

## CHAPTER 1

### OVERVIEW

1. The year 2001-02 being the terminal year of the Ninth Five Year Plan, the Annual Plan for the year attempts a comprehensive review of the objectives and strategies of the Ninth Plan taking stock of the performance of the country's economic development in the first four years vis-à-vis the targets. The Annual Plan also highlights the areas of emphasis needed for consolidating the physical and financial performance of the Ninth Plan in the terminal year. An attempt has been made to address the areas of success and failure, both in physical and financial terms, in relation to the targets for the respective annual plans and the Ninth Five Year Plan as a whole.

2. The Ninth Plan represented a perceptible departure from the past. The unique feature of the Plan lies in its recognition of the changed economic circumstances of the country. In the past, circumstances were such that all earlier Plans have been based on the view that economic growth is restricted primarily by the availability of investible resources in the economy and higher growth rates can become feasible only through augmentation of such resources. The Ninth Plan has pointed out that the problem of economic growth and development at the present time is not only the availability of total resources for investment but also the ability of the economic system to absorb these resources effectively and efficiently.

3. The availability of and access to investible resources by the Government for investment in the social and economic infrastructure has a significant bearing on the level of investment in the country. In earlier years, public access to investible resources was not considered to be a major problem. At the present time, however, the budgets of the central and almost all the state governments are under severe pressure so that they are being forced to borrow even for meeting their current expenditures, such as, salaries and wages and interest payments. As a consequence, public investments, which are essential for the development of the economy, have suffered. The pressures on government finances have become so acute that the share of public investment in total investment in the country, which was targeted to be about 46 per cent during the Eighth Plan, had fallen to less than 30 per cent in the closing years of the Eighth Plan.

4. The Plan explicitly recognized that public resources are being used relatively inefficiently, and that a much greater impact could be made even with existing resources provided that the methods of implementation and delivery mechanisms for public services are improved. There has been a re-orientation in the Ninth Plan approach from a system characterized by the dominance of public investment, on the one hand, and a significant degree of control on private investment, on the other, in planning for an economy in which private investment will play a greater role within a more market-oriented framework.

5. While formulating the Annual Plan 2001-02, it was emphasized that various agencies involved in the plan formulation should collectively take all possible measures to enhance the effectiveness of plan expenditure in meeting the targets and the objectives of the Ninth Plan. There is a need to pursue monitoring of plan expenditure with a view to improve effectiveness of public spending in obtaining the stated objectives of the Plan programmes/schemes. Planning Commission may also be involved in undertaking quarterly performance reviews and encourage joint monitoring of Plan schemes from time to time. This would provide useful feedback and, perhaps, a better understanding of the concerns of various State Governments and Central Ministries/Departments. While it is necessary to find adequate resources for priority sectors and programmes, it is equally important to strengthen the institutional framework for improving implementation and encouraging private initiatives to supplement and gradually supplant some public efforts.

6. Prioritization of Plan programmes/schemes of each Department should be re-emphasised and pursued with a view to have 'Core Plans' for each sector so that critical programmes in each sector should not suffer from lack of allocations and completed as planned so that the projected benefits from their implementation could be fully realized.

7. There is need to adopt and undertake a review of Plan schemes on a Zero-Based Budgeted methodology with a view to ascertain their continuation, convergence with related schemes in each sector or their discontinuation, as the case may be. This would prevent a mismatch between the requirement of funds and the Plan allocations and ensure that Plan expenditure is matched by the desired physical achievements. It would also shift the focus of planning from inputs to outputs, i.e. on physical targeting rather than on financial allocations. This process needs to be initiated in right earnest so that its results can be consolidated while formulating the Tenth Five Year Plan. Annual Plan 2001-02, being the terminal year of the Ninth Plan, it would be desirable that no new schemes are taken up during the year, except in exceptional cases for which adequate justification should be provided.

8. There is a continued need to reduce dependence on budgetary support/borrowings and place more reliance on generating internal resources for financing the Annual Plan. In particular, there is a need for further reducing budgetary allocation to Public Sector Undertakings (PSUs) and encouraging them to be self-supporting. Recourse to borrowed funds for financing plan investments may be considered only when investment made from such funds bring in adequate returns. As the performance of some PSUs in raising internal and extra-budgetary resources for financing their plan outlays has been disappointing, the reasons for this need to be examined closely so as to ensure that the gap between the budgeted and the revised/actual plan outlays could be narrowed down, enabling a realisation of the projected public investment targets.

9. It is reiterated that as per the 'New Initiatives for the North-Eastern Region' announced by the then Prime Minister in October, 1996, all Central Ministries/Departments are required to earmark at least 10 per cent of the budget for the North-East (except those specifically exempted).

## **RECENT ECONOMIC DEVELOPMENTS AND PROSPECTS FOR 2001-2002**

10. The Ninth Five year Plan (1997-2002) was conceived against the backdrop of three consecutive years of high growth when the economy grew at an average rate of 7.2 per cent.

The state of economy at the present stage shows many signs of strength, but also some looming problems. Fortunately, economic growth has accelerated from the low level of 4.8 per cent in 1997-98 to 6.6 per cent in 1998-99, 6.4 per cent in 1999-2000 and 5.2 per cent in 2000-01. The disaggregated growth rate of agriculture with a share of 26.6 per cent of GDP has shown a growth rate of 0.2 per cent and the manufacturing sector constituting a share of 17 per cent of GDP has shown a growth rate of 5.6 per cent in 2000-01 as shown in **Annexure 1.1**. According to the index of industrial production, the industrial growth was about 5 per cent during 2000-01 compared to 8 per cent in the preceding year. While growth of manufacturing sector slowed down from 9 per cent in 1999-2000 to 5.3 per cent in 2000-01, and that of electricity from 6.6 per cent in 1999-2000 to 4 per cent in 2000-01, mining and quarrying improved from 0.6 per cent to 3.6 per cent in 2000-01. With bright agricultural prospects because of good monsoon, the growth rate of the economy is expected to be over 6.0 per cent in the year 2001-02.

11. Although the overall growth performance of the economy may be marginally short of the targets envisaged for the five years of the Ninth Plan, the performance has to be evaluated in the context of series of exceptional circumstances in recent years. The East Asian Crises in 1997 had a depressive effect on foreign investment in India and also on our potential export markets. The economic sanctions imposed by some countries in 1998 have also created some uncertainty. The Kargil conflict of 1999 and the sharp increase in oil prices in 2000 were two other developments. The performance of the economy in the face of all these developments has been commendable and reflects the resilience that it has acquired. Through all these developments, the Government has pursued the objective of deepening and broadening the economic reforms.

12. The Union Budget presented in Feb., 2001 announced several reforms such as cuts in interest rate, removal of surcharge on corporate and personal tax, measures to promote the small scale industries and removal of rigidities in labour laws. The positive response to a reforms oriented budget was, however, lost in the wake of the crash in the stock market, the banking scam and the fears of a global recession. The Reserve Bank of India, subsequently, took serious note of the lacunae in certain segments of the financial sector. Guidelines have been issued to reduce exposure of banks, specially the small banks, to stock market through limiting advances against shares to a few banking institutions. The financial sector reform is, moreover, being pushed further through emphasis on improving the operational efficiency of the banks as these are expected to reduce the intermediation costs and thus reduce further lending rates. The norms of foreign direct investment have also been relaxed for various sectors, which include defence, pharmaceuticals, banking, hotels and telecommunication.

13. Government's role in economic development continues to be important as it makes investments in both physical and social infrastructure to increase the overall productivity. Its ability to do so, however, is seriously eroded on account of high revenue and fiscal deficit. While the Central Government's revenue deficit went up to 3.8 per cent of GDP from the budgetary target of 3.6 per cent the fiscal deficit moved up to 5.3 per cent of GDP as against the budgetary target of 5.1 per cent in 2000-01.

14. The Broad Money (M3) growth was maintained at a level of about 16 per cent per annum during the year 2000-01. The currency with the public showed deceleration from 11.7 per cent in 1999-2000 to 10.8 per cent in 2000-01 while demand deposits grew by 9.9 per

cent and time deposits by 18.6 per cent as shown in **Annexure 1.2**. Expansion in the net bank credit to the Government was contained at 16.2 per cent in 2000-01 as compared to 14.2 per cent in the previous year. In contrast, growth in the bank credit to the commercial sector was lower at 14.3 per cent in 2000-01 as compared to 16.6 per cent in the previous year. However it has started showing positive growth in the financial year 2001-02. In the credit policy announced recently, the Reserve Bank of India has made an effort to bring the Indian Banking system towards global standards.

15. Against the targeted growth rate of 11.8 per cent per annum in exports during Ninth Plan, the growth of exports was quite low during the first two years of the Ninth Plan. There was a turnaround in 1999-2000 for exports attaining a double-digit growth of 13.2 per cent. During 2000-01 an export growth of 19.8 per cent was attained exceeding the target of 18 per cent set for the year. Robust export growth is likely to be sustained despite the slow-down in the international economy in view of the fact that our export growth has been greater than the world export growth continuously during the last decade. The other factors that have been contributing to that are significant improvement in traditional items of exports, depreciation of rupee, low domestic inflation, revival in the South-East Asian economies and some recovery of world prices.

16. In a bid to boost exports, the government initiated a programme to give a big push to set up Special Economic Zones (SEZs), involve state governments in export promotion and encourage electronic transactions and support market development efforts. The SEZ scheme is primarily to create an internationally hassle free environments for export production. Under the new textile policy, restrictions on the flow of large investments in to garment sector have been scrapped. The textile sector has been taken off the SSI reservation list to enable free flow of foreign direct investment without any condition like mandatory export obligation.

17. The Ninth Plan targeted an annual import growth of 10.8 per cent per annum. Due to domestic slow down of industrial growth the average import growth during the first four years was quite low at about 5.0 per cent although there was a strong recovery in 1999-2000 with a growth of 11.4 per cent because of surge in petroleum crude & products imports accompanied by spurt in international oil prices. In order to protect farmers' interest, import duties have been hiked for a number of agricultural items. In the EXIM policy 2001-02, quantitative restrictions on 715 items have been removed completing the process of the phased trade policy liberalisation started in 1991.

## **PUBLIC SECTOR PLAN**

18. An investment of Rs. 2171 thousand crore was envisaged at national level during the Ninth Five Year Plan. The share of Public Sector in total investment is projected to be 33.4 per cent, which comes to Rs. 8,59,200 crore at 1996-97 price level. The Annual Plan 2000-01 provides for a public sector outlay of Rs. 2,03,360 crore against which the revised expenditure was Rs. 1,87,932 crore at current prices as shown in **Annexure 1.3**. At 1996-97 prices it would be about 17.2 per cent of the Ninth Plan Public Sector outlay. It is observed that during the Ninth Five Year Plan (1997-2002) the Public Sector could utilise only 82.7 per cent of the Plan allocation as shown in **Table 1.1**. The shortfall in utilisation of Public Sector plan allocation arises mainly due to inadequate generation of internal resources by the Central Departments and the States.

**TABLE 1.1****Public Sector Plan Expenditure in the Annual Plans**

Year	Per cent of total Ninth Plan Provision
1997-98 (Actual)	14.3
1998-99(Actual)	15.1
1999-2000(Actual)	16.5
2000-01 (RE)	17.2
2001-02(BE)	19.6
Total (1997-2002)	82.7

19. The approved Public Sector outlay for the Ninth Plan was in proportion of 56 per cent and 44 per cent between Center and the States & Union Territories. During the Ninth Plan (1997-2002) the average share of States and Union Territories in the Public Sector Plan which works out to 43.46 per cent is higher than what was envisaged for the Ninth Plan, as shown in **Table 1.2**.

**TABLE 1.2****Share of States and Union Territories in Public Sector Plan outlay during the Ninth Plan**

	(per cent)
Ninth Plan (Projected)	43.0
1997-98 (Actual)	45.4
1998-99 (Actual)	43.7
1999-2000 (Actual)	43.2
2000-01 (RE)	42.2
2001-02 (BE)	42.8

**CENTRAL SECTOR PLAN**

20. During the Ninth Plan an allocation of Rs. 4,89,361 crore was made for the central sector at 1996-97 prices. In real terms, the sector could utilise only 82 per cent which is quite low as shown in **Annexure-1.4**. In the year 2001-02, the Central plan outlay is budgeted at Rs. 1,30,181 crore reflecting an increase of 19.9 per cent as compared to the revised estimates of Rs. 1,08,587 crore. In real terms, there has been substantial increase in sectoral outlays. For general economic activities there is an increase of 385 per cent (additional amount of Rs. 5000 crore provided subject to realisation of disinvestment target) followed by general services 28 per cent, energy 22.1 per cent, social services 15.5 per cent and irrigation and flood control 12 per cent.

21. To conform to the target level of fiscal deficit, the budgetary support for the Central Plan was kept at Rs. 2,03,982 crore for the five year period 1997-2002 (**Annexure 1.3**). In real terms, the actual utilisation during these years is about 87 per cent of the Ninth Plan

provision. Sectors like social services have utilised 38 per cent followed by transport 15 per cent, rural development 12 per cent and energy 10 per cent. During the current year i.e. 2001-02 there is an increase of 16.2 per cent in budgetary support for the central sector at 1996-97 prices over 2000-01 as shown in **Annexure 1.5**. Similarly, the Internal and Extra Budgetary Resources of the Central Departments, in real terms are 10.6 per cent higher than in 2000-01 as shown in **Table 1.3**.

**TABLE 1.3**

**Financing of the Central Departments during Ninth Plan**  
(Rs. crore at 1996-97 prices)

	Budgetary Support (B.S.)	Internal & Extra - Budgetary Resources (I&EBR)	Total Outlay
Ninth Plan (1997-2002)	203982	285379	489361
1997-98 (Actual)	30722	36356	67078
1998-99 (Actual)	32137	40782	72919
1999-2000 (RE)	33139	44139	80278
2000-01 (RE)	37956	47431	85387
2001-02 (BE)	44107	52466	96573
Total (1997-2002)	178061	224174	402235
Per cent to Ninth Plan	87	79	82

22. Since the public sector programmes are meant for human development and support to the poor by the Government it self, as distinct from the enterprise, the pattern of deployment of budgetary resources of the plan is an important indicator of the support given by the Central Plan for such programmes. The component of budgetary support to the Central Departments responsible for human development such as education, health, family welfare, women and child development and for meeting the basic needs, namely drinking water and housing, urban development and special employment generation programmes has increased sharply during each year of the Ninth Plan as shown in **Table 1.4**.

**TABLE 1.4**

**Allocation of Budgetary Support in Central Plan for Social Services**

Period	Per cent
1997-98	35.7
1998-99	38.5
1999-2000	38.5
2000-01	39.4
2001-02	39.7

## STATES SECTOR PLAN

23. Taking into consideration the total Ninth Plan provision, the actual expenditure of the states during each year, in real terms, has been below the prorata as shown in **Table 1.5**. During the Ninth Plan only 84 per cent of the total five years outlay is estimated to have been utilized, assuming that the revised estimates for 2000-01 and Budget Estimates for 2001-02 materialise, as shown in **Annexure 1.6**.

**TABLE 1.5**

**Utilisation of State Plan Outlay during Ninth Five Year Plan**  
(at 1996-97 prices)

Year	per cent
1997-98 (Actual)	15.2
1998-99 (Actual)	15.4
1999-2000 (Actual)	16.7
2000-01 (RE)	16.8
2001-02 (BE)	19.6

24. The revised expenditure of Rs. 74972 crore for the state plan at current prices during the year 2000-01 which works out to about 40 per cent of total public sector outlay for the year is much below the proportion of provision made for states during Ninth Five Year Plan. In the Annual Plan 2000-01 only 9 states have shown good performance in terms of expenditure with revised estimates as shown in **Annexure 1.7**. These states include Assam, Goa, Himachal Pradesh, Jammu & Kashmir, Maharashtra, Nagaland, Rajasthan, Sikkim and Tamil Nadu. In respect of Bihar, the revised estimates fell short of budget estimates by 44 per cent followed by West Bengal 29 per cent. The remaining states experienced a shortfall ranging from one to 26 per cent.

25. Special Area Programmes have been formulated to deal with problems faced by certain areas arising out of their geo-physical structure and concomitant socio-economic development. The Hill Area Development Programme (HADP) is being implemented to ensure ecologically sustainable socio-economic development of designated hill areas keeping in view the basic needs of the people therein. During Annual Plan 2001-02, it is proposed to conduct a comparative evaluation study of the efficacy of the programme in the States of Assam and West Bengal. A separate Western Ghats Development Programme (WGDP) is being implemented to take up developmental activities such as eco-preservation, eco-development and eco-restoration in an integrated manner on the compact watershed basis in 159 talukas comprising of western ghats in five States viz. Maharashtra, Karnataka, Kerala, Tamil Nadu and Goa. A Working Group on Hill Area Development Programme/Western Ghats Development Programme for the Tenth Five Year Plan has been constituted to look into various aspects of these programmes so as to make them more effective. Border Area Development Programme (BADP) was started in the year 1986-87 for balanced development of border areas of the states bordering Pakistan, namely Jammu & Kashmir, Punjab, Gujarat and Rajasthan. During the Eighth Plan, the programme was revamped and its coverage was extended to the states on the eastern border with Bangladesh. In the Ninth Plan period, the programme has been extended to all the land borders in response to the demands of

the State Governments and the Ministry of Home Affairs. The main objective of BADP is to meet the special needs of the people living in remote and inaccessible areas situated near the border.

## **AGRICULTURE & ALLIED SERVICES AND IRRIGATION**

26. Agriculture has all along been the most crucial sector of the Indian economy. Agriculture and allied activities make the single largest contribution to the Gross Domestic Product (GDP) accounting for almost 27 per cent of the total and also provides employment to around 65 per cent of the total work force in the country. The focus on agricultural development for the Ninth Five Year Plan is essentially based on the policy on food security announced by the Government to double the food production and make India hunger free in ten years followed by a three pronged strategy of (i) increasing the overall employment and income by raising farm productivity and through the growth of other economic activities in the rural areas, (ii) provision of gainful supplementary employment through poverty alleviation schemes, and (iii) distribution of food grains through Public Distribution System (PDS) at concessional prices to those living below the poverty line.

27. Agriculture in India continues to be dependent on monsoon with 62 per cent of the net sown area being rainfed. During the first three years of the Ninth Five Year Plan, the foodgrains production moved up from 192.26 million tonnes in 1997-98 to around 208.87 million tonnes in 1999-2000. During the year 2000-01, only 70 per cent of the area and 66 districts of the country experienced normal to excess rain fall and 135 districts experienced deficient rainfall. The major earthquake which occurred in Gujarat in January, 2001 may affect food grains production and as per the estimates of the Department of Agriculture and Cooperation, the foodgrains production during the year 2000-01 is estimated at around 196.07 million tonnes against the target of 212 million tonnes. The rice and wheat production is likely to come down to 86.30 million tonnes and 68.46 million tonnes respectively from a record production of 87.50 million tonnes of rice and 75.60 million tonnes of wheat achieved during the year 1999-2000. As the performance during the first four years of the Ninth Plan was not as envisaged, the foodgrains production target of 234 million tonnes fixed for the terminal year of the Ninth Plan earlier has been revised downwards to 218 million tonnes comprising of 203 million tonnes of cereals and 15 million tonnes of pulses. States have been advised to prepare Work Plans identifying specific areas/programmes for focused attention on agricultural development. During 2000-01, 27 ongoing schemes have been integrated under one comprehensive programme entitled "Macro Management of Agriculture" extending assistance to the States to meet Work Plan objectives and targets. It is envisaged that the programme would enhance the productivity of support programmes and accord greater flexibility to states to act as per their requirements.

28. Horticulture sector provides a sound base for agro industries and has assumed significance for increasing gainful employment opportunities, both in rural and urban areas, besides improving the nutritional status of the masses. Medicinal and aromatic plants, floriculture, mushrooms etc. are the emerging areas in the horticulture. Efforts are being made to provide boost to the development of the horticulture in terms of increased availability of good quality of seeds, healthy/elite planting materials and development of infrastructure. A technology mission for integrated development of horticulture in North East including Sikkim aiming to provide all relevant services to boost productivity and quality of horticulture has been launched towards the end of 2000-01.

29. The Ninth Plan laid emphasis on improving the livestock productivity through scientific



management and up-gradation of genetic potential of the live stock, developing adequate animal health care including control of animal diseases, production of quality feed and fodder, establishment of dairy processing and marketing infrastructure in hilly and backward areas etc. In pursuance of the strategy of doubling food production, the Department of Animal Husbandry and Dairying has identified ten schemes as action plan schemes for accelerated growth of livestock products and is also implementing 16 schemes related to creation of infrastructure facilities, eradication of rinderpest and modernization of abattoirs.

30. India has the necessary technology and capabilities for successful poultry production. It is the 5th largest egg producer in the world and ranks 19th in respect of broiler production. Egg production during the year 2000-01 is anticipated to be 32.5 billion and it is envisaged that the Ninth Plan target production of 35 billion eggs will be achieved in 2001-02. A new centrally sponsored scheme 'Assistance to State Poultry/Duck Farms' has been started during the Ninth Plan in North-Eastern states including Sikkim with a 100 per cent central assistance to strengthen at least two duck/poultry farms in each state. The programme would also be extended to other states.

31. The Fisheries sector occupies an important place in the socio economic development of India. The sector provides employment to about 3.84 million full or part time fishermen, with an equally impressive segment of the population essentially in rural areas engaged in ancillary activities associated with fisheries and aquaculture. Ninth Plan has focused on an integrated approach to sustainable development of fisheries and aquaculture and aims to optimize production and productivity, augment export of marine products, generate employment and improve socio-economic conditions of the fishermen and fish farmers. The fishery sector has been one of the major contributors of foreign exchange earnings through exports and during the year 2000-01, the foreign exchange earnings have been of the order of Rs. 6308 crore from the export of fish and fishery products.

32. The Ninth Five Year Plan has set a target to achieve a growth rate of 4.5 per cent per annum in agricultural output in order to make a significant impact on overall growth and poverty alleviation. Irrigation is a vital input to increase agricultural output to keep pace with the food requirements of the ever-increasing population. With the net sown area almost stagnant in the country at 140-141 million hectares (m.ha.), further expansion of irrigation, including additional irrigation through modernization/renovation of irrigation capacities, is needed as a critical input to achieve the targeted growth rate of agriculture.

33. Some of the major issues and imperatives in irrigation sector are that there has been the tendency right from First Plan to start more and more new projects resulting in wanton proliferation of projects, thin spreading of resources and consequent time and cost over runs. The strategy for irrigation development in the Ninth Five Year Plan has been on completion of ongoing projects particularly those which were started during pre-Fifth and Fifth Plan periods. For expeditious completion of approved, ongoing, major/medium irrigation projects, Accelerated Irrigation Benefit Programme (AIBP) was launched by the Government in 1996-97 under which Central assistance is given in the form of loan to those projects which have investment clearance by the Planning Commission. Minor irrigation schemes were not eligible for assistance under AIBP. However, from 1999-2000, minor irrigation schemes, both new as well as ongoing, are eligible under this programme in case of Special Category States viz., North-Eastern States and the Hill States of Himachal Pradesh, Sikkim and J & K and Kalahandi-Bolangir-Koraput (KBK) districts of Orissa. Further, as per the revised guidelines,

Central loan assistance for the projects is provided to the Non Special Category States, in the ratio of 2:1 (Centre: State). For Special Category States the funding is in the ratio of 3:1. The projects benefiting KBK districts of Orissa are treated on par with Special Category States as far as funding pattern is concerned. Under the 1999 guidelines for AIBP, major/ medium irrigation projects which are in advanced stages of construction are to be considered for inclusion under the programme except irrigation projects in the initial stages of construction benefiting KBK districts of Orissa.

34. Most of the states have at present very low irrigation water rates at substantially varying levels and some of them have not revised these sector for the last 2-3 decades. Most of the North-Eastern states (except Assam and Manipur), do not even charge any irrigation water rate. During the meetings of the Working Group to discuss the Annual Plan 2001-02, the State Governments have been requested to revise the water rates to reach a level that at least O&M expenses were covered. They have also been advised to cut down the establishment costs and to improve the collection efficiency of the water rates. Maharashtra is the only state where the irrigation water rates are announced for 5 years period at a time with a provision for 10 per cent increase per annum so as to cover the full O&M costs as well as interest payable on the public deposits raised through irrigation bonds. The state governments of Andhra Pradesh, Madhya Pradesh, Rajasthan, Maharashtra, Haryana and Orissa have revised the water rates recently.

35. There is a need to take steps for improving water use efficiency through renovation and modernization of existing systems in agriculture and other sectors and making radical changes in water distribution and field level management policies. Greater thrust needs to be given for land consolidation as a prerequisite for optimal water use efficiency. Close monitoring and evaluation of the projects is being emphasized both at the centre and state levels by suitably strengthening the concerned organisations wherever necessary.

## **SOCIAL INFRASTRUCTURE**

36. Poverty eradication is one of the major objectives of planned development and inadequacy of social infrastructure affecting the quality of life of the people and their employability is one of the main determinants of poverty. It is recognized that high growth in incomes by itself is not enough to improve the quality of life of the poor. Unless all the citizens of the country, and most particularly the poor, have certain basic minimum services, their living conditions cannot be improved. Seven such Basic Minimum Services (BMS) – safe drinking water, primary health facilities, universal primary education, nutrition to school and pre-school children, shelter for the poor, road connectivity for all villages and habitations and the Public Distribution System (PDS) with the focus on the poor have been identified and the Ninth Plan laid special emphasis to make all efforts to achieve a minimum level of satisfaction in providing these in partnership with the State Governments and the Panchayat Raj Institutions.

37. In the year 2000-01 a new programme called Pradhanmantri Gramodaya Yojana (PMGY) was launched revamping the above said Basic Minimum Services Programme with a focus on creation of social and economic infrastructure in five critical areas: health, primary education, drinking water, housing and rural roads for improving the quality of life of people in the rural areas with the main objective of achieving sustainable human development at the village level. However, the basis for distribution of additional central assistance among

the states for PMGY remain the same as in the case of earlier BMS. It was decided that a minimum of 15 per cent of the total allocation of the States and UTs for PMGY must be allocated for each of the five areas specified above. It has also been recognized that ensuring greater participation of Panchayati Raj Institutions (PRIs) is the most effective mechanism for poverty reduction. The specifically designed anti poverty programmes for generation of both self employment and wage employment in rural areas have been redesigned and restructured in 1999-2000 in order to enhance their efficacy/impact on the poor and improve their sustainability.

38. The Swarnajayanti Gram Swarozgar Yojana (SGSY) was launched with effect from April 1999, keeping in view the strengths and weaknesses of the earlier schemes of Integrated Rural Development Programme (IRDP) and allied programmes along with Million Wells Scheme (MWS) which ceased to be in operation. The objective of restructuring was to make the programme more effective in providing sustainable incomes through micro enterprises covering all aspects of self employment and organizing rural poor into self help groups. It is implemented as a centrally sponsored scheme with funding in the ratio of 75:25 between the centre and the states.

39. With the view to lay thrust on creation of rural infrastructure as per the felt needs of the village community the Jawahar Rozgar Yojana (JRY) was restructured as the Jawahar Gram Samridhi Yojana (JGSY) with the primary objective of creating demand driven community village infrastructure including durable assets of the village level and assets to enable the rural poor to increase the opportunities for sustained employment. The secondary objective is generation of supplementary employment for the unemployed poor in the rural areas. The wage employment under the programme is given to families below the poverty line. The programme is being implemented as a centrally sponsored scheme with funding in the ratio of 75:25 between the centre and the states.

40. Employment Assurance Scheme (EAS) which was launched in 1993 was recast as the single wage employment programme with the prime objective of creation of additional wage employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line. Another important objective is the creation of durable community, social and economic assets for sustained employment and development. The programme is implemented through the Zila Parishads or DRDAs in those states where Zila Parishads do not exist.

41. The National Social Assistance Programme (NSAP) launched as a 100 per cent centrally sponsored scheme with the aim to provide social assistance benefit to poor households in the case of old age, death of primary breadwinner and maternity, supplements the efforts of the state governments with the objective of ensuring minimum national levels of well being and the provision of central assistance is in addition to the benefit that the states are already providing on social protection schemes. The National Old Age Pension Scheme (NOAPS) providing old age pension (Rs. 75 per month) to persons of 65 years and above who are destitute in the sense of having little or no regular means of subsistence from their own sources of income or through support from family members or other sources and the National Family Benefit Scheme (NFBS) providing a sum of Rs.10,000 in the case of death of primary breadwinner due to natural or accidental causes are two components forming part of the NSAP.

42. The Annapurna Scheme launched in April 2000 as a 100 per cent centrally sponsored

scheme aims at providing food security to meet the requirement of those senior citizens who, though eligible, have remained uncovered under the National Old Age Pension Scheme (NOAPS). Free foodgrains @ 10 kg per month per beneficiary are provided under this scheme. The state Food & Civil Supplies departments have been made the nodal departments for implementing the scheme in view of their access to the existing infrastructure for distribution of foodgrains through the Targeted Public Distribution System (TPDS).

43. The District Rural Development Agency (DRDA) has traditionally been the principal organ at the district level to oversee the implementation of different anti poverty programmes. Keeping in view the need for an effective agency at the district level to co-ordinate the anti poverty efforts, a new centrally sponsored scheme for 'Strengthening of DRDA Administration' was launched in April, 1999 with funding on a 75:25 basis between the centre and states. The DRDA is visualized as a specialized and a professional agency capable of managing the anti poverty programmes on the one hand and to effectively relate these to the overall effort of poverty eradication in the districts.

44. The Indira Awaas Yojana (IAY) continues to be the most important centrally sponsored housing scheme for providing dwelling units free of cost to the rural poor especially the Scheduled Castes (SCs) and Scheduled Tribes (STs) and freed bonded labourers and non - SCs/STs living below poverty line in rural areas.

45. One of the major concerns of the Government has been the improvement of labour welfare with increasing productivity and provision of a reasonable level of social security. Reviewing of labour laws and harmonizing them with the new economic and social setting; expanding the provision of social security to workers through efforts to create viable location specific and a self financing system and improving the conditions of workers facing highly adverse work situations have been the priority areas in the labour and employment sector during the Ninth Plan. In this context, during the year 2000-01, efforts were made through policies and programmes for a number of sectors of the economy for providing the environment for self employment both in rural and urban areas, elimination of undesirable practices like child and bonded labour and ensuring workers' safety and social security. With a view to eliminating child labour, the government is implementing National Child Labour Projects (NCLPs). During 2000-01, 96 NCLPs have been sanctioned in Child Labour endemic states for rehabilitation of about 2 lakh children removed from work. Various other schemes aiming at achievement of welfare and social security of the working class and maintenance of industrial peace like training for skill development, services to job seekers, welfare of labour and administration of labour regulations which have been accorded priority during the Ninth Plan are in progress. In order to provide welfare measures to workers in the unorganised sector of schemes like housing assistance, health care facilities and educational assistance for children of workers have been enhanced and liberalized.

46. Government has set up the second National Commission on Labour in October, 1999 to suggest on the rationalization of existing laws relating to labour in the organised sector and to evolve an umbrella legislation for ensuring a minimum level of protection to the workers in the unorganised sectors. A Task Force on Employment Opportunities was set up by the Planning Commission to suggest a strategy for creation of 100 million work opportunities in a time perspective of 10 years. Taking into consideration the emerging global economic situation, a need is felt to make amendments in certain labour legislations so that they maintain their contemporary relevance and initiatives have been taken to bring about these

amendments at an early date.

47. Investment in health sector over the last few decades have resulted in the creation of the vast public sector infrastructure, improvement in access to health care, decline in mortality and improvement in longevity of life. However the country will be facing the increasing dual disease burden of communicable and non-communicable diseases because of ongoing demographic, lifestyle and environmental transitions. Sub-optimal functioning of the infrastructure especially in the states/districts/blocks with poor health indices, poor utilization of primary healthcare facilities, overcrowding at secondary and tertiary care due to lack of a proper system of screening and referral services are some of the major problems that have to be solved.

48. The Ninth Plan envisaged that states will undertake reorganisation and restructuring of existing health care infrastructure including the infrastructure for delivering Indian System of Medicine and Homeopathy (ISM&H) services at primary, secondary and tertiary care levels, so that they have the responsibility of serving population residing in a well defined area and have appropriate referral linkages with each other. This process has been initiated in some states but the progress is very slow.

49. The focus during the Ninth Plan has been on improving quality and content of care improving efficiency of services through: (i) horizontal integration of all aspects of the current vertical programmes including supplies, information, education, communication and monitoring, training and administrative arrangements so that they become a part of integrated health care; (ii) skill upgradation of the existing health manpower; (iii) Operationalising accurate Health Management Information System (HMIS) utilising currently available IT tools; monitoring data on births, deaths, diseases and data pertaining to ongoing programme obtained through service channels, within existing infrastructure; assessing the accuracy of service reporting with evaluation studies and initiating remedial action at district level; (iv) building up an effective system of disease surveillance and response at district, state and national level within and as a part of existing health services; and (v) building up efficient and effective logistic system for supply of drugs, vaccines, consumable and other supplies based on the need and utilisation.

50. These processes have already been initiated although it is observed that there are substantial differences among the states in their implementation. During the Ninth Plan, due care has been taken to ensure that poorer segments of population are able to access services they need by commitment to provide essential primary health care, emergency life saving services and services under the national disease control programmes totally free of cost to individuals based on their needs and not on their ability to pay. Technological advances which widen the spectrum of possible interventions, increasing awareness and expectations of the population regarding health care services, escalate costs of health care. These factors are also widening the gaps between what is possible and what the individual, institution or the country can afford. States are exploring mechanisms by which cost of severe illness and hospitalisation can be borne by individual organisation/state.

51. There are six lakh practitioners in Indian Systems of Medicine and Homoeopathy (ISM&H) in the country. They will be provided with appropriate orientation/skill upgradation through continuing medical education programmes and mainstreamed and utilised in improving access to health care and coverage under the national programmes. A Medicinal Plant

Board has been set up under the Department of ISM&H which will play pivotal role in implementing the recommendations of the Planning Commission's Task force on preservation, promotion and cultivation of medicinal plants and herbs, ensuring availability of good quality of ISM&H drugs at affordable cost within the country and fully realising the export potential for these drugs and formulations. A new centrally sponsored scheme has been initiated to improve the quality of production of drugs and improving quality control of ISM&H drugs.

52. Over the last few decades, there has been a substantial improvement in availability of food grains, decline in severe forms of undernutrition and associated health problems. However, while mortality has come down by 50 per cent and fertility by 40 per cent, reduction in undernutrition is only 20 per cent. There has not been a substantial reduction in mild and moderate undernutrition, low birth weight, anemia, Vitamin-A deficiency and iodine deficiency disorders. Undernutrition associated with HIV/AIDS is emerging as a public health problem. Alterations in the life styles and dietary intake have led to increasing prevalence of obesity and associated non-communicable diseases. The country is to gear itself to prevent and combat the dual burden of under and overnutrition and associated health problems. To achieve this objective coordinated multi sectoral interventions have been initiated; these include (i) improving the production and availability of cereals, pulses and vegetables to meet the nutritional needs, (ii) Efforts to make them available at affordable cost through out the year to urban and rural population, (iii) more efficient targeting of the PDS to below poverty line (BPL) families, (iv) nutritional education to ensure correct infant feeding practices and promoting appropriate intra-family distribution of food based on requirements, (v) operationalising screening of vulnerable groups for macro and micro nutrient deficiencies and initiating appropriate health and nutrition interventions for prevention, early detection and management, (vi) inter-sectoral coordination and convergence of services for combating under nutrition, (vii) promotion of appropriate dietary intake and life style for achieving optimal health and nutritional status, and (viii) setting up mechanism for monitoring nutritional status of the children through ICDS net work.

53. Census 2001 has shown that India's population is 102.7 crore - 1.5 crore more than the projection for 2001 made by the Technical Committee on Population Projection. The slow decline in Crude Death Rate and Crude Birth Rate, plateauing of Infant Mortality Rate, low sex ratio and wide inter-state/ inter-district differences in health and demographic indices during the 1990s are of concern. Currently eight states with poor health and demographic indices constitute 44 per cent of India's population.

54. During the Ninth Plan, the major focus of the family welfare programme has been on ensuring that families have improved access to health care facilities to enable them to achieve their reproductive goals. Irrespective of the socio economic status, 3/4<sup>th</sup> of the population access facilities offered by the public sector institutions for reproductive and child health services. During the Ninth Plan there is commitment to provide essential primary health care, emergency services to women and children, contraceptives, vaccine and drugs under family welfare programme free of cost to all. In order to achieve substantial improvement in content, quality and coverage of health care to women and children the family welfare programme has undertaken (i) decentralized district based need assessment and planning to meet all the felt needs, (ii) skill upgradation training and redeployment of personnel, (iii) improved logistics for supply of drugs, vaccines and devices, and (iv) effective monitoring of the process, quality and impact indicators at local (PRI), district and state level and rapid midcourse corrections at each of these level.

55. The National Population Commission has been playing a catalytic role in improving centre- state and inter-sectoral coordination, involving private, voluntary institutions and civil society in generating a vigorous people's movement to support the national efforts to achieve the goal set in the National Population Policy 2000.

56. Education is the most crucial investment in human development and the thrust areas for educational development in the Ninth Plan include universalisation of elementary education, achievement of full adult literacy, raising the quality of education at all levels, upliftment of the educational status of disadvantaged groups including disabled children, vocationalisation of education and renewal of curriculum to meet emerging challenges in information technology.

57. An important element of post Independence educational policy has been to provide free and compulsory education to all children at least up to the elementary stage. The schemes of education sector are being implemented with the aim of achieving total eradication of illiteracy and improving quality of education to all levels from primary schools to universities. Elementary education finds the highest priority to achieve the goal of education for all during the plan period. A major initiative has been the launching of the Sarva Shiksha Abhiyan (SSA) to ensure that the schemes of elementary education are implemented with the aim of providing useful and quality elementary education to all children in the age group 6-14 by 2010. The SSA will provide community owned quality elementary education in the mission mode and also aims to bridge the gender and social gaps. Secondary education is expected to prepare young persons both for the world of work and entry into higher education.

58. The National literacy Mission (NLM) continues to implement the programme of adult education during Ninth Plan and out of the total 588 districts in the country 559 districts have so far been covered under the scheme. The programme is encouraging participation of people's representatives at panchayat level and also of industries and corporate houses. The Jan Shiksha Sansthan (JSS) are offering 225 vocational training courses to cater to the needs of rural population. Out of 50 new JSS that had been envisaged during the Ninth Plan, 33 JSS have already been sanctioned.

59. India has one of the largest urban systems with a projected population of 289 million in 2001. There has been a phenomenal growth of urban population in India with an addition of about 7 to 8 million people every year and the urban population is anticipated to increase to around 605-618 million in 2021-2025. Urban growth, mostly uncontrolled and unregulated, has been far away from systematic development planning. Urban Development is essentially supportive of economic development in commensurate with the ongoing structural reforms. The rapid growth of urban areas both physically and demographically has activated changes in terms of land use pattern, town structure, physical infrastructure and socio-economic activities which have a direct bearing on the total urban environment. The positive impact of urbanization is often over-shadowed by the evident deterioration in the physical environment and quality of life caused by the widening gap between demand and supply of basic infrastructure services like safe drinking water, sanitation, sewerage, housing, energy, transport, communication, health and education.

60. About one-third of urban India lives in metropolitan cities. Given the propensity of the major cities to double their size in a brief span of a decade or two, it is absolutely essential to develop

acceptable physical standards conceived in a perspective of direct development of cities. A centrally sponsored scheme of Infrastructural Development in Mega Cities was launched during 1993-94 in the five mega cities namely, Mumbai, Chennai, Kolkata, Hyderabad and Bangalore with the broad objectives of promoting investment in economic and physical infrastructure and to facilitate building up a revolving fund for sustained development of infrastructure in the mega cities. It is expected that in the coming years, the State Governments would be able to take up more commercially viable and self-sustainable projects.

61. Shelter is the basic human requirement that needs to be met on priority basis. Increasing population, urbanization and regional development are the major factors that have aggravated the housing scenario over the years. To ensure the basic need, 'shelter for all' and better quality of life to all citizens by harnessing the unused potentials in public-private partnership for tackling the housing and habitat issues, a National Housing and Habitat Policy was announced in 1988. In the Ninth Plan, special attention is being focused on households at the lowest end of the housing market. The priority groups identified for such support are people below poverty line, SC/STs, disabled, freed bonded labourers, slum dwellers and women headed households. The Special Action Plan on housing introduced in 1998-99, also known as 'Two Million Housing Programme' aims at providing shelter to all within a given time frame. Under this housing programme seven lakh additional houses are to be constructed annually in the urban areas. During the same year, actual achievement exceeded the target with the construction of 7.58 lakh houses. During 1999-2000 and 2000-01, 795218 and 670881 housing units respectively were sanctioned for construction. A target for the construction of 1.96 lakh EWS dwelling units and 27457 LIG dwelling units was also set for the year 2000-01.

62. The social scenario in the country has been fast changing due to rapid urbanization and industrialization. The unending flow of rural population to the already crowded cities and towns in search of employment has resulted in serious problems like overcrowding, emergence of pavement/slum dwellings, unemployment and poverty. In the process, certain categories of population, who failed to cope with these rapid changes, such as persons with disabilities, the social deviants who come in conflict with law viz. juvenile delinquents/vagrants, drug addicts, alcoholics and beggars and the other disadvantaged viz. the elderly, the destitute, and street children have started lagging behind the rest of the society due to their vulnerability.

63. In line with the Ninth Plan strategies of empowering the disabled persons, reforming the social deviants and caring the other disadvantaged groups, programmes in the field of Social Welfare have been specially designed with a major objective of enabling them to overcome their social, economic, physical and mental disabilities and thus get into the main stream of socio-economic development along with the rest of the society. In consonance with the policy of providing a complete package of welfare services to the physically and mentally disabled individuals and groups and to deal with the multi-dimensional problems of the disabled population, the six national institutes continued to expand their activities in close collaboration with the concerned organizations both governmental and non-governmental. As a new initiative, these institutes have started multi-professional rehabilitation services in the slums, tribal belts, foot-hills and semi-urban and rural areas through community awareness programmes and community-based rehabilitation services such as diagnostic treatment at rehabilitation camps and distribution of aids and appliances to the disabled. To provide a package of comprehensive rehabilitation services to the rural



disabled, 11 District Rehabilitation Centres continued to extend services which include prevention and early detection, medical intervention and surgical corrections, fitment of artificial aids and appliances, therapeutical services like physio-therapy, occupational and speech therapy, etc. Till September 2000, 11915 persons with disabilities were benefited. To extend employment-cum-income generation opportunities for the persons with disabilities and to integrate them into the main stream of economic development activities, the National Handicapped Development Finance Corporation (NHFDC) continued to provide loans for promoting self-employment ventures, pursuing general/ professional, technical education besides up-gradation of technical / entrepreneurial skills.

64. The scheme of Prevention of Alcoholism and Substance (Drugs) Abuse continued to extend a variety of services like awareness generation, treatment-cum-rehabilitation centres, de-addiction camps, follow-up and rehabilitation to tackle the increasing problems of drug abuse and alcoholism. To strengthen and provide technical in-puts to the Drug Addiction Prevention Programme (NCDAP), a National Centre for Drug Abuse Prevention has been set up in the National Institute of Social Defence, New Delhi with the assistance from United Nations Drug Control Programme (UNDCP). An Integrated Programme for street children continued to be implemented in 39 cities in the country, involving 118 NGOs and benefiting around 1.40 lakh street children. The programme provides shelter, nutrition, health-care, education and recreation facilities to street children and seeks to protect them against abuse and exploitation.

65. The Government made a major policy initiative of declaring the year 2001 as the Women's Empowerment Year and also adopted a National Policy for Empowerment of Women in 2001 to provide an enabling environment for women to exercise their rights freely both within and outside their homes at par with men. Further, a Task Force on Women and Children was also setup in 2000 under the Chairmanship of Deputy Chairman, Planning Commission to review all the existing legislations and the on-going programmes for women and also to draw up an year-long thematic calendar of activities to celebrate women's empowerment year.

66. The programme of Support of Training-cum-Employment Programme (STEP), launched in 1987 aims to upgrade the skills of poor and assetless women through training-cum-employment-cum-income generation activities, credit and market linkages in the traditional sectors of agriculture, animal husbandry, dairying, fisheries, handlooms, handicrafts, khadi and village industries, sericulture, social forestry and wasteland development. Since inception of the programme, about 4.92 lakh women have been covered under 96 projects launched in 16 states. In the year 1999-2000, 5 projects benefiting about 6100 women have been sanctioned and during 2000-01, the programme received a significant boost with the sanctioning of 12 new projects benefiting around 48,550 women in eight states.

67. The Socio-Economic Programme being implemented by the Central Social Welfare Board endeavours to provide employment opportunities on full/part time basis to destitute women, widows, deserted women and the physically handicapped to supplement their meager family incomes. The scheme has been reviewed and modified to expand its scope making eligible organizations working for the handicapped, women's cooperative organizations and institutions like jails, Nari Niketans etc. to receive grants under the programme. During the year 2000-01, grants amounting to Rs. 33.70 lakh benefiting 5,819 women have been sanctioned under this scheme.

68. During 2000-01, the Government approved restructuring of Indira Mahila Yojana (1995), into an 'Integrated Women's Empowerment Programme' (IWEPP) to empower women through (i) generating awareness by disseminating information/knowledge to bring about an attitudinal change; (ii) helping women achieve economic strength through micro-level income generating activities; and (iii) establishing convergence of various services such as literacy, health, non-formal education, rural development, water supply and entrepreneurship. More than 42,000 self help women's groups have been formed under the scheme, of which about 2000 groups were formed during 2000-01.

69. Integrated Child Development Services (ICDS) completed 25 years of committed service to children and mothers in the country with a renewed mandate to get universalised during the Tenth Five Year Plan. The ICDS cater to improve the nutritional and health status of pre-school children below 6 years and expectant and nursing mothers with a package of services viz., immunization, health check-ups, referral services, supplementary nutrition, pre-school education and health and nutrition education.

70. Welfare and development of the socially disadvantaged groups viz. Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and the minorities occupy a distinct and prominent niche in the country's development planning. To this effect, in the Ninth Plan, empowerment of these socially disadvantaged groups has been accorded high priority in pursuance of achieving the constitutional commitment of raising their status at par with the rest of the society. Various welfare, developmental and protective programmes are being implemented through a three pronged strategy of (i) social empowerment through educational development; (ii) economic empowerment through poverty alleviation and employment and income generation; and (iii) social justice through legislative support and other programmes to ensure removal of disparities, exploitation and suppression and to ensure their protection. In this endeavor, not only the on-going programmes are being strengthened/ expanded, but also new measures are being initiated wherever necessary to accelerate the process of over-all development of these disadvantaged groups. An exclusive Ministry of Tribal Affairs was set up in October, 1999 with an aim to give more focused attention to the welfare and development of tribal population as they suffered from typical problems such as illiteracy, land alienation, displacement, indebtedness etc.

71. High priority has been accorded to improve the educational status of SCs and STs, especially that of their women and the girl children. To encourage school enrolment and arresting dropout rates, concerted efforts were made through extending special incentives such as providing scholarships, hostel facilities etc. Through the nation-wide scheme of Post Matric Scholarships (PMS) for SC and ST students, scholarships are awarded to eligible SC/ST students. The scheme of Pre-Matric Scholarships for children, whose parents are engaged in unclean occupations, was implemented with added thrust with the ultimate objective of diverting the incumbent children from the clutches of the traditional occupation of scavenging. To facilitate the SC/ST students to pursue higher studies especially in professional courses like Medicine, Law, Chartered Accountancy, Business Management, Engineering and other such courses, textbooks are made available to them through the scheme of Book Banks for SC/ST students.

72. Towards ensuring economic development amongst OBCs, the National Backward Classes Finance and Development Corporation (NBCFDC) has been playing an important role by extending additional channel of finance to backward classes for economically and financially viable

schemes and projects; and for upgrading the technological and entrepreneurial skills of individuals or groups belonging to Backward Classes. The Corporation has launched a special scheme for eligible women beneficiaries of backward classes under the name of 'Swarnima' extending financial assistance up to Rs.1 lakh at concessional rate of interest. Programmes for the social and economic upliftment of minorities are being implemented with commitment. The Maulana Azad Education Foundation was setup as an autonomous organisation with the objective of promoting education among backward minorities. The National Minorities Development and Finance Corporation (NMDFC) plays a vital role in economic development by providing concessional finance to eligible beneficiaries belonging to minorities for setting up self-employment ventures. Till December 2000, NMDFC has financed 78,995 beneficiaries. The NMDFC has also taken up micro financing through NGOs for assisting the poorest among the minorities who have no access to financial institutions.

73. Voluntary Organizations who have been playing a vital role in delivering services at the grass-root level have been encouraged not only to supplement the government's efforts to extend various welfare and developmental services to these socially disadvantaged groups but also to assist both the government and the target groups to fight against the social evils like untouchability and social and economic exploitation inflicted upon these groups.

### **Industry & Infrastructure**

74. After a turnaround in 1999-2000, industrial growth (measured by index of industrial production) has again slowed down during the year 2000-01. The industrial growth during the year 2000-01 at 5 per cent is lower than 8 per cent achieved during 1999-2000 as shown in **Annexure 1.8**. The average annual growth rate of industrial sector including mining, manufacturing and electricity generation during the first four years of the Ninth Plan period was 5.9 per cent, which is much lower than the 8.2 per cent targeted for the Ninth Five Year Plan. The factors responsible for the slow down of industrial growth include lack of domestic demand for intermediate goods, low inventory demand for capital goods, high oil prices, existence of excess capacity in some sectors, inherent adjustment lags in industrial restructuring and infrastructure constraints particularly power and transport and a high interest rate environment due to continued high fiscal deficit. As per the use based classification, all industry groups, except consumer goods and consumer non-durables have shown a lower growth rate during the year 2000-01 than in the year 1999-2000. The consumer goods have shown a growth rate of 8 per cent and consumer non-durable 6.1 per cent.

75. Infrastructure being the backbone of economic development, performance of infrastructure sector is a key indicator of economic growth. International competitiveness of Indian industry and future success of India's exports depend upon efficient performance of the infrastructure sector. In the first four years of the Ninth Plan (1997-2001), except coal, the production in all the infrastructure industries remained below the targets. In the year 2000-01, the production in all infrastructure sectors, except crude petroleum, are below the targets as shown in **Annexure 1.9**. It is needless to emphasize that factors like inadequate investment in infrastructure area, slackening of aggregate demand, falling export growth due to overall slump in the world trade, erosion in competitive advantage of Indian exports on account of steep depreciation of East Asian currencies, decline in rural demand owing to low agricultural output in 1997-98, price competition from imports in certain key industries, inadequacy of funds due to continuing sluggishness in capital markets (primary and secondary) and other infrastructure bottlenecks have contributed substantially for low growth.

76. Electricity is one of the key inputs for the overall socio-economic development of the country. The main thrust area of the Ninth Plan for power sector is to pay greater attention on early completion of ongoing projects and advance action to be taken for the Tenth Plan projects with special emphasis on accelerating hydro power development from the Tenth Plan onwards to ensure a balanced development of power system in different regions. The plan also lays emphasis on enhancing contribution from capacities already created, improvement in the overall Plant Load Factor (PLF), formation of an integrated national grid, demand management and energy conservation by different end users, maximization of captive and co-generation in various industries, rationalisation of tariffs and encouragement for greater private sector participation in the power industry.

77. The Ninth Plan envisaged a capacity addition target of 40245 MW comprising 11909 MW capacity from Central Sector, 10748 MW from State Sector and the rest 17588 MW from private sector. In the first four years of the Ninth Plan period the total capacity commissioned was of the order of 15752 MW and it is envisaged that a capacity of about 4765 MW would be added during the year 2001-02. Thus, the total capacity likely to be added during the Ninth Plan period is around 20517 MW, which is about 51 per cent of the total targeted capacity. The major shortfall in capacity addition is in private sector. As against 17588 MW envisaged, only about 37 per cent of the capacity would be materialising during the plan period. Private Sector projects have not come up as expected mainly because the policy framework needed to encourage private investment has not been put in place. The poor financial condition of the SEBs is a major constraint in achieving financial closure. A scheme on Accelerated Power Development Programme (APDP) was launched with the main thrust on renovation and modernisation / life extension/ uprating of old power plants (thermal & hydel) and upgradation/improvement of sub-transmission networks (below 66 KV) including energy accounting and metering so as to improve the operational and financial health of the State Electricity Boards.

78. The Ninth Plan set a power generation target of 662 Bkwh of which 606.7 Bkwh was envisaged from utilities in the terminal year of the Ninth Plan. The power generation during 2000-01 was 499.45 Bkwh which has shown an improvement of 2.9 per cent over previous year and has almost met the target of 500.7 Bkwh set for the year 2000-01. The generation in the utilities in 2001-02 is projected at 530 billion units and additional energy of 1.40 Bkwh is also expected to become available from the Chukha Hydel Project in Bhutan. Against targeted growth rate of 9 per cent for electricity generation during the Ninth Plan, the generation during first four years has achieved a growth rate of only 5.98 per cent per annum and if the same trend continues, the generation from the utilities in 2001-02 may be of the order of 529.3 Bkwh against the original target of 606.7 Bkwh leading to a shortfall of around 77.4 Bkwh. The target for All India Plant Load Factor (PLF) was set at 66.7 per cent for the year 2000-01 and the actual achievement was 69 per cent showing a marked improvement during the year.

79. In view of the encouraging results achieved from the implementation of Phase-I of the Renovation and Modernisation (R&M) Programme during Seventh Plan, Phase-II Programme for R&M of thermal power plants was taken up in the year 1990-91 for implementation during the Eighth Plan. Under the programme 44 of thermal power plants consisting of 198 thermal units aggregating to a total capacity of 20,869 MW were covered. During the Ninth Plan Programme, 191 units (25856 MW) at 54 power plants are covered

under R&M and 42 units (3091 MW) are planned for life extension. The Central Electricity Authority (CEA) has also identified 55 hydro power stations with an aggregate capacity of 9653 MW (210 generating units) for coverage under renovation, modernization and uprating of hydro power stations. Out of 55 schemes, work on 25 schemes having an aggregate capacity of 5791 MW and an expected benefit of 1313 MW/3263 million Kwh (MU) have been completed till March, 2000. There are 21 ongoing schemes with an aggregate installed capacity of 3113 MW where renovation, modernization and uprating works with an expected benefit of 911 MW/2517 MU are under different stages of implementation. It is expected that out of these 21 schemes, 11 schemes would be completed during the Ninth Plan.

80. The steps in regard to power sector reforms were continued by several states through unbundling the SEBs and separating generation, transmission and distribution into separate corporations to make it possible to monitor efficiency levels on each activity as a profit centre and also to create appropriate incentives for efficiency in each area. As part of reforms, fifteen states have already set up their respective State Electricity Regulatory Commissions (SERCs) and other states have also initiated the process.

81. The rural electrification programme is viewed as a prime mover for rural development. Electricity is not only the basic pre-requisite for industrialization but it also contributes significantly in increasing agricultural productivity and other job and income generation activities, besides enhancing the quality of life in rural areas and controlling migration from rural to urban areas. Out of 5,87,258 total inhabited villages in the country (as per 1991 census), 5,06,916 villages (86.3 per cent) have been declared electrified by March 2000. Remaining about 80,000 villages are still awaiting this basic amenity. Thirteen states have declared 100 per cent electrification of feasible villages. Remaining unelectrified villages of the country are mostly in nine states viz. Uttar Pradesh (29.62 per cent), Bihar (24.54 per cent), Orissa (14.75 per cent), West Bengal (10.5 per cent), Assam (7.09 per cent), Meghalaya (3.72 per cent), Arunachal Pradesh (1.88 per cent), Madhya Pradesh (3.98 per cent) and Rajasthan (3.05 per cent). Out of about 80,000 villages that remain to be electrified in the country as mentioned, about 62,000 villages could be connected with the grid using conventional means. The remaining 18,000 villages located in remote areas would have to be electrified using Non-Conventional Sources of Energy. It is proposed that 100 per cent electrification of 62,000 villages would be achieved in the next six years i.e. by the end of Tenth Plan, for which suitable funding mechanism including the funds to be given in the form of grants is being worked out. The electrification of remote villages numbering around 18,000 is proposed to be achieved by the end of the Eleventh Plan. A suitable funding pattern with a mix of grant and soft loans for this purpose is also being worked out. The respective Central Ministries in charge of Rural Electrification and Non-conventional Energy Sources have already initiated necessary action to complete the above task in a time bound manner. Against the ultimate potential in terms of electrical pump set energisation estimated at 195.94 lakh, 127.68 lakh pump sets have been energized by March 2001 in various states of the country.

82. The concern on the fast depletion of the fossil fuels like coal and petroleum to meet the energy needs of the country added with the environmental degradation while using such energy resources, have focused the country's attention on the use of renewable energy sources like solar, wind, biomass, small hydro power etc. which are sustainable in the long run and also environment friendly. The Ministry for Non-Conventional Energy Sources (MNES) has been implementing the broad-based programmes covering the whole spectrum of renewable energy

technologies with the objectives to (a) increase the share of power from renewable in the overall installed capacity of power generation, (b) meet the energy needs of rural and remote areas for a variety of rural applications, (c) minimize the drudgery and health hazards faced by rural women in following the age-old practice of cooking with fuel-wood collected from long distances and in traditional chulhas which emit a lot of smoke, and (d) to extract energy from urban and industrial waste, besides chemical, ocean and geo-thermal sources. As on December, 2000 the contribution of renewables have reached 3000 MW, representing 3 per cent of total grid capacity, as compared to 1600 MW representing 1.5 per cent, as on December, 1999. Almost all the areas, namely solar, wind, biomass, urban and industrial waste and small hydro, have contributed to this achievement. MNES has drawn a draft renewable energy policy as per which it is envisaged to achieve a power generation capacity from renewables of the order of 10 per cent of the new power capacity projected for 2012. During this period, it is also envisaged to cover 30 million households with improved chulhas, installation of additional 3 million household biogas plants, deployment of 5 million solar lanterns, 2 million solar home lighting systems, provision of electricity to at least 25 per cent of the 18,000 unelectrified villages which may not be feasible to be electrified by conventional grid due to their remoteness and deployment of solar water heating systems in one million homes.

83. Besides sun, wind, biomass, small hydro and urban and industrial wastes, there are other sources of renewable energy which are mostly at the stage of R&D. These include fuel cell, hydrogen energy, geothermal and ocean energy. The works are progressing in the areas of fuel cell technology, hydrogen energy, battery powered vehicles and tapping geo-thermal energy. MNES is giving thrust to the village electrification programme using renewable energy sources like solar, biomass and small hydropower. In this connection, the Ministry is organizing conferences and workshops with the participation of concerned Central Ministries, State Govts., State energy development agencies, private entrepreneurs, NGOs etc. so as to chalk out an action plan for implementing a programme of electrifying about 18,000 remote and unelectrified villages by the year 2012 starting from the current year itself.

84. The Ninth Plan envisaged augmentation of domestic coal production capacity to meet the increasing demand from the power sector during the Plan period and beyond. For this purpose, the plan laid special emphasis on intensification of exploration, improvement of capacity utilization and overall productivity through adaptation of appropriate mining technology, conservation and demand management etc. Facilitating private sector participation in commercial coal mining by means of necessary legislative amendments was another important area contemplated for supplementing the efforts of the public sector coal companies.

85. There has been a shortfall in the actual coal production during the first three years of the plan against targets. As against the anticipated production of 310.60 million tonnes in 2000-01, the target of coal production for the year 2001-02 has been fixed at 322.73 million tonnes which is 3.9 per cent more than the anticipated production in 2000-01. The target for coal demand at the terminal year of Ninth Five Year Plan was set at 412.20 million tonnes of raw coal (excluding 7.70 million tonnes of washery middlings) envisaging an annual compounded growth rate of 6.85 per cent in coal demand as against 5.3 per cent during Eighth Plan period. Coal consumption in the first two years of the plan registered a negative growth rate of 0.8 per cent but a slight improvement in the coal offtake was registered during third and fourth year. Thus, a growth rate of only about 3 per cent was achieved during

the first four years of Ninth Plan. Keeping this in view, during Mid-Term Appraisal the coal demand at the terminal year of the Ninth Plan was revised downwards to 370.80 million tonnes of raw coal implying an average annual compounded growth of 4.6 per cent. For the year 2001-02, coal demand has been assessed at 354.29 million tonnes of raw coal excluding 4.83 million tonnes of washery middlings. The main reasons for shortfall in consumption/ offtake of coal have been sluggishness in the industrial sector, slippage in commissioning of new coal based thermal power stations, lesser off take by power sector due to resource constraints, lower off take by steel sector due to slump in demand, duty-free imports of coal, coal movement constraints and unaccounted flow of certain quantity of cheaper coal through private sector producers/suppliers. The reduced offtake by the major consuming sectors has led to regulation of production by the coal companies and slow inflow of new investments for additional capacity creation. This may result in shortfall in coal availability in medium and long-term.

86. The areas of concern in the petroleum sector have been stagnating indigenous production of crude oil, lower reserve accretion and increasing imports. The dependence on oil imports has been continuously increasing. It was 60 per cent at the end of Eighth Plan and is likely to cross 70 per cent mark during Ninth Plan. Therefore, one of the areas of focus in the Ninth Plan was to give a new thrust to oil exploration and production. This included implementation of New Exploration Licensing Policy (NELP), acceleration of exploration in the deep offshore areas, improvement in reservoir management and enhancing oil recovery and exploration and exploitation of coal bed methane. Under the first round NELP-I, 48 blocks were offered for exploration, 25 blocks were awarded lease and under NELP-II, 25 blocks were put up for bidding. Although many new methods of exploration are being adapted there is dismal increase of our reserves. Keeping this in mind, Indian oil companies have started to acquire oil equity in the already explored fields where development is taking place. Indian companies have also acquired oil equity in countries like Vietnam, Russia, and Iraq. The indigenous oil production was only 31.95 million tonnes against the set target of 33.04 million tonnes in 1999-2000. The anticipated production of crude oil for 2000-01 is 32.30 million tonnes (including private sector) which is more than the set target of 31.99 million tonnes for the year. The crude oil production target for 2001-02 is 32.5 million tonnes.

87. The refining capacity by the end of March 2001 was 112.54 million tonnes per annum. If the two oil refineries - Essar 10.50 million tonnes per annum and Cuddalore 6 million tonnes per annum are commissioned, the refining capacity could go up to 129.04 million tonnes per annum by the end of 2001-02. The anticipated crude throughput for the year 2000-01 is 103.1 million tonnes against the target of 112 million tonnes. The crude throughput target for 2001-02 has been kept at 113.5 million tonnes. The capacity utilization in refining sector is around 90 per cent during 2000-01. At the time of formulation of the Ninth Five Year Plan, the demand of petroleum products excluding the liquid fuel requirement for power generation was expected to grow at a rate of 5.77 per cent during the Plan period and the consumption was assessed at 104.80 million tonnes in the terminal year of Ninth Plan. At the Mid Term Appraisal, it was estimated that the consumption of petroleum products would reach 110 million tonnes in the terminal year of the Ninth Plan including the fuel oil for power generation with the current growth rate of 6.9 per cent. The consumption of petroleum products for 1999-2000 was 96.3 million tonnes and consumption for 2000-01 has been estimated at 99.2 million tonnes. The consumption has been reassessed to be 104.6 million tonnes for 2001-02.

88. The gas production for the year 1999-2000 was 28.5 billion cubic meters and is estimated to be 28.76 billion cubic meters in 2000-01 against the target of 28.81 billion cubic meters. The target for 2001-02 has been fixed at 29.03 billion cubic meters. The gas consumption has increased in the recent years because many fertilizer plants have shifted to the gas based production and many gas based captive power plants have also been commissioned. 120 lakh LPG connections were released until December 2000 and target for calendar year 2001 is release of 130 lakh connections.

89. India is endowed with rich resources of iron ore, both quantitative and qualitative, with a production capacity of about 107 million tonnes, comprising about 39.5 million tonnes of lumps, 54.5 million tonnes of fines, 4 million tonnes of concentrate and 9 million tonnes of pellets. Production of iron ore (including concentrates) during the year 2000-01 was estimated at 77.7 million tonnes recording a growth of 5.7 per cent over the previous year. The domestic consumption of iron ore during the year 2000-01 was around 45.7 million tonnes (provisional) witnessing a growth of 12.84 per cent over the previous year. The low growth in production is primarily due to lower off take of iron ore by domestic steel industry which is the major consumer of iron ore. To increase the iron ore production, the Government has approved development of Bailadila 10/11A iron ore projects of National Mineral Development Corporation (NMDC). The Bailadila 11B, a separate project, will have a capacity of 5 million tonnes of iron ore and would be a joint venture between NMDC and M/s Ispat Industries Ltd. India is one of the major exporters of iron ore and its export during the year 1999-2000 was 30.6 million tonnes as against 29.3 million tonnes in 1998-99.

90. Steel is crucial to the development of any modern economy and is considered to be the backbone of the infrastructure sector. The level of per-capita consumption of steel is treated as one of the important indicators of socio-economic development and the living standard of the people in any country. All the major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

91. At the time of formulation of the Ninth Plan, it was estimated that the demand for finished steel (including export) from all sources would touch 38.0 million tonnes in the terminal year of the Plan and the domestic availability was also expected to be of the same order, just adequate to meet the demand. The installed capacity was expected to attain a level of 43.66 million tonnes by the end of 2001-02. Although Indian steel industry has certain comparative advantages like indigenous availability of cheap and good quality of iron ore and availability of labour at lower cost, due to industrial recession, the steel industry could not grow at expected pace. The production of finished steel during the year 2000-01 was 29.38 million tonnes representing a growth of around 8 per cent over previous year. During the first four years of the Ninth Plan the finished steel production has recorded a growth of 6.64 per cent. The share of secondary producers in the total production is on continuous increase and presently it is nearly 58 per cent of the total production. The domestic availability of finished carbon steel for the year 2001-02 from all sources is assessed at 28.64 million tonnes against the demand of 28.92 million tonnes. The excess demand which is basically a special quality steel will be met through import. An export target of 2.90 million tonnes of finished steel is set for the year 2001-02. The apparent consumption for finished steel has been increasing since economic reforms were initiated in the early nineties. However, the pace of growth has been inconsistent. The apparent consumption of finished steel during



the year 2000-01 was estimated to be 26.65 million tonnes (provisional) recording a growth of 6.54 per cent over previous year whereas it was targeted to grow at 8.85 per cent during Ninth Plan period. The low growth rate may be attributed to the general slow down in industrial activity and especially the steel consuming sectors, slump in major steel markets particularly those of South-East Asia, failure to develop new markets, lack of investment in major infrastructure projects, continuous reduction in import duty of steel and dumping of finished steel due to lower tariff regime and the unrestricted import of iron and steel material due to liberalization of EXIM policy.

92. Cement plays an important role in the development of social, industrial and commercial infrastructure, which are considered prime engines of economic development. It is pertinent to mention that a remarkable performance of the cement industry in the first three years of the Ninth Plan has resulted in far greater and easy availability of cement at competitive prices. This has been accompanied by a quantum improvement in quality, efficiency and above all in consumer service. However, there has been deceleration in the cement demand during the year 2000-01 due to slowdown in the growth of the economy and a lull in the construction activity. Capacity in the cement industry has been much ahead of demand and consequently there has been increased and intense pressure on prices. There have, however, been positive trends to predict an acceleration of growth in general economy and therefore, demand for cement would also be picked up in the near future. It is assumed that during the year 2001-02, the domestic demand of cement may go up to 100 million tonnes against the target of 109 million tonnes set for the terminal year of the Ninth Plan.

93. India is the second largest cement producer in the world, but its share in the global cement trade is only four per cent. India is strategically placed for export as about 30 per cent of global cement exports are made from South East Asia and countries in East Asia. With a modest beginning in export of 0.16 million tonnes of cement in 1989-90 the exports have grown to 3.27 million tonnes in the year 2000-01. It is assumed that during the year 2001-02, the exports will be about 3.72 million tonnes which is marginally lower than the target of 4 million tonnes fixed for the year.

94. An efficient transport system is absolutely necessary for a sustainable economic development. Inadequacies and imbalances in transport system threaten to constrain economic growth and the quality of life in both urban and rural areas. Roads play a key role in the transport system. The Ninth Plan emphasized the need for increased accessibility by linking up villages with all-weather roads and strengthening as well as improving crucial sections of the highway network through phased removal of deficiencies and multi-laning of high-density corridors. A National Highway Development Project has been launched aiming at 4/6-laning of Golden Quadrilateral comprising Delhi, Mumbai, Chennai and Kolkata and North-South and East-West corridors connecting Srinagar with Kanyakumari and Silchar with Porbandar. Alignment for the Golden Quadrilateral has been finalised with total length measuring 5858 Kms of which 811 Kms has already been 4-laned. Similarly, Pradhan Mantri Gram Sadak Yojana (PMGSY) has been launched to undertake time bound programmes to fulfil the critical needs of the rural population by providing and strengthening rural connectivity. Various steps have been taken to strengthen and expand primary road system. 23,439 kms of state roads have been declared as National Highways, which works out to over 40 per cent of the existing national highway network. The Annual Plan 2001-02 would continue its focus on the removal of deficiencies in road transport by way of construction of missing links, improvement of low grade sections, rehabilitation and reconstruction of weak bridges, construction

of bypasses and 4-laning and 2-laning of single lane stretches. Emphasis will also be on improving the riding quality of the existing National Highways. Backward and remote areas such as those in the North Eastern region will continue to require greater attention during the next Plan.

95. The Indian Railways are one of the largest railway systems in the world with a vast network of about 63000 route kilometers and is a principal mode of transportation for long haul freight movement in bulk and long distance passenger traffic. The total freight and passenger traffic carried by railways increased over six fold by 2000-01. During 2000-01, railways carried 475 million tonnes of revenue earning originating freight traffic (revised estimate) showing an increase of 4.5 per cent over the previous year. For the year 2001-02, a target of 500 million tonnes has been set. The tariff policy of the railways has traditionally been one of restraint with regard to increase in passenger fares and periodical increases in case of freight rates. This has been necessitated by the dual role of the railways as a public utility acting as a catalyst of development and as a commercial organization running on business principles. Therefore, over the years, the railways have resorted to cross subsidization in order to offset the losses incurred in passenger and other coaching services through additional revenues from freight movement. It has become imperative to rationalize tariff and align passenger fares more closely with cost.

96. There are 12 major ports in the country with the commissioning of Ennore port in February, 2001. The aggregate port handling capacity of major ports, which was 258 million tonnes in 2000-01 was envisaged to attain a level of 314 million tonnes by March 2001. It is estimated that a target of creating 374 million tonnes of port handling capacity would be achieved by March 2002 as targeted at the time of formulation of Ninth Plan. Nearly 19 per cent of the total traffic is accounted for by the minor ports. The traffic handled by the minor ports has increased to 62.46 million tonnes in 1999-2000. The Ninth Plan has envisaged a crucial role for the private sector/ captive users in augmentation of capacity at various ports. As a result of number of steps taken in this direction, private sector/captive port projects of 58.05 million tonnes capacity with an investment of Rs. 4426.5 crore have so far been approved and they are at different stages of completion.

## **COMMUNICATION & INFORMATION TECHNOLOGY**

97. Telecommunication is a prime support service needed for rapid growth and modernisation. It is also one of the fastest growing sectors in India and has immense potential for growth. The telecom sector has been witnessing a continuous process of reforms since 1991 and a major milestone in this area was the announcement of New Telecom Policy (NTP) to take into account far reaching technological developments taking place in the telecom sector globally and to implement the Government's resolve to make India a global IT super power.

98. The operational network of the erstwhile Department of Telecom has been converted into a fully owned public sector undertaking called Bharat Sanchar Nigam Ltd. (BSNL). The BSNL accounts for more than 95 per cent of the basic telecom network in the country and keeping in line with the Ninth Plan objective of providing telephones on demand by 2002, envisages to provide 68.30 lakh new connections, about 38 per cent more than last year's target, during 2001-02.

99. Development of North Eastern Region of the country has been receiving special attention

in view of the strategic location and general backwardness of the area. To accelerate the pace of economic development of the region, it is envisaged to strengthen the telecom network by adding 12.30 lakh lines of switching capacity, providing 1.05 lakh Direct Exchange Lines (DELs) and 8043 Villages Public Telephones (VPTs) during 2001-02. With a view to give a fillip to the economic development and growth in tribal and hilly areas and their integration into mainstream of national life, the Ninth Plan has laid special emphasis on accelerated development of telecom facilities in such areas. The telecom network is envisaged to be further strengthened during 2001-02 by adding 4.83 lakh lines of switching capacity, 3.38 lakh DELs, 20280 VPTs and 49 Satellite stations. Rural connectivity is another important focus area. As per the NTP, all the remaining villages in the country are to be covered by the year 2002. Keeping this in view, a target of providing 77 thousand additional VPTs has been fixed for the Annual Plan 2001-02.

100. Upgradation of technology and modernisation of postal operations along with expansion of the postal network in the uncovered and far-flung areas of the country are the thrust areas during the Ninth Plan. Computerization of post office savings banks at selected post offices in the country; development of a Maintenance of Information System (MIS) interlinking all regional and circle headquarters with the Directorate and setting up of an Automatic Mail Processing Centre at Kolkata are some of the major programmes envisaged during the year 2001-02.

101. Information Technology (IT) is increasingly becoming a primary technological infrastructure for the industrial and services sectors. During 2000-01, the IT industry performed well by registering overall growth rate of 31 per cent against 26.4 per cent in 1999-2000. For promoting IT in a big way particularly in the state sector and with a view to arrive at Common Action Plan, the Government organized first ever national conference of various states IT ministers wherein a consensus Action Plan including (i) allowing free Right of Way Facility for laying optical fiber cables along national and state highways (ii) promotion of E-Governance by central and state governments (iii) deregulation of National Long Distance Operation (NLDO) in the Telecom sector etc. has been adopted. To facilitate growth of E-Commerce, electronic communication through Internet and accelerate induction of IT in critical sectors of the economy, 'Information Technology Act, 2000' has been passed. Besides implementing the ongoing schemes/projects, one of the major initiatives envisaged for 2001-02 is computerization of city courts in all the four metro cities, with a view to ensure speedy disposal of cases and making the judicial process more transparent and people friendly.

## **SCIENCE & TECHNOLOGY**

102. Science & Technology (S&T) has made significant progress in various disciplines and continues to play an important role in the socio-economic development of the country. Unstinted efforts have been made to promote frontier areas of science and technology and harness the achievements to develop technological competence and implement focused programmes in various disciplines of science and technology. The major objectives and thrust areas in (S&T) sector during the Ninth Five Year Plan, have been optimum harnessing of S&T for societal benefits, developing R&D programmes on mission mode, nurturing of outstanding scientists by offering them facilities comparable with international standards, establishing linkages between the industry and research institutions/ laboratories for development

and market technology, developing clean and eco-friendly technologies, and creating awareness on technology marketing and intellectual property rights issues. Emphasis has also been laid on science, technology and education including promotion of basic research and excellence, S&T communication and popularization of science and promotion of international science and technology cooperation. There has been significant progress in various thrust areas outlined above, and efforts are continued to maintain a strong science base and develop technological competence, both for meeting the national needs and for achieving global competitiveness. In the area of nuclear science self reliance has been achieved in the design, construction, operation and maintenance, including repaired technology of Pressurised Heavy Water Reactors (PHWRs) type reactors besides progress made in reprocessing of nuclear materials and fuels for reactors, spent fuel, management of nuclear waste etc.

103. The major activities under space programme have been related to establish operational space services in a self-reliant manner in the thrust areas of satellite communication, satellite based resource survey/ management and satellite meteorological application. The INSAT-3B satellite was successfully launched and is providing fixed satellite services. The biotechnology tools have been utilized to harness the biological wealth for social and economic benefits of the country on an environmentally sound basis, and to support research on long and short term basis leading to excellence, new products or processes, large scale demonstration, validation of R&D leads, technology development and transfer etc. National Bioresource Development Board was established with the objectives of utilization of bioresources for the development products and processes through the application of modern biology. Significant achievements have been made in the areas of scientific and industrial research and to attract and build up youth for leadership in science, a scheme called 'CSIR Programme for Youth Leadership in Science (CPYLS)' was initiated along with a new scheme New Millennium Indian Technology Leadership Initiative (NMITLI) which seeks to secure for India a global leadership position based on indigenous technology. The programme/projects in emerging/ challenging areas were supported and fabrication, erection and commissioning of 1 MW floating OTEC plan off the coast of Tuticorin was taken up.

104. Although efforts have been made to promote various disciplines of S&T, the manpower development and large scale applications/ integration of S&T in various sectors of development are areas of critical focus in the domain of S&T. The S&T thrust in response to WTO needs is to be focused on conformance to global standards particularly for IPR (Intellectual Property rights) awareness, information, generation and exploitation mechanism and quality assurance system.

**Annexure-1.1**

**Sectoral Growth of GDP At Factor Cost**

**(at 1993-94 prices)**

<b>Sector</b>	<b>1995-96</b>	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-2000</b>	<b>2000-01</b>
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					<b>Q</b>	<b>A</b>	
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>6</b>	<b>7</b>	
1.	<b>Agriculture, Forestry &amp; Fishing</b>	-0.9	9.6	-1.9	7.2	0.7	0.2
2.	<b>Mining and Quarrying</b>	5.6	0.5	9.0	-0.5	1.7	3.7
3.	<b>Manufacturing</b>	14.9	7.9	4.0	3.6	6.8	5.6
4.	<b>Electricity, Gas &amp; Water Supply</b>	6.8	5.4	7.2	7.9	5.2	4.7
5.	<b>Construction</b>	7.4	2.4	10.3	5.7	8.1	5.5
6.	<b>Trade, Hotels, Transport &amp; Communication</b>	13.3	7.7	5.8	8.1	8.0	6.9
7.	<b>Financial Services</b>	7.6	7.1	11.8	6.1	10.1	9.1
8.	<b>Community, Social and Personal Services</b>	7.9	6.2	12.2	10.9	11.8	7.8
	<b>Total GDP</b>	7.3	7.5	4.8	6.6	6.4	5.2
	<b>Q = Quick Estimates</b>		<b>A = Advance Estimates</b>				
		<b>Variations in Monetary Aggregates</b>					
						<b>Annexure 1.2</b>	
						<b>(Per cent Change)</b>	
<b>S.</b>		<b>1995-</b>	<b>1996-</b>	<b>1997-</b>	<b>1998-</b>	<b>1999-</b>	<b>2000-</b>
							<b>Financial Year</b>

No.	96	97	98	99	2000	2001	2001-02 (upto Nov.16)	
	1	2	3	4	5	6	7	
<b>I</b>	<b>Narrow Money</b>	11.7	12.0	11.3	15.1	10.2	10.7	12.89
<b>II</b>	<b>Broad Money (M3)</b>	13.7	16.2	18.0	18.4	13.9	16.2	15.73
<b>III</b>	<b>Components of M3</b>							
<b>(a)</b>	<b>Currency with the Public</b>	17.3	11.7	10.2	16.4	11.7	10.8	14.54
<b>(b)</b>	<b>Demand Deposits</b>	5.7	13.0	12.7	13.8	9.1	9.9	11.02
<b>(c)</b>	<b>Time Deposits</b>	14.7	18.5	21.5	19.9	15.6	18.6	16.87
<b>IV</b>	<b>Sources of M3</b>							
<b>(a)</b>	<b>Net Bank Credit</b>	15.9	12.0	14.5	17.1	14.2	16.2	16.79
<b>(b)</b>	<b>Bank credit to the Commercial Sec.</b>	17.7	9.2	15.1	13.2	16.6	14.3	13.22
<b>(c)</b>	<b>Net Foreign Exchange Assets of the Banking Sector</b>	3.9	28.4	30.9	28.0	15.6	18.2	29.23

## Annexure 1.3

**Public Sector Plan Outlay and Expenditure for the  
Ninth Five Year Plan (1997-2002)**

(Rs. Crore)

	Item	Ninth Plan Outlay at (1996-97) prices	1997-98 Actual	1998-99 (Actual.)	1999-2000 (Actual)	2000-01 (R.E.)	2001-02 (B.E.)
	1	2	3	4	5	6	7
<b>I</b>	<b>Centre &amp; Union Territories (1.1 + 2.1)</b>	509062	73533	87602	99594	112960	135059
1	<b>Central Sector</b>						
1.1	Outlay	489361	70861	84710	96310@	108587	130181
1.2	Budgetary Support	203982	32455	37333	39757	48269	59456
1.3	I.E.B.R.	285379	38406	47377	56553@	60318	70725
2.	<b>Union Territories</b>						
2.1	Outlay	19701	2672	2892	3284	4373	4878
2.2	Budgetary Support	5580	824	974	1123	1302	1162
2.3	Own Resources	14121	1848	1918	2161	3071	3716
<b>II</b>	<b>States</b>						
3.1	Outlay	350138	56224	62786	70027	74972	92384*
3.2	Central Assistance	164437	25798	28510	35302	36667	39482
3.3	Own Resources	185701	30426	34276	34725	38305	52902
	<b>Total Plan Outlay for the Public Sector (1.1+2.1+3.1)</b>	<b>859200</b>	<b>129757</b>	<b>150388</b>	<b>169621</b>	<b>187932</b>	<b>227443</b>

P.S. = @ (RE) \* Excluding Uttranchal

## Annexure 1.4

## Central Sector Plan Outlay and Expenditure during the Ninth Plan (1997-2002).

(Rs. Crore)

	Head of Development	Ninth Plan Outlay (At 1996-97 Prices)	1997-98	1998-99	1999-2000	2000-01	2001-02	1997-98	1998-99	1999-2000	2000-01	2001-02	1997-2002*	Percent of Ninth Plan Outlay
			(Actual)	(Actual)	(R.E.)	(R.E.)	(B.E.)	(Actual)	(Actual)	(R.E.)	(R.E.)	(B.E.)		
			(At current prices)					(at 1996-97 prices)						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
1	Agriculture & Allied Activities	14876	2205	3658	3017	2982	3380	2087	3149	2515	2345	2507	12603	85
2	Irrigation & Flood Control	2291	270	326	347	402	477	256	281	289	316	354	1496	65
3	Rural Development	42278	5360	5563	5176	4180	4449	5074	4789	4314	3287	3300	20764	49
4	Energy	153807	19157	22469	26182	26095	33788	18134	19341	21824	20520	25065	104884	68
5	Industry & Minerals	51664	8369	6006	6436	7085	7960	7922	5170	5365	5571	5905	29933	58
6	Transport	81791	12272	12213	17155	20848	22570	11617	10513	14299	16394	16743	69567	85
7	Communications	47249	10130	11375	14900	20317	20289	9589	9792	12420	15976	15051	62828	133
8	Science & Technology and Environment	15449	1883	2278	2859	3190	3603	1782	1961	2383	2508	2673	11307	73
9	General Economic Services	6279	577	1146	1033	1247	6401	546	986	861	981	4749	8123	129
10	Social Services	72284	10442	19395	18938	21964	26887	9885	16695	15786	17271	19946	79583	110
11	General Services	1393	196	281	265	277	376	186	242	221	218	279	1146	82
	<b>Total</b>	<b>489361</b>	<b>70861</b>	<b>84710</b>	<b>96310</b>	<b>108587</b>	<b>130181</b>	<b>67078</b>	<b>72919</b>	<b>80278</b>	<b>85387</b>	<b>96573</b>	<b>402236</b>	<b>82</b>

\*: includes 1997-99 (Actual), 1999-2001 (RE) and 2001-02 (BE)



## Annexure-1.5

## Budgetary support by Heads of Development during Ninth Plan (1997-2002) – Centre

(Rs. crore)

	Head of Development	1997-98 (Actual)	1998-99 (Actual)	1999-2000 (Actual)	2000-01 (R.E.)	2001-02 (B.E.)	1997-98 (Actual)	1998-99 (Actual)	1999-2000 (Actual)	2000-01 (R.E.)	2001-02 (B.E.)	Total* 1997-2002	Percent Distri- bution
		(At current prices)					(at 1996-97 prices)						
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	<b>Agriculture &amp; Allied Activities</b>	2262	2650	2669	2870	3299	2141	2281	2225	2257	2447	11351	6
2	<b>Irrigation &amp; Flood Control</b>	476	135	316	402	477	451	116	263	316	354	1500	1
3	<b>Rural Development</b>	5577	5847	4713	4180	4449	5279	5033	3928	3287	3300	20828	12
4	<b>Energy</b>	3541	3951	4202	4519	4684	3352	3401	3503	3554	3475	17284	10
5	<b>Industry &amp; Minerals</b>	2589	2856	1964	2813	3166	2451	2458	1637	2212	2349	11107	6
6	<b>Transport</b>	3803	4021	6748	9599	9125	3600	3461	5625	7548	6769	27003	15
7	<b>Communications</b>	369	606	95	180	300	349	522	79	142	223	1314	1
8	<b>Science &amp; Technology &amp; Environment</b>	1501	1630	2596	3190	3603	1421	1403	2164	2508	2673	10169	6
9	<b>General Economic Services</b>	557	750	890	1224	6370	527	646	742	962	4726	7603	4
10	<b>Social Services</b>	11580	14377	15323	19015	23587	10962	12376	12772	14952	17498	68560	38
11	<b>General Services</b>	200	510	241	277	376	189	439	201	218	279	1326	1
	<b>Total</b>	<b>32455</b>	<b>37333</b>	<b>39757</b>	<b>48269</b>	<b>59456</b>	<b>30722</b>	<b>32137</b>	<b>33139</b>	<b>37956</b>	<b>44107</b>	<b>178061</b>	<b>100</b>

\*: includes 1997- 2000 (Actual), 2000-01(R.E.) and 2001-02 (B.E.)

## Annexure-1.6

## State Plan Expenditure during Ninth Plan (1997-2002)

(Rs. crore)

	States	Ninth Plan Outlay (At 1996-97 Prices)	1997-98	1998-99	1999-2000	2000-01	2001-02	1997-98	1998-99	1999-2000	2000-01	2001-02	Total* 1997-2002	Percent of Ninth Plan
			(Actual)	(Actual)	(Actual)	(RE)	(BE)@	(Actual)	(Actual)	(Actual)	(RE)	(BE)@		
			(At current prices)					(at 1996-97 prices)						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Andhra Pradesh	25150	3707	4972	4748	6660	8378	3509	4280	3958	5237	6215	23199	92
2	Arunachal Pradesh	3570	489	463	468	599	661	463	399	390	471	490	2213	62
3	Assam	8984	1283	1294	1405	1520	1710	1215	1114	1171	1195	1269	5963	66
4	Bihar	16680	1711	2425	2676	1737	2644	1620	2087	2231	1366	1961	9265	56
5	Chattisgarh	NA	NA	NA	NA	NA	1312	NA	NA	NA	NA	973	NA	NA
6	Goa	1500	199	221	237	347	460	188	190	198	273	341	1190	79
7	Gujarat	28000	3905	3940	6492	7010	7268	3697	3392	5411	5512	5392	23403	84
8	Haryana	9310	1304	1522	1676	1825	2150	1234	1310	1397	1435	1595	6972	75
9	Himachal Pradesh	5700	1294	1540	1624	1720	1720	1225	1326	1354	1353	1276	6533	115
10	Jammu & Kashmir	N.A.	1496	1260	1506	1753	2050	1416	1085	1255	1378	1521	6655	NA
11	Jharkhand	NA	NA	NA	NA	NA	2250	NA	NA	NA	NA	1669	NA	NA
12	Karnataka	23400	4424	5650	6363	6785	8942	4188	4864	5304	5335	6634	26324	112
13	Kerala	16100	2868	3355	2946	2493	3015	2715	2888	2456	1960	2237	12256	76
14	Madhya Pradesh	20075	3344	3377	3589	3301	3630	3165	2907	2992	2596	2693	14353	71
15	Maharashtra	36700	7938	8187	10419	11500	10834	7514	7047	8685	9043	8037	40326	110
16	Manipur	2427	345	389	453	430	520	327	335	378	338	386	1763	73
17	Meghalaya	2501	249	299	343	467	487	236	257	286	367	361	1507	60
18	Mizoram	1619	295	272	378	397	410	279	234	315	312	304	1445	89
19	Nagaland	2006	232	246	306	326	405	220	212	255	256	300	1243	62
20	Orissa	15000	2037	2582	2484	2550	3000	1928	2223	2071	2005	2226	10452	70
21	Punjab	11500	2009	2006	1753	2147	3021	1902	1727	1461	1688	2241	9019	78
22	Rajasthan	22526	3987	3833	3601	4248	5031	3774	3299	3002	3340	3732	17148	76
23	Sikkim	1600	190	224	193	250	300	180	193	161	197	223	953	60
24	Tamil Nadu	25000	4011	4516	5414	5700	6040	3797	3887	4513	4482	4481	21160	85
25	Tripura	2577	413	392	453	423	560	391	337	378	333	415	1854	72
26	Uttar Pradesh	46340	5652	6364	6572	6757	8400	5350	5478	5478	5313	6231	27851	60
27	West Bengal	16900	2840	3460	3928	4027	7186	2688	2978	3274	3167	5331	17438	103
	Total	345164**	56224	62786	70027	74972	92384	53222	54047	58370	58954	68534	293128	84

\*: Includes 1997-2000 (Actual) ,2000-01 (RE) and 2001-02(BE)

\*\* excluding J&amp;K @ excluding Uttaranchal

## Annexure-1.7

## State Plan Expenditure - Variation from Approved Outlay

(Rs. Crore)

	States	1997-98			1998-99			1999-2000			2000-01		
		Approved	Actual	Percent Variation	Approved	Actual	Percent Variation	Approved	Actual	Percent Variation	Approved	Actual	Percent Variation
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	3580	3707	4	4679	4972	6	5480	4748	-13	7708	6660	-14
2	Arunachal Pradesh	600	489	-19	625	463	-26	665	468	-30	640	599	-6
3	Assam	1510	1283	-15	1650	1294	-22	1750	1405	-20	1520	1520	0
4	Bihar	2268	1711	-25	3769	2425	-36	3530	2676	-24	3100	1737	-44
5	Goa	231	199	-14	291	221	-24	281	237	-16	332	347	5
6	Gujarat	4510	3905	-13	5450	3940	-28	6550	6492	-1	7600	7010	-8
7	Haryana	1576	1304	-17	2260	1522	-33	2300	1676	-27	1920	1825	-5
8	Himachal Pradesh	1008	1294	28	1440	1540	7	1600	1624	1	1382	1720	24
9	Jammu & Kashmir	1552	1496	-4	1900	1260	-34	1750	1506	-14	1750	1753	0
10	Karnataka	4154	4424	6	5353	5650	6	5800	6363	10	7250	6785	-6
11	Kerala	2851	2868	1	3100	3355	8	3250	2946	-9	3317	2493	-25
12	Madhya Pradesh	3718	3344	-10	3700	3377	-9	4004	3589	-10	4450	3301	-26
13	Maharashtra	8393	7938	-5	11601	8187	-29	12162	10419	-14	11500	11500	0
14	Manipur	410	345	-16	425	389	-8	475	453	-5	451	430	-5
15	Meghalaya	382	249	-35	400	299	-25	465	343	-26	480	467	-3
16	Mizoram	290	295	2	333	272	-18	360	378	5	401	397	-1
17	Nagaland	291	232	-20	300	246	-18	315	306	-3	326	326	0
18	Orissa	2529	2037	-19	3084	2582	-16	3309	2484	-25	2665	2550	-4
19	Punjab	2100	2009	-4	2500	2006	-20	2680	1753	-35	2420	2147	-11
20	Rajasthan	3514	3987	13	4300	3833	-11	4750	3601	-24	4146	4248	2
21	Sikkim	220	190	-14	237	224	-5	250	193	-23	250	250	0
22	Tamil Nadu	4005	4011	0	4500	4516	0	5250	5414	3	5700	5700	0
23	Tripura	440	413	-6	440	392	-11	475	453	-5	485	423	-13
24	Uttar Pradesh	7246	5652	-22	10260	6364	-38	11400	6572	-42	9025	6757	-25
25	West Bengal	3908	2840	-27	4595	3460	-25	5787	3928	-32	5658	4027	-29
	Total	61286	56224	-8	77192	62786	-19	84738	70027	-17	84476	74972	-11

## Annexure-1.8

## Growth of Industrial Production (at 2-digit level)

(Base Year 1993-94)

Industry	Description	Weight	1997-98	1998-99	1999-2000	2000-01	Average Growth during 1997-2001
1	2	3	4	5	6	7	8
20-21	Food Products	90.83	1.1	1.8	4.6	10.7	4.6
22	Beverages, Tobacco and related Products	23.82	18.5	12.3	7.2	4.6	10.7
23	Cotton Textiles	55.18	4.1	-8.6	6.8	2.9	1.3
24	Wool, silk and man-made fibre textiles (except Cotton)	22.58	13.3	3.8	12.0	5.9	8.8
25	Jute and other vegetable fibre Textiles	5.9	16.4	-7.2	-0.9	0.8	2.3
26	Textile Products (including wearing Apparel)	25.37	8.1	-3.3	2.4	4.0	2.8
27	Wood and Wood Products; furniture and fixtures	27.01	-3.4	-5.8	-16.8	2.9	-5.8
28	Paper and paper products and printing, publishing & allied industries	26.52	6.7	15.7	9.0	-9.1	5.6
29	Leather & leather and fur products	11.39	4.2	9.0	10.5	10.6	8.6
30	Basic chemical and chemical products (except products of petroleum and coal)	140.02	13.9	6.2	21.8	7.4	12.3
31	Rubber, plastic, petroleum and coal products.	57.28	5.0	11.2	-1.6	10.7	6.3
32	Non-metallic mineral products	43.97	19.9	10.2	22.7	-1.6	12.8
33	Basic metal and alloy industries	74.53	1.0	-2.2	4.6	1.8	1.3
34	Metal products and parts, except machinery and equipment	28.1	7.4	16.7	-4.2	15.2	8.8
35-36	Machinery and equipment other than transport equipment	95.65	5.8	-8.3	16.7	7.5	5.4
37	Transport equipment and parts	39.84	-1.3	15.0	2.0	-1.9	3.5
38	Other manufacturing industries	25.59	-3.2	5.3	-14.1	10.1	-0.5
	Mining and quarrying	104.73	5.6	-1.7	0.6	3.6	2.0
	Manufacturing	793.58	6.6	4.1	9.0	5.3	6.3
	Electricity	101.69	6.9	6.5	6.6	4.0	6.0
	General Index	1000	6.6	3.8	8.0	5.0	5.9

**Annexure- 1.9****Achievement of Infrastructure industries from 1997-98 to 2000-01****(As percentage to target)**

	<b>Name of the Industry</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-2000</b>	<b>2000-2001</b>	<b>Average (1997-2001)</b>
	1	2	3	4	5	6
1	Coal	106.08	94.63	100.00	99.93	100.16
2	Electricity generation	97.99	99.64	102.30	99.75	99.92
	2.1 Hydel	96.98	105.92	99.40	88.61	97.73
	2.2 Thermal(Incl. nuclear)	98.20	98.33	102.9	101.99	100.36
3	Crude Petroleum	96.71	94.77	96.90	100.00	97.09
4	Refinery throughput	100.11	101.03	88.70	91.72	95.39
5	Saleable steel (Integrated plants)	93.08	82.44	92.30	95.17	94.75
6	Cement	94.09	97.06	106.60	93.40	97.79