar to the Training and Visit System in agricultural extension may be usefully adopted by the family planning staff.

Research Programmes

22.76 No major break-through in contraceptive technology is expected in the immediate future. However, bio-medical research in family planning is important and has to be continued and intensified. In identifying areas of bio-medical research, indigenous methods and practices which have been and are still in vogue have to be examined and evaluated under the research programmes. Socio-economic research relevant to family planning promoting/family planning hampering factors has also to be undertaken. Research in the field of communication and development of the information system for identification of weak spots in the programme has also to be organised.

Staff Motivation

22.77 The staff engaged in family planning work has been generally found to be lacking in enthusiasm. Their job is rather a difficult one as they have to bring about almost a revolution in the thinking and outlook of the people. Their motivation needs to be improved by systematising their work and improving their efficiency by proper training, close guidance and supervision. They could be rewarded for good work. They should also be given the status of permanent government servants as their temporary position creates a sense of insecurity. The present wastage of trained manpower, more particularly ANMs, should be avoided.

Legal provisions

22.78 The Medical Termination of Pregnancy (MTP) Act, which is in force now, is in the nature of health measure and family planning is not one of its objectives. However, MTP, can be resorted to as a corrective method for failure of contraceptives. The existence of this Act and the benefits that can be derived are still not fully known. This needs widest publicity.

22.79 One powerful means of achieving planned parenthood is delayed marriages. Apart from enforcing the law relating to the minimum marriage age for girls and boys, social pressure of the community against early marriages should be built up by appropriate means.

Outlays

22.80 The outlays during the Sixth Plan for family planning would be as follows: Government

22.81 Basic outlays for family planning activities during the Sixth Plan for construction of family planning centres, 10,000 female family planning centres and 30,000 family planning vehicles.

22.82 The continued efforts under the Sixth Plan for the States and Union Territories for the voluntary family planning programme, and expenditure on the same.

22.83 The continued efforts under the Sixth Plan for the States and Union Territories for the voluntary family planning programme, and expenditure on the same.

22.84 The continued efforts under the Sixth Plan for the States and Union Territories for the voluntary family planning programme, and expenditure on the same.

22.85 The continued efforts under the Sixth Plan for the States and Union Territories for the voluntary family planning programme, and expenditure on the same.

22.86 The continued efforts under the Sixth Plan for the States and Union Territories for the voluntary family planning programme, and expenditure on the same.

22.87 The continued efforts under the Sixth Plan for the States and Union Territories for the voluntary family planning programme, and expenditure on the same.

Outlays

22.80 The annual financial allocations and expenditure during 1974-80 and outlays by major items for the Sixth Plan are given in Annexure 22.5. The States would continue to get financial assistance from the Government of India on 100 per cent basis.

22.81 Besides continuation and strengthening of the existing activities, provision has been made in the Sixth Plan for completion of incomplete buildings and construction of 1100 new buildings for Rural Family Planning Centres, establishment of 51 Rural Family Planning Centres, 40,000 new sub-centres along with 10,000 female health supervisors, 800 urban family planning centres, 30 post-partum centres at district level and 300 post-partum centres at sub-divisional/ taluka level hospitals and procurement of 700 additional vehicles. Certain geographical areas where family planning was lagging behind have been identified for mounting of special health and family planning efforts under the 'Area Projects' which will cover 12 States and 46 districts. New schemes of involvement of voluntary organisations in family planning work and expansion of the capacity of Hindustan Latex Ltd., have also been included in the Plan.

22.82 The expanded programme of immunisation against Polio, Tuberculosis, Typhoid and Measles will be continued and further strengthened. Programmes of immunisation and prophylaxis of mothers and children will also be continued. The training of local health attendants (Dais) for ensuring safe deliveries will be completed to have one trained 'Dai' for 1000 population. The training programme of ANMs will be strengthened to meet the requirements of ANMs for the expansion of the sub-centre programme.

22.83 Performance figures and targets in regard to Family Planning and MCH programme are given in Annexure 22.6.

NUTRITION

22.84 The problem of malnutrition is widely prevalent across the various socio-economic groups, particularly among those below the poverty line, landless agricultural labourers, people in slum and remote tribal areas and those who are affected by constant calamities like drought are more vulnerable to this phenomenon. Children, pregnant women and nursing mothers are seriously affected by malnutrition and the damage they sustain would be irreversible. However, all children below the poverty line with lower energy intakes and body weights are necessarily malnourished. Lack of employment opportunities, scarcity, safe drinking water, health facilities and healthy environments further lower the quality of life and aggravate the morbidity patterns. Inequality of incomes, weak public distribution system, insufficient clothing and housing aggravate these conditions. Therefore hunger, malnutrition and the related disorders are closely linked with these

22.85 In spite of considerable expansion of public health and medical facilities all over the country, infant mortality rate continues to be very high and the morbidity pattern persists. Infant mortality rate varies widely between rural and urban areas, male and female children and across different areas and socio-economic strata. Nearly 60 per cent of infant deaths take place at neo-natal stage. Besides, causes peculiar to infancy, fevers, respiratory and digestive disorders are mainly responsible for high infant mortality. Socio-economic imbalances in the distribution of incomes, low purchasing power, mal-distribution of essential food commodities, inadequacy of calories, proteins and other micro nutrients in average diets, limited access to medical and public health facilities, lack of knowledge about the balanced nutrition and hygiene, lack of safe drinking water and sanitation are some of the reasons responsible for high mortality rate and morbidity patterns that are prevailing in the country.

22.86 The estimates of the percentage of population whose calorie-intake is below that of recommended level vary considerably due to the differences in methodology and the adoption of different norms for the levels of intakes. Some of the studies show that the average energy intake is less than that of the recommended level in about 50 per cent of the population. Others have pointed out that all those who consume less than the suggested norms need not necessarily be mal-nourished. The extent of malnutrition, according to these studies, would be in the range of 15 to 30 per cent. People do not get the minimum amount of cereals and pulses that are necessary to meet their normal requirements. The most seriously affected groups in this regard are pre-school children, specially 0-3 age-group, pregnant women and nursing mothers of the lower socio-economic strata and families belonging to landless agricultural labourers, small and marginal farmers particularly living in the drought prone areas.

22.87 Nutritional deficiencies are wide spread due to social, cultural and economic imbalances and inadequate intake of food. Recent studies in India have shown that the chief cause of malnutrition is inadequacy of total calorie intake rather, than inadequacy of proteins. Many groups, particularly, children, pregnant women and nursing mothers have poor stores of Vitamin 'A' and iron. Kwashiorkor and marasmus are the two clinical forms of PEM which lead to both mental and physical growth retardation and impairment of immuno-competence among children. Lack of Vitamin 'A' leads to Xerophthalmia and severe forms of this deficiency may cause permanent blindness. Low levels of Vitamin 'A' among pregnant mothers lead to delivery of babies with poor stores of this Vitamin and low birth weight. Iron deficiency anaemia is an important health problem. Goitre is prevalent in the hill belts of the country. Vitamin 'A' and iron deficiencies are widely seen amongst school children, young

girls, pregnant women and nursing mothers. Diarrhoea is a major public health problem among infants and young children. They are susceptible to this due to preparation of supplementary Foods in unclean utensils and contaminated water.

Review

22.88 The problems of malnutrition, morbidity and mortality have been recognised since the Second Plan and a number of schemes have been introduced for combating them. However, during the first three Plans nutrition as such was not singled out for specific plan programmes but formed one of the components of the health sector. In the Fourth Plan an Integrated Nutrition Programme with an outlay of Rs. 45.18 crores was introduced. It was observed that production of 'more food' was needed to solve the problems of malnutrition and to improve the nutritional status of the population. Stress was laid on the development of agriculture along with animal husbandry and fisheries as the base of all effort for the improvement of nutrition. The Applied Nutrition Programme (ANP) was first introduced in 1960 in Orissa and Andhra Pradesh. It was extended thereafter to Tamil Nadu in 1961 and Uttar Pradesh in 1962. During 1973, the programme was extended to all the States. This programme was introduced to spread the concept of balanced diet, production and consumption of protective foods and proper techniques of cooking. The Special Nutrition Programme (SNP) was introduced in 1970-71 as a crash scheme to provide 300 calories with 10-12 grams of protein for the age group 0-6 years for 300 days in a year. It also provides 500 calories with 25 grams of protein for pregnant women and nursing mothers for 300 days. The mid-day meals programme which was initiated in 1962-63 was extended in subsequent years. It provides supplementary nutrition of 300 calories with 8-12 grams of protein to children in the age group of 6-11 years.

22.89 By the end of the Fourth Plan, the Special Nutrition Programme covered about 3.8 million beneficiaries. The figure rose to 8.2 million children and pregnant women and nursing mothers by the end of March, 1980. Under the mid-day meals programmes, the coverage increased from 4.2 million in 1962-63 to 13.2 million beneficiaries by the end of March, 1980.

22.90 Even though the Special Nutrition Programme has not been evaluated on a representative scale, several studies were conducted in different parts of the country on its cost effectiveness and impact on the beneficiaries. They have pointed out that the target beneficiaries were not selected on the basis of nutritional deficiencies. Besides, the programme lacked continuity and same children were not ensured feeding for the required number of days in a year. It was observed that community involvement was conspicuously absent. The community had a feeling that the beneficiaries were not selected on the basis of the eligibility rules laid down by the scheme. In a

majority of cases, the food was shared by non-beneficiary members of the family. High overhead administrative expenses and pilferage have hampered programme implementation. Besides, the food supplied at the centres did not supplement the deficiencies of the diet particularly among children of the age group 1-3 years. The programme has not served the more important target group i.e. 0-3 years due to difficulty of bringing these children to the feeding centres. It catered primarily to the 3-6 years age group.

22.91 Several studies were conducted to assess the impact of mid-day meals programme as (i) the enrolment of children from the poorer sections and (ii) the nutritional status.

22.92 Only one or two studies with small sample sizes have shown improvement of nutritional status of children in areas where programmes were implemented effectively. But most of the studies failed to reveal any significant increase in the levels of enrolment commensurate with the investments made on the schemes. They have pointed out that some of the important reasons for its low impact are lack of continuity in the supply of food materials to the feeding centres, pilferage in the channels of distribution, non-adherence to the minimum number of feeding days and absence of other services like health. The Mid-day Meal has been often noticed to replace a meal at home and is not generally regarded as supplementary to what is consumed at home. Inadequate cooking and storage facilities at the schools and lack of local community involvement have also contributed to its poor performances.

22.93 The two feeding programmes in the last 10 years have relied heavily on short-term strategies based on narrowly identified target groups. This has resulted in the neglect of initiation of durable long term measures required for solving the problem of malnutrition. Targets have been laid down by the implementing authorities leaving little scope for local variations and experimentations. Adequate infrastructure for coordination, implementation and monitoring has not been developed at the field and district levels. Therefore, the programme lacked effective supervision. In practice, they have become ineffective exercises in offering food to selected groups as charity.

22.94 Applied Nutrition Programme has also been evaluated. The studies show that the programme has not generated the desired awareness for production and consumption of protective foods. Community kitchens and school gardens could not be taken up or completed due to lack of suitable land, irrigational facilities and low financial investments. The schemes for setting up of poultry units and pisciculture did not make much headway due to inadequate health cover and management failure. Moreover, participation by Panchayati Raj institutions and Mahila Mandals was poor as they were not fully involved. Criteria for selecting the blocks, villages and beneficiaries were not taken into account at the time of selection of blocks.

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95 The production of *balahar*, a low cost protein-rich food, was about 1.29 lakh tonnes during 1974—75 for utilisation in the feeding programmes for children. The production of *miltone*, a product based on milk and vegetable protein isolate was about 49 lakh litres during 1974—78. Another project for production of a vegetable protein based beverage named 'chaisathi' was developed at Baroda Dairy. In March, 1980 a target of 27251 MT of *balahar* was reached while the production of *miltone* was 51 lakh litres. The tea enricher plant at Baroda is producing 6,000 litres of 'chaisathi' per day against a target of 5,000 litres.

96 Thirty-one mobile extension units were also set up to undertake intensive coverage of rural areas to popularise local low cost indigenous foods, to promote suitable dietary habits, disseminate scientific methods of cooking to spread the message of home science, techniques of preservation of Fruits and vegetables and to propagate knowledge of nutrition, hygiene and sanitation. They had a very limited impact.

97 Nutrition programmes introduced in the past did not succeed as their implementation was not closely linked with other programmes like provision of employment, health, safe drinking water and improvement of environmental sanitation and hygiene. Besides, these programmes which were implemented as ameliorative measures did not produce any lasting impact on the community. Since the programmes to provide employment, safe drinking water, health services, clothing, housing and public distribution system were not integrated with nutrition schemes, supplementary feeding programmes in isolation did not make any dent to improve the nutrition status of the communities. In the absence of their linkages with developmental activities, these schemes were reduced to 'charity' or 'dole' without making any contribution to the improvement of nutritional status.

22.100 Objectives

22.100 Nutrition planning would aim at improving the physical capacity of the population, enhancement of the span of working life and increased longevity by enhancing the levels of nutrition, health and hygiene, and of environmental sanitation and hygiene. Improvement of functional efficiency of different segments of the population would contribute to the resource development which would add to the increased productivity of the nation. Besides, the nutrition programme would have to be concerned with correcting some of the widely prevalent nutritional deficiencies leading to blindness, kwashiorkor and marasmus, stunted growth and anaemia. The objective of nutrition thus would be to reduce mortality and morbidity and to improve functional efficiency and productivity at all levels.

The problem of malnutrition is closely linked with that of poverty, large family size, unemployment, illiteracy, lack of environmental sanitation and

hygiene and safe drinking water. Intervention programmes will achieve limited results if this problem is addressed only at individuals in the households like children, mothers and the aged. Therefore, the strategy would have to be framed for the alleviation of hunger and malnutrition in all sections of the society through family centred poverty alleviation measures.

22.100 Nutritional improvement depends mainly upon the awareness, knowledge and income of the family. The nutritional status of the child or other vulnerable members of the family depends more upon the productive capacity of the economically active members of the family, their consciousness of the need of Nutrition and their ability to ensure it. This consciousness certainly improves with knowledge, education, dissemination of information and access to State or public welfare services. But the essential prerequisite for the improvement of nutritional status of the family is employment and income for the persons of working age in the household. Employment is the best and cheapest guarantee to enhance the nutritional status of the families. Subsidiary occupations and income generating projects like small scale production units and the training facilities would be expanded for the generation of additional employment opportunities. The available evidence indicates that children in the age of 0-6 years are highly vulnerable. If children are not adequately nourished before they grow up to enter the active labour force, they may remain physically and mentally so undeveloped that their productivity when in employment will for ever remain below the normal standards and there is a serious danger of long-term biological defects. Besides nutrition, it would be necessary to give psycho-social stimulation to children through story teaching, role play and other forms of non-formal education.

22.101 Education at the formal, primary and middle level for the young and the functional literacy for adults would be given greater attention. Lessons on nutrition, health and population education would have to be introduced through formal and non-formal education. Mass media and other interpersonal instructions would have to be fully utilised for providing non-formal education. The educational content would be focussed on the relationships between nutrition and health, pregnancy, birth rate, immunisation, drinking water, environmental and personal hygiene, eradication of helminths and other intestinal parasites.

22.102 It has been well recognised that polluted water supply especially for drinking purposes is the cause of diarrhoea, dysentery, gastro enteritis and other intestinal disorders and hepatitis. These infections constitute the single biggest killer of infants and children or even adults in many regions. The provision of safe potable water supply along with the provision of drainage facilities would be accorded high priority in the Plan. Improvement of environmental sanitation could be attempted by involving families and village communities. Families would be encouraged to provide in their houses soak pits and

low cost drainage system. It would be possible to expand to other regions low cost community and private latrines, which have been adopted with success in many places. An effort to link them with bio-gas plants will be made. Construction of pit latrines and compost pits would be encouraged in rural areas. Efforts would also have to be made to extend coverage of immunization. One of the major causes of infant mortality is respiratory disease. The reduction of exposure through housing and clothing and immunisation would have to be given greater emphasis.

22.103 Food production and its conservation through improved post-harvest technology including processing and storage and rapid extension of the rationing and fair price shops and its net work to cover the entire country would be given higher priority. Essential consumer goods would be supplied through the consumer cooperatives and stress would be laid on the expansion of decentralised public distribution system. The agricultural policy would be oriented to provide a balance between the production of cereals, legumes, pulses, oils and other cash crops.

22.104 To reduce the cost of nutrition delivery and to maximise the certainty of the delivery system, strong local level community organisations would be developed. Development of these organisations alone with arrangements for coordination of various activities at the village level with provisions for adaptation to meet the local requirements would alone make the programmes successful. Through active involvement of community organisations and effective coordination at various levels, the programme efficiency could be maximised. In this attempt schools, dispensaries and community halls would be used as focal points for integration of various schemes. Youth clubs, mahila mandals and voluntary organisations would have an important role to play in this endeavour. An integrated strategy with a package of services would have to be offered to improve the nutritional status of the families. Thus, several schemes would need to be taken up for implementation in a coordinated manner. These include : (1) employment and income generation, creation of capital assets for the nation through conversion of human labour; (2) family limitation; (3) community organisation and its participation, (4) education with special stress on nutrition and health, (5) equitable food distribution through expansion of public distribution system and production of nutritious foods and ensuring balanced production between the cereals, pulses, vegetables and animal products, (6) provision of safe drinking water supply, (7) awareness of public health and personal hygiene, (8) control of communicable diseases and intestinal disorders and (9) provision of housing and clothing for poorer sections would be taken up for implementation in a co-ordinated manner.

22.105 Since it will take quite some time before the objectives of full employment, reasonable standards of living, adequate health care etc. are achieved, special attention has to be paid to those

who are malnourished. The direct nutrition intervention programmes will still, therefore, be necessary to cater to certain specially vulnerable age, sex groups who are prone to malnutrition and nutritional disorders. The governmental efforts would have to be substantial but selective to benefit children and mothers living in the most backward rural, tribal and disaster-prone areas and urban slums. On-going intervention programmes would have to be restructured to make them effective. However, it is important to reduce the costs of nutrition delivery and to improve the certainty of the delivery system. Community organisation and coordination at the village level which can share the success of the nutrition movement would have to be strengthened. The nutrition feeding centres would have to be located either in the schools, dispensaries or community halls, the schools being perhaps the most desirable and various services would have to be provided at that level in an integrated manner under community supervision. The Government machinery at the point of delivery of services to the beneficiaries should be made to work in a coordinated manner through improved managerial systems so as to reduce overhead administrative costs.

22.106 The food for work component of the new National Rural Employment Programme has the largest potential for the long term nutritional improvement of the people provided the main aim of rural employment and higher incomes for the landless working population is suitably woven with programmes in the priority areas mentioned above. An area-based programme with as half of projects for creation of durable assets for utilisation of human resources during lean months would be used as a main strategy for the improvement of nutritional status.

22.107 Employment programmes under various sectors of development would be expanded to provide larger avenues of employment to the poorer sections of the society. Community organisations particularly mahila mandals, youth clubs and others would be involved in the programme implementation. Universities, research organisations and voluntary agencies would be stimulated to assume a larger role in the formulation and implementation of schemes. Control of food adulteration would be given greater attention. Enforcement of labour laws for providing permanent and mobile creches, MCH and medical clinics and canteens in organised sector would be strictly implemented.

Programmes

22.108 *Special Nutrition Programmes:* The Special Nutrition Programme which provides supplementary nutrition to pre-school children, pregnant women and nursing mothers would be extended to cover 600 ICDS projects from 200 projects at the beginning of the Plan. The scheme would cover about 5 million beneficiaries at the beginning of the Plan. In the ICDS projects, integration of nutrition with health, sanitation, hygiene, water supply, education etc., would be improved.

22.109 *SN* restructured and building centre, mah providing su linked with ularly in a meet the fel ous. Exp discouraged. beginning of the Plan and

22.110 *Mid* ceters to the years. About the non-Plan 12.4 million. viewed and re safe drinking kitchen and h fore further e

22.111 *Prod.* studies ha be utilised for ducing transpo such as balaha beneficiary leve cooked food w

22.112 *Proces* going programm ed and its furt ight of its eval concerns would will be placed Local processing state employment the field trials fo a proposed to Distribution of i could need to be

22.113 *Nutritio* programme for impa mental and perso and other subject on with the Mi Education, Food taking up nutriti An effort will be

SNP outside ICDS projects will also be achieved by providing health and welfare inputs binding it around an activity like socio-economic mahila mandals, pre-school etc., and by providing supervision and monitoring. It will be linked with the projects of economic activity, particularly in areas of women's employment so as to meet the felt needs of the women from poorer sections. Expansion of SNP outside ICDS will be encouraged. The number of beneficiaries at the end of Plan are about 5.73 million outside Plan and about 1.15 million under Plan.

110 Mid-day Meals Programme: This scheme for the school children of the age group 6—11 years. About 15.1 million children are covered in non-Plan and 2.3 million under Plan, i.e. a total of 17.4 million. The existing programme would be reorganised and reorganised to provide health inputs and drinking water and to encourage development of kitchen and horticultural gardens in the schools, besides further expansion is undertaken.

111 Production and Processing Schemes: Recent studies have pointed out that local foods should be utilised for imparting nutrition education and reducing transport and administrative costs. The production of foods processed by Government agencies such as balahar, whose per unit cost at the targetted beneficiary level is higher than the cost of locally produced food will be reviewed.

112 Processed and Fortified Foods: The on-going programme of millions of units would be completed and its further expansion will be reviewed in the light of its evaluation. Its expansion by commercial concerns would also be considered. The emphasis would be placed on the consumption of local foods. Processing of foods will be encouraged to facilitate employment of women. After completion of field trials for the fortification of salt with iron, it is proposed to promote its commercial production. Distribution of iodised salt in goitre endemic areas and need to be improved.

113 Nutrition Education: An integrated programme for imparting education on health, environmental and personal hygiene, nutrition, child welfare and other subjects would be taken up in collaboration with the Ministries of Social Welfare, Health, Education, Food and Rural Reconstruction, instead of taking up nutrition education in an isolated manner. An effort will be made to make such feeding centre

under SNP and MDM as the nucleus of nutrition education.

Research and Evaluation

22.114 Universities and research organisations would be encouraged to undertake investigations with a common research design so that their findings could be utilised for reformulation or improvement of the schemes. Adequate outlays for in-built evaluation particularly in SNP and MDM would be provided in the Plan for this purpose. Research on production of cereals, pulses and oil seeds, their processing and distribution policy with the object of providing a balanced diet and its availability would be expanded. Research on community education, inter-personal contacts and mass media for dissemination of information on nutritional contents of local foods, their reinforcement or supplementation and modes of preparation would be stepped up. The consumer patterns and consumer acceptability would be studied more intensively. Identification, development and formulation of recipes for different target groups would be encouraged. Information on the prevention of nutrition leakages by augmentation of drinking water supply, drainage and sewerage disposal is rather scanty. This area needs to be further investigated. Augmentation of funds for assessing socio-economic determinants of malnutrition, specially intra-community variations, family planning and evaluation of on-going programmes would be further accelerated. Research by specialised institutions and voluntary organisations for developing materials for imparting education through mass-media and inter-personnel communication would be intensified.

Coordination

22.115 Nutrition programmes are being implemented at the Centre and State levels under different agencies. The existing mechanisms for coordination would be reviewed and remedial measures initiated for effective functioning at beneficiary level. A Coordination Committee at a high level would be set up so as to facilitate inter-Ministerial interaction in the process of decision making and fixing responsibilities for programme performance.

Outlays

22.116 In Central Sector, the provision is Rs. 14.95 crores vide Annexure 22.7. The provision for direct nutrition programmes in the State Sector is Rs. 223 crores vide details in Annexure 22.8.

Annexure 22.1
Sixth Plan Outlays—Health Sector

		(Rs. crores)					
Sl. No.	Programme	1974—79			1980—85		
		States and U.Ts.	Centre	Total	States and U.Ts.	Centre	Total
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Minimum Needs Programmes for Rural Health						
	(a) Centrally Sponsored Schemes	—	—	—	102.62	168.50	271.12
	(b) Other schemes	120.30	—	120.30	305.84	—	305.84
	Total	120.30	—	120.30	408.46	168.50	576.96
2	Control of Communicable Diseases	—	268.17	268.17	235.00*	289.00	524.00
3	Hospitals and Dispensaries					45.00	
4	Medical Education and Research	225.53	67.66	293.19	576.59	62.00	720.09
5	Traditional Systems of medicine and Homoeopathy					29.00	
6	Others					7.50	
	Total	345.83	335.83	681.66	1220.05*	601.00	1821.05

*This includes Rs.—195.30 crores towards 50% State share for Malaria Control Programme.

Sl. No.

(0)

1 Andhra Pradesh

2 Assam

3 Bihar

4 Gujarat

5 Haryana

6 Himachal Pradesh

7 Jammu & Kashmir

8 Karnataka

9 Kerala

10 Madhya Pradesh

11 Maharashtra

12 Manipur

13 Meghalaya

14 Nagaland

15 Orissa

16 Punjab

17 Rajasthan

18 Sikkim

19 Tamil Nadu

20 Tripura

21 Uttar Pradesh

22 West Bengal

Total States

Union Territories

23 A & N Islands

24 Arunachal Pradesh

25 Chandigarh

26 Dadra & Nagar Haveli

27 Delhi

28 Goa, Daman & Diu

29 Lakshadweep

30 Mizoram

31 Pondicherry

Total UTs

Total States

*Excluding Chandigarh

Annexure 22.2

Sixth Plan—States/UT-wise Distribution of outlay for Health Sector

(Rs. in Crores)

Sl. No.	States	Total	MNP including CHV and MPW Schemes	Remaining Programmes
(0)	(1)	(2)	(3)	(4)
1	Andhra Pradesh	65.00	24.39	40.61
2	Assam	32.00	12.00	20.00
3	Bihar	82.40	36.27	46.13
4	Gujarat	70.00	20.09	49.91
5	Haryana	48.00	8.53	39.47
6	Himachal Pradesh	16.18	5.00	11.18
7	Jammu & Kashmir	48.00	9.03	38.97
8	Karnataka	65.53	20.03	45.50
9	Kerala	36.55	9.54	27.01
10	Madhya Pradesh	94.01	36.07	57.93
11	Maharashtra	89.46	30.00	59.46
12	Manipur	9.70	5.27	4.43
13	Meghalaya	7.10	4.43	2.67
14	Nagaland	8.00	2.97	5.03
15	Orissa	29.60	16.00	13.60
16	Punjab	49.00	13.77	35.23
17	Rajasthan	40.98	17.43	23.55
18	Sikkim	4.35	1.39	2.96
19	Tamil Nadu	67.70	21.82	45.88
20	Tripura	8.56	3.36	5.20
21	Uttar Pradesh	134.98	74.89	60.09
22	West Bengal	84.00	25.88	58.12
	Total States	1091.19	398.16	693.03
Union Territories				
23	A & N Islands	1.85	0.44	1.41
24	Arunachal Pradesh	8.05	4.00	4.05
25	Chandigarh	6.10	0.85	5.25
26	Dadra & Nagar Haveli	0.65	0.37	0.28
27	Delhi	87.66	0.12	87.54
28	Goa, Daman & Diu	14.00	0.55	13.45
29	Lakshadweep	0.55	0.22	0.33
30	Mizoram	7.00	3.25	3.74
31	Pondicherry	3.00	0.49	2.51
	Total UTs	128.86*	10.30*	118.56*
	Total States & UTs	1220.05	408.46	811.59

*Excluding outlay on Centrally Sponsored Schemes borne on the budget of the Health Ministry.

Annexure 22.3

Statement showing Physical Targets and Achievements under Rural Health Programmes

Sl. No.	Programme	Norm	Unit	Position obtaining as on 1-4-1980	1980 Target (Additional)	Likely position by 1-4-1985
(0)	(1)	(2)	(3)	(4)	(5)	(6)
1	Community Health Volunteers	1 for every village of a population of 1000.	Lakh	1.40	2.20	3.60
2	Sub-centres	1: 5000 population in plains and 1:3000 in tribal and hilly areas	Nos.	50,000	40,000	90,000
3	Primary Health Centres	1:30,000	Nos.	5,400 (in addition 1000 subsidiary health centres were also set up).	600 additional primary health centres + up gradation of 1000 dispensaries into subsidiary health centres.	6,000
4	Upgraded Primary Health Centres to be converted to Community Health Centres.	1:1,00,000 or 1 per CD Block.	Nos.	340	174	514

Annexure 22.4

Major Schemes under Control of Communicable Diseases Programme

Sl. No.	Name of the Scheme	Index	Present level	Target set for 1980-85 Plan
(0)	(1)	(2)	(3)	(4)
1	Malaria Control Programme	(a) Annual Parasite Index.	4.6	2.7
		(b) Deaths recorded and verified	300	Nil
2	National Mosquito Control Programme	(a) Total No. of cases detected as % of total estimated cases.	60%	90%
		(b) Disease arrested cases out of (a) above.	20	40%
3	Control of Blindness	(a) % of Blindness	1.4	1%
4	TB Control Programme	(a) Total No. of cases detected as % to total estimated cases.	30%	50%
		(b) Disease arrested cases.	60%	75%
5	Filaria Control Programme	Micro-Filaria carriers.	25 million	35 millions

Annexure 22.5

Family Planning—Annual Allocation and Expenditure during 1974–80 and Outlay for the Sixth Plan

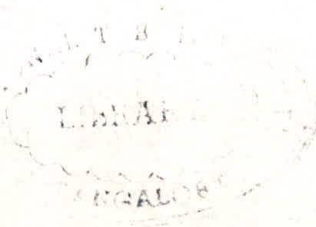
A. Annual Allocation and Expenditure during 1974–80

Year	(Rs. crores)	
	Allocation	Expenditure
(1)	(2)	(3)
1974-75	54.14	62.05
1975-76	63.20	80.61
1976-77	70.14	172.98
1977-78	98.61	93.34
1978-79	111.81	107.55
1979-80	116.19	118.51*

*Provisional

B. Sixth Plan Outlay: Family Planning

Sl. No.	Major Items	(Rs. crores)
		Sixth Plan Outlay
(1)	(2)	
1	Services and Supplies	687.70
2	Training	8.80
3	Research and Evaluation	11.50
4	Mass Media and Education	32.00
5	Maternity and Child Health	250.30
6	Organisation	19.50
7	India Population Project	0.20
	Total	1010.00



Annexure 22.6

Performance of Family Planning Methods and MCH during 1974-75 to 1979-80 and targets for the Sixth Plan (1980-85)

Sl. No.	Item	(in million)						Sixth Plan targets 1980-85 Total	Programme
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(1)
I. Family Planning Methods									
(1)	Sterilisation	1.35	2.67	8.26	0.95	1.48	1.74	22.00	Central Sector
(a)	Vasectomy	0.61	1.44	8.20	0.19	0.39	0.46		Nutrition Progr
(b)	Tubectomy	0.74	1.23	0.06	0.76	1.09	1.28		1. Diet Surve
(2)	IUD Insertions	0.43	0.61	0.58	0.33	0.55	0.62	7.90	(a) Diet and N
(3)	Eg. CC Users (including Oral Pill Users)	2.52	3.53	3.69	3.25	3.60	2.99	11.00 (1984-85)	(b) Nutrition
(4)	% of couples effectively protected	15.1	17.2	23.9	22.8	22.8	22.5	36.56	Nutrition Educ
II. MCH Beneficiaries									
(1)	Immunisation								(a) Mobile F
(a)	TT for								(b) Mass Med
(i)	Expectant mothers	0.74	1.45	2.14	3.51	3.61	4.16	48.00	Production of M
(ii)	Children							25.00	Production of i
(b)	DPT for pre-school children	1.72	2.41	4.02	7.81	6.77	5.94 @	68.50	(a) Balahar
(c)	DPT for school children		1.28	2.72	6.54	7.24	6.47	63.00	(b) Extruded for
(2)	Prophylaxis against nutritional anaemia among								Fortification of F
(a)	Mothers	6.68	3.70	3.29	8.38	9.80	10.08	60.00	(a) Fortifications
(b)	Children		3.52	3.05	6.85	9.03	13.43	60.00	(b) Fortification
(3)	Prophylaxis against blindness due to Vit. 'A' deficiency	3.89	4.48	7.00	10.33 (first dose)	13.57 (first dose)	14.95	125.00	(c) Fortification o
III. Expanded Programme of Immunisation									
(a)	Polio.								Research and E
(b)	BCG								Directional charge
(c)	Typhoid								SUB TO
(d)	Measles								Scheme for impar
(e)	Smallpox								TOTAL
								15.50	Med. Nutrition Pro
								75.00	GRAND I
								56.00	
								Not yet Fixed	

* Figures provisional.

@ Includes 3 doses as against 2 doses earlier.

Annexure 22.7

Sixth Plan Outlays Nutrition—Central Sector

(Rs. in crores)

programme	Plan Outlay
(1)	(2)
Central Sector	
<i>nutrition Programmes of the Department of Food (Central Schemes)</i>	
Diet Surveys and Nutrition Planning	
Diet and Nutrition Surveys	0.05
Nutrition Planning	1.10
Nutrition Education and Extension	
Mobile Food and Nutrition Extension Units	1.00
(b) Mass Media Communication and Extension	0.75
Production of Nutritious Beverages	0.60
Production of Nutritious Foods	
Balahar	3.50
Extruded foods	0.20
Fortification of Foods	
Fortifications of Salt	4.00
(d) Fortification of milk	1.00
Fortification of other foods	0.10
Research and Development activities and evaluation etc.	0.50
Additional charges	0.15
SUB TOTAL	12.95
Sum for imparting integrated education in Nutrition, Health, Hygiene and Sanitation etc.	1.00
TOTAL	13.95
Nutrition Programme of the Department of Rural Reconstruction (Centrally Sponsored Scheme)	1.00
GRAND TOTAL	14.95

Annexure 22.8
Sixth Plan Outlays—Nutrition States/UTs.

Sl. No.	States/UTs	(Rs. in lakhs)	
		Plan Outlay	
		1974-79	1980-85
(0)	(1)	(2)	(3)
1	Andhra Pradesh	759	1100
2	Assam	178	270
3	Bihar	460	1000
4	Gujarat	541	1650
5	Haryana	17	400
6	Himachal Pradesh	129	242
7	Jammu and Kashmir	23	120
8	Karnataka	796	2258
9	Kerala	624	1700
10	Madhya Pradesh	1100	2000
11	Maharashtra	802	2600
12	Manipur	24	110
13	Meghalaya	65	125
14	Nagaland	84	130
15	Orissa	796	650
16	Punjab	59	80
17	Rajasthan	107	327
18	Sikkim	44	130
19	Tamil Nadu	654	2600
20	Tripura	56	580
21	Uttar Pradesh	590	883
22	West Bengal	583	2500
	TOTAL STATES	8494	21455
	<i>Union Territories</i>		
23	Andaman & Nicobar Islands	13.00	15.00
24	Arunachal Pradesh	21.00	50.00
25	Chandigarh	31.92	125.00
26	Dadra & Nagar Haveli	12.69	20.00
27	Delhi	151.00	450.00
28	Goa, Daman & Diu	16.21	40.00
29	Lakshadweep	5.20	5.00
30	Mizoram	43.00	50.00
31	Pondicherry	30.08	109.00
	TOTAL UTs	324.10	864.00
	GRAND TOTAL	8818.10	22319.00

Note : The MNP component is Rs. 21874 lakhs.

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der to improve the formulation of policy
on urbanisation and urban development.
The roles of different sizes of towns and
cities is not well understood; the relation-
ship between urban and rural activities
needs to be investigated further in order
to improve the links between urban and
rural areas; the comparative costs of pro-
viding infrastructure and services to large,
medium and small cities need to be wor-
ked out. Finally, research is necessary to
formulate policies to strengthen local bo-
dies so that they can play a greater role
in the financing and implementation of
urban services.

Outlays

Table 23.5 shows the outlay on Urban
development.

Table 23.5

Plan Outlay on Urban Development

(Rs. crores)

Scheme	Fifth Plan 1974-79 (Outlay)	Sixth Plan Outlay 1980-85
States and Union Territories		
Environmental Improvement of Slums	50.00	151.45
Urban Development Programmes	156.73	422.83
C.M.D.A.* and State Capital Pro- jects	143.92	313.25
Total : A	350.65	887.53
Central Sector		
Integrated Development of Small and Medium Towns**	—	96.00
National Capital Region	5.09	10.00
Research and Development	0.21	1.60
Integrated Urban Development Project@	149.51	—
Development of Displaced Persons Colony	—	0.05
Removal of cattle in Calcutta	—	2.35
Total : B	154.81	110.00
Grand Total : States/Union Territories & Centre	505.46	997.53

* Metropolitan Development Authority (CMDA).
Centrally Sponsored Scheme on a sharing basis.
Discontinued from the Central Sector with effect from
1-4-1979.

WATER SUPPLY AND SANITATION

23.36 Although a national water supply programme was launched in 1954 during the very First Five Year Plan, and progressively larger allocations were made for water supply and sanitation in the succeeding Five Year Plans, the progress made so far in the provision of safe water supply and basic sanitation can hardly be called satisfactory. The available statistics relating to the status of rural and urban water supply in India present a discouraging picture especially in the rural areas. By March 1980 about two lakh villages in the country with a population of some 160 million were yet to be provided with potable water supply facilities. The situation in the urban areas is relatively better but here too, particularly in the hundreds of smaller towns, water supply and sanitation arrangements are far from adequate. The statistics in fact do not fully portray the hardship and inconvenience that is experienced by the poor, particularly the women and the children, in areas where water is scarce, inadequate or polluted. In terms of mandays lost due to water-borne or water related diseases which constitute nearly 80 per cent of the public health problem of our country, the wastage is indeed colossal.

23.37 Until the end of the Fourth Five Year Plan, i.e. during the period 1951—74, the total investment made by the Central and State Governments for providing water supply and sanitation facilities was of the order of Rs. 855 crores, over 65 per cent of it in the urban areas. During this period, the water supply programme was not given a high enough priority in the national planning process. The constraint of resources in the States and the competing demands for programmes in other sectors compelled the State and local governments to give relatively lower priority to water supply in the allocation of funds. There was also at the same time insufficient appreciation of the magnitude and complexity of the problem.

23.38 The importance of providing safe water supply and sanitation as a basic minimum need without meeting which no improvement in the living standards of the people could take place, was reiterated in the Draft Fifth Five Year Plan 1974—79 which included drinking water for villages in its Minimum Needs Programme. The Draft Fifth Five Year Plan declared that adequate resources would be allocated for the programme irrespective of the resources constraints of individual States. The objective of the Minimum Needs Programme for drinking water was to provide the facility to all villages suffering from chronic scarcity or having unsafe sources of water. The Plan provided for an expenditure of Rs. 381 crores on rural water supply and sanitation as compared to a total of Rs. 289 crores provided in all the previous Plans.

23.39 The Sixth Five Year Plan is being launched at a time of increasing awareness, both nationally and internationally, of the importance of safe drinking water supply in sustaining the processes of econo-

mic and human resource development and improving the quality of our environment. The drought of 1979-80, which was accompanied by an acute scarcity of drinking water in many parts of the country where wells, tanks and other sources dried up in large numbers, has added urgency to the search for a lasting solution to the problem. The global concern with the need to provide drinking water and elementary sanitation to the people in developing countries led the United Nations Water Conference at Mar del Plata (Argentina) in 1977 to call for a ten Year campaign by member-countries and international agencies to provide access to safe water and sanitation for all people. The ten years 1981-90 have been designated as the International Drinking Water Supply and Sanitation Decade. India as a signatory to the Resolution, has pledged its full support to the action plan under the International Decade.

23.40 Considering the magnitude of the problem in a vast country like India and the constraints on resources it is obvious that we cannot afford expensive or sophisticated water supply services. Nor is it possible to have a uniform mode of water supply everywhere. The wide variety of climatic conditions and of the sources of water, surface and underground, should permit the adoption of a variety of solutions which are economical, in keeping with local needs and conditions and capable of speedy implementation. Simple, even austere, standards will be necessary so that maximum population coverage, specially of the poor and the under-privileged sections of the community, can be achieved within the limited funds available.

Rural Water Supply and Sanitation

23.41 Until the Third Five Year Plan drinking water supply in the rural areas was a component of the amenities scheme of the Community Development Programme. Besides, the local development works programme, taken up through voluntary labour participation, and the programme of welfare of backward classes also included schemes relating to water supply. These efforts were supplemented by the National Water Supply and Sanitation Programme of the Ministry of Health. It is estimated that by the end of 1968-69 about 1.2 million sanitary wells and hand-pumps had been constructed and piped water supply provided to some 17,000 villages. During the Third Five Year Plan, under a Central scheme, Special Investigation Divisions were established in most States to make an assessment of the water supply situation especially in areas of acute scarcity and those endemic to water borne diseases. In the Fourth Five Year Plan 1969-74, the bulk of the provision for rural water supply was allocated for these areas. For this purpose, a new centrally sponsored scheme was also launched in 1972-73 to accelerate the efforts of the State Governments in meeting the needs of such areas. The programme gained further momentum during the Fifth Five Year Plan which made an allocation of Rs. 381 crores in

the State Plans including Rs. 329 crores under the Minimum Needs Programme mentioned earlier. In addition, a provision of Rs. 100 crores was made in the Central Sector under the Accelerated Rural Water Supply Scheme. Available information based on reports from State Governments indicates that by the end of 1979-80 about 1.84 lakh villages had benefited from water supply schemes of one type or another.

23.42 The Special Investigation Divisions established during the Third Five Year Plan period were the first step in identifying villages which could be regarded as problem villages from the point of view of the quality and accessibility of drinking water sources. Preliminary data collected by these Divisions in 1964-65 indicated that about two-thirds of the rural population lived in areas where it was relatively easy to provide safe drinking water from local sources like wells. The remaining one-third lived in villages which suffered from water scarcity and where engineering skills, extra financial outlays, and time consuming works would be called for. These villages were categorised as follows:—

- (a) Those which do not have an assured source of drinking water within a reasonable distance of say 1.6 kms.;
- (b) those which are endemic to diseases like cholera, guinea-worm etc.; and
- (c) those where the available water has an excess of salinity, iron, fluorides or other toxic elements.

The first category was defined as scarcity and difficult villages and the other two as health problem villages.

23.43 In 1971-72 a total of 1.52 lakh villages in the country were identified as being without a safe and assured source of drinking water. Of these, 90,000 villages were classified as scarcity and difficult villages and 62,000 as health problem villages. In addition, it was estimated that there were 1.85 lakh villages with a population of 160 millions which were served by simple wells.

23.44 Since 1972-73, as a result of the larger investments made in the rural water supply sector, about 95,000 problem villages have been provided with safe drinking water supply facilities by March 1980. Thus, some 57,000 villages (including those in Sikkim) which had been identified as scarcity or health problem villages in the earlier survey remain to be provided with safe water supply. However, various State Governments have recently reported that the earlier survey did not adequately represent the magnitude of the problem partly because it was not complete and partly because the drought conditions in subsequent years had brought to light fresh areas which were vulnerable to water scarcity. The latest data received from the State Governments show that there are at present about 1.90 lakh villages in the country which need

be provided with drinking water.

23.45 It is worth noting that the present only the problem. The villages from State Governments to

for covering at least one throughout the requirement and maintenance worked out and programme envisaged in the period plan period

ensuring water supply simple and inexpensive sanitary villages cleaning and disinfecting adequate supply or where the water to be given covered pumps or be the last

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45 It is worth emphasising that these figures represent only the first step in the evaluation of the problem. The type of water supply system required varies from State to State and often from one area to another within a State. It is necessary for the State governments to work out suitable engineering solutions for covering all the needy villages so as to ensure that at least one source of potable water is available throughout the year in every such village. Details of requirement of funds, materials and equipment, and maintenance arrangements will have to be worked out and annual action plans prepared. The programme envisaged in the Sixth Plan has to be viewed in the perspective of a 10 year plan but during the plan period itself it will have to be limited to ensuring water supplies in the rural areas through simple and inexpensive devices. In many areas a simple sanitary well with parapet and with regular cleaning and disinfection will be considered a safe and adequate source of water supply. In hard rock areas or where the water table is low, emphasis will have to be given on deep tube wells with hand-pumps. Hand pumps or piped water supply schemes should be the last alternative.

46 During the Sixth Five Year Plan the effort will be to cover all the problem villages of the three categories mentioned earlier. With the financial provisions made in the Plan, it will be possible to achieve the objective except in certain difficult areas in the hilly and desert regions where, because of physical constraints, the programme may take a longer time. The approach in all the areas will be to provide at least one source of drinking water in every village identified as a scarcity or health problem village. Additional sources may, however, be necessary in areas with large populations or dispersed hamlets. In particular, the needs of the scheduled caste habitations in the rural areas will have to be given priority.

47 Apart from the problem villages which will be covered under the Minimum Needs Programme, there are other villages where the existing sources of water supply may need improvement or augmentation. The Sixth Plan provides Rs. 128 crores for these areas. Under the provision for rural water supply in the Sixth Plan is Rs. 2135 crores, Rs. 600 crores in the

Central Sector and Rs. 1535 crores in the State/Union Territory Plans.

23.48 Poor maintenance of existing water supply systems in the rural areas continues to be a source of concern in most States. Lack of involvement of the local community in the maintenance arrangements, shortage of staff and inadequate funds for maintenance are the main reasons why the existing water supply schemes have failed to yield the expected benefits. It is clear that the operation of small rural water supply systems can be ensured only with the participation of the village community and institutions. Excepting very large systems covering many villages and requiring skilled supervisory staff, in most cases it should be possible for the block and village level functionaries to take care of the relatively simple operation and maintenance requirements of rural water supply schemes. A three-tier maintenance set up, with a care-taker at the village level, a mechanic at the block level and a mobile repair team at the district level, has been successfully tried in Tamil Nadu and can be adopted in other States with suitable variations. It has been noticed that wherever the maintenance arrangements are adequate, the beneficiaries are not unwilling to pay a nominal charge for the water supplied to them. The effort should in all cases be to recover at least the operating expenses.

23.49 So far little attention has been given to the problem of rural sanitation except for some pilot projects in a few States. It is estimated that almost 98 per cent of the rural house-holds do not have any latrines. Keeping in view the present position of rural sanitation and the limitation of budgetary resources sanitation facilities can be provided to only 25 per cent of the rural population by the end of the Decade. Much more can, however, be done in this area through self-help schemes organised by the village community. Simple low cost designs of water-seal latrines have already been developed in many areas. Extension efforts will need to be made on a large scale to assist the village organisations in the adoption and use of these designs, with such local modifications as may be necessary. The UN Resolution on the International Drinking Water Supply and Sanitation Decade calls for basic sanitation facilities being made available to all citizens by 1990. This objective can be attained only through large scale mobilisation of voluntary effort at the village level.

23.50 The effort in the Sixth Five Year Plan is to make a modest beginning in this direction by undertaking pilot projects in all States which would help in making an assessment of the community attitudes in the rural areas to the type of latrines to be provided and the nature of sanitation facilities needed.

Urban Water Supply and Sanitation

23.51 According to information supplied by the State Governments, the number of towns and population provided with piped water supply systems are shown in the following table:—

Table 23.6

Class of urban area	Total number of towns	Number served	Total population (in lakhs)	Population served (in lakhs)
(1)	(2)	(3)	(4)	(5)
Class I (over 100,000)	151	149	533.80	506.72
Class II (50,000 to 99,999)	219	206	147.12	124.80
Class III (20,000 to 49,999)	652	542	199.47	151.97
Class IV (10,000 to 19,999)	987	649	139.61	85.04
Class V (5,000 to 9,999)	820	423	61.97	31.71
Class VI (below 5,000)	290	123	8.96	3.59
TOTAL	3119	2092	1090.93	903.83

23.52 Some features of the present coverage of water supply services in the urban areas may be mentioned. While towns with nearly 84 per cent of the urban population have been provided with drinking water facilities, the population coverage is partial and uneven. Even in the larger cities many of the newer settlements and areas inhabited by the economically weaker sections continue to be without adequate water supply. Further, out of the 1027 towns still lacking drinking water supply facilities, as many as 902 belong to the group of towns which have a population of less than 20,000. It is in these smaller towns that the population served by drinking water facilities is 50 per cent or even less. In the past, the bulk of plan investments in urban water supply has gone to the larger cities and the smaller towns have in consequence continued to suffer.

23.53 The position in regard to urban sewerage and sanitation is even less satisfactory. Out of the 3,119 towns, only 198 have been provided with sewerage facilities. Even in respect of class I cities having a population of one lakh and above, only 46 per cent have arrangements for sewerage and sewage treatment. The overall population coverage in the urban areas is about 20 per cent.

23.54 Water supply and sewerage programmes in the urban areas should be considered an integral part of urban development. While the pressing need of providing adequate water supply and sewerage facilities in the larger cities, especially in the high density areas populated by the low income groups and economically weaker sections, must continue to receive priority, greater attention needs to be given in the Sixth Five Year Plan to the needs of smaller and medium size towns which have been neglected in the past. The Sixth Plan lays considerable emphasis on the integrated development of small and medium size towns and the environmental improvement of slums. Water supply and sewerage schemes have to be dovetailed in this programme. The Town and Country Planning Organisations in the States which have the responsibility of preparing master plans for these areas have to ensure that adequate provision is made for water supply and sewerage facilities in the formulation and implementation of these plans.

23.55 Some effort has recently been made to evolve low cost techniques for urban sanitation. The UNDP Global Project in India is intended to assist and promote the installation of water-seal latrines in 11 towns in 7 States, viz., Assam, Bihar, Gujarat, Maharashtra, Rajasthan, Tamil Nadu and West Bengal. The project aims at providing low cost latrines to about 550 towns.

23.56 During the Sixth Five Year Plan, the Government has initiated a comprehensive sewerage scheme in about 930 urban areas. During the Sixth Plan, about 550 new sewerage schemes are being initiated in about 550 towns.

Outlays

23.58 The outlay for the urban water supply and sewerage sector in the Sixth Five Year Plan is estimated at Rs. 1,000 crore.

ashtra, Rajasthan, Tamil Nadu and U.P. The Project aims at adopting appropriate technologies which would be particularly helpful in the smaller towns. Pilot projects are to be taken up in these States to provide low cost water-seal latrines with on-site disposal of human waste.

13.56 During the Sixth Plan, priority would be given to the completion of on-going urban water supply and sewerage schemes, including augmentation of the existing systems in the larger cities. It is expected that about 930 urban water supply schemes and 120 urban sewerage and drainage schemes will be completed during this period. In addition, it is proposed that new schemes of water supply will be taken up about 550 towns and sewerage schemes in 110 towns.

13.57 As in the rural areas, the maintenance of urban water supply schemes, particularly in the small municipalities, is unsatisfactory. The poor quality of maintenance results mainly from the unwillingness of the local bodies to levy water rates and the inability of the State Governments to provide adequate non-plan grants for maintenance purposes. Urban water supply and sewerage schemes are highly capital intensive and there is a strong case for recovery from the beneficiaries at least the interest and operation and maintenance charges to start with.

Outlays

13.58 The outlays for Water Supply and Sanitation in the Sixth Five Year Plan are as under:

Table 23.7

Scheme	(Rs. crores)	
	Fifth Plan (1974-79)	Sixth Plan (1980-85)
1 State/U.T./Plans		
(i) Rural Water Supply & Sanitation of which M.N.P.	381.24 (329.27)	1554.24 (1407.11)
(ii) Urban Water Supply & Sanitation	539.17	1753.56
Total: State Plan	920.41	3307.80
2 Central Plan		
(a) Central Sector:		
(i) Prevention and Control of Water & Air pollution	0.80	12.00
(ii) Other programmes	0.93	2.22
(b) Centrally Sponsored Schemes		
(i) Accelerated Rural Water Supply Programme	100.00*	600.00
(ii) Other programmes	8.54	
Total: Central Plan	110.27	614.22
GRAND TOTAL	1030.68	3922.02

*Outlay provided subsequent to the finalisation of the Fifth Plan.

