

CHAPTER 1

INTRODUCTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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