

CHAPTER 1.1

OVERVIEW

1.1.1 The Tenth Five Year Plan has been formulated in the context of the Prime Minister's vision of doubling per capita income in the country within the next ten years, and also of creating 100 million employment opportunities during the same period. These are certainly ambitious targets, especially in view of the fact that GDP growth has decelerated to below 6 per cent at present and the pace of work creation has slowed down to 1.1 per cent per annum during the latter half of the 1990s. Nevertheless, it is believed that the Indian economy does possess the potential to realise these targets, provided that appropriate policy and programmatic interventions are carried out within the specified time frames.

1.1.2 The Approach Paper had proposed that the Tenth Plan should aim at an indicative target of 8 per cent average GDP growth for the period 2002-07 as the first step towards achieving the ultimate aim of doubling per capita income by 2012. This will require the growth rate to accelerate further to 9.3 per cent per year during the Eleventh Plan period. The National Development Council (NDC) affirmed its faith in the latent potentialities of the Indian economy by approving the 8 per cent growth target for the Tenth Plan period.

1.1.3 The Approach Paper also recognised that economic growth cannot be the only objective of national planning, and development objectives should be specified in the broader sense of enhancement of human well-being. To reflect the importance of these dimensions in development planning, the NDC has approved that, in addition to the 8 per cent growth target, certain additional quantifiable targets relating to poverty, employment, social and environmental indicators should also be considered as being central to the attainment of the objectives of the Plan.

1.1.4 It is important to emphasise that these human development-related targets of the Plan, which are extremely important and are being introduced for the first time in Indian planning, are intimately linked to the growth objective, and attainment of one may not be possible without the attainment of the others. For example, high rates of growth are essential if we want to provide a sufficient expansion of sustainable gainful employment opportunities to our expanding labour force and to ensure a sufficient increase in incomes of the poor and the disadvantaged. It is equally true that high growth rates may not be sustainable if they are not accompanied by a dispersion of purchasing power which can provide the demand needed to support the increase in output. Similarly, improvements in social and environmental indicators are essential for the sustainability of the growth process; while the latter provides the resources for undertaking the necessary investments for the former.

1.1.5 Furthermore, there are cross-linkages that exist within the set of social and environmental indicators, which need to be given due recognition. For instance, environmental degradation can have serious consequences on the health status of the population; while environmental protection and rejuvenation will be difficult without the awareness that is brought about through education.

1.1.6 The essence of planning is to weave all these seemingly disparate strands into a cohesive and well-knit strategy so that the various cross-linkages operate in a synergistic manner in order to attain the ultimate objective of all development initiatives – namely human development. Conceptually, the aggregative objectives and targets that are set for the nation can be thought as being comprised of two sets of sub-targets – across

sectors and across regions – which are consistent with the aggregates. Thus, there are at least three broad dimensions in which a Plan needs to be presented – the national aggregates, the sectoral requirements, and the state-wise distributions. Furthermore, the conduct of policies and design of programmes for attaining the targets must also reflect this tri-dimensionality.

1.1.7 For the reasons enumerated above, the Tenth Five Year Plan is being presented in three volumes. The first volume covers the broad perspective and strategy of development, the macroeconomic and economy-wide issues relating to growth, investment and employment, and certain general observations on institutional design, governance and implementation methodologies. Although state-wise break-ups are provided for a few critical areas in Volume-I in order to motivate the consistency requirement, the detailed analysis of state-level issues is taken up in Volume-III. Similarly, certain broad sectoral targets and requirements are also provided in Volume-I for consistency purposes, but the detailed description of each of the key sectors of the economy forms the substance of this volume.

1.1.8 Volume-II, therefore, gives the details of the sectoral policies and programmes that are necessary to attain the Plan objectives. The individual sectoral chapters review the existing policies and programmes, identify shortcomings and suggest new policy and programmatic initiatives to overcome the shortcomings and accelerate the pace of progress. Although each of the chapters gives a fair degree of detail regarding the specific programmes, projects and schemes, it should not be thought that these are cast in stone. All planning is based on an *a-priori* appraisal of emerging trends and the initial programme content reflects the strategy to address these. During the course of the Plan, however, as new developments occur, suitable changes can and should be made in the content and design of the plan programmes.

1.1.9 The purpose of this chapter is not to summarise the contents of the various chapters of this volume nor is it an executive summary. Its

principal objective is to give a flavour of how the sectoral initiatives fit into the realisation of the planning themes enumerated in Volume-I. An effort is also made to highlight certain cross-cutting issues, such as gender equity, decentralisation, governance and institutional reforms, which may get obscured in the details provided in the individual chapters. The presentation is structured around three broad themes – (a) Growth, Poverty and Employment; (b) Social Development and Quality of Life; and (c) Sustainability of Growth and Development.

Growth, Poverty and Employment

1.1.10 Volume-I of the Plan addresses the issue of growth, its sectoral structure and resource requirements in considerable detail. However, it must be borne in mind that the sectoral growth rates proposed in Volume-I, and which add up to the aggregate growth rate of the economy, are unlikely to be achieved only through macroeconomic measures. In practically all cases, sector-specific interventions are essential to achieve the desired results.

1.1.11 Furthermore, although growth has strong employment generation and direct poverty reducing effects, the frictions and rigidities in the Indian economy can make these processes less effective. The Tenth Plan is therefore formulated in a manner which explicitly addresses the need to ensure equity and social justice through a sector-specific focus. There are three main dimensions to this strategy:

- (i) Agricultural development to be viewed as a core element of the Plan since growth in this sector is likely to lead to the widest spread of benefits, especially to the rural poor.
- (ii) Ensuring rapid growth of those sectors which are most likely to create gainful employment opportunities and dealing with the policy constraints which discourage growth of employment. Particular attention is to be paid to the policy environment influencing a range of sectors which have a large employment potential.

These include sectors such as agriculture in its extended sense, construction, tourism, transport, SSI, retailing, IT- and communication-enabled services, and a range of other new services.

- (iii) Continuing need to supplement the impact of growth with special programmes aimed at special target groups which may not benefit sufficiently from the normal growth process. Such programmes have long been part of our development strategy and they will be continued in the Tenth Plan.

1.1.12 In so far as agriculture is concerned, the first, and possibly the most important, area of focus must be to raise the cropping intensity of our existing agricultural land. Climatically India is fortunate in that it is possible to have multiple crops practically all over the country. The critical problem here is water. However, water resources are also under severe strain. Despite large investments in irrigation in the past, only about 40 per cent of the agricultural area is irrigated. Moreover, capacities of existing projects are also getting eroded due to insufficient expenditure on maintenance and upgradation. Bringing wasteland and degraded lands into productive use is also an important component of accelerating agricultural growth. The initiatives that need to be taken in these two aspects are discussed along with other sustainability issues.

1.1.13 The second priority must be the development of other rural infrastructure that supports not only agriculture, but all rural economic activities. Of all forms of rural infrastructure, the impact of rural roads in widening the opportunities and alternatives available to our people has a dominant effect. This activity is labour intensive and its direct contribution to employment creation can be considerable. However, while constructing rural roads, connectivity of public health centres, schools, market centres, backward areas, tribal areas and areas of economic importance should be given priority. Acceleration in the rural electrification programme is also essential for improving irrigation and for giving a boost to non-farm economic activities.

1.1.14 The third area that needs attention is the development and dissemination of agricultural technologies. Research on bio-technology to develop high potential varieties/materials, achieving breakthrough in pulses and oilseeds, control of diseases in plants and animals, development of marine fish resources and exploitation of deep sea fishing potential are areas of focus. The extension system is to be reformed comprehensively, and support provided to greater private initiatives through agri-clinics. Extensive use will also be made of IT and print media to disseminate agricultural technologies. In order to encourage agricultural diversification and minimisation of wastage, considerable focus will be placed on post-harvest technologies and marketing infrastructure.

1.1.15 However, none of this will be possible without reconsideration of the various rules and regulations that govern agricultural trade, which frequently act against the interests of the farmers and distort their incentive structure. Some of the measures necessary are:

- Encouragement to contract farming
- Removing restrictions placed by the Agricultural Produce Marketing Act on agricultural markets in private and cooperative sectors and on direct marketing by farmers
- Adoption of the Multi-State Cooperative Act 1984 by all States for functional and financial autonomy of cooperatives
- Amendment of the Essential Commodities Act, 1955 making it enforceable only for emergencies, for specified periods and specific products
- Increasing credit flow by making Kisan Credit Cards available to all farmers

1.1.16 Although rapid and sustained agricultural growth will in itself create the conditions for steady reduction in poverty, it will be necessary to continue pursuing direct employment and poverty alleviation programmes for the foreseeable future. However, it is also necessary to reorient the poverty alleviation programmes in a manner that they contribute more

efficiently to the creation of rural assets, both private and community. It is therefore proposed that the various poverty alleviation schemes be rationalised into three main initiatives:

- Self-employment through the Swarna-jayanti Gram Swarozgar Yojana (SGSY), which would adopt a process oriented approach involving micro-finance and micro-credit flows through social mobilisation and group formation. This scheme should also contribute significantly to the objective of gender equity since the participation of women in self-help groups has been most encouraging.
- Wage employment through the Sampurna Grameen Rozgar Yojana (SGRY), which will focus on the creation of rural infrastructure and on calamity relief.
- Guaranteed employment in the most distressed districts of the country through the Jai Prakash Rozgar Guarantee Yojana (JPRGY).

1.1.17 It should be noted, however, that the success of these schemes, particularly the latter two, depends critically upon the effectiveness of the public works structures that exist at the state level. Unfortunately, most of the State public works departments (PWDs) have deteriorated in recent years, and efforts will have to be made to restore the original mandate for which they were established.

1.1.18 The industrial sector will have to grow at around 10 per cent to achieve the Tenth Plan target of 8 per cent growth for GDP. This represents a major acceleration from its past performance. The Tenth Plan must therefore focus on creating an industrial policy environment in which private sector companies, including erstwhile public sector companies, can become efficient and competitive. An important policy issue relates to the need to extend industrial liberalization, which has been extensively implemented at the Central level, to the state level also. Industry circles frequently complain that the administration of regulation at the state level is extremely cumbersome and subjects entre-

preneurs to frequent harassment. The transactions cost imposed by this system, including costs on account of corruption spawned by excessive regulation, are very large. What is more, they are especially burdensome for small-scale units. Radical changes are needed in these areas.

1.1.19 Small scale industry has a vital role to play in the process of industrialization and in achieving a broader regional spread of industry by providing a vehicle for entrepreneurship to flourish and a valuable entry point for new entrepreneurs. Since SSIs are generally more employment intensive per unit of capital than large scale industry they are also a source of much-needed employment. Khadi and village industries in particular have an important role to play, especially in promoting non-farm employment in rural areas. The policy of reservation of certain products for SSI also needs to be reconsidered. While doing so, however, the effect on employment should be carefully considered, since the present employment situation is not comfortable. There is also a need for preferential opportunity to extend investment limits for SSI units with immediate effect, while restricting entry of new large units until later.

1.1.20 There must also be recognition that the relationship between the large and the small units is not always adversarial, and that quite often there is a strong complementarity between the two. There are, however, a number of policy distortions which obscures or even prevents the operation of such complementarities. The extent of ancillarisation in India, although increasing in recent years, is well below the potential. Policies which impede this relationship must be identified and removed. Equally important is the need to ensure that adequate credit is made available to SSI units

1.1.21 An important source of growth and employment is the construction industry, particularly in housing which is also important for improving the quality of life. The potential of this sector has been repressed by a number of policy restrictions, which need to be addressed. The principal measures that need to be taken are:

- Urban Land Ceiling Act to be repealed in all states

- Repeal of Rent Control Act for all new tenants and adoption of Model Rent Control Act for existing tenants
- Revision of outdated municipal laws and regulations restricting land use
- Rationalisation of property tax and stamp duty rates
- Simplify and modernise the system of land/property registration

1.1.22 In so far as the services sector is concerned, the two largest – trade and transport – are at present driven primarily by developments in the production sectors of agriculture and industry, and will no doubt keep pace with them. However, considerable additional dynamism to a number of services sectors can be imparted through the proper development of tourism in the country. At present, although the total tourism activity is quite large, it is nowhere near its potential, especially with regard to international tourism. Development of this sector requires an integrated, inter-sectoral approach, which is unfortunately missing today. It is, therefore, not only necessary to remove the existing barriers to private investment in this sector, but also to take a private-public partnership approach to developing world class tourist circuits.

1.1.23 The other services sector which is performing strongly at present is Information, Communication and Entertainment (ICE), which is expected to continue to do well in the future in view of our inherent strengths. However, care has to be taken to ensure not only that the infrastructural needs of this sector are met, but also that its human resource development and skill requirements are satisfied by the training and educational system. The other imperative is to see that the access to and benefits of this sector, which is presently mainly in urban areas, is spread to the rural areas as well.

1.1.24 Most of the other services sectors are addressed in the section on Social Development, but it should be mentioned that these sectors are expected to provide a significant proportion of growth and employment in the coming years, and their investment and infrastructural requirements will have to be consciously addressed.

1.1.25 The energy-transport infrastructure will be a major constraint on any effort to achieve a significant acceleration on the growth of GDP in the Tenth Plan period. Since these are non-tradable services, the necessary expansion in supply must come from increased domestic production. Furthermore, in a globally competitive environment, the quality of these services in terms of both price and reliability are as important as availability, and it is well known that we face serious problems on both counts.

1.1.26 In order to improve matters, the government invited private investors in power generation in the hope that private investment would fill the gap. However, it soon became evident that significant volumes of private investment cannot be attracted in an environment where the independent power producer is expected to sell power to a public sector distributor which may not be in a position to pay for the power purchased. The result has been that the inflow of private investment has been much below the targeted level. Since the financial problems of the State Electricity Boards have worsened over the Ninth Plan period, even this volume cannot be expected to continue unless State Governments undertake serious reforms in the power sector, including, especially distribution, to make the sector financially viable. Fortunately, consensus is beginning to emerge on what needs to be done in this area and a handful of States have started the process of reform. The Centre will have to assist this process through legislative changes and financial support to the investment requirements. In particular, the Electricity Bill, 2001 and the Coal Mines (Nationalisation) Amendment Bill, 2000 need to be enacted expeditiously.

1.1.27 The optimum mix of power generation in terms of primary energy sources is an important issue for long term planning of the power sector. Over the years, the balance between thermal and hydro-electricity has shifted steadily against hydro-electricity which now accounts for only 24 per cent of total power generation whereas an ideal level would be much higher. Special efforts need to be made to restore the balance. Hydro-electricity not only avoids carbon emissions, it is also particularly

well suited to dealing with situations where there are large peaking deficits. India has large untapped hydro resources and although there are environmental constraints in tapping these resources, a concerted effort at exploiting this potential—while at the same time protecting against environmental damage and ensuring fair resettlement compensation—is definitely needed.

1.1.28 Atomic energy is another important source of electric power which has environmental advantages and is also likely to be economical in the longer run. At present, nuclear energy accounts for only 2.4 per cent of total electricity generation. This is far too low. It is desirable to plan for a significant expansion in nuclear power generation capacity. An expanded programme would also make it possible to reduce costs of construction.

1.1.29 Considering India's continental size, geography and resource endowment, it is natural that Railways should have a lead role in the transport sector - not to mention other considerations such as greater energy efficiency, eco-friendliness and relative safety. However, Indian Railways has experienced a continuous decline in its position relative to the road transport system. Some reduction in share in favour of road transport was to be expected and is in line with trends elsewhere, but there is reason to believe that in India this has been excessive. This has happened primarily because of policy distortions, which need to be corrected urgently.

1.1.30 The most important policy distortion is the skewed tariff policy which overcharges freight movement in order to subsidise ordinary passenger traffic. The heavy cross subsidization of passenger fares cannot fully be justified on either economic or social grounds since the beneficiaries of the subsidy are not necessarily the poor. This is accompanied by an investment strategy which has placed excessive emphasis on opening new lines for passenger traffic and not enough emphasis on expanding capacity in areas where there is potential commercial traffic. The net result has been an alarming deterioration in the financial condition of the Railways and an inability to undertake the

investment needed to improve Railway transport services. The major initiatives in this sector are:

- Setting up of a Rail Tariff Regulatory Authority
- Increase capacity of high density corridors before expanding the network
- Focus on the core activity of providing transport services and hived off all peripheral activities

1.1.31 The Indian road network is not up to the requirement of rapid growth in an internationally competitive environment in which Indian industry must compete actively with other developing countries. Improvement in the national highway network is therefore given high priority in the Tenth Plan. Completion of the ongoing work on the Golden Quadrilateral and the related North-South and East-West corridor projects have top priority, but it is necessary to plan and take preliminary action for expressways to be built in future on those sections where they can be commercially justified.

1.1.32 There are a number of areas of concern which affect the efficiency of road transport operations. These include the need for reform of state road transport corporations to make them more efficient, rationalisation of road transport taxation structure which will support cost-effective road transport systems, restraining of overloading of trucks, control of encroachments and unplanned ribbon development, and promoting road safety. Particular emphasis needs to be given to removing all unnecessary policy and procedural hindrances to greater private participation in road transport operations, especially in rural areas, without compromising on road safety considerations.

1.1.33 The civil aviation sector also needs to be given careful consideration. As the economy moves towards higher value-added products, particularly in agriculture, an increasing proportion of the produce will have to move by air, both within the country and abroad. In addition, the more remote and inaccessible regions of the country, such as the North-east, can realise their true potential when such a transition becomes possible. The aviation

policy and planning must, therefore, be reassessed in order to make it consistent with the emerging needs of the economy.

1.1.34 Telecommunications is a critical part of infrastructure and one that is becoming increasingly important, given the trend of globalisation and the shift to a knowledge-based economy. Telecommunications policy in the Tenth Plan must, therefore, provide the IT and related sectors with world class telecommunications at reasonable rates. With its technological and cost advantages, Internet telephony should be opened up. Tariff rebalancing with the objective of cost based pricing, transparency and better targeting of subsidies should be the guiding principles for tariffs. Convergence of data, voice and image transmission and use of wide bandwidth and high speed Internet connectivity have added new dimensions which need to be taken into account in the policy regime. Such convergence of services and single licence regime is needed to optimise the utilization of resources with least cost of provision and to encourage competition across the country in services and among the service providers.

Social Development and Quality of Life

1.1.35 Most of the monitorable targets of the Tenth Plan relate to significant improvements in social indicators, particularly in the areas of education, health and family welfare. These are not only important in themselves, but they also have an important bearing on the achievement of the growth and employment targets. These sectors are highly employment intensive and are also perceived to be particularly suitable for providing employment to women. In most of these areas, public investment will continue to be critical for some time to come, but efforts have to be made to improve the quality of the services.

1.1.36 There has been less than adequate decentralisation of the functions of Government, to the detriment of the delivery of a number of key services. The spirit of the 73rd and 74th Constitutional Amendments has not been observed in many of the states. It is believed that little improvement will

be possible until such decentralisation becomes effective, both in terms of functions and resources. But decentralisation cannot stop at the level of Panchayati Raj Institutions (PRIs) and urban local bodies (ULBs). The potential of civil society organisations, such as health and education committees to name only a few, to improve delivery of services is vast, and advantage must be taken of these possibilities through appropriate devolution of functions and authority.

1.1.37 Performance in the field of education is one of the most disappointing aspects of India's developmental strategy. Out of approximately 200 million children in the age group of 6-14 years, only 120 million are in schools and net attendance in the primary level is only 66 per cent of enrolment. This is completely unacceptable and the Tenth Plan aims at a radical transformation in this situation. Education for all is one of the primary objectives of the Tenth Plan. The principal vehicle for this is the Sarva Siksha Abhiyan, which is being launched in cooperation with State Governments, and which aims at providing universal elementary education by the end of the Plan.

1.1.38 It is also important to ensure that provision is made for the eventual out-turn from the elementary stream so that the transition from the school to the work place can be made with the least disruption. For this, it is necessary to expand the secondary stream with particular emphasis on vocational training. Since most of the public resources during the Tenth Plan period will be devoted to elementary education, encouragement must be given to private sector, charitable trusts and religious bodies to step into this area. Plans must, however, be made for expanding the secondary stream in public schools for the Eleventh Plan period.

1.1.39 Mere establishment of schools and hiring of teachers will not lead to an improvement in education if teachers remain absent as happens in many parts of the country, especially in rural areas. It is therefore essential that control over schools and teachers should be transferred to local bodies which have a direct interest in teacher performance.

Planning, supervision and management of education would have to be through local bodies at district, block and village levels. Efforts should also be made for social mobilization of local communities for adult literacy campaigns and for promotion of primary education.

1.1.40 The university and higher education sector also needs attention. Although the number of universities has expanded, and many of the universities continue to maintain high standards of education, it is a matter of serious concern that the expansion in quantity has been accompanied by a fall in quality. Modernization of syllabi, examination reforms and greater attention to issues of governance of universities and colleges, all require urgent attention. Part of the problem facing universities is the inadequate provision of budgetary resources from the Government. Since budget resources are limited, and such resources as are available need to be allocated to expanding primary education, it is important to recognize that the universities must make greater efforts to supplement resources from the Government. Nevertheless, external funding can be accessed for quality improvement in the Indian Institute of Technology (IITs), other engineering colleges and Polytechnics.

1.1.41 Improvement in the health status of the population has been one of the major thrust areas in social development programmes of the country. This was to be achieved through improving the access to and utilization of Health, Family Welfare and Nutrition Services with special focus on under-served and under-privileged segments of population. Technological improvements and increased access to health care have resulted in steep fall in mortality, but the disease burden due to communicable diseases, non-communicable diseases, environmental pollution and nutritional problems continue to be high. In spite of the fact that norms for creation of infrastructure and manpower are similar throughout the country, there remain substantial variations between States and districts within a State in the availability and utilization of health care services and health indices of the population.

1.1.42 There will be a continued commitment to provide essential primary health care, emergency

life saving services, services under the national disease control programmes and the National Family Welfare Programme free of cost to individuals based on their needs and not on their ability to pay. At the same time, suitable strategies will have to be evolved, tested and implemented for levying and collecting charges and utilizing the funds obtained for health care services from people above poverty line.

1.1.43 The major innovations during the Tenth Plan period in the field of health care will be:

- Exploring alternative systems of health care financing
- District-based differential strategy for health care provision
- Mainstreaming Indian Systems of Medicine & Homeopathy (ISM&H) practitioners in the system

1.1.44 One of the major factors responsible for poor performance in hospitals is the absence of personnel of all categories who are posted there. It is essential that there is appropriate delegation of powers to Panchayati Raj Institutions (PRIs) so that there is local accountability of the public health care providers, and problems relating to poor performance can be sorted out locally.

1.1.45 A relatively neglected issue involving the quality of life is the state of the urban areas in the country. Although some attention has been paid in the past to mega-cities and to small towns, the larger towns and smaller cities have been bypassed. During the Tenth Plan, specific measures are proposed to address some of these problems:

- Urban Reforms Incentive Fund
- City Challenge Fund to meet infrastructure requirements
- Pooled Finance Development Facility for smaller local bodies to access market resources
- Rejuvenation of culturally significant cities

1.1.46 While planning for the social development of the country as a whole, cognizance needs to be

taken of the fact that there are segments of our population which may not be able to take full advantage of the facilities or who may have special needs. Women and children and disadvantaged sections have requirements which have to be addressed specifically.

1.1.47 In particular, the intra-household disadvantages faced by women and children need to be recognised and redressed. It is proposed that during the Tenth Plan, the following measures be taken:

- National Plan of Action to operationalise the Women's Empowerment Policy
- National Policy and Charter for Children
- National Commission for Children to ensure protection of their rights
- National Nutrition Mission
- Pilot project for providing food-grains to under-nourished pregnant and lactating mothers and to adolescent girls

1.1.48 For socially disadvantaged groups, including tribals, who have their own special needs, the following action is proposed during the Tenth Plan:

- Institute a National Charter for Social Justice
- Eradicate manual scavenging by 2007
- National Policy and Plan of Action for empowering Tribals
- National Plan for protection and development of primitive tribal groups.

1.1.49 In addition to the above, a special component plan is proposed for the disabled and a national programme for demand reduction for substance abusers. Furthermore, appropriate legislation will have to be passed for protection of the aged.

Sustainability of Growth and Development

1.1.50 Agricultural development is not only central to the attainment of the growth objective, it

is also critical for the sustainability of the development process. In recognition of this, the Plan proposes that emphasis should be placed on sustainable development of our natural resources, particularly land and water. Public investment in irrigation has fallen significantly over successive Plan periods. This is largely due to resource constraints faced by governments both at the Centre and the States. However, resources are not the only problem. Potential irrigation projects are located in areas which are either more difficult or environmentally more sensitive, which makes it difficult to implement new irrigation projects. The Tenth Plan aims at a revival of major and medium irrigation capacity and on water management. Greater attention will also be paid to rain water harvesting and increasing the irrigation potential through scientific watershed development and minor irrigation. There is also considerable scope to improve the efficiency of the existing irrigation infrastructure through better and more participative management practices.

1.1.51 Some of the measures which are expected to lead to the desired results are:

- Development of a Perspective Plan for rain-fed and degraded areas
- Rain water harvesting and conservation
- Efficient use of water, including judicious utilisation of ground water potential
- Organic farming
- Thrust on utilisation of wastelands and degraded lands
- Diversification of cropping systems

1.1.52 In so far as governance issues are concerned, the Tenth Plan emphasises people's participation in land and water management. Two major initiatives to foster this are:

- Lok Nayak Jai Prakash Narayan Land and Watershed Mission for holistic development of degraded and wastelands with emphasis on integration of conservation and production systems.

- A new scheme on greening of wastelands through people's participation.

1.1.53 Forests are natural assets and provide a variety of benefits to the economy. Recorded forest area is about 23 per cent of the geographical area of the country but 41 per cent of these are degraded, and hence unable to play an important role in environmental sustainability and in meeting the forest produce needs of the people, industry and other sectors.

1.1.54 The problems and constraints in forestry development include lack of awareness about multiple roles and benefits of forests; no linkage between management and livelihood security of the people; low level of technology; inadequate research and extension, weak planning capability, wastage in harvesting and processing, market imperfections, overemphasis on government involvement and control, low level of people's participation and NGOs involvement, lack of private sector participation, unwanted restrictions on felling,

transport and marketing of forest produce grown by the people, lack of inter-sectoral coordination and weakness and conflicting roles of public forest administration.

1.1.55 The importance of tourism in generating growth and employment impulses has already been mentioned, but care has to be taken to ensure that increased tourist activities do not lead to unnecessary social and environmental problems. Thus, legislation for sustainable development of tourism and a regulatory framework for the protection of the tourism industry, the consumer and the environment will have to be put in place.

1.1.56 The broader issue of sustainability has a number of other dimensions relating to air and water pollution by the different production sectors of the economy. These have been addressed by various laws and regulations, and the need of the hour is to obtain better enforcement through improved governance.