

**UNION BUDGET &
RAILWAY BUDGET
1988-89**

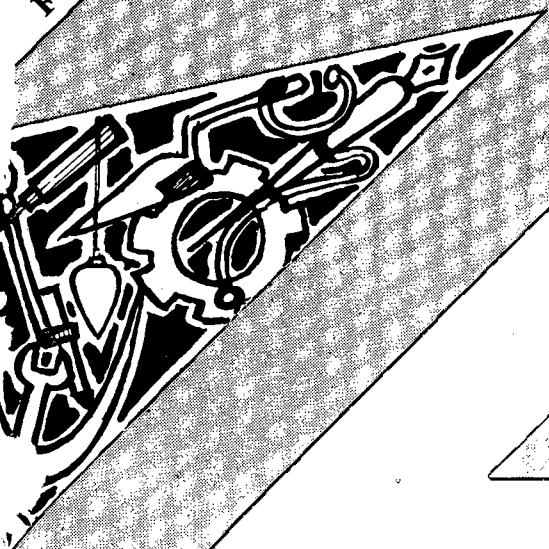


Yojana

APRIL 1 - 15, 1988 RUPEES 2.00

Vol. 32 : No. 6

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FOCUS ON EDUCATION**



Crude oil production and imports

The country produced 30.50 million tonnes of crude oil in 1986-87 and the gross imports of crude oil was 15.53 million tonnes valued at Rs. 2058 crore.

The production of crude oil in 1984-85 was 28.99 million tonnes and in 1985-86 30.17 million tonnes. Gross imports during these two years were 13.64 million tonnes in 1984-85, valued at Rs. 3430 crore and 15.14 million tonnes in 1985-86 valued at Rs. 3687 crore.

Projected gross imports of crude oil during 1987-88 were 18.34 million tonnes valued at Rs. 3104 crores. The crude import plan involving term and spot purchases for 1988-89 had yet to be finalised.

The net foreign expenditure on import of crude oil and petroleum products during 1987-88 was estimated to be of the order of Rs. 3700 crore.

Due to higher growth in consumption of petroleum products, the level of self-sufficiency in crude oil had come down from 71 per cent in 1984-85 to about 66 per cent in 1986-87. □

YOJANA

Vol. 32
No. 6

April 1—15, 1988
Chaitra 12—26, 1910

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Editor

B.K. Dhusia

Assistant Editors

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Cover Design:

R.D. Jagtap

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Our contributors

Mahesh Prasad, Editor, P.T.I. Economic Service, New Delhi; **S. Sethuraman**, Economic Commentator, New Delhi; **Arabinda Ghose**, Special Correspondent, Hindustan Times, New Delhi; **C.H. Hanumantha Rao**, Professor of Economics, Institute of Economic Growth, Delhi; **D.G. Gupte**, Editor, Times of India, Bombay; **V.S. Singh**, Joint Director, State Planning Institute, Lucknow; and **Krishan Anand**, Special Correspondent, P.T.I., New Delhi.

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YOJANA seeks to carry the message of the plan to all sections of the people and promote a more earnest discussion on problems of social and economic development. Although published by the Ministry of Information and Broadcasting YOJANA is not restricted to expressing the official point of view. YOJANA is issued every fortnight in Assamese, Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Marathi, Punjabi, Tamil, Telugu and Urdu.

Editorial Office : Yojana Bhavan, Parliament Street, New Delhi, Telephone; 383655,387910,385481 (extensions 2644, 2643,2402,2319.)

For new subscriptions, renewals, enquiries please contact: The Business Manager, Publications Division, Patiala House, New Delhi-110001.

Subscription : Inland: One year Rs. 40: Two years Rs. 72: Three years Rs. 96.

The philosophy of Union Budget 1988-89

Mahesh Prasad

The Central Budget for 1988-89 was presented in the Lok Sabha by the Finance Minister, Shri N.D. Tiwari on February 29, 1988. The philosophy behind the budget is to 'revive agriculture and create a climate for industrial growth'. The author here examines critically the important aspects of the budget. He quotes the Finance Secretary as having said 'in case the monsoon is good, which is quite likely, the prices are not likely to go up much'. The author therefore points out that 'one would have to wait till the monsoons arrive and watch how effectively the schemes announced by the Government for the revival of agriculture and industry are implemented to determine the success of the budget'.

EVERY BUDGET AROUSES a lot of expectations. The Union Budget for 1988-89, presented by the Finance Minister, Shri N.D. Tiwari, on February 29, was no exception. Few budgets can, however, satisfy every class. Shri Tiwari's maiden budget had to deal with an extremely difficult situation for the country's economy, created by the century's worst drought, which had affected all sections of the people. Agricultural production this year is likely to go down by 7 to 10 per cent, growth in industrial production has started decelerating after attaining high levels and people have been oppressed by high prices. These were the problems, which the budget was called upon to tackle and it would be judged by the measure of success it achieves in resolving them.

The philosophy behind

The philosophy of the Budget, to quote the words of the Finance Secretary, Mr. S. Venkitaramanan, was to "revive agriculture and create a climate for industrial growth." The Budget had sought to do so by presenting a stable tax regime and removing constraints to the growth of agriculture and industry. Excise had been restructured to reduce the burden on the common man.

Measures to promote exports had been proposed and plan investments had been maintained, he said.

The Budget has, no doubt, presented a large number of schemes, a few of them innovative, to revive agriculture, promote small scale and village industry, revive the sick textile and cement industries, boost housing activity and to provide efficient medicare to the people. It has also proposed a number of schemes for the under-privileged sections of the society. While the benefits to be conferred upon by them would depend upon their effective implementation, a budget is also to be judged by the way it tackles the larger macro-economic problems and the fiscal regime it presents. The Economic Survey 1987, which had preceded the Budget, had warned the Government of the mounting non-Plan expenditure and it was expected that the Finance Minister would announce measures to significantly step up tax revenues and bring down non-Plan expenditure, including subsidies. It is now quite clear that Shri Tiwari was not in a position to undertake such an exercise. Non-Plan expenditure has gone up by 22 per cent to Rs. 47,846 crore in the budget estimates for 1988-89 from Rs. 39,265 crore in the estimates for the current financial year. Total governmental expenditure,

both Plan and non-Plan has gone up by 16 per cent from Rs.62,942 crore in the budget estimates for 1987-88 to Rs.73,560 crore in the budget estimates for 1988-89. The Finance Minister had to announce fresh taxation measures to net Rs. 615 crore eventhough hike in administered prices and increase in postal and telecom rates had already cost a burden of over Rs.2,000 crore on the people. Still, he was unable to contain the deficit for 1988-89, which is rather of a high order of Rs. 7,484 crore. What is even more alarming is the revenue deficit or Rs. 9,842 crore in the budget estimates of the year, which means that capital receipts, which should normally be utilised for financing infrastructure, would be used to meet a part of the day to day expenditure of the Government as well

The subsidies

It should, however, be apparent to any body that reduction in expenditure is not an easy task as after-effects of the drought are yet to be taken care of. Far from undertaking any exercise to reduce subsidies, the Finance Minister, possibly by force of circumstances, was compelled to raise them by as much as 33.70 per cent, i.e. from Rs.4780 crore in the budget estimates for the current year to Rs. 6391 crore in 1988-89. The biggest increase is in fertiliser subsidy, which goes up by 57 per cent, from Rs. 1910 crore to Rs. 3,000 crore, obviously to compensate the fertiliser factories for the discount they have been directed to give to the farmers for the coming kharif and rabi sowings as part of the concessions, announced for them in the budget. What is, however, more alarming is that interest payments go up by 32 per cent to Rs. 14,100 crore in the coming year from Rs.10,650 in the budget estimates for 1987-88. Interest payments would for the first time constitute the largest single component, accounting for 29 per cent of the non-Plan expenditure and 19 per cent of the total governmental expenditure. The Reserve Bank of India had recently warned the country of an impending debt trap in 1992-93. It now appears the situation may have to be faced sooner than anticipated. There is, however, only a 3.75 per cent step up in defence expenditure in 1988-89 from Rs.12,512 crore in the budget estimates for the current year. The expenditure for the current year in fact shows a decline of Rs. 512 crore, which could be due to either postponement of purchase of capital equipment by the defence forces or of payment for it. This is quite apparant as expenditure in the capital account has recorded a steep fall of Rs. 871 crore, while revenue expenditure has in fact gone up, possibly on account of IPKF operations in Sri Lanka.

Non-Plan expenditure

Besides defence, other items of non-Plan expenditure have not shown any decline during the current financial year. The total governmental expenditure has gone up in the revised estimates of the year by 5.11 per cent to Rs. 66,161 crore from Rs. 62,942 crore in the original estimates. Of the total, revenue expenditure has gone up by 7.3 per cent to Rs. 46, 619 crore from Rs. 43,430 crore and as a result the revenue deficit has

gone up by a whopping 20 per cent from Rs. 6, 742 crore to Rs. 8, 497 crore. If the overall deficit is still nearly contained to redeem the pledge given by the Prime Minister, Shri Rajiv Gandhi, while presenting the budget last year, it is because of the 6.7 per cent increase in capital receipts, from Rs. 20, 566 crore to Rs. 21, 959 crore in the revised estimates and negligible increase of 0.14 per cent in capital expenditure. Almost half the increase in capital receipts is from market borrowings, which go up during the year by Rs. 700 crore. However, this does not appear to have resulted in any revenue gain as interest payments during the year go up by Rs. 800 crore.

Enhanced central outlay

In spite of the mounting non-Plan expenditure, the Finance Minister has found it possible to step up the Central Plan outlay by 16.62 per cent to Rs.28, 715 crore from Rs. 24,622 crore in the estimates for 1987-88. This has, however, been done without stepping up the budgetary support for the Plan, which has in fact been brought down to 55.72 per cent from 60.85 per cent in the budget estimates for the current year and 62.85 per cent in 1986-87. This would have been a good trend had the Plan been financed by the resources generated by the public sector enterprises (PSEs). However, internal resources constitute merely 65.37 per cent of the total resources to be mobilised by them. Other elements include bonds and debentures 16.04 per cent, external commercial borrowings 4.85 per cent and other deposits 13.74 per cent. However, if the past performance is any indication, internal resources of the PSEs could fall well below target. Under the revised estimates for 1987-88, internal resources contributed only 53.49 per cent of public sector Plan outlay, against a budget estimate of 63.29 per cent for the year. The shortfall was made up by increased borrowings, both internally and externally. Bonds and debentures contributed 19.78 per cent of the total public sector outlay, against a budget estimate of 15.47 per cent. Other forms of borrowings accounted for 21.32 per cent as against a budget estimate of 16.25 per cent. Even external commercial borrowings exceeded the target by 0.41 per cent. Thus, if the public sector is to meet its target for resources, it may find itself deeper in debt, much like the Central Government.

The innovation

To say all this does not, however, mean that there are no good points in the budget. That in spite of the resource constraints, the Finance Minister has been able to step up Plan allocations is itself an achievement. Then, there are the schemes to revive agriculture to promote small scale and rural industries, to bring back to health textile and cement sectors and to give a new thrust to housing, not only through additional contribution of Rs. 100 crore to the National Housing Bank for rural housing, but also through excise duty concessions for cement and for steel and aluminium door and window frames. There are a few innovative schemes for the revival of agriculture too. One of them is

(Contd. on page 22)

Union Budget, a better deal to rural poor

S. Sethuraman

The author here says that in the Union Budget 1988-89, the Finance Minister has sought to provide a better deal to small and marginal farmers, rural artisans, scheduled castes and scheduled tribes. Rescheduling of agricultural loans, postponement of recoveries and reduction in interest rates are some of the hallmarks to boost the rural sector's participation in the national productive efforts. In addition, export promotion has received top priority in the form of cent per cent exemption of export profits from income tax.

THE UNION BUDGET FOR 1988-89 presented to Parliament on 29.2.88 by the Finance Minister Shri Narayan Datt Tiwari will have wide popular acceptance, which seems to be a deliberate political strategy, though it makes no serious effort at sound fiscal management. The budget has certainly many welcome features such as the boost it seeks to give to the agricultural sector, proposals aimed at improvement of the living conditions of poorer sections and the wide-ranging duty reductions on consumer articles. Relief has been provided to the textiles, cement and paper industries as well as the capital goods sector. The Budget, following one of the worst droughts that India has experienced in this century, has naturally focussed on agriculture, given the need to achieve a foodgrain production target of at least 175 million tonnes in two years' time. Even so, many of the relief measures announced for the farmers by way of

rescheduling of loans, postponement of recoveries and reduction in interest rates along with other new schemes could have come much earlier than through the Budget belatedly. The Finance Minister has devoted his budget to what he calls "people oriented initiatives" and his singular concern seems to have been to go all out to please those sections who have had a raw deal such as small and marginal farmers, rural artisans, scheduled castes and scheduled tribes. By and large, he has kept intact the fiscal policy framework by not making any change in the rate structure for personal and corporate taxes. He has certainly disappointed the corporate sector which had demanded the abolition of dividend tax and the minimum tax on book profits and a general reduction in excise duty structure. However, Shri Tiwari has promised a further amending of the recently enacted Direct Tax Laws Bill to take care of grievances of chambers of commerce, tax specialists and the general public. But the industry would still welcome the selective excise reliefs and the customs duty changes that the Finance Minister has announced to strengthen incentives for exports, housing and construction activities and technology upgradation.

Structure of budget

Before taking up the budget proposals, it would be worth-while to take a look at the structure of the budget and whether it holds out better prospects for the economy in the coming year. The 1987 drought certainly threw extra financial burdens on top of the sharp decline in agricultural production and rural incomes and the revised expenditure estimates for the current year show an increase of Rs. 3200 crore. In spite of higher tax receipts under direct taxes and customs duty and the substantial additional resource mobilisation undertaken in recent months, the overall deficit has risen to Rs. 6080 crore as against the budgeted Rs.

5688 crore. Since the last few years, the revenue deficits have been rising disturbingly and from Rs. 7776 crore in 1986-87, the figure has gone up to Rs. 8497 crore in the current year while the estimated revenue deficit in the coming year is Rs. 9842 crore. This massive gap is mainly accounted for by the non-plan expenditure, the major items being Defence, Interest Payments and Food and Fertiliser Subsidies. While Mr. Tiwari has provided for an increase of only Rs. 1000 crore for Defence as against the annual average of Rs. 2000 crore for some years now, interest payments at Rs. 14,100 crore will overtake the budgeted defence expenditure of Rs. 13,000 crore. The food and fertiliser subsidies will further rise to Rs. 5300 crore rupees in 1988-89 as against Rs. 4400 crore in the current year. The total expenditure budgeted for in 1988-89 stands at Rs. 73560 crore. Taking into account the total receipts, both revenue and capital, the deficit at existing rates of taxation is estimated at Rs. 8120 crore. The net effect of the Finance Minister's proposals would be a gain of Rs. 587 crore and taking into account, the revision of postal rates already announced of the order of Rs. 49 crore, the uncovered gap will be Rs. 7484 crore the highest ever budgeted for.

Dependent on monsoon

The Finance Minister has refrained from expressing any view about such a massive deficit at a time when the rate of inflation is nearly in double digit, nor has he expressed any note of optimism about production and growth prospects in the coming year. He has described the higher expenditure on defence, development, social services and subsidies as unavoidable compulsions. While he has kept non-plan expenditure to what he calls the barest minimum, the Finance Minister has left the problem of mounting expenditure to be dealt with in the future. On the receipts side, the Finance Minister has assumed a larger revenue growth than would seem warranted by the state of the economy. Unless there is a normal monsoon this year and agricultural and industrial production regains momentum, the revenue estimates may go off the mark. The Budget does not reduce the increasing dependence on market borrowings and external savings.

The Annual Plan provision for 1988-89, the fourth year of the Seventh Plan, has been fixed at Rs. 28,715 crore which represents a 16.6 per cent increase over the approved outlay in the current year. In real terms, at the prevalent accelerated rate of inflation, the outlay would have to be even higher. As a ratio of total expenditure, the Central Plan outlay will only be 19 per cent next year as against 21 per cent in 1987-88 budget. Agriculture, irrigation, anti-poverty programmes, energy, transport and communications have been accorded priority in the allocations. The States' share of plan assistance from the Centre would be roughly the same as in the current year.

A sop to states

The new tax proposals in the Central Budget will give the states Rs. 122 crore as their share in the new

excise levies but the Finance Minister's direct tax changes would deprive the states of Rs. 94 crore so that the net share of the states in the additional resource mobilisation would be a mere Rs. 28 crore. As a sop to the states, the Finance Minister has announced that the Reserve Bank of India would raise from tomorrow the ways and means limits by 40 per cent over the limits prevailing prior to October, 1986. This follows representations from states about their liquidity problems in the wake of the drought.

Special excise duty

As was expected, Shri Tiwari has proposed to continue with the 5 per cent surcharge on income tax, 10 per cent surcharge on wealth tax and the surcharge on auxiliary custom duty for one more year. These were brought in to meet drought relief expenditure last year. In addition, he has introduced a special excise duty in the nature of a surcharge at the rate of 1/20th of the basic duty of excise which alone would give the Central exchequer Rs. 650 crore. While his other new excise levies cover petroleum products, pharmaceuticals, machinery and plastics, Shri Tiwari has offered an impressive range of concessions sacrificing revenue estimated at Rs. 509 crore. His proposals would yield additional customs revenue of Rs. 370 crore and excise Rs. 239 crore inclusive of states' share. The direct tax proposals would bring in Rs. 163 crore taking the total tax effort to Rs. 587 crore for the Centre, leaving Rs. 28 crore for the states.

Promoting exports

In direct taxes, Shri Tiwari has resisted demands for raising of the income tax exemption limit beyond the present Rs. 18000 per annum but has gone to some extent in satisfying the fixed income groups by raising the rate of standard deduction from Rs. 10,000 to Rs. 12,000. It will benefit a million tax payers. Shri Tiwari has come up with a tax on transfer of wealth through inheritance especially where the volume of wealth involved is large. The tax will be levied in respect of assets subject to wealth tax. As Minister for Commerce in addition to Finance, Shri Tiwari has been taking lively interest in the promotion of exports and his incentives for strengthening the export effort would be well received. In order to make export activity profitable for those engaged in earning foreign exchange for the country, Shri Tiwari has decided to exempt 100 per cent of export profits from income tax.

Relief to farmers

Shri Tiwari's sweeping package for farmers includes a reduction in the rate of interest on crop loans by one and half per cent to two and a half per cent. additional bank credit to agriculture by Rs. 3000 crore in 1988-89, a cut in the price of urea by Rs. 8 and 80 paise per bag and reduction in import duties on selected pesticides and other items. He has announced the setting up of a National Agricultural Credit Relief Fund, special programmes to assist marginal farmers in installing

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Is Railway Budget for 1988-89 pragmatic ?

Arabinda Ghose

The Railway Budget for 1988-89 was presented in the Lok Sabha by the Railway Minister, Shri Madhav Rao Scindia on February 24, 1988. The new proposals would net Rs. 622 crore and will leave the Railways with a surplus of Rs. 28 crore. The author, here examines the various proposals in the Budget and feels that not enough has been done for electrification of some important heavy-traffic tracks.

RAILWAY MINISTER, Shri Madhav Rao Scindia's second budget, presented to Parliament on February 24, 1988 proposes to raise a total of Rs. 622 crore in 1988-89 in one go by raising both passenger fares and freight rates. One of the largest resource mobilisation efforts in the history of Railways, the budget proposes to raise an additional Rs. 358 crore by raising passenger fares, Rs. 241 crore from an across-the board freight rate increase of 6 per cent except on certain items, and another Rs. 23 crore by raising parcel and luggage rates by 10 per cent.

The surplus

These imposts along with the anticipated growth in traffic will raise the gross traffic receipts of the Railways from the revised estimate of Rs. 8474.00 crore in 1987-88 to a new high of Rs. 9393.00 crore indicating that by the following year, the Railway budget will touch the Rs. 10,000 crore mark. After meeting ordinary working expenses and allocations to various funds, the Railways were left with a deficit of Rs. 594 crore because of the dividend liability of Rs. 736 crore to the central revenues. The new proposals to raise a total of Rs. 622 crore will leave the Railways with a surplus of Rs. 28 crore, after payment of full dividend.

This time, the Railways Minister has taken a bold although unpopular step of raising more resources from passenger traffic and has not spared two sectors of passenger services which were avoided in the past—the short distance passengers travelling by second class ordinary trains and the commuters in big cities travelling on monthly season tickets at very low tariff. The extent of hikes on passenger tickets can be gauged from the fact that the total additional income from this measure is expected to be Rs. 358 crore compared to only Rs. 247 crore from freight. Besides, the additional revenue collection from passenger traffic in 1988-89, including that from normal traffic growth amounting to Rs. 419 crore, will be largely the impact of this factor. The revised estimate for 1987-88 shows that earnings from passenger traffic will be of the order of Rs. 2027 crore, while total passenger earnings in 1988-89 has been estimated at Rs. 2446.00 crore.

Who will pay more

The second class mail/express fares, the real money spinners for the passenger services, will fetch a total of Rs. 1307.47 crore in 1988-89 compared to the revised estimate of Rs. 1097.72 crore in 1987-88, showing that this class of passengers will contribute Rs. 209.75 crore out of Rs. 358 crore proposed to be raised by raising passenger fares plus Rs. 53 crore more from traffic growth. The second class ordinary passengers will give another Rs. 159.59 crore. The upper class passengers will contribute only Rs. 49.66 crore.

However, the first, the air-conditioned two-tier sleeper and the air-conditioned class fares were already raised from November 1, 1987 as drought relief which will continue while there has been another 10 per cent increase, over and above the Nov. 1 raise, in case of first class air-conditioned class. Travel by this last category of accommodation will be almost as costly, or even more, in certain cases, than the air fare between the similar pairs of cities.

The hikes in the case of second class mail/express travel have been quite high, the maximum being Rs.15 per ticket in case of travel beyond a distance of 750 kilometres. Since the reservation charges for this class have also been raised from Rs.2 to Rs.5 per ticket, the actual impact will be of the order of Rs. 18 per ticket.

Season ticket holders will also pay more from Rs. 4 to Rs. 8 per ticket per month in case of second class travel. This measure will raise another Rs. 4173 crore (including earnings from anticipated growth of traffic) from the revised estimate of Rs. 200.60 crore in 1987-88 to Rs. 242.33 crore in 1988-89.

Platform tickets will cost when the new imposts are implemented from April 1, Rs. 1.50 each, a rise of 50 paise per ticket.

Hike in freight

Since the Railway Minister has decided not to raise the freight rates in respect of foodgrains, fertilisers, edible oils, salt for human consumption, fodder, livestock, gur and jaggery, the impact of the six per cent hike will be felt on coal, iron ore, mineral oils, iron and steel mainly. Interestingly, the prices of coal and steel have been recently increased by the Government. Thus freight hike in coal alone will fetch the Railways an additional Rs. 244.20 crore (including the earnings from anticipated growth in traffic) out of the total increase of Rs. 469.00 crore in freight traffic receipts from the revised estimate of Rs.6060.00 crore for 1987-88 to the budget estimate of Rs.6529.00 crore for 1988-89. The steel sector raw materials for steel plants, finished products from steel plants and iron ore for export-together will account for another Rs. 99.85 crore increase while cement will account for another Rs. 12.20 crore.

Interestingly, although petroleum, oil and lubricants (POL) have not been excluded from the purview of freight increase, actually a fall in income is anticipated in its case, from Rs. 690.00 crore in the revised estimate of 1987-88 to Rs. 669.35 crore in the budget estimate of 1988-89. Again, although there is no raise in foodgrains freight rates, the earnings from this item are expected to go up during this period from Rs. 647.00 crore to Rs. 652.70 crore and for fertilisers, from Rs. 338.00 crores to Rs. 377.30 crore.

The funds

Mr. Scindia has appropriated as much as Rs. 1500 crore for the Depreciation Fund (DRF), which is a measure of his concern for the health of the system as it is mainly from this fund that the outlays on renewal and repair of assets are made. This is also in accordance with the recommendation of the Railway Convention Committee of Parliament.

There is an obvious need for appropriating more for the Pension Fund for which Rs. 550 crore have been appropriated this time. The Operating ratio is slightly higher this time—92.8 per cent, than 92.5 per cent in 1987-88 (revised estimate).

Higher plan allocation

Although the Minister has proposed to collect such a massive amount in just one year, mainly because he had refrained from levying any additional imposts last year, he has also decided to raise the plan allocations for the Railways in 1988-89 from the Rs. 3300 crore during the current year to Rs.3850 crore this year. Track renewal gets the same priority in 1988-89 too as in the past year, with an allocation of Rs. 862.14 crore up from Rs. 810.19 crore. Rolling stock will be given Rs. 552.60 crore (against Rs. 347.43 crore), doubling of tracks Rs. 230.76 crore (Rs.170.04 crore in 1987-88), electrification projects Rs. 180.30 crore (against Rs. 183.23 crore), workshops including production units Rs. 325.32 crore (against Rs. 193.80 crore), traffic facilities like yard remodelling Rs. 188.90 crore (against Rs. 145.33 crore), signalling and telecommunication Rs. 105.79 crore (against Rs.94.96 crore), bridge works Rs.80.58 crore (against Rs.54.96 crore) and machinery and plant, Rs. 75.00 crore (against Rs. 59.48 crore).

Of Rs. 3850 crore for the Railways' plan allocation, as much as Rs. 800 crore are to be or have been raised through market borrowings by the Indian Railway Finance Corporation (IRFC) which has raised through two instalments of bond issues, a total of about Rs. 960 crore. A third series is likely to be issued by the end of 1988 or early 1989.

One of the notable features of the budget is its decision, like in the previous years, not defer the payments of dividends to the central revenues and to that extent, is its contribution (Rs.736.00 crore) to the general revenues. In fact, one might mention here, this amount has kept the overall additional resource mobilisation by the Finance Minister, Shri Narayan Datt Tiwari, to only about Rs. 545 crore in 1988-89. (The increase in the administered prices of coal, steel, petrol and the hikes in the telecommunication and postal rates have also helped Shri Tiwari keep down the incidence of additional taxation).

Highest wagons haulage

Shri Scindia pointed out in his budget speech that the utilisation of wagons on the Indian Railways has become the highest in the world. A wagon (in terms of four wheelers) now clocks 1420 net-tonne-kilometres (NTKM) per day (which means that a wagon carries a payload of one tonne over a distance of 1420 kilometres in 24 hours). This figure at the end of 1986-87 must have increased by now and thus is way ahead of the target of 1350 NTKM in the terminal year of the Seventh Five Year Plan. Only about three years ago, this figure was just 1150 NTKM.

Track electrification

The budget speech also mentioned about the electrification projects and said that the Bombay Central-New Delhi route via the Western Railway was now fully electrified. This is the second trunk route to be fully electrified, the first being the Howrah-Delhi route, completed in 1976. The Delhi-Madras, the Bombay-

(Contd. on page 32).

Our economy strong enough to face all odds

The pre-budget survey of the performance of the country's economy during the year 1987-88 was presented to Parliament on February 26, 1988. It said, though the countrywide drought of 1987 caused a temporary setback to the momentum of development and posed fresh challenges to economic management, the inherent strength of the agricultural economy, growing resilience of industrial and other non-agricultural sector and emergence of healthy trends in foreign trade were the strong points of the recent economic performance. The survey observed that a durable solution to the underlying fiscal problems must be pursued through curbs on the growth of current expenditure; broadening the base of revenues and further improving the financial performance of public sector enterprises. Given below is the resume of the economic survey.

THE PRE-BUDGET ECONOMIC SURVEY for 1987-88 was presented to Parliament on February 26, 1988. The Survey observes that the countrywide drought of 1987 caused a temporary setback to the momentum of development, posed fresh challenges to economic management and highlighted some of the underlying strengths and weaknesses of Indian economy. Economic management during the 1987-88 had focussed on drought and its impact, with a comprehensive package of policies having been worked out and implemented across a wide front in order to contain the adverse effects of natural calamities.

According to the Survey, the strong points of recent economic performance included inherent strength of the agricultural economy despite successive years of bad weather, growing resilience of the industrial and other non-agricultural sectors to disruptions in agriculture, the ability to maintain the tempo of infrastructure development in the face of adversity, the emergence of healthy trends in the foreign trade account and a capacity for responsive economic management in the face of massive and unanticipated changes in the economic environment.

Despite the severe drought and floods, the survey anticipated that GNP would show a positive growth of around 1 to 2 per cent last year. The survey attributed

this relative stability of the economy in the face of severe drought to a combination of factors including the diversification, over time, of the economy, the availability of large food stocks at the beginning of the drought and an array of timely policy interventions undertaken to minimize the adverse impact of the drought.

Agricultural production

The survey noted that the drought last year was one of the worst on record, with as many as 21 out of a total of 35 rainfall sub-divisions in the country receiving deficient or scanty rainfall. Coming at the end of a run of four poor monsoons, the drought had a serious adverse impact on crop production especially in the Kharif belt which was still heavily dependent on rainfall. While official estimates of total agricultural production for the current year would not be available for some time, the survey expected production to decline by 7 to 10 per cent from the previous year's level. A similar order of shortfall was anticipated in total foodgrain production for the year.

Despite a sharp decline in agricultural production, the Survey pointed out that it was possible to maintain higher releases of foodgrains through the Public Distribution System, employment programmes, relief programmes and other channels because of the large

food stocks of over 23 million tonnes which had built up by June, 1987. This formed the backbone. Other steps included immediate measures to minimize Kharif crop losses, augmented allocation of resources for irrigation, accelerated completion of on-going projects and a campaign to maximize rabi crop production by ensuring adequate supplies of major inputs, including provision of power for agricultural use on a priority basis and supply of credit for raising a second crop.

Industrial performance

Despite the adverse consequences of the drought, the Survey noted the highly satisfactory performance of industry during the first 8 months of 1987-88 for which data were available (April-November, 1987). During this period the industrial sector as a whole achieved a growth rate of 10.2 per cent, which was significantly higher than the growth rates of 8.5 to 9 per cent attained during the corresponding period of the previous 3 years, which were themselves much higher than the growth achieved in the first half of this decade and earlier. The manufacturing sector showed an even higher growth rate of over 11 per cent in the first 8 months of the current year. Even allowing for some expected slow down in industrial activity in the final third of the financial year, the Survey expected that industrial growth for the full year would exceed 8 per cent.

This resilience of our industrial growth, especially when compared to earlier years of serious drought, is attributed by the Survey to a combination of robust performance of infrastructure, the policy initiatives taken in recent years to enhance industrial productivity and the longterm change in the structure of both the economy and industry, which had reduced dependence on agriculture. However, the Survey cautioned that the contractionary effects of the drought on industrial production were likely to make themselves felt more fully in the final months of the financial year 1987-88 and the first few months of 1988-89.

Infrastructure

As noted by the Survey, robust performance of the infrastructure sector in the past year was key positive factor which contributed to strong industrial growth and facilitated the implementation of various measures in the field of energy and transportation aimed at reducing the economic costs of drought. Although hydel power generation fell sharply because of rainfall scarcity, this was compensated for by strong 15.7 per cent growth in thermal power generation during the first nine months of 1987-88. As a result, total power generation increased by 7.6 per cent in April-December, 1987 over the corresponding period of 1986. The Survey commended the fact that Plant Load Factor (PLF) of thermal power plants increased to 55 per cent during the year. Coal production increased by 10.2 per cent in April-December, 1987. Railway freight movement was also satisfactory, recording a growth of 5.4 per cent in the first nine months of 1987-88.

To ensure adequate growth of infrastructure services in the context of a tight resources situation, Survey deemed it vital to secure high rates of economic return per unit of investment, as well as to generate enough investible surpluses for financing further necessary expansions.

Prices

As indicated in the Survey, prices came under pressure right from the beginning of this year as a consequence of the poor weather and shortages of some essential agro-based commodities experienced during 1986-87. These pressures were further aggravated from July, 1987 with the onset of the severe drought. Up to the third week of January, 1988 the wholesale Price Index (WPI) had registered an increase of 9.8 per cent on a point-to-point basis, since the end of March, 1987. The consumer Price Index (CPI) showed an increase of 9.6 per cent upto December, 1987. The Survey pointed out that price increases had been particularly high for items of agricultural origin such as edible oils and oilseeds, condiments and spices, cotton, pulses, gur khandsari and cereals. The driving force behind inflation during 1987-88 had been the shortfall in agricultural production because of drought.

The Survey stated that since the basic inflationary pressure had arisen because of a shock to supply, the main plank of anti-inflationary policy had been the effective supply management. The maintenance of adequate supplies of food through the Public Distribution System and other channels had been the backbone of supply management policy. This had been buttressed by policy of restrained monetary expansion and fiscal policies aimed at checking the size of the budgetary deficit despite massive increase in drought and flood relief expenditures. As a result of these measures, the Survey stated that though the price situation remained difficult the rate of inflation has been lower this year than in other years of severe drought.

Fiscal and monetary policy

As described in the Survey, fiscal policy endeavoured to maintain the priority for development despite the secular and short-term pressures on Government finances. Faced by the sharply expanded responsibilities for relief expenditure due to drought and flood, the Government announced a number of revenue and resource-raising measures in September, 1987. Administrative efforts to improve revenue collections were also stepped up. The basic goal, according to the Survey, was to find enough expenditure without cutting back on the public investment resources to finance the additional relief programme or risking a large increase in the budget deficit.

The Survey also provided a detailed description of the important measures announced in the Central Government Budget for 1987-88, including the extension of MODVAT system in excise taxation to most sectors, fiscal and other initiatives to promote

housing, a new scheme for savings, a massive increase in the plan allocation for the education sector and continued high priority for programmes aimed at poverty alleviation and infrastructure development.

The Survey observed that the monetary and credit policies over the year were conditioned, on the one hand, by the need to restrain monetary growth so as not to aggravate the inflationary pressures of drought and, on the other hand, by the need to avoid unduly recessionary consequences of excessive monetary restraint. In the light of these broad guidelines the Statutory Liquidity Ratio (SLR) was increased twice during the year and the Cash Reserve Ratio (CRR) was raised once. Selective credit controls were tightened between July-October for a number of drought affected commodities. At the same time, more liberal credit facilities were made available to drought-affected farmers.

Balance of payments

The Survey drew attention to the strong export performance of the past 2 years which was attributed to the measures taken by the Government in 1985-86 and 1986-87. After recording an increase of 15.3 per cent in 1986-87, exports grew by 24.6 per cent in the first 9 months of the current year, as compared to the corresponding period of the previous year. In contrast, imports grew by 2.2 per cent in 1986-87 and 13.5 per cent in April-December, 1987. In consequence, there was a further decline in the trade deficit in the first 9 months of 1987-88.

Nevertheless, as anticipated in the Economic Survey of the past several years, the balance of payments continued to be under strain because of a number of adverse medium-term factors such as the deceleration in the growth of indigenous oil production, growing protectionist tendencies abroad, the bunching of repayment obligations to IMF and other creditors and the unfavourable climate for concessional assistance. The Survey pointed out that these pressures were aggravated in the current year by the rebound in international oil prices and the occurrence of drought which led to substantial additional imports of essential commodities such as edible oils and pulses. The Survey cautioned that the adverse consequences of drought on imports and some agricultural exports might not yet be fully reflected in the trade data available for the first 9 months of the years.

Problems and prospects

Looking ahead, the Survey emphasised the need to pursue, with renewed vigour, a long-term strategy for reducing the vulnerability of agriculture to adverse weather conditions. Elements of this strategy would include rapid expansion of the area under assured irrigation, measures to swiftly close the large gap between irrigation potential and its utilisation, improvement in water management systems, emphasis on appropriate cropping patterns, systematic efforts to improve utilisation of ground water potential, and

programmes of afforestation and ecological renewal. The Survey added that the fluctuations in agricultural output also stemmed from concentration of recent agricultural development in a few States and regions. It was therefore, essential to move towards a more dispersed pattern of agricultural development. For this, the Survey advocated special emphasis on provision of irrigation, land development and other agricultural infrastructure in those regions where agriculture has lagged behind.

In the industrial sector, the Survey envisaged the task ahead to be one of ensuring that the virtuous combination of industrial policies and infrastructural performance, which had generated four years of rapid industrial growth, was maintained and measures were taken to bring about further improvements in industry's international competitiveness. In the context of scarce investible resources, the Survey underscored the special value of productivity increases in infrastructure sectors, since these sectors tended to be highly capital intensive. Particular importance was attached to further increases in the plant load factors of our power stations, additional improvement in the operational efficiency of the railways and measures to increase the efficiency of energy use in the economy.

The Survey observed that the continued rapid increase in current Government expenditures posed serious risks for inflation and our ability to attain public investment goals in real terms. According to the Survey, a durable solution to the underlying fiscal problems, must be pursued through curbs on the growth of current expenditure, measures to broaden the base of revenues and steps to improve further the financial performance of public sector enterprises. A strategy for reducing the growth of Government expenditure must, in the Survey's view, encompass several elements including, ruthless pruning of programmes of doubtful economic and social merit, moderation in the growth of wages and salaries, reduction in the growing bill of subsidies through better efficiency and a clear priority in favour of completing ongoing programmes in time as compared with launching of new schemes.

Like the Surveys of the past several years, last year's Economic Survey highlighted pressures on the balance of payments. It felt that the successful management of the balance of payments situation, in the medium term, was critically dependent on rapid and sustained growth in exports and efficient import substitutions. For sustaining the recent successes on the export front, the Survey believed that it was essential to improve the quality and price competitiveness of India's manufactured production. In this important sense, the Survey regarded the viability of India's balance of payments to be dependent on the growth and efficiency of industrial production. The Survey also called for special efforts to curb the rapid growth of consumption of petroleum products and for measures to seek savings in imports. In regard to the financing of balance of payments, the Survey underscored the importance of keeping recourse to commercial borrowings within prudent limits.

(Contd. on page 32)

Yojana, April 1-15, 1988

How can Centre-State financial relations remove regional imbalance

C.H. Hanumantha Rao

Shri C.H. Hanumantha Rao, a renowned economist and former member of Planning Commission, delivered the first lecture of Dr. Zakir Hussain Memorial lecture series in New Delhi on February 8, 1988, on the theme. 'Centre-State Financial Relations-National Economic Integration'. Here he pleads for increasing grants-in-aid for States after providing for appropriate escalation every year. According to him, the poor States are always at disadvantage in the present system. In the matter of Central assistance to States, the present criteria of 'tax effort' and 'population' need to be revised. Because, Shri Rao feels, for bringing about economic integration also regional imbalances must be removed.

WITH THE APPOINTMENT OF the Ninth Finance Commission, the debate on major issues having a bearing on Centre-State financial relations has been revived and people at large have been evincing keen interest in this debate. Such periodic debates have become a part of our national life for nearly four decades now. Those who are unaware of this healthy tradition are apt to feel uncomfortable over what might be misconstrued as a sudden deterioration in the Centre-State financial relations. As can only be expected, the successive Finance Commissions have been quite responsive to such debates. These discussions have helped to clarify the relevant issues and to arrive at solutions generally

acceptable to the States as well as the Centre. The experience of the working of our polity in this respect reaffirms the inner strength of our Constitution—its imaginativeness as well as its resilience—and immense potential inherent in our democratic framework for bringing about a consensus on major issues affecting Centre-State financial relations.

Apprehensions and misgivings

There is no reason to believe that the controversies aroused on the subject this time are sharper than on similar occasions in the past. However, there is some difference in regard to the nature of issues raised this time. In particular, many eyebrows have been raised on the terms of reference given to the Ninth Finance Commission, including the wording for these terms of reference.

To begin with, let me say a few words on the 'wording' of the terms of reference. Under the sub-clause (C) of clause (3) of Article 280 of the Constitution, the President can refer any other matter to the Commission in the interests of sound finance. Accordingly, from the Fifth Finance Commission onwards, the terms of reference under this sub-clause spelt out various factors which the Commission "shall have regard, among other considerations, to" while making their recommendations. But it is alleged that this time, the use of the word 'Shall' in para 4 of the terms of reference has been freed from the qualification, "among other considerations." This wording has led to the apprehension in some quarters that the considerations set out could be interpreted as being in the nature of directives to the Commission rather than mere guidelines as in the past.

I am not an expert on legal matters. Certainly, I can not arrogate to myself such skills in the presence of the distinguished Chairman for this meeting. However, as a

layman and as one who had to grapple with such terms of reference twice earlier, I do not think that the wording of the present terms of reference imposes greater constraints on the Commission than on earlier occasions. For example, para 4 (ii) of the present terms of reference starts with "have regard to the need for", and para 4 (iv) starts with "keep in view the objectives of", which to my mind, suggest that these terms of reference are in the nature of guidelines rather than as specific directives. Even in Para 4 (i) where the Commission has been asked to adopt a normative approach in assessing the receipts and expenditure on the revenue account, it has been stipulated that in doing so the Commission shall keep in view the special problems in each state, if any, and the special requirements of the Centre. This keeps the door open for the Commission to moderate, in the light of the special problems and requirements, its own assessments arrived at on the basis of such of the norms as the Commission may, in its wisdom, decide to adopt.

Serious misgivings have also been expressed about the terms of reference asking the Commission to adopt the normative approach in assessing the receipts and expenditures. In the past, the Finance Commission did adopt certain norms in assessing the receipts and expenditures submitted to them by the States and the Centre. Consequently, the estimates finally accepted by the Commissions diverged significantly from those originally submitted by the government concerned. Adoption of norms is inevitable in any exercise designed and between States on the one hand and the Centre on the other. What makes the difference this time is that the terms of reference specifically ask the Commission for the first time to adopt the normative approach. However, this very fact need not give rise to apprehensions by investing much more meaning into the normative approach than what the previous commission have been trying to evolve. After all, this is not the first time that the practices followed by the Finance Commission in the past have been formalised into terms of reference for the succeeding Commissions. Besides, the Finance Commissions have been conscious of their Constitutional position and have accordingly been giving their fullest consideration to the viewpoint of the States with an open mind before taking a final view on vital issues affecting Centre-State financial relations.

Even so, there are at least two substantive issues referred to in the terms of reference which have caused justifiable misgivings. First, contrary to the well-established convention following the recommendations of the Fourth Finance Commission, the terms of reference for the ninth Commission do not make any distinction between the plan and non-plan while assessing the receipts and expenditure on the revenue account. So far, the revenue component of the plan expenditures, as well as additional resource mobilisation have been dealt with as part of the plan exercises. The Finance Commission will now have to project the revenue component of plan expenditure as well as additional resource mobilisation for the period of its award as part of its assessment of revenue expenditure and receipts.

The emerging deficits, if any, after the devolution of taxes, will have to be covered through grants-in aid under Article 275 of the Constitution. This would necessitate a change in the revised Gadgil Formula for plan assistance to States under which 30 per cent of assistance is given as for meeting the revenue component of the plan expenditure.

Therefore, it can be legitimately argued that the position and powers of the National Development Council—the highest body entrusted with the formulation and finalisation of Plans—are undermined in the first instance by taking away the revenue component of the Plan from its purview without its prior consent, and then by the prospect of confronting it with no alternative but to change the Gadgil Formula. Now, this may be entirely constitutional and the purists who regard Planning Commission as an extra-constitutional ventures may admire the way the area of operation of the Planning Commission has been trimmed by a stroke of pen!

However, the issues involved are not just formal but are basic to our development process. Revenue component of the Plan is intertwined with the capital component and both are jointly determined by the size of the Plan and its priorities. The plan exercises in their very nature are quite different from those which can be undertaken by the Finance Commission under the existing arrangements within a short period of time. The resource mobilisation scenarios for the Plan can not be divorced from the questions such as the relative importance to be assigned to the public and private sectors, inter-sectoral priorities for public investment and the goal of income distribution, price policy etc. These are formulated in the light of the emerging economic situation in the country and abroad. Further, these are modified from time to time through the mechanism of Annual Plans in response to the changing internal and external economic environment. The elaborate exercises on the economic performance and the potential of the nation together with the prevailing political perspectives and political will, determine the size and content of the Plan. Revenue component of the Plan can not, therefore, be treated either as an extrapolation of the past trends into the future or as projections on some normative basis independent of the considerations which determine the plan-size and its content.

Since the Ninth Finance Commission has been asked to assess and provide for the revenue component of the next Plan before the Plan itself is ready, such forecasts can at best be regarded as tentative to be supplemented, if not modified, by the National Development Council, if economic planning for the country is to be continued as a serious venture. The Ninth Finance Commission, is, therefore, faced with a delicate task of reconciling the responsibilities enjoined on it by the terms of reference with the imperatives of Planning. As a practical way out, it should be possible for the Commission to provide for certain minimum requirements on account of revenue component of plan expenditure and make appropriate

recommendations for its supplementation so that the National Development Council can formulate the Plan including its revenue component with due flexibility without encountering the constitutional hurdles. We have every reason to accept that a constitutional body of this status will come out with a reasonable solution to this problem.

Another matter of genuine concern to the States relates to paragraph 7 to the terms of reference asking the Ninth Finance Commission to examine the feasibility of the merger of additional duties of excise in lieu of sales tax with basic duties of excise. The levy of additional duties of excise on certain specified goods was the result of an agreement reached in the National Development Council as far back as 1956 by which the States agreed to refrain from exercising their power to levy sales tax on such goods, in lieu of a share in additional duties of excise to be levied by the Centre. The above agreement even envisaged that the revenues from additional duties of excise may be distributed among States on the basis of the consumption of the goods concerned. The NDC decided to refer the matter to the Finance Commission for evolving the indices of consumption. Accordingly, the successive Finance Commissions have been recommending criteria for distribution based on consumption. I do not want to go into the larger question of how this agreement has been implemented and the grievances of the States in this regard. The real question at the moment is that the agreement in vogue for over 3 decades between the States and the Centre is sought to be reopened unilaterally without consulting the National Development Council. Again, one can not perhaps question the legality of such a reference to the Finance Commission. One can not also question the need for an expert examination of this issue. But this could have been done through the initiative of NDC without disregarding a well-established convention and giving rise to avoidable misgivings among the States. It would be an act of statesmanship if, even at this stage, the whole matter is placed before the NDC for its consideration. Alternatively, let us only hope that the recommendations of the Finance Commission in this regard will be placed before the National Development Council for its opinion before a final decision is taken. Let me add that the Ninth Finance Commission's own recommendation in regard to the procedural matter can contribute to restoring the confidence of the States.

Distribution of resources

The Finance Commissions have been essentially concerned with the distribution of resources, between the Centre and States, and among the States inter se. All the exercises done by the Commission find their ultimate reflection in such a sharing of resources. However, the impact of the Finance Commission awards on the total revenues available to the nation has not received the attention it deserves. This question assumes special significance now because a high proportion of sharable revenues, i.e., from income tax and union excise duties is already being allocated to

States. The States' share is now as high as 85 per cent in the case of income tax and 45 per cent in the case of union excise duties. The growth of revenue from income tax has slowed down considerably over a period of time. Even the growth of revenue from union excise duties has slowed down particularly after the Seventh Finance Commission raised the States' share from 20 per cent to 40 per cent. The experience with the growth of revenues from these two taxes clearly suggests that unless the authority entrusted with levying and collecting a tax has a substantial share in it, it may not be possible to ensure a reasonable growth of such revenues. Just as a steep increase in the tax rates can become counter-productive because of the resulting incentive for avoidance and evasion on the part of individuals, a steep rise in the share of the States from individual tax can become counter-productive as the authority levying and collecting such taxes can slacken its efforts and concentrate on alternative sources which are more productive from the point of view of its own revenues.

The slowing down of the growth of revenues from these two major taxes has also undermined the objective of equity because it is well-known that the incidence of both the taxes is progressive not only as between different income groups but also as between the high income and the low regions. The resulting sluggish growth in tax-ratio, that is, the proportion of tax revenues to national income, has been responsible, in part, for the growing fiscal imbalance in the system. The relative dependence on borrowing from public has been increasing at a fast rate and may soon reach unacceptable levels. A time, has therefore, come for taking a fresh look at the reasonableness of relative shares of the Centre and States from individual taxes in the interests of revenue, equity and overall fiscal balance.

Recourse to grants-in-aid

The requirements of States can not, however, be ignored in this process. A time has come when the objective of rational sharing of revenues from individual taxes can not be achieved without enlarging the sharable sources of revenues. The successive Finance Commissions have been recommending that revenues from corporate tax should be made sharable with States through an appropriate amendment of the Constitution. It has also been suggested that the revenues from the surcharge on income tax should be made sharable, if the levy of surcharge extends beyond the period for which it is originally levied on account of special circumstances. The States have in general expressed their willingness to accept a lower share from the income tax if there is a compensatory sharing of revenues from new sources.

So far as the Ninth Finance Commission is concerned, the options open to it are necessarily limited. It can not lower the existing share of States from the two major sources without causing major financial stress for them. Nor is there any scope for a steep hike in the share even in the case of union excise duties without jeopardising the fiscal objectives stated earlier. There has, therefore, to be greater recourse to grants-in-aid under Article 275. In any case, there is likely to be a greater

resort to such grants if the revenue component of plan expenditure is to be provided. Since recourse to grants-in-aid has to be made in lieu of shares in tax revenues which are buoyant, that is, they rise in response to rise in national income and prices, grants-in-aid have to be raised to take account of the possible rise in prices. The Eighth Finance Commission had provided for an escalation of 5 per cent per annum in the amount of grants-in-aid. The escalation has to be steeper now, especially if we take into account the fact that annual plan assistance to States shows some response to the changing price situation.

In my view, there is a further justification for greater reliance on grants-in-aid. After the increase in States' share from the union excise duties to 40 per cent, there was a clear slow down in the growth of revenues from this source and a significant increase in non-tax revenues, especially through the increase in administered prices. I personally feel that the increase in administered prices were justified not only on grounds of revenue mobilisations, but also from the point of view of equity and efficiency of resource-use. The buyers or users of goods and services should be made to pay at least their cost-price, particularly when they can afford to pay, instead of expecting the general tax payer to pay for them. Besides, economy on the use of scarce resources, especially those involving huge expenditure of foreign exchange, can be ensured only by charging economic prices. What I am suggesting is that like non-tax revenues, there is a case for rise in tax revenues also. One need not substitute the other. Since the State revenues have not grown adequately on account of slowing of the growth of Central revenues from sharable taxes, there is a case for increasing grants-in-aid for them after providing for appropriate escalation every year.

Decline in Central revenue

There is a view that the Centre's deficit on revenue account started increasing because the States' share in union excise duties was raised from 20 per cent to 40 per cent by the Seventh Finance Commission. This proposition does not seem to be borne out by facts. The Finance Commission transfers to the states as per cent of gross revenue receipts of the Centre stood at 22.1 per cent in 1974-75, that is, well before the award of the Seventh Finance Commission. It is true that this share rose to 25 per cent in 1979-80 as a result of this award. As I said earlier the growth of revenue from union excise duties and income tax slowed down whereas non-sharable tax revenue and non-tax revenues of the Centre showed a greater increase. Besides, in view of the larger devolution of taxes the relative importance of grants-in-aid declined even on the basis of Seventh Finance Commission's award. The net result of these developments was that the Finance Commission transfers to States as a proportion of Centre's revenue receipts came down to 22.4 per cent in 1982-83, that is, before the award of the Eighth Finance Commission. Thus their share was the same as obtained before the award of the Seventh Commission. The growing deficit

of the Centre on revenue account is attributable not to the rise in States' share from Centre's revenues but to the slow growth of tax revenues of the Centre and a steep rise in its non-plan expenditure, including particularly interest payments and subsidies.

Vertical equity

Whereas the Centre's growing deficit on revenue account can not be explained by the transfer of revenues from the Centre to the States, it is necessary to dispel the notion that the States' tax revenues are less elastic than those of the Centre, that the States' share in the overall tax revenues of the nation has been coming down or that the total expenditure incurred by the States in relation to that incurred by the Centre has been going down. The available evidence clearly shows that the States' tax revenues have been already as elastic as those of the Centre, the share of the States in the total tax revenues of the nation, after devolution, has been steadily increasing and that the States' share in total revenue expenditure and plan expenditure has not shown declining trend.

The taxes levied by the Centre as percent of total tax revenues varied between 67 to 70 per cent since 1961-62 without any discernible trend of an increase or decrease in this ratio. Correspondingly, the share of taxes levied by States fluctuated between 33 per cent to 30 per cent during this period. It can not, therefore, be asserted that Centre's tax sources are more elastic than those of the States. The devolution of tax revenues to the States as per cent of gross central tax revenues increased steadily from about 17 per cent in 1961-62 to about 28 per cent in early 1980s. As a result of this, total tax revenues of States, that is, those levied by them plus those accruing to them as a result of devolution from the Centre, as a proportion to total tax revenues in the country have shown a rise from around 43 per cent in early 1960s to around 52 per cent in early 1980s. The share of the States in the total revenue expenditure varied from year to year between 52 per cent to 56 per cent without any discernible trend since 1960-61. The actual plan expenditure of the States approximated between 48 per cent to 50 per cent of the total plan expenditure during much of this period. It is, therefore, difficult to maintain that equity as between Centre on the one hand and States on the other, or what is usually termed as vertical equity, has deteriorated over a period of time in regard to public revenues and expenditure.

Horizontal equity

As regards horizontal equity, i.e., the pattern of distribution of resources as between the developed and the less developed States, there is a clear evidence of an improvement in the last decade, at least in so far as Finance Commission transfers are concerned. Only about 25 per cent of sharable pool of revenues both from income tax and union excise duties is now divided among States on the basis of population and the remaining 75 per cent is distributed on the basis of criteria which distinctly favour less developed States or those whose per capita income is below the national average. In principle at least, the major inequity still

persisting in the formula, to my mind, is the distribution among States of 10 per cent of the net collection from income tax on the basis of contribution. I do not want to elaborate on the well-known arguments against this criterion but considering the trends in the Finance Commission devolution in the recent period, whose progressivity is generally acknowledged, I very much hope that the factor of contribution would soon wither away from the formula of inter-State distribution.

Examining progressivity

Whereas Finance Commission transfers have of late become somewhat progressive, the real question is whether these transfers are sufficiently progressive considering the needs of the less developed States. In forming an appropriate judgement on this issue, I think, one has to keep three basic considerations in mind. First the historical neglect of some regions in the colonial period. For nearly a century and half during the colonial period certain regions in the country, particularly in the eastern part, were drained of resources through permanent settlement and the resulting expropriatory land tenure systems. In the colonial period, there were no pressures such as we find now in an independent and democratic polity, against regional inequities in regard to the mobilisation of resources as well as investments in infrastructure. As a result we inherited from the colonial period sharp inequalities as between different regions in the endowments of institutional and physical infrastructure like land tenure systems and irrigation development. The economic integration of the country following independence created a vast national market through the development of transportation and communications. The regions already well-endowed with infrastructure have been able to derive greater advantage from the emergence of a national market for goods and services.

The second factor which needs to be kept in mind is that the devolution of resources by the Finance Commissions to the backward States for at least two decades after independence was lower in per capita terms than for developed States. This fact has been well documented in the literature on the subject. This was the period when the cost of building infrastructure was low. The progressivity in the distribution of resources witnessed in the recent period could not have neutralized the impact of regressive distribution for over two decades, not to speak of the inequalities inherited from the colonial period.

The third factor is the inter-regional flow of resource, on private account. The growing migration of unskilled labour on a large scale from the backward to the developed regions and the lower credit-deposit ratios in the backward regions indicate the higher profitability of investment in the developed regions on account of infrastructural advantages. The inter-regional flow of resources is no doubt desirable upto a point in the interest of efficiency as well as equity. But if such a flow of resources arises essentially from the lack of infrastructure in the less developed regions where the potential for development exists at a low cost to the economy,

then it would not be efficient or equitable from the dynamic or long-run point of view.

The less developed States in the central and eastern India account for about two-thirds of the country's population below the poverty line and nearly 70 per cent of the poor belonging to scheduled castes and scheduled tribes in the country. Experience in the last decade shows that the States experiencing a higher than average rate of growth in per capita income have been able to bring down their poverty ratio at a faster rate than the States where the growth in per capita income has been below the national average.

Growing regional disparities

Let us look at the growth performance of the poorer States vis-a-vis the richer States over the plan period. In the early 1960s the per capita income (State domestic product) of the richer States like Punjab, Maharashtra and Gujarat was, on an average, about 80 per cent higher than the average per capita income of the bottom four States viz., Bihar, Uttar Pradesh, Orissa and Madhya Pradesh. This disparity increased to 150 per cent in 1980s, indicating clearly that the developed States have been growing at a much higher rate than the poorer States.

These widening regional disparities are attributable essentially to the fact that the per capita plan outlays for the developed States have been nearly 50 per cent higher than those for the poorer States, on account of the larger surpluses available for investment from own resources of these States. The transfers from the Finance Commission as well as the Planning Commission could have neutralised, if at all, only marginally the inherent disparities in internal resource generation for public investment. Further, household savings in the economy have been growing faster than tax revenues. In fact, these savings have been growing at the expense of tax revenues, to a significant extent, on account of numerous tax exemptions provided under various saving schemes. Since such savings would grow at higher rate in the States with higher per capita income, which has been growing at a faster rate, they have had the added advantage of higher rate of private investment.

The above factors, viz., the growing regional disparities in development, the preponderance of poverty in the less developed States in a mixed economy like ours, in attracting private resources even from the less developed States, have to be kept in view by Finance Commission while devising a formula for distribution of resources between States. It can no longer be maintained that the transfers from the Finance Commissions have no bearing on regional disparities in plan outlays, as the amount of surpluses left with the States on revenue account are the direct consequence of the formula devised for the distribution of revenues among the States.

As I mentioned earlier, there needs to be greater recourse to grants-in-aid to the less developed States. This, by itself, can impart progressivity to the scheme of

transfers. But since, for reasons mentioned earlier, the scope for increasing the States' share in taxes is limited, there is no alternative to making the formula for inter se distribution more progressive, if the resource position of the poorer States is to be strengthened. As mentioned earlier, as much as 75 per cent of the divisible pool of revenues from income tax and union excise duties is now distributed on the basis of criteria which can be termed as 'Progressive'. Therefore, a further tinkering with these criteria where every State—rich as well as poor—gets some share under each criterion, is unlikely to impart the degree of progressivity which may be considered desirable under the present circumstances. A time has, therefore, come for giving a serious consideration to the suggestion for reserving a certain proportion of tax revenues to the States with per capita income below the national average. The Eighth Finance Commission had earmarked 5 per cent of revenues from the union excise duties exclusively for States showing deficits on revenue account. The constitutionality of a reservation can not be questioned so long as every State is getting some share from each of the shareable taxes.

Poor states at disadvantage

So far I have discussed the tasks confronting the Finance Commission, particularly those having a bearing on regional disparities in development. I am aware that economic development is a complicated process involving not merely the investable resources but also appropriate institutional framework for the release of enterprise and for the efficient use of resources. I think, so far as the poorer States are concerned, we have to work simultaneously on both the fronts, that is, restructuring of institutions to the extent possible as well as strengthening the resource position of these States. There is a positive interaction between the two. Institutional reform contributes to better absorption of investment and technology. The latter in turn generate forces which contribute to restructuring of Institutions. Besides, there is plenty of evidence by now to show that, even under the existing institutional framework, the productivity or efficiency of investment is quite high in the less developed regions on account of the abundant availability of labour and the existence of large underutilized potential in several spheres of economic activity.

The backlog of infrastructure for the less developed States is so large that Finance Commission can be expected to make only a modest contribution towards generating resources to make good this gap. Apart from the own effort of these States, the two other major sources are Plan assistance and the financial institutions. The credit-deposit ratios of most financial institutions in the less developed States are lower than the average credit-deposit for the country. It should be possible to undertake a review of this situation with a view to ensuring greater flow of institutional finance to these regions, especially for infrastructure like minor irrigation and drainage etc. But there is a limit to such a flow of resources in the absence of well-developed infrastructure like assured sources of irrigation, rural electrification,

roads and markets etc, which require large resources and can be undertaken only through public investment.

This brings me to the crucial role of the Planning Commission in ensuring the development of basic physical infrastructure in the less developed States. Under the revised Gadgil Formula for Central assistance to State Plans, 20 per cent of assistance is now reserved for States whose per capita income is below the national average. However, another 10 per cent of assistance is allocated on the basis of 'tax-effort' of each State which goes in favour of the developed States and considerably neutralises the progressivity of the formula. In fact, on account of this, some of the States whose per capita income is much above the national average, get, on the whole, higher Central assistance for Plan in per capita terms than the national average.

'Tax effort' of a State can be considered to be good, if it mobilises more than what can normally be expected on the basis of its per capita income. Normally, the ratio of tax to income rises with the rise in per capita income. If tax-income ratio is taken as an indicator of tax-effort, as is indeed the case under the present Gadgil Formula, then many of the developed States can be regarded as making a better tax-effort, even if they are mobilising less than what is expected of them on the basis of their per capita income. Similarly, the poor States are penalised on account of their low tax-income ratio, even if they are putting in a better effort than is expected on the basis of their low per capita income. The criterion of 'tax effort' as used now suffers from another major defect. At present no weightage is given to the size of the State under this criterion, so that two States judged as making a similar tax-effort get the same amount even if one State is several times bigger than the other. I think it is high time these anomalies in the Gadgil Formula were removed.

Under this formula, 60 per cent of Central assistance is now distributed among States on the basis of population. For this the population figures according to 1971 census are made the basis. The Finance Commissions are also required by the terms of reference to adopt the population figures according to 1971 Census. This is in pursuance of a Statement of Policy on the Family Welfare Programme by the Ministry of Health and Family Welfare dated June 29, 1977, according to which it has been stipulated that in all cases where population is a factor as in the allocation of Central assistance to State plans, devolution of taxes and duties and grants-in-aid, the population figures of 1971 will continue to be followed till the year 2001." Apparently, the idea is to provide adequate incentive to State Governments in their efforts towards containing the growth of population by ensuring that those who achieve significant results in this regard are not penalised through smaller Central assistance and those who do not achieve results are not rewarded. On the face of it this is reasonable.

I do not want to go at present into the question as to whether a matter like this can fit into sub-clause (c) of clause (3) of Article 280 of the Constitution where the

President can refer any other matter to the Finance Commission "in the interests of sound Finance" However, the consensus now among the population experts and social scientists, in general, seems to be that in effecting a reduction in birth rate, factors like family's income and educational levels, particularly of women, access to primary health facilities etc.—in short the levels of social and economic development—are far more important than the direct official campaigns for population control. It is not surprising, therefore, that between 1971 and 1981, the rate of population growth among many of the poorer States was greater than among States where the level of social development is higher. It would appear from this that by adopting 1971 population, the less developed States are penalised for no fault of theirs and indeed on account of their lower level of social development resulting from their weaker resource position.

This is not to suggest that incentive schemes linked with financial allocations should not have any place in the Family Welfare Programmes. But to freeze the entire Federal transfers on the basis of 1971 population upto the year 2001 does not seem to be fair to the less developed States where the growth of population is largely beyond the control of the best of efforts that the Governments concerned can put in.

What is required

At the moment, my limited purpose is to suggest that the above reasoning has to be kept in mind while devising various other criteria for distribution where both the Finance Commission and the Planning Commission have enough discretion. For example, the minimum that can in any case be done is to see that the figures of 1971 population are used only when population is used as a separate factor in the distribution and not in respect of other factors where population has to be used only incidentally as a scale factor or as a correction factor for the size of the State.

In view of the inequitous impact of the 'tax effort' criterion as well as population criterion, I think there is a strong case for improving the Gadgil Formula by reserving another 10 per cent of Central assistance for States whose per capita income is below the national average. This assistance can be linked with outlays on basic infrastructure like development of irrigation with adequate arrangements for monitoring.

It is true that consensus in the National Development Council is difficult to achieve, especially when there is a divergence of interests among the States. This indeed explains why a patently wrong criterion in the formula for the distribution of resources can persist for decades because of lack of consensus on changing it. The Finance Commission, on the other hand, is uniquely placed in this respect as a compact expert body of eminence, commanding respect and confidence of States and, if I may say so, without any obligation to explain things once the work of the Commission is over! This probably explains why the Finance Commission transfers could not become more progressive in the recent

period. Even so, I think, the Planning Commission as an expert body should take initiative for pointing out the drawbacks in the Formula and for starting a meaningful debate on alternative criteria for allocation of resources in the interests of balanced regional development.

The lack of concern for equity is particularly evident in the case of financial transfers under the various Centrally Sponsored Schemes. A Committee appointed by the National Development Council at the time of the formulation of the Seventh Five Year Plan came to the conclusion that the total amount transferred to States under the various Centrally Sponsored Schemes was almost equal to the amount transferred under the Gadgil Formula and that the distribution of such resources was regressive as between different States, in that, the richer States were able to avail of larger assistance per capita on account of their ability to provide matching grants. Thus the total Central assistance for plans, i.e., the combined amount transferred through Gadgil Formula and Centrally Sponsored Schemes ceases to be progressive. It should be possible for the Planning Commission to undertake a review of this situation with a view to exploring the possibilities of making the transfers more liberal to the poorer States which can not afford to provide the matching grants stipulated at present.

To my mind, the central question in the Centre-State financial relations at this stage is, how to redress the regional imbalances in the availability of resources. In the course of the last 40 years, we have achieved a high degree of economic integration in the country in the sense that the output produced in any part of the country can be moved for sale in any other part of the country and factors of production like labour and capital are also highly mobile, but economic integration in the true sense is possible only if the regional imbalances in the availability of basic infrastructure are redressed through long-term investments, and the long-run comparative advantages enjoyed by the less developed States are fully exploited in the overall national interest.

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Technically qualified manpower to be 3.8 million by 1990

The total stock of scientific and technical personnel is expected to be around 3.8 million at the beginning of 1990. It was estimated as 3.1 million at the beginning of 1985. No comparable data is, however, available regarding the stock of science and technology personnel for various countries as there is no uniformity in the categories included by them in the stock of S&T personnel.

The National Research Development Corporation received enquiries for technical know-how in various areas from 21 countries in the last three years. These are: Angola, Australia, Bangladesh, Bolivia, Guyana, Indonesia, Ivory Coast, Kenya, Malaysia, Mauritius, Nigeria, Philippines, Senegal, Syria, Tanzania, Tobago, Togo, Trinidad, UAE, USA and Zambia.

Banking industry- the 1987 scenario

D.G. Gupte

Analysing the trend and progress of banking industry through 1987, the author enumerates its success in the spheres of deposits, credits, interest rates, branch expansion, etc. Success has indeed been commendable, but the industry has yet a long way to go, says the author. Concerted efforts are called for if the industry is to rise to the expanding business in diverse fields and the social responsibilities expected of it.

THE BANKING SCENE IN 1987 was characterised by continued expansion both in deposits and in credit, although the growth rates in both were lower during the year than in the previous year. Indications are that almost all the nationalised scheduled commercial banks will be able to declare higher profits for 1987 than those shown for the previous year. The spectrum of banking activities continued, to expand during the year, with larger interface with capital markets.

Deposits expansion

During 1987, aggregate bank deposits have shown a net expansion of 16,793 crore rupees against the net expansion of 17,315 crore rupees in 1986. The growth rate in 1987 was however, lower at 16.4 per cent against 20.3 per cent in 1986. Total bank credit showed a net expansion of 6,031 crore rupees during 1987 against the net expansion of 7,842 crore rupees in 1986. Here also, the growth rate was lower at 9.6 per cent in 1987, against 14.3 per cent recorded in 1986.

Food credit has declined sharply by 2,527 crore rupees in 1987 against the decline of 761 crore rupees in 1986. Non-food credit has shown a net expansion of 8,558 crore rupees or 14.9 per cent, against the net expansion of 8,603 crore rupees or 17.7 per cent in 1986.

Commercial Banks, no doubt, benefitted from the implementation of a co-ordinated, across-the board, reduction in interest rates on various savings instruments made by the Government of India and the Reserve Bank of India in April 1987. Despite this, banks have to compete with other savings instruments for mobilisation of funds.

As is known, the deposits rate of bank for the longest maturity was reduced from first of April, 1987, to maintain the margin between borrowing and lending rates of banks. The maximum deposit rate was reduced from 11 per cent to 10 per cent, and this was made applicable to deposits with a maturity of two year and above. The shortening of the maturity structure, with the maximum deposit rates being paid on two year deposits, was made to enable easier adjustments of bank interest rate in response to changing economic circumstances. In respect of deposits of one year and above but less than two years, the rate of interest was raised from 8.5 per cent to 9 per cent, and the rates in respect of other maturities were kept unchanged. At the same time all lending rates of bank above 15 per cent were reduced by one percentage point from first April, 1987. This was done mainly with a view to lowering the cost of credit to the borrowers.

Interest rates on other savings instruments such as Deposits, Debentures of both Public and Private sector companies, public sector bonds and other schemes were also reduced. Such conscious policy measures seem to have been taken with a view to avoiding unhealthy competition among various avenues of savings.

Despite the deceleration in the rate of growth of deposits, bank deposits as percentage of total savings in the financial assets by the household sector has risen from around 68 per cent in 1986 to over 69 per cent in 1987. The ratio of deposits to net national product at current prices has also risen over the past five years to around 48 per cent.

Decline in food credit

The sharp decline in food credit during 1987 was due to the return flow of funds from the Food Corporation of India to the banking system, following the soft loan made available by the government of India to the Food Corporation of India. Thus, the relative share of food credit in total credit of scheduled commercial banks has declined over the past two years.

Branch expansion

In the area of branch expansion by commercial banks, the emphasis during the year was on consolidation. The number of new branches opened was lower in 1986-87 than in the previous year. Steps were also taken during the year towards rationalisation of the branch network and operations of public sector banks abroad.

In the new branch licensing policy, special emphasis was laid on consolidation, while at the same time, ensuring that there was availability of bank branch within a distance of 10 kilo metres in the rural and semi-urban areas, and a coverage of 17,000 population per bank office in rural and semi-urban areas of each block. More liberalised norms for branch expansion in hilly and tribal areas were adopted by the Reserve Bank of India.

During the period July 1986 to March, 1987, 300 new branches of banks were added, of which four-fifths were in unbanked centres. Branch office in the rural areas formed nearly 56 per cent of the total number of bank branches at the end of March 1987, as compared to only 22 per cent in June, 1969. This would indicate the efforts made by commercial banks in general and public sector banks in particular, in expanding bank activities in the various parts of the country, and particularly in rural and semi-urban areas, which did not have enough banking facilities before the nationalisation of 14 commercial banks in July, 1969.

With a view to improving the functional efficiency of rural branches, the Reserve Bank of India advised banks to observe one day a week as Non-Public business working day at the rural branches so that the managers could spend the day exclusively in the field to contact the present and prospective clientele for developmental and promotional work, for mobilisation of deposits, credit allocation, supervision over the end use of credit, recovery of loans and rendering appropriate guidance to borrowers. Commercial banks were also told to set up satellite or mobile branches in areas where the volume of business and other conditions did not warrant setting up of a regular branch.

After the difficulties faced by Indian banks operating in the U.K. a few years ago, the Reserve Bank of India has taken steps towards rationalisation of the branch network and operations of public sector banks abroad.

Despite the volatile atmosphere in the foreign exchange markets in the last quarter of 1987, Indian banks having large foreign exchange business have been able to do reasonably well in respect of their foreign

exchange business. Their profits from foreign exchange operation since 1987 are expected to be higher than in 1986, it may be recalled that a few banks had to suffer in their foreign operations, and were obliged to make provisions for such losses in 1985 and 1986.

Other developments

In the monetary sphere, besides the downward adjustment in the interest rates structure, raising of reserve ratio of commercial banks and the rationalisation of selective credit controls were the important developments. In view of the large increase in the volume of reserve money and overall liquidity during the previous three years, the Reserve Bank of India decided to pursue a cautious credit policy to avoid a resurgence of inflationary pressures. In this context, the cash reserve ratio of scheduled commercial banks was raised from 9 per cent to 9.5 per cent effective from 28th of February last year and further to 10 per cent from 24th October last. The statutory liquidity ratio has been raised from 37.5 per cent to 38 per cent of the net demand and time liabilities of scheduled commercial banks from 2nd of this month.

The Reserve Bank of India imposed penalty for daily shortfalls in the maintenance of statutory liquidity ratio by banks. According to the report on the trend and progress of banking in India for the year ended June 1987 published by the Reserve Bank of India recently, as a result of the measures taken by it, there has been a marked improvement in the maintenance of statutory liquidity ratio on a daily basis by commercial banks.

With a view to developing bill finance as payments mechanism, the Reserve Bank of India initiated certain steps. The effective interest rate bill rediscounting on behalf of borrowers in the highest interest range was reduced. The ceiling on the discounting rate was raised from 11.5 per cent to 12.5 per cent. Besides, the credit authorisation scheme was liberalised substantially. This is expected to lead to a reduction in the number of bank borrowers coming under prior authorisation and vesting of larger discretionary powers with banks.

The Reserve Bank of India has called on commercial banks, and rightly so, to pay increasing attention to improve the quality of their loan assets and timely recovery of dues. In its recent report on trend and progress of banking, it points out that this is essential if the banks are to sustain their profitability at reasonable level in the coming year.

Since the composition of banking business is undergoing changes with banks undertaking new activities, it is essential for them to eschew speculative business and to ensure that their major functions of providing working capital to agriculture, industry and exports are effectively performed.

Problems

As it is, banks have been facing strains arising from inadequate recovery of dues and industrial sickness. In the sphere of industrial financing, total assistance

sanctioned by the All India Financial institutions as also commercial banks was higher in 1986-87 than in the previous year. At the same time, sickness in industry is increasing, which has been worrying the managements of commercial banks.

It is worth noting that of the total number of sick units there were 689 large sick industrial units enjoying credit limit of one crore rupees and above and the aggregate outstanding bank credit to these units amounted to 3,239 crore rupees. Of this, 374 units were considered by banks as viable, and 230 units were put under nursing programme by the banks.

In the sphere of cooperative banking, the National Bank for Agriculture and Rural Development, NABARD, took a major policy initiative during 1986-87 in providing refinance facility to the state and district level credit institutions for non-farm activities. The level of refinance for non-farm activities was stepped from 90 per cent of bank loans to 100 per cent. A separate line of credit was sanctioned by NABARD for

providing refinance for the National Oilseeds Development Programme. A ten point action programme was initiated during the year of rehabilitation of weak land development banks.

Conclusion

When one takes a look at the trend and progress of banking in India during 1987, one observes that while banks have been able to achieve commendable successes in many spheres, they have yet a long way to go. They will have to make concerted efforts to improve their service to the customer and continue with their mechanisation and computerisation programme in order to handle the expanding business in diverse fields. In this respect, not only the top managements in banks but also the employees at all levels will have to ensure that they come up to the expectations of not only their own customers but the community as whole. In India, commercial banks have been asked to undertake social responsibilities and are expected to play an important role in the country's economic development.

(Contd. from page 7)

pumpsets and to extend light connections to rural families below the poverty line and extension of insurance and social security benefits to poor families in rural areas. A national level corporation would develop schemes for employment generation for scheduled castes and tribes, As part of reducing input costs for farmers, the budget also provides for exemption from excise duty for electric motors used in pumpsets and pesticide intermediates and other incentives for processing of agricultural produce. Among industries, textiles and electronics receive special attention.

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JALDHARA, a scheme to provide pump sets to marginal farmers in drought prone areas on nominal rental or lease charges. There is also the proposal to initiate a project for digging one million wells under Rural Landless Employment Programme.

Much of the problems faced by successive budgets in regard to mounting non-Plan expenditure and budgetary deficits can be taken care of if the economy is revived and the growth rate in the coming years is stepped up. This is sought to be done through schemes to revive agriculture and industry. However agriculture is still too dependent on monsoons and the budgetary allocation of Rs. 227 crore for water resources is hardly adequate to spread irrigation to areas which are at present rain-fed. A lasting solution to the problem would probably have to await the Eighth Plan.

Monsoons, the saviour

Briefing newsmen on the budget, the Finance Secretary, Shri S. Venkitaramanan, said that price rise in the current year was due to inadequacy on the supply side in view of the failure of the monsoons. The budgetary deficit and other factors did not have much impact on the price situation. He felt that in case the monsoon was good, which was quite likely the prices are not likely to go up much. The economy, he said, could sustain the order of deficit envisaged for the coming year. One would, thus, have to wait till the monsoons arrive and watch how effectively the schemes announced by the Prime Minister for the revival of agriculture and industry are implemented to determine the success of the Budget. □ □ □

Warning to manufacturers

The Finance Minister has expressed the hope that the entire relief available to manufacturers would be passed on to consumers in the form of lower prices. Since past experience has not been encouraging in this regard, Shri Tiwari has thought it fit to warn that the concessions would be withdrawn if there is evidence of manufacturer taking undue advantage of the concessions. The Budget, while being helpful to large sections of people, would also aggravate concerns about the Government's ability to control inflation and bring about some fiscal discipline. (Courtesy : PIB, New Delhi)

Additional 175 T.V. Transmitters in Seventh Plan

The number of TV transmitters in the country will increase to 392 from the present 217 with the implementation of Seventh Plan Schemes. In a written reply the Minister of State for Information and Broadcasting, informed the Lok Sabha on November 16, 1987 that the gross revenue of Doordarshan from commercial advertisements and sponsored programmes during 1986-87 was Rs. 98 crore. Part of the revenue was spent on further development of Doordarshan network. □ □ □

An insight into poverty alleviation programmes

V.S. Singh

The author makes an objective assessment of various poverty alleviation programmes in operation. He focusses his study on three more important programmes—NREP, IRDP and RLEGP and suggests labour-intensive works catering to the needs of local people, like construction of village link roads, afforestation, soil conservation etc. as a remedy for the prevailing bottlenecks coming in the way of successful operation of the rural employment programmes. While pinpointing the main lacunae in IRDP, brought to light by various national level organisations, he emphasizes the need for reorientation in the operation of the programme and change in the attitude of bank personnel in the matter of advancing funds to solve the problem.

Ever since the beginning of the planning era, the removal of poverty and raising the level of living of the masses, has been, in one form or other, one of the main objectives of the nation's successive Five Year Plans. It was, however, in the Fifth Plan (1978-83), when the word 'Poverty' was for the first time specifically introduced and 'Removal of poverty and attainment of economic self reliance' was enunciated as one of the two basic objectives of the Plan. In fact, in a developing economy, and more so in a Welfare State like ours, poverty removal programmes must be the hub of the Plan objectives. In the present Paper an attempt has

been made to give a critical analysis of the functioning of the poverty alleviation programmes that are currently under operation and lacunae that are eating out the very roots of the programmes.

In consonance with the Plan objective of raising the level of living of the poor and pulling them up from the morass of poverty, a number of development programmes are in operation which, by and large, mainly aim at providing employment to the persons living below the poverty line, since it is considered that through providing employment to this cross section of the population, a source of income would be generated for them and would, thus, enable them to rise up from the existing subsistence living. Among these poverty alleviation programmes, the Integrated Rural Development Programme (IRDP), National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP) deserve special mention. Though much echo has been made about the benefits accruing from these programmes but, as the things obtain today, these programmes are yet to make a real dent on the objective with which these were launched. In the succeeding paragraphs a critical assessment of the present working of these programmes along with specific suggestions as to what ought to be done, so that these programmes are able to achieve the objectives, both in letter and spirit, for which they were launched.

National rural employment programme

The National Rural Employment Programme was launched in December, 1980 in place of the erstwhile programme of "Food For Work". This Programme had also the same objectives as that of the 'Food For Work Programme'. The basic objective of this programme was to create gainful employment opportunities for unemployed and under-employed persons of the rural areas. It also aimed at strengthening the infrastructural facilities in rural areas, through construction of public utility assets. It, thus, emerges from the very objective of the programme that two conditions are necessary to be fulfilled before initiating this programme. Firstly, the proposed schemes must create permanent assets and secondly, the expenditure against labour and material component of the schemes included in the programme should have a ratio of 60:40 respectively.

Constraints

The Evaluation Division of the State Planning Institute, U.P. had conducted an Evaluation Study of this programme in the year 1983 and had, accordingly, brought out a Study Report in this connection. The report brings to surface some of the constraints and the main bottlenecks coming in the way of successful operation of the programme. It has been observed in the Evaluation Report that the specific conditions mandatory for launching the programme viz. construction of permanent assets, 60:40 ratio in labour and material components, at least 10% expenditure on

the works specifically benefiting the weaker sections, at least 10% expenditure on afforestation etc. have practically made the selection of the appropriate construction works a very difficult task. Some of the conditions are mutually contradictory like construction of permanent capital assets tagged with the condition of 60:40 ratio in expenditure against labour and material respectively. All concerned were of the opinion that it is rather impossible to construct permanent capital assets by maintaining a ratio of 60:40 in labour and material.

The rate of wages to labourers is another major factor adversely affecting this programme. It is difficult to arrange and maintain the required number of labourers with the existing wages. The wages, fixed for labourers working in this scheme, are less than that of the corresponding wages in some Departments. In all districts the wage rates were lower than the fixed one, with the result that only those labourers are willing to work under this scheme, who are unable to find employment anywhere else. The workers engaged in this scheme are, by and large, women and feeble males, whose productivity is generally lower than that of an average worker.

Remedial steps

There is an imperative need for determining the priorities among the programmes eligible for inclusion in this scheme. The priorities should be decided taking into consideration the felt needs of the area and potentials of employment. Only those works should be taken up which are labour intensive and are actually desired by the local people. Village link roads, soil conservation, construction of tanks, afforestation programmes should be accorded priority, as these programmes are based on the felt needs of the local people and are also labour intensive.

What ails IRDP

Since 1970 a number of rural development programmes have been in operation with a view to alleviating poverty by increasing income and employment. Of these programmes, Integrated Rural Development Programme, which accounts for nearly 40.2 per cent (Rs. 3473.99 crores) out of the total Seventh Plan Rural Development investment of Rs. 8448.83 crores, is the biggest one. The Seventh Plan not only increased the allocation to Rs. 3474 crores from Rs. 1661 crores in the Sixth Plan, but also defined the poorest of the poor as those having an annual income of Rs. 4800, which is substantially lower than the cut off income of Rs. 6400 but higher than the Sixth Plan definition of Rs. 3500 per family. The Seventh Plan recommends that cost effectiveness and minimisation of leakage should be the two guiding principles in the implementation of poverty alleviation programmes. These programmes should be formulated and implemented in a decentralised manner with the participation of the people at the grassroot level through village panchayats.

A number of institutions such as Reserve Bank of India, Programme Evaluation Organisation (PEO), NABARD, State Bank of India etc. have studied the IRDP programme. Taking these into account G.V.K.

Rao Committee has made certain recommendations with far reaching consequences.

Observation of G.V.K. Rao Committee

G.V.K. Rao Committee has rightly recommended that the local initiative must be encouraged by involving the people effectively in drawing up programmes of rural development. The Committee recommended that the Panchayat Raj bodies have to be activated. It rightly pointed out that Block Development Officer had become ineffective and the credibility of the Organisation had been eroded. The Observation made by the Committee about B.D.Os. was in line with recommendation made by the Programme Evaluation Study. The Committee has also observed that the Cooperatives have not kept pace with the ever increasing credit requirements of agriculture and rural development. The entry of commercial banks into the field of credit has in no way proved better. In fact, commercial banks are much more security conscious than cooperatives.

Taking into account empirical studies done by national level organisations, the G.V.K. Rao Committee has made two important observations. Firstly, the planning component of individual programmes is found to be weak, Secondly, IRDP kind of asset based programmes have a trend towards corruption. While agreeing with these two findings, it would be difficult to fully agree with the suggestion of the Committee that the subsidy given to IRDP beneficiaries should be removed and instead, the beneficiaries should be given easy terms of credit at low interest rates. No doubt the subsidy element has given rise to corruption. All the same complete withdrawal of subsidy will not solve the problem. As regards subsidy, it has been pointed out by the PEO that in some areas the subsidy was not adjusted immediately after providing assets to beneficiaries with the result that the beneficiaries had to pay interest even on the subsidy portion of the cost of assets. What is important is that subsidies are given on a selective basis and administrative efficiency, so that there is no misuse of subsidy.

What PEO study says

Even the Commercial banks have not been found useful. According to PEO Study, in a large number of cases loan applications were rejected on flimsy grounds. The rejection rate in Sangrur district of Punjab was 70 per cent. Due to these reasons and their being security conscious, it would be difficult for the Commercial banks to participate in a big way in giving agricultural credit. The IRDP Programme was initiated in a large number of districts without the necessary preparatory work. According to the PEO Study, nearly 70 per cent of the selected districts reported inadequacy of administrative and banking infrastructure and supporting services to provide assets to beneficiaries.

Excepting in Karnataka, where identification of beneficiaries was done after conducting a detailed house to house survey, in most of the States, beneficiaries

were selected from master list of Small Farmers Development Agencies (SFDAs) and Marginal Farmers and Agricultural Labours Development Agencies (MFALS). According to the PEO Study, many of the States had not introduced Vikas Patrika to be given to each beneficiary for monitoring of the impact of the IRDP Scheme.

The Programme Evaluation Organisation of the Planning Commission had done an evaluation of the working of IRD Programme in May 1985. In all, 16 States were surveyed. According to the PEO Study, about 90 per cent of sampled households expressed the view that as a result of the IRDP their income and family employment had improved and 77 per cent of selected households reported that their consumption level had increased. This Study also showed that nearly 49.4 per cent of the selected sample households were able to cross the poverty line. All the beneficiaries in the annual income bracket of Rs. 2500 to Rs. 3500 were able to cross the poverty line i.e. came up to an income level of Rs. 3500 and above. The majority of the households in the lowest income group were not able to cross the poverty line, partly due to inadequate assistance and partly, because of other factors, such as inadequacy of supporting facilities and lack of sufficient coverage of activities having better potential for income generation. About 22 per cent of the households felt that the scale of financial assistance available under the scheme was inadequate. Nearly 26 per cent of the families were not properly identified, as they belonged to the family having annual income exceeding Rs. 3500. The increase in employment was the highest in tertiary sector, followed by primary and secondary sectors respectively. The Study suggested that the income limits of Rs. 3500 also needs to be raised in view of general price rise.

Concurrent evaluation

About the extent of benefits from the IRD Programme, there are differences between the findings of the PEO and the concurrent evaluation, carried out by 29 Research Institutions, on behalf of the Ministry of Rural Development. While PEO Study shows that in agriculturally prosperous areas, 60 per cent of the respondents considered that the quantum of admissible financial assistance was inadequate to enable the target families to cross the poverty line, the concurrent evaluation shows that in case of 79 per cent of beneficiaries, the assistance was sufficient to acquire the assets under the scheme. The concurrent evaluation reveals another interesting information that almost invariably the value of assets assessed by the beneficiary was lower than as per record.

The other important findings of the concurrent evaluation are :

1. The poorest of the poor had predominant coverage under IRDP. About 60% of the assisted families belonged to the destitute group, with an annual income up to Rs. 2265 and 37% to very poor group, where the income ranged between Rs. 2266 and Rs. 3500.

2. About 40% of the beneficiaries were selected in the meetings of Gram Sabhas and about 56% beneficiaries by officials.
3. The assets had generated incremental income of more than Rs. 2000 in about 26% cases. It ranged between Rs. 1001 and Rs. 2000 in 22% cases and between Rs. 501 and Rs. 1000 in 12% cases. It was upto Rs. 500 in about 12% cases.
4. In about 20% cases, the assets of the beneficiaries had not been insured.
5. In about 20% cases, no incremental income was generated by the assets. This is a matter of serious concern.
6. Training for handling the assets was required by about one fifth of the beneficiaries, but it was not given.
7. After care and support by government agencies was not made available to the beneficiaries in about 45% cases.

Various studies

The Agricultural Banking Department of State Bank of India has conducted studies relating to evaluation of IRDP in a number of blocks in Uttar Pradesh. Following are the important findings of these studies :

1. Proper identification of beneficiaries is not being done and they are not adequately helped in selection of the schemes.
2. There is a lack of infrastructural facilities like roads, market, veterinary hospitals, milk collection centres etc. for the success of the schemes.
3. Technical guidance to the beneficiaries is not forthcoming properly, so as to use their assets economically.
4. There is a lack of coordination among the bank and block officials.
5. Insurance claims of animals are not being settled expeditiously.
6. Under-financing of the projects gives rise to poor return and renders the scheme unviable.

Pioneering study in the field of IRDP was conducted by the NABARD. The NABARD study shows that the extent of leakage was 26 per cent and the animals selected under the animal husbandry programme were of poor quality. In all States income generation was decidedly better for minor irrigation scheme. The average incremental income that accrued as a result of participation in IRDP worked out to Rs. 1616.

All the evaluation studies and the report of the G.V.K. Rao Committee came to the same conclusion that all was not well with the IRD Programme. The beneficiary-oriented approach of the IRDP has not served the purpose for which it was started, as the benefits in a large number of cases were going to the wrong type of households for whom the programme was not meant. There is, therefore, an imperative need for drastic reorientation in the operation of the programme and the pilferages have to be completely checked by adopting remedial measures. The outlook of bank personnel associated with the advance of funds needs to

be substantially changed from the existing rigid one to accommodating and helping one.

Rural landless employment guarantee programme

This programme is the latest one in the series for alleviation of poverty in the rural areas. The programme was introduced from 15th August, 1983, with the objective of (a) improving and expanding employment opportunities for the rural landless, with a view to providing guarantee of employment to at least one member of every landless household upto 100 days in a year and (b) creating durable assets for strengthening the infrastructure, so as to meet the growing requirements of the rural economy. Thus, the Rural Landless Employment Guarantee Programme (RLEGP) has been started with the dual objective of expanding employment opportunities in rural areas and providing sharper focus on the landless labour households, which constitute the hard core of the people below the poverty line. As in the case of NREP, wage and material cost ratio will be 50:50. It is important to pinpoint that in the series of programmes launched with a view to considerably reducing the incidence of poverty, RLEGP is the first programme, which provides a guarantee for employment to the rural landless labourers. The wages to the labourers engaged in the works under this programme are to be given in cash as well as in kind i.e. in the shape of wheat. An outlay of Rs. 1743.78 crores for the country during the Seventh Plan has been provided for RLEGP to be borne entirely by the Centre. Based on the average wage of Rs. 8.61 per day as in 1984-85 and a wage material cost ratio of 50:50, a total employment of 1013 million mandays is likely to be generated during the Seventh Plan, at an average rate of around 200 million mandays per annum.

What is required

There are a number of lacunae in the programme content as well as in the operational aspects, which are putting a great hurdle in achieving the objective for which the programme was initiated. Some of the important lacunae in the programme are briefly enumerated below :

(1) There is no systematic selection of villages for field operation of the programme. Besides, no survey has been done to identify the unemployed. It is suggested that only those villages should be selected for this programme, which are predominantly inhabited by scheduled castes and landless labourers as these, by and large, form the bulk of the unemployed in the rural areas. Before launching the programme in an area, it is imperative, first of all, to identify the unemployed persons. This is necessitated because of the fact that experience of implementation of this programme in the past has revealed that the required number of persons were not available to work on the projects, as no prior survey was done to assess the magnitude of the unemployed in the areas. Remedial measures are needed to plug these loopholes.

- (2) It was specifically laid down in the objective of the scheme that it would guarantee employment to at least one member of every landless household up to 100 days, but as the things obtain today, no record is being maintained to ensure that the beneficiary got employment of 100 days in a year. It is, therefore, necessary that cards may be issued to each beneficiary and entries of number of days worked may be mentioned in the card, so that it may be assessed as to how many days in the year the beneficiary got employment through this scheme.
- (3) The intensive field visits have revealed that employment through this scheme is, by and large, provided in the peak agricultural seasons, whereas, the objective of the scheme was to provide employment during slack agricultural season. The main reason for intensifying the works on the projects in such peak seasons is the utilisation of funds allotted at the fag end of the financial year i.e. in the month of March. What is, therefore, needed is early sanction of the project, so that work may be started well in time.
- (4) One of the main difficulties that the beneficiaries working under this scheme face, is with respect to the string of payment of 4 kg. wheat per day because these poor people, who have subsistence living and entirely depend on what they earn daily, get much disappointed and disgusted when after doing hard manual labour throughout the day and, there after, travelling on foot a number of kilometres they go to the grainshop for obtaining wheat as daily wages and find the shop closed. Moreover, the storage problem of the grains received as wages further aggravated the situation. In addition, the labourers in the Eastern U.P., who are predominantly rice eating people, naturally prefer to have cash as wages instead of wheat, as rice is not distributed as wages. What is, therefore, needed, is that no string of foodgrains is attached in the payment of wages.
- (5) The wages paid to the workers engaged in the projects under this scheme is Rs. 11.50 per day, which is lower than the prevailing wage rate and is much lesser than rate in the Western Region, where the general wage rate is Rs. 15.00 per day. For the successful working of the project and to attract the required number of labourers, it is essential that wage rate, in no case, is lesser than the existing wage rate in the area. It is, therefore, recommended that wage rate for RLEGP works should, in no case be lower than the rate prevailing in the area, for similar works.
- (6) A special feature of the RLEGP was the abolition of intermediaries i.e. the contractors in such employment oriented projects, but in actual practice the contractors are invariably engaged by the implementing agencies and, thus, one of the main ingredients of the programme is not being adhered to. Strict vigilance is, therefore, required to see that contract system does not crop up at all in the execution of the projects of this scheme.
- (7) The introduction of contract system in the execution of the programme has resulted in incorporating

fictitious figures of mandays in the records of the projects relating to RLEGP, as this is the easiest recourse that contractors adopt for procuring the premium.

- (8) One of the main objective of the RLEGP was the creation of durable assets, besides providing employment. The ratio between labour and material is fixed at 50:50. Since the executing machinery has to adhere to this specific ratio, the final stages of the construction works generally remain incomplete. For example, in case of construction of roads, the soling stage, which follows the earth works, is not completed on the entire length of the work and only a portion of the project gets completed in all respects. There is, thus, an imperative need that the existing ratio between labour and material is suitably revised.
- (9) There is absolutely no provision, whatsoever, for the maintenance of the projects, constructed under this programme. The obvious result is that whatever is constructed gets completely eroded to the original position, indicating as if no work was at all ever started on the site. It is, therefore, urgently needed that a specific outlay is allotted for maintenance works of these projects.

Concluding remarks

It, thus, emerges from the foregoing critical analysis that there is an impelling and urgent need

for drastic reorientation in the existing content of the poverty alleviation programmes and the implementing procedure and its machinery. The lacunae in the identification of the really poor ones and in the development programmes that are in operation for alleviating poverty have necessarily to be wiped off. These programmes have to be operated on a war footing and in such a fashion, so that benefits of these go only and only to the poorest of the poor. What is urgently needed is to bring a real dent in the income of the most unprivileged cross section of the society, which is living in utterly abject poverty, because those living just below the poverty line would, in all likelihood, be able to cross it in due course of time, as a result of multiplier effect of various development programmes, meant to raise the income of the poor.

In order to change the existing scenario of abysmal poverty of rural masses and give them a ray of hope, the strategy, content, procedure, conditions, implementation machinery sets of the poverty alleviation programmes will have to be restructured in such a fashion as suggested in the Paper, otherwise the parrot-like slogan, of planners and policy makers, of pulling up the rural masses from the quagmire of poverty and raising the level of their living, enshrined in the main objectives of the successive Five Year Plans, would ever remain a myth and nothing short of it. □ □ □

Measures to prevent atrocities on weaker sections

With a view to preventing atrocities on Scheduled Castes and Tribes Dr. Rajendra Kumari Bajpai, State Minister for Welfare has written to the Home Minister to ensure suitable representation to these classes in recruitment to the police and also to arrange re-orientation courses for the police personnel to enable them to take sympathetic attitude towards the Scheduled Castes (SCs) and Scheduled Tribes (STs.)

Presiding over the meeting of the Parliamentary Consultative Committee of her Ministry recently she said that her Ministry had also written to the Chief Secretaries on the subject and additionally assured the members, who complained of atrocities on the weaker classes, that her Ministry would continue to remind the States and Union Territory (UT) governments on the necessity of taking expeditious suitable remedial measures.

Talking of the economic welfare of these classes she informed the members that under the Government of India's different schemes for the alleviation of poverty, it had been decided to allocate 30 per cent of the budget

available to the District Committees on the Implementation of the 20 Point Programme to be allocated to the welfare of the SCs and STs. She also said that Khadi and Village Industries Commission had decided to allocate 30 percent of the funds under different schemes for the benefit of these classes in the form of subsidy or loans. □ □ □

Rs. 292 crore for Ganga action plan

194 schemes for purification of Ganga river had been sanctioned at an estimated cost of Rs 200.61 crores upto January 31, 1988. Work was in progress in 25 out of 27 towns, and 11 schemes at an expenditure of Rs. 4.17 crores had been completed, the Minister said.

About the progress of the purification of Ganga river, a works programme of Rs. 292.31 crores for U.P., Bihar and West Bengal had been approved by the Central Ganga Authority under the Ganga Action Plan.

The outlay during the Seventh Five Year Plan period was Rs. 240.00 crore. An amount of Rs. 54.76 crore had been made available to the implementing agencies upto 31st January, 1988. □ □ □

NABARD in the aid of rural poor

Krishan Anand

This article throws light on the manifold role of NABARD, an apex body for providing refinance facilities in rural areas. It was set up on the recommendation of Sivaraman Committee in 1982, to provide credit for the promotion of agricultural small scale industries, cottage and village industries, handicrafts and handlooms and other related economic activities aimed at benefiting the rural poor. In the wake of severe drought last year, the role of NABARD has become all the more significant. Here, the author tells what NABARD is doing to help handloom weavers and handicraft artisans and what steps it has taken to provide the facility of agricultural credit to the rural poor.

The farmers are being provided timely and needed inputs like water, seeds and fertilisers, at cheaper rates. Several land reform measures have been taken up along with research and development studies. Besides the Government is providing the farmers a crop insurance cover and cheap finance so as to increase the purchasing power of the rural people under its various poverty alleviation programmes.

NABARD, apex refinancing agency

To make available cheaper finance to the farmers, the National Bank for Agriculture and Rural Development, popularly known as NABARD was set up by the Government in 1982 under an Act of Parliament. NABARD is the apex body for providing refinance facilities in rural areas. It took over the functions of the erstwhile agriculture credit department and rural planning and credit cell of the Reserve Bank of India as well as of the Agricultural Refinance and Development Corporation. Its subscribed and paid up capital is Rs. 100 crore contributed by the Central Government and the Reserve Bank in equal proportions.

NABARD was set up on the recommendation of Sivaraman Committee for providing credit for the promotion of agricultural small scale industries, cottage and village industries, handicrafts and handlooms and other related economic activities aimed at benefiting the rural poor. NABARD serves as an apex refinancing agency for the institutions providing investment credit for the promotion of various development activities. It takes measures towards institutions' building so as to improve the capacity of the credit delivery system. It also coordinates the rural financing activities of all institutions engaged in development activities in rural areas.

The NABARD refinance is available to State Land Development Banks, State Cooperative Banks, Scheduled Commercial Banks and Regional Rural Banks.

AGRICULTURE IS THE KEY TO INDIA'S ECONOMY. It accounts for 50 per cent of the total employment, 35 per cent of the Gross Domestic Product and 33 per cent of the country's exports. According to the 1981 census, 24 crore people are employed in the agricultural sector. Out of these, 37.8 per cent are cultivators, 22.7 per cent agricultural labourers and 39.5 per cent other workers.

The Government has been following a multi-pronged strategy for improving the lot of the rural people and bringing them above the poverty line. The major thrust of the 20 point programme is also to help the rural people, especially those below the poverty line and in the unorganised sector.

Touching new heights

The Centrally sponsored programme for extending assistance to small and marginal farmers for increasing agricultural production was taken up in 1983-84. According to the latest available official figures term-credit disbursement by way of replacement refinance under schematic lendings reached a new peak of Rs. 1, 192 crore during 1985-86. It registered a 12 per cent increase over the previous year. Refinance provided for the implementation of the Integrated Rural Development Programme also reached a new peak of Rs. 378 crore, registering an increase of 6.2 per cent over the previous year. In 1986, NABARD started a credit project with a \$375 million World Bank assistance for meeting the growing investment credit needs of the agriculture sector. For diversification of the rural economy and expansion of the non-agricultural activities, refinance support was also extended to the working capital finance, long-term investments and financing of infrastructural activities in rural areas.

Manifold role of NABARD

The role of NABARD and similar institutions has increased manifold in view of this year's severe drought. The Planning Commission has also expressed concern in its annual plan document for 1987-88, which was presented to Parliament recently, that "There was a considerable shortfall in the disbursement of cooperative loans in 1986-87, particularly in respect of short-term loans, on account of severe drought conditions in several states which slowed down the recovery of cooperative loans and led to mounting overdues". This

according to the document, had resulted in reduced eligibility for refinance facilities from NABARD.

Recently, NABARD launched a three-year project for the development of Premier Agricultural Credit Societies (P.A.C.S.) and Large Scale Multi-purpose Societies in tribal areas, popularly called LAMPS. The project is aimed at giving a new dimension to developing the cooperative societies. It will be operative initially in 20 districts and benefit 600 PACS and all the working LAMPS. Under this scheme, NABARD has prepared a 15-point programme for the development of societies so as to strengthen their operational efficiency. The programme will help the farmers, scheduled castes and scheduled tribes in respect of collection of minor forest and other agricultural produce.

Recently, the Government has announced a number of relief measures for helping the handloom weavers and handicraft artisans whose purchasing power has been affected by the drought and floods in different parts of the country.

To meet the situation, NABARD has decided to provide additional credit to the State Handloom Development Corporations and Weavers Cooperative Societies. It has also increased its credit limit from 40 per cent to 75 per cent of the anticipated sale of primary and apex Weavers Cooperative Societies.

NABARD has also undertaken a number of studies on various aspects of agricultural credit. The findings of these studies, expected to be available in 1988, will hopefully make suggestions for an all-round improvement in the credit delivery system. □ □ □

Marine products exports to cross Rs. 470 crores

Exports of marine products from India are expected to cross the annual target of Rs. 470 crore during the current financial year (1987-88) according to the latest trends available upto December, 1987. During the period April-December, 1987, exports of marine items, comprising mainly of shrimps and prawns, increased both in terms of quantity and value to 65,906 tonnes valued at Rs. 373.79 crore from 62,744 tonnes valued at 339.86 crore in April-December, 1986.

This was indicated at a meeting convened in New Delhi on February 4, 1988, by the Minister of State for Commerce, Shri P.R. Dasmunshi, to review the progress of export efforts in the marine products sector which is among the 14 thrust sectors identified by the Government for intensive promotion. In the context of the inadequate landings of shrimp and other items, Shri Dasmunshi emphasised the need for a long-term perspective to strengthen fisheries production for exports.

With regard to aquaculture, the Marine Products Export Development Authority is already setting up

two prawn hatcheries in Orissa and Andhra Pradesh at an estimated total cost of Rs. 2.56 crores and Rs. 2.95 crores respectively. These projects, scheduled for completion by 1988-89, are designed to produce 25 million and 40 million prawn seeds (large) per annum respectively. It is expected that these two hatcheries will yield about 2600 tonnes of additional production of shrimp annually for exports. □ □ □

Kerala thermal power plant proposal cleared

The Energy Minister, Shri Vasant Sathe informed the Kerala Chief Minister Shri E.K. Nayanar that the Central Electricity Authority had cleared the proposal to set up a thermal power station at Kayamkulam. This thermal power station will have a capacity of 420 MW in the first stage. However, the CEA's techno-economical clearance is subject to clearance like forest, environmental and civil aviation and provision of inputs. The state would have also to ensure the water availability for this thermal power station. Only then the Planning Commission would be able to take an investment decision. Shri Sathe said. □ □ □

RESERVED FOR READERS

On poverty

'Poverty in the land of plenty (Editorial, What we must do? —Yojana, 26 January, 88) is a most serious problem confronting our nation today. The editorial makes a very powerful indictment of the mess we find ourselves in. I congratulate you for focussing attention on such a vital topic. India is a rich country inhabited by the poor people. Our land is extremely fertile. Nature has favoured us with all kind of seasons. We are richer in natural resources than advanced countries like Germany and Japan. We have got a very large trained scientific and technical manpower. Yet, there is something holding us back. The situation needs to be analysed and remedied. To my mind, nation building does not consist of building roads, factories, five star hotels and other symbols of affluence. These are, ofcourse important, but there are things much more fundamental. Nation building essentially involves character building. This is where we have failed. Let us inculcate a spirit of service and dedication towards the nation among all the countrymen. Let us build an India, where everybody regardless of caste, creed and religion takes pride-in being Indian. Let us create a society based on equality and justice. Let everybody participate in nation building. This is not easy to acheve, but this is the most fundamental issue. Let our politicians, thinkers and planners pay attention of these aspects of nation building. There are no shortcuts.

In our country poverty resides in all the rural and tribal areas and urban slums. Our planning has been defective. All development has taken place in urban areas, and rural areas have been totally neglected. As a result population has migrated from rural to the urban areas. Cities have been bursting to the brim. All the facilities have proved inadequate. Slums have been created. On the other hand villages have been neglected. Educational and medical facilities are lacking. Job opportunities are non existent. Their buying power has not increased. People are forced to live below subsistence level. This has led to migration of population from rural to the urban areas. The trend needs to be reversed. Gandhian model is still the best, for a country like India, if we have to ensure equitable

distribution of income. Our people have suffered too long. This is the time that a dent is made in the poverty.

Dr. S.S. Singh
Tagore Road Hostel
New Delhi

I congratulate you for bringing out a very thought provoking special issue of YOJANA dated 26.1.88 on the "Anatomy of Poverty", which has been and will be the No. 1 problem of India for long. Of all the definitions of poverty, the one suggested by Shri Kameshwar Chowdhary, that it should be based on the food and non-food requirements for a 'decent human existance' appears most sensible and reasonable, according to which about 75% of the Indian population has to be considered below the poverty line. While Shri Vasant Sathe deserves congratulations for boldly urging the top political leadership in the Govt. to formulate policies synthesizing the economic models of Gandhiji and Nehru through a non-exploitative faster growing economy to shape the destiny of the 800 million people, one wonders how far the challenge will be taken up. Dr. Malcolm Adiseshiah's call for a national renaissance where rich and powerful will give up part of their wealth and power, and Shri C.J. Daswani's hope for every individual to raise his consiousness to bring about values of simple living and social commitment giving up the Present culture of self seeking acquisitiveness and consumerism may remain only as fond hopes.

While all the 3 approaches to remove poverty, viz (1) trickle down theory (2) asset transfers through land reforms, and (3) direct attack on poverty through employment generation programmes like RLEGP etc. have not fully succeeded, any radical structural changes like further land reforms may be unrealistic to hope for in the present political scenario which is based on the existing socio-economic power bases. Further radical land reforms so late now have lost their relevance for any effective redistribution of productive assets, as the rich have shifted their investments from the agricultural lands to urban real estate, bank deposits, gold, shares and stocks in own and benami names. Still, if the political leadership is reasonably committed and clear-headed, it can seriously consider implementing the

more urgent measures like the following without the risk of upsetting the political applecart :

1. Speedily controlling population growth by a vigorous family planning programme based on effective incentives and disincentives mobilising the services of mohallah level community leaders, especially the women, combined with better child care through universal coverage of immunisation and nutrition.
2. Allocating more budget for education, especially to school and joboriented education to develop desired values and skills, drastically pruning the many illequipped colleges and universities churning out low quality graduates, limiting the higher education only to the meritorious to produce the required number of doctors, engineers, managers, scientists etc. Only at the centres of excellence like IITS and selected universities.
3. Allocate much more budget, say upto 5% of the GNP for poverty alleviation programmes like IRDP, RLEGP etc. by selecting viable schemes both for generating employment in rural and urban areas, and also to create lasting community assets like tanks, minor irrigation projects, combined with area (block level) development approach with statutorily decentralised planning and Panchayat Raj set up to usher in a real people's participation in development.
4. Speedy development of infrastructure and basic inputs like irrigation, power, transport, telecommunications, banking, steel, coal, cement, fertilisers etc. through autonomous bodies managed by private sector with public control or workable public enterprises giving them real autonomy while making them accountable for results. This should be combined with radical pruning of the public sector by privatisation of all sick, consumer and non-monopoly industrial goods units (textiles, cement, scooters, electronics etc.). Liberal voluntary retirement schemes for employees and labour participation in management can be used.
5. Reorienting and symplifying industrial licensing policy to massively increase production of wage goods while drasically curbing luxury consumer goods to discourage the growing consumerism, combined with an effective mechanism to check monopolies and big business houses (which are often obtaining liberal institutional finance and bleeding some of the units into sick units by misappropriating their capital). Entry of medium and large industrial units into labour intensive areas like textiles should be banned. forcing the existing units to gradually export their entire production.

6. Devising a simplified savings and investment scheme and taxation laws to encourage investment and minimise tax evasion especially in urban assets like real estate and benami shares and stocks. For example one or two investment/stockholding corporations can be set up to channelise all savings instead of the present multiplicity of agencies like National Savings, Postal, UTI, LIC, Banks etc. Similarly a single indirect tax like excise duty (abolishing the sales tax etc. being imposed by the State Govts) with more share to states is advisable to reduce duplication, corruption and harrassment. Likewise direct taxes should extend to urban and rural assets and incomes minimising evasion effectively.
7. Concentrating our investments in R&D in only appropriate technologies, and in relevant frontier areas like space science for developing our telecommunication etc. Quickly increasing our agricultural yields, especially in oilseeds and pulses is a must.
8. Promoting proper work culture in our Govt. offices and public administration by proper training, appraisal reward and punishment mechanisms. For eg. instead of leaving the power to transfer middle and senior level officers in the hands of political bosses, UPSC like statutory bodies can be set up to promote independence and honesty in their working.

If the political leadership fights shy of the needed commitment even to chose the moderately hard options as above, which may not really upset the political applecart, then all the thinking people and the millions of poor of this country who reposed their faith in the elected leadership may blame the latter for its 'cowardice' as rightly pointed out by Shri Sathe, and may resort to more and more 'organised protests and struggles' as pointed out by Shri Kameshwar Chowdary, since their hopes and expectations have been sharply aroused by the leaders themselves, and such protests cannot be dismissed as mere law and order problems.

K.P. Prabhakar Rao
R.R. Pet, Eluru, Andhra Pradesh.

Lacunae in Planning

It is extremely unfortunate and at the same time strange that nothing substantial has been done to improve the conditions of the poor. The stark naked poverty that mocks at the government figures is displayed in the working condition of the labourer who is unaware of the progress that is the sole reserve of minority, in the poor rural farmer. Conditions of the farmer may be slightly better in the green revolution areas but otherwise it appears that most of their 'tribe' is living in the 19th century; however, of and on, getting a taste of the 20th century programmes, percolating down to them with innumerable hinderances on the way.

The natural result of the poverty existing at the village 'micro' level results in migration to cities. It is high time that the planners think of basic micro level planning. It is the need of hour. To have a model that is programmed to the development of a village, will go a long way in arresting the deteriorating conditions of the villagers. Planning, that is micro and starts from the bottom will be the answer to the macro level planning, that has been largely successful on paper.

Any development process that starts at the village level should, firstly, directly satisfy the needs of the villages and, secondly, it should try to develop the micro level planning process. For example import of high-tech at village level should not reflect the macro level linking but should be embedded in the micro level need. Computers, if installed at the village, should not be showpiece of high tech development but should be used in things as determining crop patterns or in matching employment needs to resource utilization.

Economic thinker should come out with models of planning that are applicable to trigger development from the grassroots level than to impose development from above.

Mohan Kapoor
H.P. University, Simla

(Contd. from page 9)

Howrah via Nagpur and Bombay VT-Delhi via Central Railway are expected to be completed by 1990-91.

Concessions

Shri Scindia also announced a large number of concessions. For the recipients of the Republic Day bravery award, travel will be totally free for these children till they attain the age of 18 years. A 50 per cent concession will be given to teachers honoured by the Republic Day National Award. The same degree of concession will be given to recipients of the Arjuna Awards. Workers honoured with the Prime Minister's Shram awards will be given 75 per cent concession and a similar concession will be given for the widows of all policemen killed in action against terrorists and extremists.

He put the target for loading of revenue-earning freight traffic for 1988-89 at 303 million tonnes, against the current year's target of 292.00 million tonnes.

The shortcomings

Although Shri Scindia can derive satisfaction from the performance of the Railway assets like wagons, he might look into two aspects of railway operations in which glaring shortcomings have been apparent. First although the Mathura-Ratlam-Vadodara section of the Western Railway, Bombay-Delhi trunk route has now been fully electrified (Bombay-Vadodara and Mathura-Delhi were already electrified earlier) there are not enough electric locomotives now for converting all trains, freight and passenger, to electric traction

from steam and diesel traction. The same is the case with Delhi-Jhansi section too.

Secondly, the utilisation of both the electric and diesel locos needs to be improved. The engine-kilometres per day per electric loco for goods traffic in 1986-87 was only 400 kilometres, not much higher than the 380 kilometres attained in 1982-83. In case of diesel, it was slightly better, 427 kilometres compared to 364 in 1982-83. In passenger traffic the figures are 739 kilometres for diesel locos and 458 kilometres for electric locos. In case of the former, there is a decline from 764 in the previous year and for electric, it is at the same level as in 1983-84 when it was 457 km. □ □ □

(Contd. from Page 12)

In conclusion, the Survey also drew attention to some long-term issues including urbanisation, population and education. It noted that the rapid growth of India's urban population had posed a new set of challenges which require decisive action. The Survey expressed concern about the continued high growth rate of overall population and called for a number of measures to reduce this growth rate. Particular attention was drawn to steps aimed at improving female literacy, the general status of women, and improvements in the health delivery systems. The survey emphasised the importance of education for sustained and equitable economic development. It pointed out that education offered the invaluable key to advancement to those trapped in the cycle of poverty. More broadly, the Survey called for the spread of low-cost, high-quality social services as essential pre requisites, both for the improvement and enhancement of the living standards of poor people today and for strengthening the human capital base for longterm development. □ □ □

Courtesy : PIB, New Delhi

Over ten per cent industrial growth during April-November 1987

During the period April-November, 1987, the industrial growth rate was of the order of 10.2 per cent as against 7.5% during the corresponding period of 1986.

Stating this in reply to a question in Lok Sabha on February 23, 1988, the Industry Minister, Shri J. Vengala Rao said that the deceleration in industrial growth since August, 1987 was not due to industrial sickness but the drought of 1987 which was expected to cause a decline in the rate of growth of industrial output in the latter part of the financial year 1987-88. He said the government had taken a number of measures to stimulate and sustain industrial production which included appropriate liberalisation of policies and procedures, fiscal and financial incentives for enhanced production for domestic and export markets, technology upgradation scheme for modernisation of selected capital goods industries, ensuring availability of industrial raw-materials and improving the performance of infrastructure industries.

BOOK REVIEW

MIGRANT LABOUR AND RELATED ISSUES :
Edited by Vidyut Joshi. Published by Oxford &
IBH Publishing Co. Pvt. Ltd. 66-Janpath, New
Delhi 110 001. First Published : 1987. Pages 334.
Price Rs. 125.00

While migration of labour has been taking place now for a very long time, concern for its welfare has been evident only in recent times. The migrants being generally from the lower strata of the society, are illiterate and impoverished, they are generally employed for short duration, on low wages and with an element of their exploitation. Even the International Labour Organisation in a report published in 1980 said that "Far from their country, faced with new living conditions that are entirely unfamiliar to them, ill-prepared to defend their interest in surroundings where they meet frequently with more indifference and sometimes with hostility, migrant workers more than others are liable to exploitation, particularly if they are in irregular situation and the victims of manpower trafficking."

This then is their condition everywhere, including India. To discuss this and other related issues, a seminar was held at Gandhi Labour Institute in Ahmedabad in October, 1985 and this book contains papers read therein. Editor Vidyut Joshi has done an excellent job of presenting them in a thematic manner so as to become quite readable and beneficial for social workers and researchers. In all there are 25 papers including the editor's introductory remarks. Documentation given is adequate as far as its availability is concerned.

As per the census of 1981 it has been estimated that the total population of migrants (with birth place criterion) in the country was 665.3 persons in which 343.9 were males and 321.4 were females. This number has grown over the years consistently after independence of the country. In India we have mainly two. They are (i) Contract Labour (Regulations and Abolition) Act, 1970 and Interstate Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979. Later on, the Bonded Labour Abolition Act was also passed though it did not directly deal with migrant labour only.

Interstate migrant labour forms a large part of contract labour. In its turn, contract labour is by and large bonded labour. It is to be found both in agriculture and industry.

Most of the papers in the book have analysed the present situation of migrant workers, their working condition and as to what could be possibly done for their rehabilitation.

One paper states that the definition of 'Interstate Migrant Workman' is defective in the Act when it says that he is one who is recruited by or through a contractor in any state under an agreement or other arrangement for employment in an establishment in another state, whether with or without the knowledge of the principal employer in relation to such establishment. It is well-known that a large number of workers, particularly agricultural, migrate of their own accord from States like Bihar and Uttar Pradesh every year to Punjab and Haryana during the sowing and harvesting seasons for work. Similarly, a considerable number of construction workers also come on their own from Andhra Pradesh, Bihar and Rajasthan to Delhi in search of work. Such workers are clearly out of the Act. Unscrupulous contractors reap all the benefits of their exploitation.

Although there are many welfare provisions for migrant workers, they are not being implemented due to weak position of such workers. Perhaps, time has come to do away with middlemen by promoting labour cooperatives. When producers cooperatives can flourish, why not labour cooperatives be successful. Also, we need to give recognition to the right to work as a fundamental right. This would require building of a new ethos and a new labour policy. Labour migration should not be allowed to function in isolation and policies and programmes meant for them should be implemented in all earnestness by the Government.

Navin Chandra Joshi

BUDDHIST SHRINES by D.C. Bhattacharyya.
Publications Division, Ministry of Information &
Broadcasting. 1987. Pp. 45. Price Rs. 25.

Though now almost extinct in its land of origin, Buddhism has been one of India's principal contributions to the humanity at large. Buddha's teaching was a frank recognition of the facts of life, a just estimate of their values. It is the one religion that calls upon man to trust himself and to govern himself. Its clarion call upholds human liberty.

Tradition has it that Gautama Buddha in his death bed had suggested to his followers that stupas should be built over his mortal remains so that they could symbolise the presence of the Buddha even after his physical absence. The book under review is a crisp description of not only these stupas but also of the other sacred places in the life and legend of the Buddha in India and abroad. The descriptions deal with both history and legend as also the architectural pattern of these shrines. Written in a simple style this short yet exhaustive description of the Buddhist shrines would prove popular not only with the students of the

Buddhist history but also with the lay readers interested to know something about Buddhism. The production of this book is neat although one wished that a dash of colour should have been there for the photographic illustrations.

P. Ghosh Dastidar

Builders of Modern India: Jyotiprasad Agarwala by Iswar Prasad Choudhury, Publications Division, Price Rs. 15, Pages : 108.

People of the Indian sub-continent have always had the gift of assimilation. No matter where they have migrated in search of better living, their identification with the local population has been complete by and large. This accounts for their easy acceptance everywhere. People from Gujarat and Sind have gone all over the world since ancient times. In the 20th century migration became so commonplace that there may be very few places on the globe where Indians have not gone. Within the country as well there is no dearth of persons who have distinguished themselves in places far away from where their mooring lay originally.

Jyotiprasad Agarwala is one such personality. He is a famous name in Assam although his ancestors hailed from Rajasthan. He is remembered as a great patriot and literateur of Assam.

Jyotiprasad was born in 1903 in Dibrugarh, upper Assam. He spent his childhood in an atmosphere charged with patriotism, literary activities and nationalist songs. He was educated in Calcutta and Edinburgh universities. The subjects of his study were as varied as economics, sanskrit, law and philosophy. The instinct of poetry was inherent in him. He also developed as a successful playwright. Each of Jyotiprasad's dramas has its distinct personality as it were. Each of them represents a milestone in Assamese dramaturgy. He introduced new ideas of stage-craft and direction. **KARENGAR LIGIRI** is his masterpiece and one of the best Assamese dramas written so far. It projects certain social problems of the Assamese Society which had not been dealt with earlier. **LAVITA**, his another play portrays the revolutionary phase of the Indian freedom movement of 1942. The central character, Lavita, represents fearlessness, tolerance, strength of character and sacrifice. Today Lavita symbolises the self-confident, socially-conscious, liberal minded Assamese youth.

He also experimented with film making. The creative artiste that he was, he sought to make films to project the rich and district Assamese culture. This attribute singled him out from his contemporary film makers.

An interesting sidelight of his career needs to be recalled. While making the film *Joymati*, Jyotiprasad was faced with the problem of finding the right person to portray the central character, *Joymati*. It was not easy to find ladies to play the female roles. At last he found a teenage village girl, Aideo Sandikai, for the role. The simple girl had no idea of acting and he took great pains to train her. Aideo's performance was superb and the

older generation still cherish her role. But the tragedy in Aideo's life began the moment she went back home. She was ostracized by the village people. A priest was called to 'purify' her of her 'sin' of acting in a film. But still she was to remain boycotted for three years. She was not allowed to draw water from the village well. Even her mother would not allow her to enter the kitchen. In a particular scene in the film, she had to address the actor playing her husband. So no one came forward to marry her. Aideo Sandikai remained a spinster all her life. She was so mortified at the treatment that out of shame she did not see the film *Joymati* although she had acted in the title role.

Jyotiprasad's songs appealed to the people for their sweet language and melodious tunes based on the classical ragas and folk-lores. He acknowledged the influence of Lord Krishna, Shri Shankardeva and Mahatma Gandhi on himself. To him Krishna symbolised Indian culture and Shri Shankardeva was the greatest Assamese of all times whose genius is reflected in every walk of Assamese life. He believed that Gandhiji is the greatest Indian born till date. His literature reflects the values imbibed from the teachings of the trio in ample measure. Jyotiprasad was an accomplished intellectual. He was much ahead of his times. He symbolised the rebellious intellectualism which was a necessary condition for the over all development of society. He wrote in one of his poems

I am the fiery youngman
Of Assam, of Bharat
I am the new son of Bharat
Blowing trumpet in Purbachal.

Thus he represented the consubuness, ambition and self-confidence of the younger generation of different ethnic groups in the north-east.

The book is well-researched and gives a good insight into the rich personality of Jyotiprasad Agarwal. But a little more editing would have improved the book. The chapters are disjointed. It could have been avoided.

Yet the book is quite readable.

S.M. Kumar

Rs. 45 Crore to control shifting cultivation

A scheme for control of shifting cultivation has been launched this year in nine States with 100 per cent assistance to State Plans. An outlay of Rs. 45 crore has been approved for the last year of the current plan. The Minister of State for Agriculture Shri Yogendra Makwana, told the Rajya Sabha on December 11, 1987 that the scheme envisaged permanent settlement of the jhumias through developmental programme such as land development, irrigation and supply of inputs required for permanent cultivation along with assistance for subsidiary occupations.

Urban development financing corporation in the offing

The setting up of Urban Development and Urban Water Supply Financing Corporation is under active consideration of the Government and a decision is expected soon. It is presently being examined by the Planning Commission and the Ministry of Finance. A provision of Rs. 55 crore has been kept in the Seventh Five Year Plan for the purpose.

The proposed corporation is intended to provide loans to local bodies to take up urban development schemes including area development, water supply, drainage, sewerage and solid waste management. It will be a major source of financing at reasonable cost, the schemes of municipalities which are today facing a resources crunch and are required to cater to the needs of the economically weaker sections of the society. To begin with, the corporation will take up remunerative schemes and subsequently the less remunerative and non-remunerative schemes will also be considered through suitable cross-subsidisation.

An Urban Transport Consortium Fund with an initial contribution of Rs.25 crores is also likely to be created during the next financial year. The Fund to be operated by an inter-Ministerial Group led by the Secretary, Ministry of Urban Development, will help in the development of transport infrastructure in urban areas. Suitable action plans for urban transport will also be formulated in consultation with the State Governments and local authorities. The report of the Task Force on mass rapid transit system for Delhi presented last year is already under examination of the Government. □

Four satellites to be launched in 1988-99

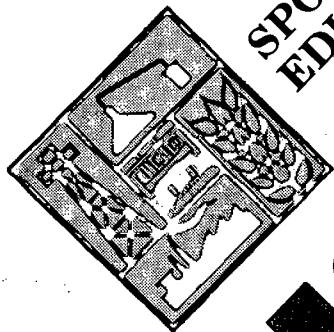
India is going to launch four satellites during the year 1988-89.

Stretched Rohini Satellite Series-2 (SROSS-2) fabricated at ISRO Satellite Centre, Bangalore is to be launched in the first half of 1988 through the second developmental flight of Augmented Satellite Launch Vehicle (ASLV) from Sriharikota. This project which cost Rs. 9.82 crore, is not a substitute for any other satellite.

Indian Remote Sensing Satellite 1-A (IRS-1A) is to be launched in USSR through a Soviet Rocket Carrier in the first half of 1988. This satellite, also fabricated at ISRO Satellite Centre, Bangalore at a cost of Rs. 69.80 crore is also not a substitute for any other satellite.

Around the middle of 1988, Indian National Satellite 1-C (INSAT 1-C) will be launched through Ariane Launch Vehicle from Kouru in French Guyana. Built at a cost of Rs. 103.55 crore at Ford Aero Space Corporation, USA this satellite is to serve as an orbit active spare for operational INSAT-1B satellite.

Indian National Satellite-1D (INSAT-1D) which is to serve as a replacement for INSAT-1 B will be launched through US Delta Launch vehicle in the first half of 1989. This is also being fabricated at Ford Aero Space Corporation, USA at a cost of Rs. 142 crore. □



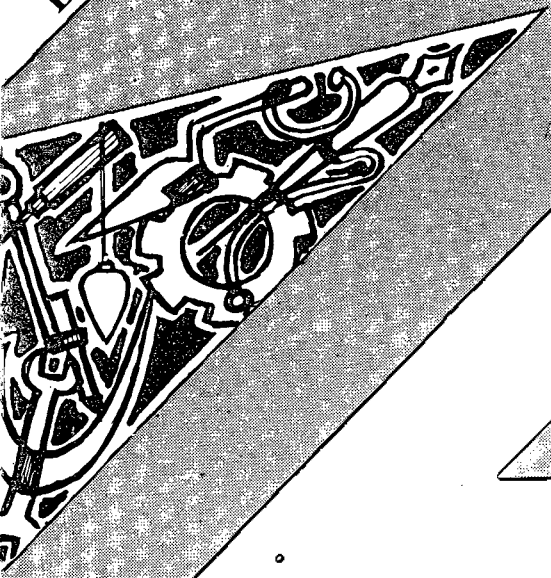
SPOTLIGHT ON
EDUCATION

Yojana

APRIL 16-30, 1988 RUPEES 2.00

Vol. 32 : No. 7

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DRUG ABUSE



'Operation Blackboard' evokes commendable response

There has been a spectacular response from all the States to the programme of 'Operation Blackboard' for which a provision of Rs. 100 crore was made during 1987-88. Out of this 99.98 crore have been utilised and the scheme has been implemented by all the States except one. The 'Operation Blackboard' scheme has been carried out in 1166 blocks of 253 municipal areas which comprise 101,861 schools where 34,157 teachers have been appointed. State Governments have spent about Rs. 239 crore for construction of school buildings, and over Rs. 72 crore have been sanctioned for purchase of equipment. The State Governments have already undertaken a detailed survey and prepared blockwise projects to cover each and every primary school. Educational and socio-economic backwardness has been the main criterion in the selection of these blocks. The above information was given at the 43rd Conference of the Central Advisory Board of Education held in New Delhi on March 11, 1988.

The Conference was also told that steps have been taken to strengthen 250 secondary teachers training colleges, the State Council of Educational Training and the Department of Education in universities to encourage research and educational studies. Special stress will be laid on the education of women in every sphere of education. □

YOJANA

Vol. 32
No. 7

April 16-30, 1988
Chaitra 27-Vaisakha 10, 1910

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S.Z. Hassan

Editor

B.K. Dhusia

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Correspondent

Ghanshyam Goel

Asstt. Director(Prod.)

R.S. Munjal

Cover Design:

D.T. Jagtap

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Our Contributors :

Kameshwar Choudhary, Senior Research Fellow, J.N.U., New Delhi; **Ranjana Srivastava**, Associate Fellow (Educational Planning), National Institute of Educational Planning and Administration, New Delhi; **K.K. Khullar**, Director, Department of Education, Ministry of Human Resource Development, New Delhi; **Dr. Anupama Shah**, **Ms. Uma Joshi** and **Ms. Manisha Pande**, Reader and Lecturers respectively, Department of Home Science Education & Extension, Baroda; **Roohi Aijaz**, Senior Investigator, Planning Commission, New Delhi; **I.Udaya Bhashara Reddy**, Faculty Member, Tata Institute of Social Sciences, Bombay; **Praveen Jaiswal**, Freelance Journalist, Allahabad; and **T.R. Mahajan**, Freelance Journalist, New Delhi.

YOJANA seeks to carry the message of the plan to all sections of the people and promote a more earnest discussion on problems of social and economic development. Although published by the Ministry of Information and Broadcasting YOJANA is not restricted to expressing the official point of view. YOJANA is issued every fortnight in Assamese, Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Marathi, Punjabi, Tamil, Telugu and Urdu.

Editorial Office : Yojana Bhavan, Parliament Street, New Delhi, Telephone: 383655,387910,385481 (extensions 2644, 2643,2402,2319.)

For new subscriptions, renewals, enquiries please contact: **The Business Manager**, Publications Division, Patiala House, New Delhi-110001.

Subscription : Inland: One year Rs. 40: Two years Rs. 72: Three years Rs. 96.

Is education still on the beaten track ?

Kameshwar Choudhary

Analysing the new educational policy, the author puts the Government on alert that given the present scenario, there is every possibility of validating the observation of United Nations that the majority of the total number of illiterate population in the world will be in India by 2000 A.D. He says that vocationalization of secondary education has remained a pious hope so far and laments that the Government had abandoned progressive and egalitarian recommendations of Kothari Commission. To set the things right, he asserts, a radical transformation in economic, political and social sub-systems is urgently needed.

IT WAS WELL RECOGNIZED by our national leaders that the colonial system of education was structured to fulfil British colonial interests and hence not suitable for India. But despite realising the urgent necessity of reorganisation and reorientation of education to serve national needs and interests the Government of free India took about twenty years to assess the exact nature of educational situation and its restructuring. Moreover, in the beginning the problem was seen in a fragmented way. This is evident from the fact that first commission on education in Independent India (University Education Commission, 1948-49) dealt only with University education and the second one with secondary education (Secondary Education Commission 1952-53). An integrated approach dawned only with the Education Commission, 1964-66 which dealt with from pre-primary to university stages of education.

Thus, after two decades of dilly-dallying first National Policy on Education was promulgated by the Government of India in 1968. Further, though 1968 policy provided for a review every five years, the Government of India took another eighteen years to come out with a policy and programme of action (1986). In the meantime, the Janata Government enunciated its

National Policy on Education in 1979, which remained unimplemented due to its ouster from power at the Centre. All this shows that the Government of India has adopted an unserious and cavalier attitude towards education though its pronouncements have been on the contrary.

After all, we have three national policies on education till date, i.e., 1968, 1979 and 1986. Here a pertinent question would be whether we have really strived for restructuring of education on the levels of approach, policy and implementation. And that in what way we have made departures, if any, from the Sargent Plan of 1944 which was formulated by the colonial government, though not implemented.

Education vis-a-vis other sub-system

Conceptually speaking, we have overemphasized the role of education in national development. It is interesting to note that the Sargent Plan and the Kothari Commission have made similar observations in this regard. The Sargent Plan observed, "Upon the education of the people of this country the fate of this country depends". On the same line, the opening paragraph of the Kothari Commission proclaimed :

"The destiny of India is now being shaped in her classrooms. This, we believe, is no mere rhetoric. In a world based on science and technology, it is education that determines the level of prosperity, welfare and security of the people."

Thus, education has been viewed as a determinant of social transformation. But the reality is entirely different in our country or elsewhere. Other sub-systems of society, e.g., politico-economic structure and socio-cultural setting play equally vital or even more important role in societal reconstruction. In fact, education is a weak sub-system of society and it is largely shaped by politico-economic sub-systems of society.

Further, education plays both functional (positive) and dysfunctional (negative) roles with regard to different social strata in society. In a socially stratified society education system is geared by the privileged class to perpetuate and strengthen its superior status. That way it is functional to them. But the education system proves to be dysfunctional to the underprivileged class in the sense that educational deprivation perpetuates and reinforces their subservient social position. In fact, only in an egalitarian society education system could be functional to the society as a whole. This fact has not been properly recognized by our planners, administrators and academicians.

Moreover, despite proclaiming a pivotal role of education in national reconstruction, education has been taken to be a 'social service' rather than an 'input' in the development process. There has been a change at the conceptual level beginning with the Sixth Plan wherein education is considered to be an important input in human resource development. But the programmes adopted do not show any significant change at empirical level in the prevailing educational situation.

Elementary education

At the elementary level, the Sargent Plan aimed at achieving free, compulsory and universal education (till the children attain the age of 14 years) within a period of 40 years, i.e., 1944-84. Considering this to be a very long period our Constitution (1950) directed the State to reach this target within 15 years i.e. by 1965. But in 1965-66, enrolment at the primary level (6-11 age group) and middle level (11-14 age-group) could reach 76.7 per cent and 30.9 per cent of the specific age-group respectively (Fourth Five-Year Plan).

Further, national policy on education 1968 did not make any commitment regarding time period in this regard and only hoped for the 'early fulfilment' of the constitutional directive. The unimplemented education policy of the Janata Government (1979) made a commitment to achieve the goal within ten years, i.e., by 1989. Now, the latest national policy on education (1986) has aimed at fulfilling the objective in the 6-11 age group by 1990 and 11-14 age group by 1995.

Constraints

However, the current problems in elementary education are very difficult to overcome. In 1986, approximately 95 per cent children in 6-11 age-group and 50 per cent children in 11-14 age-group were enrolled in schools. Moreover, nearly 60 per cent children drop out between classes I-V and 75 per cent between classes I-VIII. These children belong to the backward and poorest strata of our society. Therefore, they could not be expected to be retained in schools unless economic condition of the poor people is appreciably improved. In addition, an acceptably large number of habitations are without primary schools and nearly one-third of the schools in rural areas have only one teacher. Also, the majority of primary schools do not have most essential amenities, such as, water supply, toilet and even blackboard.

The national policy on education, 1986 has called for launching of a programme, symbolically called 'Operation Blackboard' to improve primary schools all over the country through providing for school buildings, blackboards, maps, charts, toys and other learning material. But an effective implementation of the programme is doubtful in a situation of very limited Central assistance to the States in this matter and the States always facing the problem of financial scarcity.

Further, national policy on education, 1968 took a progressive step over the Sargent Plan through providing for the 'Common School System' of public education covering all parts of the country and all stages of school education as recommended by the Kothari Commission (1964-66) to provide equality of access to all children and promote social cohesion and national integration. In addition, NPE 1979 adopted the main feature of the common school system, i.e. Neighbourhood School Plan which implied that :

Each school should be attended by all the children in the neighbourhood irrespective of caste, creed, community, religion, economic condition or social status, so that there would be no segregation in schools (Education Commission, 1964-66, p. 458). But NPE 1986 marks a retrograde step in this regard because it has failed even to mention the concept of common school system and neighbourhood school plan.

Lastly, our national policies on education have given up Gandhiji's 'basic education' at the elementary level which was incorporated in a modified form in the colonial Sargent Plan.

Secondary education

Our national policies on education have visualized secondary education to be so comprehensive as both to be terminal for those who do not want or cannot proceed for further education, and to have a strong academic foundation for higher studies for those who show intelligence and aptitude for that education (NPE 1979, 4.4). Vocationalization has formed an integral part of secondary education since the Sargent Plan onwards. Vocationalization aims at preparing manpower to meet

the needs of various sectors of the economy, e.g., industry, agriculture, trade and commerce, arts and crafts, public health, etc. Moreover, it is expected to ease the so-called pressure on higher education and promote employability and self-employment.

The Sargent Plan made specific suggestion for vocationalization through reorganising high schools on two streams—the academic and the technical (vocational). But NPE 1968 and 1979 made vague references about diversification of courses at secondary stage. Now, NPE 1986 has advocated vocationalization of plus 2 stage (higher secondary stage) and categorically proposed that vocational courses cover 10 per cent of higher secondary students by 1990 and 25 per cent by 1995. But the target seems to be over-ambitious. Currently, the percentage of students is 32.4 per cent of the total population in 14-17 age-group (India 1986, p.69). And only about 2.5 per cent of students population entering higher secondary stage is covered by vocationalisation so far (NPE 1986, Programme of Action, IV. 1).

Further, NPE 1986 provides for setting up of pace-setting Navodaya Vidyalayas, one each in all the districts of the country. Their broad aims are to serve the objectives of excellence, coupled with equity and social justice. But in actual practice, the NVs will mainly cater to the needs of the rural rich and privileged class and, of course, thereby widening the elite base. The children of small peasants, landless agricultural labourers and slum dwellers could never be expected to compete with the children of the privileged ones due to their economic, political, social and cultural backwardness. Moreover, these schools will take a major share of the total financial allocation to secondary schools and thereby further deteriorating the condition of secondary education in general.

Higher education

Though the percentage of students in higher education (17-23 age-group) has never exceeded 5 per cent of the total population in the specific age-group and the total number of pupils at the university stage shows a declining trend in the recent years, from 47.5 lakh in 1982-83 to 35.5 lakh in 1983-84 (India 1986, p. 69); our national policies on education have consistently emphasized the need for consolidation and strict restrictions on expansion of facilities.

Further, the need for raising standards all round in higher education has been a constant preoccupation since the Sargent Plan till date. For this, it has been emphasized since NPE 1968 that 'Centres of excellence' aiming at the highest possible standards in research and training should be established and strengthened. Following the same line of thinking the NPE 1986 advocates promotion of autonomous colleges and autonomous departments within universities, setting up of national research facilities within the university system with autonomous management and national educational service.

The NPE 1986 has also initiated the Open University System and Distance Learning in order to augment

opportunities for higher education. This is a mere logical extension of earlier provisions for correspondence courses and part-time courses which have not achieved any significant success so far. Moreover, this is a blind imitation of the British system, the success of which is very limited in a country with a low level of technological development.

Financial allocation

Government's utter negligence of education is clearly shown by consistent decline in financial allocation to this sector. Allocation has declined from 7.6 per cent in the First Plan to 5.8 per cent in the Second Plan, 6.8 per cent in the Third Plan, 5.0 per cent in the Fourth Plan, 3.2 per cent in the Fifth Plan, 2.6 per cent in the Sixth Plan and 3.3 per cent in the Seventh Plan. This sharp decline occurred despite NPE 1968 having clearly stated that the investment on education be gradually increased to reach a level of expenditure of 6 per cent of the national income as early as possible. Moreover, though realizing the problem of acute scarcity of financial resources for educational development the NPE 1986 has stultified the whole issue by stating that from the Eighth Five Year Plan onwards allocation will uniformly exceed to 6 per cent of the national income. It is very much doubtful in view of Government's consistent failure in the past that it would respect its financial commitment in future.

Hollow slogans

Our national policies on education (1968, 1979, 1986) have been always talking of introducing moral education, social service, work-experience and community involvement at all stages of education. Had we ever taken well thought-out, systematic and organized steps in this direction, our present educational situation would have been radically different and not facing a crisis as is the case today. In fact, all these are slogans meant for public consumption.

Conclusion

Thus, we find that our National Policies on Education (1968, 79, 86) have not gone much ahead of the Sargent Plan both at the conceptual and programmatic levels. There is nothing much innovative in the new educational policy, 1986. It is a continuation of the NPE 1968. Further, there has been linear expansion of colonial system of education. But the structure and content of education have changed very little.

The Government has been very selective in accepting recommendations of education commissions. It has accepted and implemented elitist measures, such as, model schools at secondary level, autonomous colleges and departments and Centres of excellence at higher level of education. But it has neglected and now even abandoned progressive and equalitarian recommendations of the Kothari Commission, e.g., the Common School System and the Neighbourhood School Plan.

Therefore, there is no escape from the problem of educational reconstruction which will keep haunting us

(Contd on page 11)

Missing links in our educational planning

Ranjana Srivastava

Even after 37 years of Planning, educational planning in India lacks professionalism and as a result tends to be short-term. Analysing the causes of the failures in planning, the author raises questions crucial for planning and advocates for multi-level/decentralized planning with priorities according to local conditions. Professionalism, a drastic change in organisational and administrative arrangements, as well as in attitudes and behaviour pattern are essential for an effective and meaningful planning, feels the author.

EDUCATIONAL PLANNING IN INDIA is now 37 years old. One of the distinctive features of the post-independence period was a large scale effort to reconstruct education in a planned manner which had no parallel in the earlier history of the country. Increasing attention was paid to education as 'a factor vital to national progress and security.' Several Commissions and Committees reviewed the problems of educational reconstructions. While University Education Commission (1948-49) and Secondary Education Commission (1952-53) were set up to review, and give recommendations for the reconstruction of higher/university education and secondary education respectively, the National Education Commission (1964-66), better known as Kothari Commission, was appointed by the Government to advise on the national pattern of education and on the general principles and the policies for the development of education at all stages and in all aspects. While the first two Commissions dealt with specific sub-sectors of education, Kothari Commission made a comprehensive review of all stages and types of education.

A review of educational planning in India shows a gradual shift from enthusiasm, to disenchantment with the methods of planning and the planning process. In the early years, planners were faced with different kinds of problems and issues of reconstruction of the educational system, and were optimistic about their ability to provide for the educational needs of the

country as well as the manpower needs of the economy in the context of scarce resources and ambitious economic development plans. Now the very nature of problems has not only changed but also increased in dimension. An understanding of the present situation of educational planning would benefit from a comparison of the issues then and now.

Issues before planners

After the National Education Commission arrived at a comprehensive analysis of the educational scene in India in the mid 60's, the task before the nation was to evolve a national policy in education in spite of the fact that education was largely a State subject in the Constitution and that a multiplicity of authorities at different levels made decisions on all aspects of the situation. This was not an easy task and as there was little experience to guide the planners and policy makers, it was necessary for us to evolve our own techniques in most cases. We were also faced with the necessity of reviewing and improving our planning techniques. Moreover, it was necessary to evaluate our programmes continuously and increase the effectiveness of the investment in education.

Thus, as a result of discussions and deliberations on the report of the Education Commission, a consensus emerged and a National Policy on Education was enunciated by the Government in 1968. Educational

activities in India until recently continued to be guided by the said policy. Initially, educational planning dealt mainly with quantitative concerns, for instance, number of schools, class rooms, teachers and students, costs for expanded schooling at different levels, provisions in the best possible manner of manpower needed for the growing economy. During the later years, educational objectives laid more stress on further democratisation of education, greater access to education, better educational opportunities for the disadvantaged, better regional equity, increased range of educational opportunity, increased vocational bias in the curricula, greater relevance to socio-economic needs, alternative strategies, broadening of the concept of continuing education, increasing access of women to all levels of education, and awareness of environmental problems.

Thus the current decade witnesses a shift in emphasis from expansion to consolidation of facilities and improvement of quality in education. However, in spite of major expansion that has taken place in the educational sphere, eradication of illiteracy in the country and the universal provision of educational facilities to the school going age population still remain the national priorities that have yet to be translated into actual gains.

The new policy

The new policy on education treats education as unique investment in the present and the future: the cardinal principle which is the 'key' to the National Policy on Education (1986). The new policy lays stress on equalisation of educational opportunities, reorganization of education at different stages with special emphasis on quality improvement, efficiency and effectiveness at all levels, reorienting the content and process of education, utilization of modern communication technologies, an overhauling of the system of planning and the management of education and the like. In view of these imperatives, the policy regards education as 'a crucial area of investment for national development and survival.'

Problems

The educational planner, today, is thus confronted with a variety of tasks. The concern now is not only for scarcity but also for improvement of the educational system. Such being the case, the key questions which the planner today is faced with may be broadly enumerated as follows:

- (1) The planner today is confronted with the task of defining the priority objectives and the functions of the educational system and of each of its sub-systems. It is to be remembered that planning operation is distinct from approval and implementation, neither of which is essential to the definition of planning. However, the implementability of various decisions is necessarily to be kept in view. Once the plan is approved and priority decisions adopted as

policy, the planner is obliged to indicate the ways of implementing the same.

- (2) After defining the priority areas, the planner, therefore, ought to be able to outline the best of the alternative ways of pursuing these various objectives and functions. Since educational planning is essentially the process of preparing a set of decisions for further action pertaining to education, there is an inevitable need to outline the alternative paths of pursuing these objectives and selecting the best among them to attain specific objectives.
- (3) The planner should also be in a position to assess the financial requirements of the educational system and set the limits of feasibility of resources that can be effectively absorbed in the given time period. In a resource scarce economy, it is first necessary to set the limits of what is feasible and available for education. Assessing the financial requirements of the educational system is of course useful in so far as it gives an estimate of our resource requirement in order to implement the plan successfully. However, the available resources may be very much less than the total resources required for satisfactory implementation of the plan which, therefore, renders the whole process quite useless and extravagant. Hence the need for defining the feasibility and availability of resources.
- (4) There is an increasing need to identify alternative sources of financing education, both monetary and non-monetary.
- (5) The planner is also responsible for allocating the total resources available to education among different levels, types, and components of the system rationally, reflecting the priorities of the planner.

Planners' dilemma

The task of the educational planner becomes complex because the planner has to view the economy as a whole and attempt to seek an optimum balance among its sectors in the face of overall resource limits being faced with two central problems: (a) allocation problem, and (b) the efficiency problem. While the former is concerned with the distribution of use of these resources, the latter deals with effective use of these resources, once they are allocated, to get maximum output. Educational planning as a process has come to mean different things to different people. But it can safely be said that educational planning is an attempt to achieve an efficient and rational allocation of resources to the education systems of a nation or a part of one.

There is no doubt that the educational planner is also concerned with the determination of the best way to help achieve a reasonable balance between intricate internal and external relationships of the educational systems under dynamically changing circumstances and to bend them constantly in the required direction.

The ideal concept of educational planning, as visualised by the first generation of educational planners envisaged, first, as embracing in orderly fashion all the levels and forms of educational activity, both formal and informal, and second, as being fully integrated with the country's economic and social plans, so that education could serve more effectively the needs of both the nation and the individual. They realized that formulation and implementation of an educational plan raised a series of institutional and administrative problems, that is, structural and procedural problems, which called for solutions. The essential condition that a plan must fulfil, as visualised by them, is that a plan must be applicable and second, the machinery necessary for its practical application must be available. In respect of the first prerequisite for successful planning, then, an educational plan must occur as the result of a series of successive choices; second, as a collective task and third, as a means of action. The latter pre-condition requires that in a democracy, the Government must take a special responsibility in the elaboration and implementation of an educational plan, and prepare the machinery for undertaking the additional task.

Drawbacks in planning

In the light of the above, we are now in a position to answer questions crucial to educational planning in India. First and foremost, has planning in India been a consequence of successive choices? Have we been able to define the limits of what is possible and feasible? Do we have an economic rationale to educational planning? Do we have a long-term vision of the educational scene which indicates to us the short-term and the immediate goals of education? Are those responsible for planning trained in the techniques of planning? Do we have a model of educational planning whereby we can clearly indicate our choices, priorities, and strategies? An analytic response to these and other similar questions leads to the conclusion that the educational planning process suffers from the following weaknesses:

(a) There is a total absence of an economic rationale to educational planning. Though contribution of education to economic development has never been in doubt, decisions regarding resource allocation and efficiency have never been taken in a rational manner. As indicated earlier, the first aim of planning has to be an accurate analysis of what is possible and what is desirable. In India, where finance is not of secondary but primary importance, the desirable can only be achieved in part. Thus, the planning exercise needs to define first and foremost the limit of what is possible, i.e. the proportion of national income that can be devoted to education, taking into account the competing needs of other, no less vital, sectors. Once a decision has been made on the share of education in the Gross National Product, an order of priority needs to be drawn up for those educational activities that are desirable. But the experience of Indian planning is quite otherwise. The allocation to education is the last, not the first step in the entire exercise. Thus, there cannot be

alternative paths and planning cannot be a consequence of successive choices if the share of education is not known at the beginning of the planning exercise.

(b) Educational planning still remains to be fully integrated with economic planning. We have not yet reached the take-off stage in educational planning which has resulted in wasteful imbalances within the educational system, integration of educational planning with economic planning implies paying attention to both internal and external relationships in education, especially the linkages between the outputs of the educational system and the requirements of the labour market. This approach reflects an orientation to planning of production and employment and undertaking of detailed exercises in respect of national and local level requirements of manpower in various developmental activities and sectors. If educational planning has to be linked to manpower planning and imbalances between the demand for, and supply of various types of manpower are to be avoided, educational planning in India must become an integral part of each development sector. But experience shows that even this approach was not practised fully. Even though forecasts of highly specialised manpower were made in the early years, there was no effort to regulate enrolments accordingly. It may be worthwhile to remember that educational plans cannot be fitted into economic plans simply by embodying the educational 'investment' programmes in the national investment programmes. What is important is the link between the two which is forged by forecasting of educational needs and taking a long term view of the economy so as to regulate the output of the educational system accordingly.

(c) Our planners have yet to realise the importance of long term planning in education and acquire the techniques to plan the same. We must recognise that long term planning is essentially a different kind of activity from short term and medium term planning. Long term planning is an attempt to gain control over the future, to reduce the intrinsic uncertainty of the future to manageable proportions. But planning in India has been basically for a period of five years and we have continued to exist from one five year plan to another five year plan. Even though the seventh five year plan has drawn a perspective of the year 2000, detailed planning has not been done for the year 2000, which would basically mean, (a) vision of the future either as an extrapolation of the present, or the present but with some technological dimension, etc., and (b) exploration of alternative scenarios in education from which will derive the short term and the medium term goals and objectives. At present in short term educational planning we are not concerned with setting goals (although we may aid in setting goals by giving a diagnosis of the system), we assume that goals have already been

set and the task is to draw up plans that will enable us to reach these goals. Long term planning in education requires a long term (15-20 years) view of each and every sub-sector of education based on past experience, present policies and priorities and consequences for the same for the likely emerging pattern.

- (d) The overall approach to planning has largely been in terms of macro aggregates. This approach represents only a stage, and an early one at that, in the planning process. Our planning must move beyond the confines of the national aggregates to take account of regional and social differences within the country. Detailed studies of the differences between the rural and the urban areas, sexual inequality and social differences need to be undertaken in order to plan, cost-effectively, paths of removing these disparities. Today the lack of availability of data, particularly in the rural sectors, hampers any approach to disaggregated and local level planning. Lack of availability of any kind of data is a serious constraint in educational planning.
- (e) Another weak link in our planning process is the nebulous relationship between the planners and the private sector. We have neither succeeded in involving the private sector in the planning process nor have we been able to collect any information regarding developments in education in the private sector.
- (f) The task of planning has been left in the hands of non-professionals. Planning is a specialised activity, yet the professional identity of the planners has yet to be established in our country. Many of our planners with distinguished careers are often completely ignorant of many of the skills and the basic conceptual tools which are required of planners. Preparation for planning requires formal professional education, training of the planner whereby training in 'planning' is added on to the disciplinary foundation of those responsible for planning. Planning is a distinct activity and educational planner is placed in a position where he ought to view the education system as a whole (and not in parts) and consider the relationship to economy and the society at large. Because of lack of professional education and training in the activity of planning, educational planning in our country is done neither in terms of values and concerns of the educators nor in terms of the concerns of the economists.

It may not be out of place here to identify two aspects of educational planning : (i) planning of the educational system as a whole : its expansion, improvement, the balancing of its different parts, its auxiliary services, etc. based essentially on effective demographic and statistical technique, projection of labour market needs for various levels and categories of manpower, etc. and (ii) the planning of special branches of education, such as teacher training, science education, curriculum development, adult

education, etc., which are concerns basically of the experts in the fields whose task is not to constrict the whole system, but to think professionally about their own specialisation and provide for the maintenance of its standards and numbers within the wider context of the development of the whole system. It is the former kind of planning, i.e. planning of the educational system as a whole, which has suffered on account of non-professionals who have paid little attention to the working of the educational system within the context of a wider socio-economic system.

What is needed

Particular needs for improvement stand out within the framework of educational planning as it has been conceived in recent years. First and foremost, it is now widely felt that there is no one approach to educational planning, the various traditional approaches must now be synthesised into a coherent, unified approach. Second, the numerous methodologies required to apply this unified approach must be further refined and strengthened. Third, there should be concerted effort to improve information flows needed for effective planning. Next, appreciation of planning must be instilled in those whose participation in the planning process is essential. What is required is an intensive effort towards professionalization of planning and drastic alteration in organizational and administrative arrangements, attitudes and behaviour patterns in order to accommodate effective planning.

Machinery for planning

The educational machinery for effective planning leaves much to be desired. It is neither adequately staffed nor is the personnel engaged in it suitably trained. In spite of so much emphasis that has been laid on multilevel planning, there is hardly any educational planning done at the district level. The planning cells in the directorate of education are inadequate, understaffed and the existing staff consists mostly of those who have had no training in the field. Their work is also mostly administrative and financial and confined to the compilation and reporting of educational and financial statistics. There is need to conduct intensive courses for training the personnel involved in the process and techniques of educational planning.

Decentralization

The process of educational planning in a federal democracy like ours has to have the right blend of centralization, in the appropriate sectors, with a large amount of decentralization in other sectors and especially in administration. For this purpose it would be useful to adopt a system of priorities at different levels—national, state and local. Programmes of national significance should be regarded as national priorities and decision for this should be taken in consultation with States. Once the decisions are taken, it should be obligatory for States to implement them effectively and vigorously. In formulating State level priorities, States

should be left to make their own best decisions in view of local conditions and it may not be necessary to adopt a uniform pattern among various districts. The uniform pattern otherwise will jeopardise the very concept of local level planning where specific needs and requirements of a defined area are taken to be the main concerns. The roles of different agencies providing education needs to be redefined. Central Government, State Governments, local authorities, and voluntary organizations have been providing educational facilities in the country. Centre-State relationships in respect of various sectors and activities need to be redefined in terms of areas of responsibility to be discharged by each. For example, school education is predominantly a local-state partnership; the day-to-day administration of schools can be delegated to duly constituted local authorities. Higher Education is a Centre-State partnership. Similarly within the States, appropriate partnership can be worked out between district-state and block-district in respect of certain identified activities.

Conclusion

To conclude, the importance of educational planning, in the true sense of the term, needs to be re-emphasised. Education must become an integral part of developmental planning. It must cease to be regarded merely as a component of social welfare. Our planners need to realize that education is not a sector parallel to other developmental sector. Thus education must be made an essential part of all poverty alleviation, rural development and employment programmes which do not so far have any component of education. Even the Seventh Five Year Plan which seeks to alleviate poverty through programmes of human resource development has failed to take cognizance of the integral nature of its character. Experience of the past forty years has shown that it is not the lack of demand but lack of capital which is responsible for our slow approach towards self-reliance. We have not been able to equip our labour force with the capital content that will lift them permanently above the poverty line. Education helps in alleviating poverty even if only indirectly, but we have failed even to acknowledge this connection.

The Planning Commission now avers that the next two five year plans are going to be crucial for initiating the process of self-sustaining growth and achieving the needed transformation of economy as it enters the 21st century. But in the absence of right kind of education, can there be a real transformation, and how will the process of self-sustaining growth be initiated? Has this not been an objective of our five year plans since the very beginning of planning as a deliberate, conscious activity in the country? If, as official documents show, the Indian economy has shown 'good performance' in terms of annual trend rate of growth during the last plan, it needs a well equipped and educated labour force to maintain the steady path of growth. Why have we failed to recognise this simple fact? Why, among the twelve major policy issues identified by the Planning Commission for the 8th and the 9th plans,

education for the work-force is conspicuous by its absence? In fact, there needs to be a thorough discussion on how to make education an integral part of all developmental plans. It is not merely sufficient to say that vertical and horizontal linkages should be maintained. The whole process of developing linkages, maintaining coordination, identifying delivery mechanisms need to be duly outlined. Education must become a function of all departments. Administrative and organizational machinery for developing such human resources needs to be adequately identified. The success of planning as an instrument of development will depend on a proper understanding of the very process of development and the role that educational planning can and should play as part of this process.

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even in the 21st century. Our constitutional goal of free, compulsory and universal elementary education would not be achieved in near future in a situation of non-involvement of the people and meagre and declining financial allocation. The quantum of adult illiterates would also keep increasing which could be easily perceived from the fact that despite all exhortations to the cause of adult education the total number of illiterates has increased from 3,009 lakh in 1951 to 4,376.3 lakh in 1981 (India 1986, p. 72). Moreover, the rate of illiteracy is also very high (65.4 per cent of the total population). Such a grim situation has all the possibilities of validating observation of the United Nations that the majority of the total number of illiterate population in the world will be in India by 2000 A.D.

As regards quality improvement, the Government will remain highly selective in future as now. Vocationalization of secondary education will remain a pious hope because of a lack of a conducive environment of radical socio-economic transformation which would generate ample employment opportunities. The educational policy of the Government will tread its customary elitist path in view of severe financial constraint, lack of political will and low level of people's awareness. The dual system of education, superior one for the privileged and inferior one for the deprived will continue.

Therefore, we can say that the task of educational reconstruction, on a socialist and democratic line which we set out to achieve after Independence will remain largely unachieved in near future. As education is a relatively weak sub-system of society, a radical transformation of educational system could only accompany a radical transformation in relatively strong sub-systems of the society, e.g., economic, political and social. □

CABE reviews New Education Policy

Yojana correspondent

THE NEED TO HIGHLIGHT the well-being of the child, awareness about health living and the small family norm right from the elementary education stage, was emphasised by the Minister for Human Resource Development Shri P.V. Narasimha Rao at the concluding session of the two day Conference of the Central Advisory Board of Education (CABE) held in New Delhi on March 12, 1988. Shri Rao said that the Adult Education Centres and the School Health Programme have to work in an integrated manner. Such a programme of education at the Centre and in the States has to involve the Integrated Child Development Scheme, the Immunisation Campaigns, the nutritious needs of the child and the mother.

Shri Rao stressed that the setting up of Human Resource Development Ministry itself had envisaged this integrated approach and as such he proposes to convene shortly a joint meeting of CABE, Central Council of Health and authorities concerned with welfare of women and backward classes. Shri Moti Lal Vora, the Union Health Minister who was a special invitee gave the assurance that under the National Health Policy, health education is a precondition for any successful health care delivery system.

Earlier, during the preliminary session six Working Groups were set up in the fields of (1) Elementary Education (headed by Shri L.P. Shahi, Minister of State for Education & Culture); (2) Secondary Education (headed by Shri B.L. Dhritlahare, Education Minister of Madhya Pradesh); (3) Adult Education (headed by Dr. Nagendra Jha, Education Minister, Bihar); (4) Higher Education (headed by Dr. Jeevaraj Alva, Higher Education Minister, Karnataka); (5) Technical Education (headed by Shri P.N. Srivastava, Member, Planning Commission); and (6) SC/ST Minorities/Physically Handicapped (headed by Shri Khurshid Ahmad, Education Minister, Haryana). These groups submitted their reports/recommendations in the afternoon session.

The Union Education Secretary, Shri Anil Bordia said that these reports would serve as further guidelines

to speed up various educational programmes. Mr. Bordia said that during the last several months educational programmes have moved from general to specific details about implementation in the States. He hoped that the New Education Policy (NEP) would be implemented in right earnest from the next academic session. He further suggested that the Centre and the States should continuously monitor and evaluate the various Programmes of Action so as to simplify the procedures for effective utilisation of funds.

Some of the salient recommendations of various Groups are as under:

Elementary education

(A) The content of pre-school education should not be too academic, (B) Since creche were retaining children upto the age of six, pre-school educational activities be made a component of the creche scheme by provision of teachers, (C) State Governments should undertake detailed advance planning for primary school buildings blockwise, (D) More public contributions for school buildings would be welcome, (E) Operation Black Board and Universalisation of Elementary Education schemes be related to the construction of a system making use of public participation in a process of micro-planning, (F) Adequate appointment of women teachers is essential for girls' education, (G) Food for Education Scheme in tribal areas be extended to primary schools in SCs and STs areas and for girls, (H) coverage under Non-formal Education be increased and smaller projects be assisted by voluntary agencies, (I) The problem of sub-standard teachers and education institutions be dealt with more firmly by the States and (J) The moral content of education should receive due emphasis in the curriculum.

Higher education

(A) A National Research Foundation Council for Coordination be set up. Central Council for Rural Institute to implement various schemes be also set up, (B) Planning Boards, College Development Council be

formed, and UGC should create awareness among Universities/Colleges about various courses, (C) State Governments and Universities should give highest priority to redesigning of courses (D) Laboratories and libraries be modernised, (E) An academic calendar preferably at national level be prepared and (F) The problem of improving the examination system and women study be discussed as a separate item.

Secondary education

(A) Examination Reform system should not be allowed to be postponed. (B) Initiatives taken by the Central Board of Secondary Education (CBSE) for introducing grading and the work done by the NCERT-CBSE was noted. (C) The NCERT-Council of Boards of Secondary Education (COBSE) should develop an appropriate overall design for the suggested system of examinations in a time-bound manner. (D) Three language formulae be implemented sincerely upto 10th Class. No Indian classical language or foreign language should be counted under the 3 language formula. (E) COBSE and the NCERT should forthwith set up arrangements for assessing every year the standard at the end of Class X and XII in all the States and Union Territories (F) Improvement of teaching in Science and Mathematics requires better teachers' training. (G) Curriculum prepared by NCERT and COBSE should be accepted in all classes by 1990-91 and (H) State academic agencies should also develop mechanism for continuing monitoring and appraisal of various programmes. (I) In the States where women illiteracy is prevalent more girls' schools and hostel facilities for girls be provided. (J) New syllabi and textbooks should ensure that the concept of women's equality is reflected.

Technical education

(A) State Governments may set up Councils as supporting mechanisms to the All India Council for Technical Education. (B) Appropriate organisation at the level of State Directorates was strongly emphasised; and adequate funds be allocated for the Directorates. (C) More women polytechnics and women's wings in existing polytechnics for women should also be increased to at least one in each State. (D) All States should work out their needs of funds for technical education for presentation to the 9th Finance Commission well in time, and efforts should also be made for higher allocation in 1988-89.

Minorities SC/ST

(A) Increased attention be paid to the education of disadvantaged sections to promote their accelerated development. (B) Enrolment of SC/ST in primary classes be increased with particular emphasis on girls, their retention in school and completion of their primary school education. (C) All habitations with a population of 300 (200 in tribal, hilly, desert areas) be provided a primary school. (D) More teachers from among SC/ST educated youths and women be appointed (E) Increased attention be given to the teaching of English, Science and Mathematics to enhance the

learning capabilities of SC/ST students. (F) Priority be given to the special needs of children from nomadic, semi-nomadic and denotified communities. Mobile schools on the pattern of the scheme formulated by the Government of J&K for Gujjars and Bakarwal communities could be set up. (G) Guidelines be framed for the minority managed institutions/Madrasas and Makhtabs. (H) Grants be given to forward looking minority managed institutions. (I) Attractive scholarships particularly to girls offering Urdu as an elective subject at all levels of education be provided. (J) Detailed survey for identification of handicapped children even in remote rural areas be undertaken and special material for teachers and handicapped children in different languages be prepared. (K) Resource centre for the handicapped children at the block level be set up. (L) A Cell be set up in the Ministry of Human Resource Development for integrated development of facilities to the handicapped children at the Centre and State level. (M) A National Commission could be set up for the Handicapped to look after all aspects of their problems and their development. (N) The widest possible use of mass media including Radio and Television be made to disseminate information on the policy and programmes benefitting SC/ST, educationally backward minorities, the handicapped and all the disadvantaged sections. and (O) A time-bound programme within a period of two years should be undertaken for effective implementation of schemes for the welfare of these sections of society.

Adult education

(A) National Literacy Mission Authority and Executive Committee should be set up at State and National level. (B) District Board of Education, District Institute of Education and Training and District Resource Unit be set up. (C) Production of standard learning material for adult learners be prepared. (D) Mass mobilisation of people is necessary for effective implementation of National Literacy Mission. Voluntary agencies/organizations/teachers/youth and ex-servicemen, prison management and housewives may also be involved. (E) The overhauling of the existing procedure needs to be taken to inspire the credibility of the governmental system. (F) Pre-service, inservice and use of electronic media was recommended. (G) Production of wall-papers in regional language be provided at resource centre. (H) A dialogue with the representatives of all main political parties be initiated for mobilisation and support to the literacy mission. (I) Traditional folk media literacy caravans should also be organised at block, district and state levels to spread the message of literacy and also to create a climate conducive to literacy. (J) The year 1988-89 should be devoted to consolidation and strengthening of the infrastructure which already exists. We should think in terms of expansion of existing number of projects and universalisation of the outreach through these projects from 1989-90 and onwards. (K) Emphasis should be on adoption of area approach for eradication of illiteracy. (L) More centres exclusively for women, SC and ST

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Diffusion of literacy in 1987

K.K. Khullar

The author, in this article, highlights various steps taken by Government in pursuance of New Education Policy 1986 to spread education among the most needy. He discusses some of the salient features of this policy and welcomes that a special care has been taken to ameliorate the lot of weaker sections of the society and to uplift the status of women through the diffusion of literacy among them.

THE NEW EDUCATION POLICY was approved by Parliament in May 1986. The Programme of Action which was prepared in the light of the New Education Policy was approved by Parliament in August 1986. The year 1987 was the year of launching of new schemes. It was also the year not only of projects' formulation but also their implementation. The scheme of free education for girls up to class XII was implemented throughout the country with massive central assistance to States. Provision for elementary education was increased (both Centre & States) from 27% of the total education outlay in 1985-86 to 34% of the total education in 1987-88. In the central sector the percentage was increased from 8.5 to 27.5 in respect of elementary education during the same period. In all, 205 Navodaya Vidyalayas (schools for talented children predominantly from rural areas) have been opened so far. Another 100 will be opened next year. The National Open University has started functioning with two Diploma Courses in Management and one in Distance Education. A new Diploma level course in creative writing will commence soon. Preparatory work for Diploma Course in Computer Education is in progress. Special programmes for women such as Pre-School Education, Child Psychology will also be started in due course. 70 Study Centres have been set up. By March 1988 the number will increase to 100. Regional Centres will be set up to supervise the study centres. During the summer vacation of 1987 five lakh teachers are given orientation throughout the country; five lakh teachers having already been oriented in the summer vacation of 1986. Two lakhs of college students were

involved, on a voluntary basis, in 1986 in the programmes of functional literacy. In the summer of 1987 about 3 lakh students participated. Six lakh literacy kits have been delivered. NCERT has evolved National core Curriculum after detailed discussion with State Governments. A large number of new schemes have been finalized such as Operation Blackboard, Non-Formal Education, Vocationalization, Establishment of District Institutes of Education and Training. Various other quality programmes are in the offing. The implementation strategies were discussed in the Conferences of State Education Secretaries and State Education Ministers in February and April, 1987 followed by a Review Meeting of the Apex Body viz Central Advisory Board of Education in June, 1987. Nine CABE Committees to watch and monitor the progress of implementation have been set up in various sectors of education viz. elementary education, content and process of education, housing facilities for women teachers, transfer of teachers, vocationalization, Scheduled Castes, Scheduled Tribes and other educationally deprived groups, management of education, common school system, development of languages. Most of these Committees are likely to complete their work by early 1988 when the next meeting of the CABE is likely to be held.

Non-formal education

The New Education Policy has given the highest priority to the Non-Formal Sector realizing that the formal system cannot undertake the heavy burden of

the task of universalization and retention of drop-outs. The NFE scheme was started in 1979 and was confined to nine educationally backward States, viz. Assam, Bihar, J&K, UP., Rajasthan, West Bengal, Madhya Pradesh, Andhra Pradesh and Orissa. It must be remembered that educational backwardness has nothing to do with ratio of literacy. These are those States where more than 75% of the unenrolled children are found. Since the capacity of the formal system is limited there is no choice but to adopt the non-formal education strategy. Arunachal Pradesh is the tenth State which has now been recognized as an educationally backward State. The scheme of the non-formal centres, therefore, has been in operation for the last eight years and at present there are about 2 lakhs of centres in the country.

In the light of the NEP requirements the whole scheme has been revised in which States other than the 10 States named above also qualify. In the remaining States NFE centres on 50:50 financial assistance pattern and 90:10 pattern exclusively for girls centres, can be opened in tribal areas, desert area, hilly areas and in urban slums for working children. As per the policy voluntary agencies and Panchayati Raj institutions are being involved to run the centres. For voluntary agencies the assistance is 100%. Procedures have been made easy, disbursement of grant is speedy. The main characteristics of the new scheme is that the entire learning material is relevant and need based. The success of the new scheme will largely determine the nation's efforts on out-of school children. In the formal education it is the child who goes to the school while in the non-formal education it is the school which goes to the child. Many innovative projects under this schemes are under consideration.

Operation Blackboard

This is a new scheme to provide minimum essential facilities in primary schools. The scheme is confined to formal schools. The facilities include:

- (1) Two reasonably large rooms which can withstand the vagaries of weather.
- (2) Blackboard, duster, maps, charts other learning material.
- (3) Toys and games.
- (4) Teacher's Guides.
- (5) A woman teacher where second teacher is to be appointed.

It has been decided that 20% of the C.D. blocks, municipal wards will be covered by Operation Blackboard in the current year, 30% next year and 50 in the third year. It has been ensured that in the selection of blocks the criteria of backwardness is maintained. The priority should go to blocks with concentration of population of SC/ST, minorities and other weaker sections.

Adult education

A massive programme called National Literacy Mission has been finalized. Post-literacy programmes and continuing education has been ensured through Jan Shikshan Nilayams. The scheme of Shramik Vidyapeethas has been reviewed. The mass programme of RFLP/RURAL Functional Literacy Programmes was launched with the participation of about 5 lakhs of adult learners on voluntary basis. Programmes for women have been given priority. Since this is a part of the New 20-Point Programme it has to be implemented in a time-bound schedule. This is in addition to the programmes of the State Governments under the State Plans.

Women's education

The New Education Policy envisages that education will be used as an agent of basic change in the status of women. In order to neutralize the accumulated distortions of the past, there will be a well-conceived edge in favour of women. There shall be studies for the empowerment of women.

According to 1981 Census the male literacy in India is about 47% while the female literacy is less than 25%. Effective literacy is much lower. The effective level of education in India is not more than 15% of the total population. The extent of drop-outs among girls is alarming. Of every 10 girls who enroll themselves in primary schools, less than 2 are able to complete elementary schooling upto Class VIII. According to recent estimates 1.4 crores of children are engaged in wage labour. Another three crores are engaged in economic activity as unpaid family labour. This group makes up two-thirds of the children out of school and the majority of them are girls. Traditional caste and other community-wise disabilities still persist in the country which affect women still adversely. In fact India's problem of illiteracy is rooted in female illiteracy. This is militating against the country's advancement and preventing the realization of the constitutional commitments. It is also a serious obstacle in limiting the rate of population which is so closely linked with female illiteracy. The problem, therefore, has to be tackled as a short term and a long term programme.

A Project entitled "Education for Women's Equality" based on National Policy on Education and Programme of Action to be implemented in ten selected districts in the next year and ten districts thereafter has been formulated. The Project has been worked out in consultation with the State Government concerned, academics interested in women's issues and women development workers. The main features of the Project are as under:—

- (i) The participation of girls at the elementary stage can be substantially enhanced by provision of support services, provision of local women teacher support services, provision of local women teachers and effective non-formal education pro-

grammes. This project will take responsibility for ECCE and supplementation of the inputs of other Departments.

- (ii) A literacy centre is envisaged essentially as a place for education, recreation and the forum for an understanding of the process of development to enable women to actively participate in it. The State Resource Centres will be asked to develop special learning materials for these adult education centres.
- (iii) Special vocational and pre-vocational programmes will be introduced in all girls secondary and higher secondary schools. These courses will be related to the work opportunities in the region. It is expected that four vocational courses will be introduced in each school and such courses will be introduced in 50 secondary higher secondary schools. A variety of part-time/non-formal vocational courses will also be organized.
- (iv) Institutions of Social Science Research and of higher education will be encouraged to take up programmes of women's studies, research, training and extension. These institutions would also involve their students in undertaking evaluation of various programmes taken up under this project.
- (v) District Institutes of Education (DIETs) will be required to subserve to the objective of the Project, namely, be an instrument for women's empowerment.
- (vi) In the Project Districts there will be strong wing on women's education. Academics interested in women's development and women activists will have dominant say in this wing. The programmes meant for women's development will be closely monitored and arrangements provided for introduction of mid-term correctives.

The life of the Project is envisaged as four years, extendable by another four years after evaluation.

NCERT has already prepared example material for women's equality curricula. Besides in the massive programme of women teachers' training there are special modules on women's equality. Textbooks are being reviewed to remove the resistances and bias.

National testing service

Closely linked with the delinking of jobs from the degrees is the establishment of national testing service, in phases, on voluntary basis to determine the suitability of candidates for specified jobs and to pave the way for the emergence of norms of comparable competence across the nation. The primary use of such tests will be to allow people whether they have formal degrees or not, to demonstrate that they have the proficiency to qualify for a variety of jobs that have been traditionally limited to graduates. Such a test can also help those in employment to qualify for promotion. Educational Consultants (Ltd), a Govt. of India Undertaking, is preparing a Project Report in this regard.

N.T.S. will also offer its assistance in areas where there are no recruitment tests such as experts, specialists, resource persons. The 'Project Report' for establishment of rural institutes and universities has been prepared.

In June 1987 the Government announced the new salary structures for university and college teachers as one of the steps to improve the quality of education. For the orientation of newly appointed teachers U.G.C. is launching a scheme of teachers' training. Academic staff colleges will be established in universities. Programmes for research and development have also been strengthened.

Striding towards development

In the field of technical education a major development has been the passing of the Bill to vest AICTE (All India Council for Technical Education) with statutory powers in December 1987. It is expected that the mushroom growth of technical institutes and capitation fee institutes will be checked. Steps have also been taken to remove obsolescence in machinery and equipment from the engineering and technological institutions and new laboratories will be set up. All on-going programmes have been reviewed and reoriented. Four residential polytechnics for women will be set up in the next two years. A University and an IIT in Assam will be set up under Assam Accord. In Punjab it is proposed to set up Longowal Institute of Engineering and Technology for which all preparatory work has been done.

To promote development of technical education and maintain its standard through a coordinated and integrated approach and the determination and maintenance of standards of technical education is the continuing responsibility of the Central Government, although education became a concurrent subject in 1976 as a result of 42nd Amendment of the Constitution of India.

Largely through the efforts of AICTE, an extensive infrastructure in terms of facilities of technical education has been created in the country over the successive plan periods. Today the system has annual admission capacity of 30,000 at Degree level, 60,000 at Diploma level and 6,000 at Post-graduate level of courses in engineering/technology covering a wide spectrum of engineering and technological disciplines, including facilities for research. The supporting services, Faculty development, curriculum development have been provided to improve the quality of technical education.

Over the years, five Indian Institutes of Technology as institutes of national importance have been set up at Kharagpur, Kanpur, Madras, Bombay and New Delhi to produce high quality Engineering graduates and Post-graduates, to undertake research and promote indigenous technology development. In the field of Management Education, three national level Institutions—the Indian Institutes of Management have been set up

at Calcutta, Ahmedabad and Bangalore. The fourth one at Lucknow has been established in recent time. A National Institute of Foundry and Forge Technology has been set up at Ranchi to provide specialised education and training in the field of Foundry and Forge Technology. National Institute for Training in Industrial Engineering at Bombay; School of Planning and Architecture in Delhi as a premier institution in architecture and regional planning; 15 Regional Engineering Colleges as joint ventures of the Centre and States in 15 States as the second best category of Engineering Colleges near only to IITs have also been established to improve the quality of Polytechnic education in the country.

The creation of the facilities of technical education, establishment of technical institutions, expansion of admission capacities, introduction of new courses were all related to the manpower demand and supply. Upto the end of the third Five Year Plan the expansion was allowed to take place and from the Fourth Plan admission capacity was stabilized round about 25,000 at Degree level and 50,000 at the Diploma level and the numbers were considered to be adequate to meet the demands of the economy and over production was considered to lead to unemployment of engineering graduates and diploma holders. In the Fifth Plan the emphasis was shifted to quality.

The New Education Policy (1986) envisages that technical education and management education be viewed together because of their close relationship and complementary concerns.

The infrastructure and services sectors as well as the unorganized rural sector also need a greater induction of improved technologies and a supply of technical and managerial manpower. In order to improve the situation regarding manpower information, the recently set up Technical Manpower Information System will be further developed and strengthened. Continuing education, covering established as well as emerging technologies, will be promoted. As computers have become important and ubiquitous tools, a minimal exposure to computers and a training in their use will form part of professional education. Programmes of computer literacy will be organized on wide scale from the school stage.

Distance learning

The Policy further states that in view of the present rigid entry requirements to formal courses restricting the access education, programmes through a distance-learning process, including use of the mass media, will be offered. Technical and management education programmes, including education in polytechnics, will also be on a flexible modular pattern based on credits, with provision for multi-point entry. A strong guidance and counselling service will be provided. Appropriate formal and non-formal programmes of technical education will be devised for the benefit of women, the economically and socially weaker sections, and the physically handicapped. The emphasis on vocational education and its expansion will need a large number of

teachers and professionals in vocational education, educational technology, curriculum development etc. Programmes will be started to meet this demand. To encourage students to consider "self-employment" as a career option, training in entrepreneurship will be provided in degree or diploma programmes. In order to meet the continuing needs of updating curriculum, renewal should systematically phase out obsolescence and introduce new technologies or disciplines. Some polytechnics in the rural areas have started training weaker groups in those areas for productive occupations through a system of community polytechnics.

The National Policy on Education and the Programme of Action for implementation of the Policy have widened the dimensions of the objective and goals of technical education for which a larger financial outlay is needed to make a meaningful impact.

However a serious situation has arisen in the recent past because of mushroom growth of private capitation fee engineering colleges and polytechnics. This is a serious threat to the maintenance of standards of technical education and it is also leading to the production of a very large number of substandard engineers and diploma-holders out of proportion to the number required to meet the needs of the country. The Government is taking adequate regulatory measures in this regard.

Vocationalization

The New Education Policy (1986) proposes that vocational courses cover 10% of higher secondary students by 1990 and 25% by 1995. Steps will be taken to see that a substantial majority of the products of vocational courses are employed or become self-employed. Review of the courses offered would be regularly undertaken. Government will also review its recruitment policy to encourage diversification at the secondary level. The role of central sector in vocationalization has been universally accepted.

The unorganized sector, however, which absorbs the bulk of the work force has remained without any formal training or proper employment. Consequently one witnesses the phenomenon of mounting unemployment among the educated at the one end and shortage of plumbers, mechanics, electricians, carpenters and manpower in numerous other trades at the other end.

According to the Programme of Action (1986) brought out by the Ministry of Human Resource Development about 80% student population do not go beyond class 10. The drop-outs upto and inclusive of class 8 are 120 lakh per year. Roughly 20 lakhs boys and girls cross class 8 but do not get beyond class 10. All of them form a large unskilled pool of labour force. They need opportunities of training in some skills either in their traditional occupations or in new areas to take up skilled and gainful occupations. In addition there is a backlog of school drop-outs who have crossed school age and are working as semi-skilled and skilled workers. The total labour force in the country in the age group 15-

59, according to the POA (1986), consists of all these groups and is of the order of 23.70 crores (March 1980). Of this only about 10% is in the organized sector. The remaining are either employed without training, partially employed or unemployed. There has not been any planned educational programmes for this large segment of population. The tribal and the rural population have also not much access to vocational courses. There is also paucity of courses to cater to the women population whose earning capacity could be improved considerably through vocational courses. The disabled and the handicapped is yet another sector which can benefit from vocational training. The scheme of community polytechnics will also be expanded. The Programme of Action further recommends that selected engineering colleges, polytechnics, ITI and other vocational and technical training schools will engage themselves in conducting part-time vocational courses for the benefit of special groups and those already employed. Special vocational training institutes for women tribals and other weaker sections of society to meet identified needs will be established by the State Departments of vocational education. Centres for vocational training for the handicapped will be set up with instructions of relevant and useful technology. For teachers, principals and key personnel engaged in vocational education, there shall be a programme of regular training in a phased manner. Industry will be fully involved in the programme and so shall be the community. Linkages will be developed amongst all those who are engaged in the programmes of vocational education viz. schools, employers, voluntary organizations and the community. Some State Governments such as Tamil Nadu, Madhya Pradesh and Andhra Pradesh have already introduced some innovative schemes in the field of vocationalization. The 'earn while you learn' scheme in Madhya Pradesh, chalk making through adult education in Haryana, and mushroom cultivation and making of shawls, country fans and bed-sheets in the adult education centres in J & K are some of the income-generating schemes which have attracted notice.

To quote from the New Education Policy:

"The future shape of education in India is too complex to envision with precision. Yet given our tradition which has almost always put a high premium on intellectual and spiritual attainment, we are bound to succeed in achieving our objectives".

For weaker sections remedial coaching of college and university level has been provided by U.G.C. The rate of post-matric scholarships for children whose parents are engaged in unclean occupations have been increased from Rs. 145 to Rs.200 per month. Ten community polytechnics have been located in minority concentration areas.

Budgetary provision

The budget provision for the education in the central sector has been increased in the current year to Rs. 800 crores while the last year's provision was Rs. 352 crores. Likewise the provision for education in the State sector

has also increased from Rs. 836.30 crores in 1986-87 to Rs. 1013.53 crores in 1987-88. This has facilitated the easy and the quick implementation of the new schemes.

(Contd from page 13)

should be opened where the percentage of their enrolment is very low, and it should be manned by women instructors by adopting special selections procedures. (M) Adult literacy centre could be utilized as a very good forum for communication and dissemination of information on matters pertaining to immunisation, child care, health, hygiene and sanitation etc. (N) Organise small functions related to development activities fairs, festivals through the adult literacy centres for interaction with the functionaries.

The Minister for Health & Family Welfare, Shri Motilal Vora, the Minister of State for Education and Culture, Shri L.P. Shahi the Minister of State for Welfare, Dr. Rajendra Kumari Bajpai and several Members of Parliament, State Education Ministers, State Education Secretaries, Members of Planning Commission and University Grants Commission as also eminent educationists and scholars participated in the two-day deliberations of the C.A.B.E. □ □

(Courtesy: PIB New Delhi)

Better marketing facilities for tribals stressed

The first meeting of the Tribal Cooperative Marketing Development Federation of India was held in New Delhi on February 23, 1988. TRIFED is an apex body at the national level established to assist in developing marketing facilities and realisation of better prices for the tribals.

Addressing the meeting, the Welfare Minister, Mrs. Rajendra Kumari Bajpai underlined the need to give priority to protecting tribals from exploitation. She said that Minor Forest Produce items had potential to bring about an economic revolution for the tribals and rural people. TRIFED would work to strengthen the infrastructure of the Large Area Multi-Purpose Cooperative Societies (LAMPS) to develop marketing facilities for the tribals. She hoped that the State Governments would cooperate in this endeavour.

The Minister said that the Government had initiated a study to assess the potential and marketing arrangements for six important items of Minor Forest Produce, namely, tussar cocoons, tamarind, sal seed, myrobalan, lac and gum karya. She assured full support of the Government in ensuring fair prices for the tribals. She said that such strategies would help to eliminate middlemen and reduce the role of private traders in marketing tribal produce. □

Making 'each one teach one' Scheme a success.

**Dr. Anupama Shah, Ms. Uma Joshi
& Ms. Manisha Pande**

The experimental literacy scheme 'each one teach one' launched with the aim of accelerating literacy among illiterates has not been a great success. In this article the author analyses the scheme, evaluates its performance and winds up suggesting means for better results. The scheme can truly work only if the sense of social service, sympathy and respect for the cause are inculcated in the instructors, feels the author.

ELIMINATION OF ILLITERACY has been one of the major concerns of our Government since Independence. Gandhiji in the year 1939 stated "Illiteracy is a sin, a blackmark for India and must be eradicated" With four decades of freedom, it has not been possible to eliminate illiteracy which in turn is the underlying cause of other problems faced by the country such as severe poverty, unemployment, population growth, unhygienic conditions, exploitation and superstitions.

Although the percentage of literacy has increased from 1951 which was 16.67% to 36.27% in 1981, simultaneously the population has also increased from 300 million to 437 million. On an average, the rate of illiteracy in our country is 63.7 per cent although it is believed that it will come down to 50 per cent by the end of this century. According to the statistical reports, one-fourth of illiterate people in the world are in India.

Adult literacy

Adult literacy has received special attention during the last ten years. A significant step was the launching of National Adult Education programme on October 2nd 1987, with the uphill task of covering ten crore illiterates in the age group 15 to 35 years within a period of five years although it was only possible to cover 2 to 3 crores during the scheduled period. In the sixth five year plan the Adult Education Programme formed part of the minimum needs programme and the plan document

envisages a very ambitious target of complete removal of adult illiteracy in the age group up of 15-35 years by 1990.

Several approaches have been planned and implemented to meet the ambitious task laid before the country. Since Government alone cannot meet the challenge, the new 20 point programme envisaged large involvement of students and voluntary agencies in the programme of removal of illiteracy.

The University Grants Commission has decided to actively involve the Universities and Colleges all over the country in the Adult Education Programmes. One of the schemes of eradicating illiteracy in which the students could participate actively is the 'Each one Teach one' scheme, the objectives of which are as follows:

- (a) Secure effective participation of students in the project of eradication of illiteracy.
- (b) Enrich higher education by integrating field experiences.
- (c) Sensitize students to social realities.

Now, there is, a suggestion to introduce a scheme called "Each one Teach one family." It becomes necessary to check whether it is possible for each one to teach one illiterate and make them literate within a limited span of time as then only one can think of teaching a whole family.

Therefore, the Department of Home Science Education and Extension under its Pragati Non-formal Education Centre, took up the 'Each one teach one' scheme of literacy as an experiment.

Description of the experiment

The 'Each one teach one' scheme runs parallel to the College programme. It covers altogether seven months where the instructor has to take up the classes for two hours a day or at least four days a week making the total of 225 hours.

The Department of Home Science Education and Extension, Faculty of Home Science, Baroda also decided to implement the 'Each one teach one' scheme through third year B.Sc. (Major) students, as part of the course work in the subjects Non-formal education for youth and children and Adult Education.

The Department of Adult and Continuing Education, M.S. University of Baroda, which is implementing the 'Each one teach one' scheme in Baroda District was contacted and the required information to implement the scheme was obtained.

Each student was then asked to identify one learner keeping in mind the following criteria:

- Learners should be in the age group of 15 to 35 years.
- Learners should be non school going.
- Learners should be illiterate, that is not knowing how to read and write.

After the learners were identified, the students were asked to bring them to the college where each learner was introduced to the course teachers and when the teachers were convinced of these learners fulfilling the required criteria, the final list was prepared of the students with their respective learners. This list was sent to the Department of Adult and Continuing Education after fifteen days of which the educational kit for each learner was availed. The educational kit comprised of the following materials:

- Letter recognition lessons.
- Mathematical lessons.
- Teachers guide.

- Information guide for teachers and learners.
- Evaluation sheet O
- Evaluation sheet I
- Evaluation sheet II
- Supplementary lessons which learners could continue to learn if they wish to.
- Four postcards with printed address, two to be sent before starting the lesson and two after completing the lessons to the required authorities.

The students and the course teachers were oriented to the kit by the lecturers of the Department of Adult and Continuing Education and were demonstrated the use of the kit. Thus the necessary information on the use of the kit and know how of the 'Each one teach one' scheme was obtained.

After completion of twelve lessons the first test was administered and the learners were asked to come to the College to give the test. After the completion of all the lessons the Evaluation Sheet II was used to administer the second and final test when again the learners had to come to the College to give the test.

Initially twenty two learners were enrolled. At the time of first test there was one drop out and at the time of the final test there were total three drop outs making the total of nineteen learners.

After the final test, the required postcards indicating the completion of the lessons were sent to the required authorities.

Findings and discussion

The performance of the learners in 'Each one teach one' test reflected that forty percent of the learners failed and the remaining sixty percent were distributed in the Ist, IInd and IIIrd Division.

Among the three sections of oral, written and numericals, the learners performed poorly in oral where fifty percent that is half of the learners failed but they were found performing well in written where forty five percent scored first division.

It is important to point out that it was very difficult for the learners to follow the test papers. They had to be aided greatly by the instructors throughout by detailed

Table

Percentage distribution of learners in 'Each one teach one' scheme of literacy according to their performance

Performance of Learners	Oral		Written		Numericals		Total	
	f	%	f	%	f	%	f	%
Ist Division (60% onwards)	—	—	9	45	6	30	6	30
IInd Division (48% to 59%)	4	20	4	20	4	20	3	15
IIIrd Division (35% to 47%)	6	30	3	15	3	15	3	15
Fail (Below 35%)	10	50	4	20	7	35	8	40

The performance of the learners in 'Each one teach one'

and repeated explanation to make them understand what they were required to answer.

The entire question paper was written and explained on the blackboard as it was and in addition to this, with individual guidance only, the learners were able to answer the test papers.

Thus it can be stated that without this help given, there would have been an immensely low level of performance by the learners.

So the attempt to make each illiterate, a literate completely through 'Each one teach one' scheme was not quite achieved.

Several reasons can be attributed to this lack of success.

The problems

During the implementation of the 'Each one teach one' scheme, several sessions of discussion regarding the progress of the learners with regard to the scheme took place between the student instructors and the teachers in charge and repeatedly several problems were reported by the Student Instructors :—

- (a) Lack of motivation among the learners was a grave problem faced by the student instructors. In spite of their repeated request, the learners were reluctant to come for the class even when the student instructors went to their place. When they did come it seemed that they were obliging the instructors as they were aware that it was a part of the course work for the student instructors.
- (b) The mutual timings was another problem. The student instructors could only take out time after their college timings and academic work when the learners were busy with the house hold work. Therefore irregularity was commonly found among most of the learners.
- (c) Irregularity on part of the learners can be attributed to the lack of co-operation between the family members of the learners who were not willing to share the house hold work with them and did not let them go for the classes.
- (d) Other problems were that some learners felt that they were too old to attend the classes and felt that they would not be able to pay the required attention to their studies. They were also not able to give due respect to the student instructors due to the age bar.

These observations regarding the problems can be supported by some studies done in this area.

Thakur (1986) in her study on problems and job satisfaction of Adult literacy teachers of Dabhoi Taluka of Baroda District also found that adult literacy teachers always faced problems in motivating the adult learners. They also found problems of mutual timings and of teaching and evaluating adult learners.

Sharma conducted a study to find out the difficulties faced by the teachers of adult literacy classes of Patiala

District of Punjab and found problems like nonavailability of suitable place, non-cooperation among villagers and irregularity of learners.

Lakshmi (1987) conducted study to find out the problems faced by the Instructors of 'Each one teach one scheme' in the District of Baroda and found that two-third of the instructors faced problems regarding motivation and among motivational problems learners demanding incentives were reported by highest percentage of respondents. Other problems were like irregularity among the learners, mutual timings, learners feeling too old to learn and not giving due respect to their instructors.

Suggestions

Keeping the above discussion in mind certain observations can be made regarding the 'Each one teach one scheme'.

Each one teach one scheme cannot depend much on the students alone as they have constant tension of submissions and examinations. If the scheme treats literacy study on adhoc basis, then the gain is not likely to be substantial. It is suggested that there should be continuous literacy programmes with full time adult literacy teachers.

In spite of supervision, guidance and motivation, the achievement was poor among the learners. One is justified to think whether this scheme is working else where and how much time literacy gain must be registering with other volunteers where no such provisions for supervision and monitoring are provided.

There should be ways to check the literacy gain as just sending the postcards to the authorities indicating that the learner has completed the lessons and become literate is not sufficient. This way only on record the number of literate will increase and in reality there would not be much progress as desired.

This scheme can truly work if the sense of social service, sympathy and respect for the cause are actually inculcated in all the literacy instructors, whether they are students, personnels or volunteers. If such values are not inculcated all efforts will be in vain exceptions are always there but their number is insignificant to the cause.

Till then all efforts should be made to enroll all children (boys and girls) in formal schools where actual literacy gain can be seen and extra care need to be taken to minimize the drop out rate. □ □

Tenu-Bokaro link canal hydro electric project cleared

The Planning Commission has approved Tenu-Bokaro Canal Hydro Electric Project for inclusion in the Seventh Five Year Plan, 1985-90 of Bihar State. The 1 MW capacity hydro electric project is estimated to cost Rs. 275.5 lakh including Rs. 8.5 lakh towards the cost of transmission lines.

The project envisages to the utilise the water release from existing Tenuhat Dam across river Damodar in Giridih District of Bihar. The project would yield annual energy of 7.98 Gwh in a dependable year.

Correcting educational imbalance of North-Eastern region

Roohi Aijaz

The author here discusses the problems and progress of educational development in the North-Eastern region. The main constraints in the development of education there, according to her, are scattered and sparsely populated villages, heterogeneous demographic composition, low per capita income and absence of satisfactory infrastructure. She discusses these drawbacks area-wise and suggests steps that need to be taken to set right the educational imbalance of the region.

EDUCATION HAD ALWAYS BEEN ACCORDED an honoured place in Indian society. It is the most powerful instrument for achieving socio-economic change, development, national progress and security. It was only after Independence that the Govt. focussed its attention on the educational development. In this regard, special mention may be made of Article 45 and 46 of the Constitution. Article 45 of the constitution directs that "the state shall endeavour to provide within a period of ten years from the commencement of the constitution for free and compulsory education for all children until they complete the age of 14 years." This is followed by Article 46 which provides that, "the state shall promote with special care the educational and economic interests of the weaker sections of the people, in particular, of the scheduled castes and scheduled tribes and shall protect them from social injustice and all forms of exploitation"

Objective

In order to ascertain whether the educational imbalances have widened or narrowed down over the span of the last 30 years, the data for the years 1961-71-81 for general, scheduled castes and scheduled tribes education have been analysed and compared.

The main purpose of this paper is to study the progress and problems of educational development in

the North Eastern states. These states have specially been selected because of their special features namely (a) scattered and sparsely populated hamlets; (b) heterogeneous demographic composition comprising of different tribal groups which pose difficulties for adopting a single common medium of instruction. Besides, low per capita income, absence of satisfactory infrastructure like roads and communication had adversely affected the development of education.

Imbalance, why and how

In 1961 the all India literacy rate was 24 against 10.27 for scheduled castes and 8.54 for scheduled tribes only. The all India literacy rate has gone upto 29.45 in 1971 and up to 36.23 in 1981. Similarly, scheduled caste literacy has gone up to 14.67 in 1971 and up to 21.38 in 1981. Scheduled Tribe literacy rate has also increased from 11.30 in 1971 to 16.35 in 1981.

However, in Assam, the increase in the general literacy rate was only marginal, ie., it went up from 27.4 in 1961 to 28.72 in 1971. Similarly, there was slow progress in scheduled castes and scheduled tribes literacy rates. It has risen from 24.4 to 25.79 and 23.58 to 26.03 for scheduled castes and scheduled tribes during the same decade.

In Meghalaya, general literacy rate increased from 29.49 during 1971 to 34.08 in 1981. While scheduled

caste literacy rate increased from 20.38 to 25.78 only during the same period. Though literacy rate for scheduled castes and scheduled tribes has increased during the decade but it is not at par with the general literacy rate.

The other north-eastern states have improved their literacy rates considerably during the decades of 1961-71 and 1971-81.

In Nagaland the literacy rate increased from 17.9 to 42.57 during 1961 to 1981, whereas increase in literacy rate among tribes was from 14.76 to 40.31. Similarly, in Tripura general literacy rate increased from 20.2 in 1961 to 42.12 in 1981. Whereas scheduled castes from 20.2 in 1961 to 42.12 in 1981. Whereas scheduled castes literacy rate improved from 13.42 to 33.89 and scheduled tribes from 10.01 to 23.07.

In all the north-eastern states though the general literacy rate is almost at par with all India average, the female literacy rate lagged far behind that of males. In Assam male literacy rate was 36.68 whereas female literacy rate was only 18.63 in 1971. In Manipur against the literacy rate of 46.04 for male, female literacy rate was only 19.53 in 1971 and 26.06 against 53.29 of male in 1981. In Nagaland literacy rate for males was 35.02 and for females was 18.65 in 1971 which increased to 50.06 for males and 33.89 for females in 1981. The female literacy rate is lowest in Arunachal Pradesh which was 3.71 against 17.82 for males in 1971 and 11.32 against 28.94 in 1981.

Similarly, scheduled castes and scheduled tribes females also have very low literacy levels as compared to males. Some of the states where female literacy rate is considerably lower than males are Assam, Manipur, Nagaland, Tripura, Arunachal Pradesh. The N.E. Region is known for its cultural diversity and special identity. There are several tribal communities who have their own individual cultural pattern. An examination of the group wise literacy figures would reveal that the rate of spread of literacy amongst different tribal groups varies considerably. Some tribal groups advanced more in the field of education namely, Hmar, Mizos of Assam, Monsang Moyan, Ralte, Sahte of Manipur. Hmar, mikir, Mozo, Synteng of Meghalaya, Lushai of Tripura, Haisa, Tangra, Liju Nocto, Longchang, Tangsa, Thai Khampti of Arunachal Pradesh. Whereas some tribes have very low levels of literacy. Tribes with literacy rate below 5 per cent are Pans of Meghalaya, Munda of Tripura, Nishang, Pasi, Pontha, Nocte, Sulung, Tagin of Arunachal Pradesh. The female tribal literacy rate of these group is almost negligible.

This may be due to the reason that in north eastern states, most of the institutions have been established without proper long term planning for the location in relation to the population density and prioritisation of the needy areas. There is insufficient dovetailing of efforts of the state Governments with those of private agencies which have opened new schools. Hence, inspite

of large number of schools, there are still habitations without schooling facilities on the one hand and economically unviable student enrolments on the other in many of the existing schools.

Surprisingly, education has not reached evenly to all the subcastes among scheduled castes and tribes in different areas of states. There has been a sharp reduction in the coefficient of equality with every higher stage of education, though it improves in vocational courses. Wastage and stagnation are very much higher in the case of scheduled castes and scheduled tribes.

The high incidence of wastage, particularly at the primary stage i.e. 70.7 per cent in Assam, 77.6 per cent in Nagaland and 70.4 Manipur, 83.4 per cent in Meghalaya, 70.2 per cent in Nagaland and 70.4 per cent in Tripura, 82.4 per cent in Arunachal Pradesh and 68.3 per cent in Mizoram in 1978-79. is due to poor quality of teachers. The education system in the region suffers from the malady of untrained and under qualified teachers. The percentage of untrained teachers in primary stage ranges from 30 to 60 among the states in the NE Region compared to the all India average of 12.

Secondly, the general draw back of the educational system in the region is that it has failed to make any contribution to skill training among the pupils to support the socio-economic development of the region. Besides, due to the uneven scatter of the habitats with small communities, it may not be possible to provide the primary school infrastructure within the reach of all communities. This has also contributed for the low level of retention.

During the decades of 1961-71 and 1971-81, adequate attention was not given towards the diversification of vocational courses, with the result that large number of students dropped out of the school system at different levels. Therefore the avenues for diversified vocational training were very limited. Hence, a large number of them pursue higher education. One redeeming feature is that a large proportion of scheduled caste students go to vocational courses than other groups.

Do this to set it right

The main causes for dropout from schools are inadequate number of schools in some habitats, abhorrence of the orthodox and illiterate parents to send their children especially girls to the school, non suitability of syllabus, poor transport facilities, non availability of trained teachers and poverty of parents. In order to promote the educational level and reduce the dropout rates, it is very essential to identify these basic flaws at the regional level and provide basic infrastructural facilities. The socio-economic situation calls for a better accessibilities. The socio-economic situation calls for a better accessibility of educational facilities to girls, by reducing distances of schools from village habitations, expanding non formal elementary education, adult education and open schools. Appointment of lady teachers in schools would help in enabling them to attend schools while their younger siblings are taken

care of. Provision of incentives like mid-day meals, better rates of scholarships, freeships etc. would also go a long way in preventing dropout. Better health facilities may also go a long way in preventing dropout. Better health facilities may also help for better enrolment in the schools. Inputs from other sectors are equally important, e.g. an overall coordination of health, employment welfare and education is essential.

Vocationalisation has received a very high priority in the New National Policy of Education 1986. It is proposed to cover 10 percent of higher secondary students with vocational courses by 1990 and 25 percent by 1995. At present the coverage is only 2.5 percent. This policy will therefore likely to make the education more relevant to local needs if the courses are suitably designed.

To combat the problem of poverty, non-formal and vocational skills are being expanded in the New National Policy of education so as to provide larger avenues for self employment.

What more needs to be done

Though there has been a steady improvement in the

enrolment ratio during the decades of 1961-71 and 1971-81, we are far from our objective of achieving universalisation of elementary education. In the case of males it may be possible to achieve 100 percent universalisation but as regards females the rate is far behind the goal on account of various socio-economic constraints. Thus, the goal of universalisation of compulsory enrolment of all children in the age group 6-14 is not achievable in the near future due to organisational, infrastructural and socio cultural factors. It may be necessary to adopt an area and group based concerted approach. The backward classes, scheduled tribes and other backward classes and population in the backward regions are not likely to fully enroll the children for a long time to come.

In order to achieve the goal of universalisation at elementary stage, it is important to set up new institutions in relation to the population density. It is also important to provide the primary school infrastructure within the reach of uneven and scattered habitats. Special efforts will have to be made to increase the enrolment of girls especially those from weaker sections. □

Research for welfare of mentally retarded

The country today has 286 special schools and centres for the mentally retarded, 61 of them being in Karnataka, followed by 51 in Maharashtra and 36 in Kerala. According to a survey of the voluntary organisations working for the mentally retarded, undertaken for the first time by the National Institute for Mentally Handicapped (NIMH), Secunderabad, there was a phenomenal growth of such institutions during the decade 1977-86, when 164 new institutions came up as against only 65 during the preceding decade, i.e. 1967-76.

There are approximately 3,200 professionals in the field of mental retardation, of whom about 1,000 are special educators and the rest being psychologists, medical personnel, field pathologists and audiologists, social workers, physiotherapists and occupational therapists etc.

Besides conducting this survey NIMH, the youngest in the chain of the four national institutes (founded in February 1984) established by Ministry of Welfare, it is also undertaking three research projects in the field of mental retardation, which on completion in May 1988 will give a big boost to such services in the country.

At a rough estimate, of the 68.5 crore population of the country (1981 census) two percent are suffering from mental retardation, most of which reside in rural areas of the country.

Water Act to be amended to control pollution

The Water (Prevention and Control of Pollution) Act 1974 is being amended on the pattern of amendments made in the Air (Prevention and Control of Pollution) Act 1981 to confer more powers to the State Governments to Control Pollution and to impose stringent penalties on the defaulters. Though a number of legal and administrative actions had been taken for prevention and control of industrial pollution the primary responsibility for pollution control was with the industries themselves. They had to take necessary pollution control measures in their installations so as to meet the social as well as the legal obligations.

Boost to agro-based paper industry

The Government has extended certain relief and concessions to the paper industry in order to promote the use of non-conventional raw materials such as agricultural residues, wastes and bagasse. The Minister of State for Industrial Development, Shri M. Arunachalam told the Lok Sabha on February 23, 1988 that the paper containing not less than 75% by weight of pulp made from bagasses was exempted from excise duty and the paper and paper board manufactured with not less than 50% by weight of pulp made from non-conventional raw materials were charged excise duty at concessional rates.

Narmada Multipurpose Project :

Boon or bane

I. Udaya Bhaskara Reddy

A large number of Irrigation Projects have been initiated in our country, which have become a symbol of national development. The recently cleared Narmada Vally Project, perhaps the largest and most ambitious project in our country is acclaimed as a boon to the States of Madhya Pradesh, Gujarat and Maharastra. However, according to auther the project besides inducing significant benefits, will also cause large scale social and economic disasters which will, affect the traditional way of life of displaced as well as other local inhabitants. He, therefore, attempts to highlight the various benefits as well as adverse effects of the project.

IN A COUNTRY LIKE OURS, where agriculture being the economic base, initiation of irrigation and multipurpose river valley projects play a vital link in the overall development of the country. The process of socio-economic development initiated under successive five year plans had given scope for the implementation of various major, medium and minor irrigation and hydro-electrical projects in different parts of our country. These projects have both direct and indirect benefits as well as colossal damages. These projects have induced several benefits like creating additional irrigation facilities, increasing productivity, power generation, providing employment opportunities, infrastructure development, increase availability of water for industrial and domestic use, etc. On the other

hand these projects have caused widespread displacement, besides submerging vast tracts of agriculture and forest lands, widespread waterlogging, soil erosion, etc. The construction of large dams are today India's most controversial environmental issues. They key factor is not nature but human beings. The worst affected are tribals, scheduled castes, landless labourers depending on agriculture, forest and associated activities, marginal farmers and powerless poorer sections of society.

The Narmada Sagar and Sardar Sarover multipurpose river valley project, which was subjected to long delays for various reasons over the years has been finally cleared by the Union Government recently. The project is considered to be the largest and most ambitious river valley projects in our country. The Narmade river has a vast catchment area of 98, 796 sq. kms spreading over three states of Madhya Pradesh, Maharastra and Gujurat. The project envisages the construction of 30 major, 135 medium and about 3000 minor irrigation dams and power complex, which will create additional irrigation potential and also provide water for both industrial and domestic use. The implementation of such massive project require huge finances, which can not be afforded by a country like ours and naturally depends on external finances. Considering the magnitude of the finance requirement the project asked for World Bank assistance through Indian Government. It is stated in one of the Gujarat Governments's booklet that the Sardar Sarover project alone receives 300 million dollar IBRD loan and IDA credit for Dam and power components, while another 150 million dollar IDA credit is available for the construction of main canal and distribution system and the project is also expected to receive YEN credit from Japan approximately equivalent to Rs. 150 crores.

Benefits

The benefits of the project are extended to the states of Madhya Pradesh, Maharashtra, Gujarat and Rajasthan. While highlighting the benefits of the project Mr. N.K. Singh (1987) in an article titled "Narmada Project Churning Controversy," says that both Narmada Sagar and Sardar Sarovar Projects were anticipated to irrigate 19 lakh hectares of land, benefitting about one crore of people and also create an installed power generation capacity of 2,250 mw, which will earn about 2,000 crores a year by sale of electricity alone. The total culturable command area in the entire Narmada Valley project is estimated to be around 20,000 hectares. The irrigation is expected to produce 80 lakh tonnes of food grains annually, besides increasing the production of cotton, sugarcane, vegetables and fruits. The projects are also expected to check floods, generate pisciculture and provide employment in the area. Further, in a booklet titled "Sardar Sarovar (Narmada) Project," by Government of Gujarat, highlighted that the Sardar Sarovar Project alone creates an additional irrigation potential of 17.92 lakh hectares, besides providing water for domestic and industrial use to 131 cities and 4720 villages in the command area. The power benefits from the project will be shared by Madhya Pradesh, Maharashtra and Gujarat in the ratio of 57:27:16. According to Mr. Amarsingh Chaudhary Chief Minister of Gujarat State the project would generate employment opportunities to four lakh people during the implementation stage. Further, when the project is completed, there is enough scope for developing agricultural subsidiary activities, viz., animal husbandry, dairy industry, fertilizer industry etc, which is expected to generate employment opportunities for more than six lakh people.

Damages

The biggest damage caused by the project is the largest human displacement and submergence of large chunks of fertile agriculture lands and rich forests. It is estimated that both Narmada Sagar and Sardar Sarovar projects together will displace more than one lakh people in about 400 villages in Madhya Pradesh, Maharashtra and Gujarat. While Sardar Sarovar will totally submerge 37 villages and partially another 200 villages, consisting of about 10,000 families or about 67,000 people, the Narmada project will submerge 89 villages fully and partially another 60 villages and affect 105 other villages where relocation of people is not required. In a note titled "Narmada dam will uproot lakhs" by Vimal Jhanjari, he says that according to Mr. R.L. Gupta, former irrigation secretary of Madhya Pradesh, both Gujarat and Madhya Pradesh states are in no position to provide the displaced people in their respective states with alternation agriculture lands. Further, a survey carried out National Institute of Urban Affairs, New Delhi, indicated that only 5 per cent of affected families in Madhya Pradesh are willing to move to the proposed resettlement site. The eviction of these people who are mostly tribals and other weaker sections of society from their homestead lands, depriving

them of their agricultural lands and restraining them from their traditional agriculture and forest based activities will naturally bring disaster in their means of livelihood and way of life.

These two projects will submerge more than one lakh hectares of fertile cotton soil, millions of years of old natural rich forests and thick orchards. Besides 23 kms of railway track, 85 kms of road, 45 kms of telephone lines, 19,000 buildings and 3,310 drinking water wells will also be submerged under water (Singh, N.K. 1987). In addition, the ecological damages caused by the project is expected to be far greater when compared with other similar projects. The submergence of fertile lands and forests will increase all kinds of human pressures and lead to decrease in the life span of the dams, massive soil erosion, lowering of water tables and decrease infertility of soil in the proximity of the project area.

According to a study carried out by Indian Institute of Science, Bangalore indicated that about 40 percent of Narmada Sagar's command area is likely to be water logged. Further, in a note titled "Environmental aspects of Narmada Sagar and Sardar Sarovar Project alone is Rs. 30, 293 crores.

Damages outstrip benefits

Though the projects will induce substantial benefits in the form of creating additional irrigation facilities, power generation, employment opportunities, infrastructure development, etc, but the damages are outstripping the benefits, because most of the benefits are accruing to the unaffected community in the command area, rather than to the affected population. One of the Studies indicated that the dams are not positive proposition, because the cost benefit ratio is only 1: 0.46. The displaced people, who are mostly traditional people still live in 'Nature-Man-Spirit' complex, will suddenly be exposed to new culture. Adjustment with a new way of life and finding out a better way living calls for planned ways of reorganising the economy and society, so that these local inhabitants are not thrown away from the process of development, which will take place with the implementation of these two projects.

The displaced people require a planned approach of rehabilitation to minimise the hardships, as these traditional people show a great attachment to their habitat, lands and other belongings, which are so near and dear to them for generations together. As the damages will not counterweigh the benefits, it requires proper care for balancing the damages with benefits. The following are some of the measures for planned rehabilitation of displaced persons. (1) The most important aspect of proper rehabilitation is the selection of resettlement site, which should be done in accordance with liking of the affected people, since they have great attachment to the soil. This perhaps may give some consolation to resettle them in the new places and improve their standard of living they were enjoying prior to their displacement. Further, the work of rehabilitation must be completed before the lands of catchment

(Contd. on page 29)

How can we fight parallel economy

Praveen Jaiswal

Black money is not only a political pollutant but a general conscience-killer also, according to the author. He suggests here certain ways and means which include the perception of a controlling agency under which all the basic needs should be made available to everyone by the State. He is of the opinion that problem can be tackled if the Government disallows purchase of luxuries and not only clearly defines what are basic necessities but also helps people to meet these necessities.

INDIA'S SAINTS AND SAGES in common with philosophers, regarded wealth as the source of countless evils. While it is true that abysmal poverty also is the cause of many malpractices and crimes, vast accumulation of wealth is no less a cause of deterioration of the human character. Human character can create wealth but wealth cannot create character, rather it gradually ruins it and creates conditions in which the basic virtues of existence decay or are destroyed. Mahatma Gandhi taught that wealth should be regarded as a public trust, to be utilised for public good and the welfare of one's fellow-beings. But how many people follow the Mahatma's teachings?

Parallel economy

The phenomenon of parallel economy has been looming large in India for quite a few years and has generated an eternal debate on its growth and expansion, its effect on the social, economic and political facets of the national and individual life, and the remedial measures taken to resolve the problems.

The phrase "parallel economy", used interchangeably with black money or black economy suggests that it is parallel to the white economy which is a misnomer. Black money and all that it stands for are no longer parallel to the main stream of the economy but converge with it. The black money sector and the white money sector have, over the years, been interacting so much that they have virtually lost their identities. Black economy is no longer regarded as so faint and carries no stigma today as it used to do long back.

The term 'black money' has three connotations : black turnover, black income and black wealth. The nature of the latter two is different. While black income is a flow of black wealth and fund, both are included in black money. Broadly speaking, all illgotten incomes, wealth or assets are included in black money. They may be generated in various ways such as gambling, smuggling, prostitution, tax evasion, under invoicing, benami transactions, etc.

A global phenomenon

Corruption, black and unaccounted money accentuate inequalities and shortages of consumer goods, which lead to the various circle of inflation. It needs to be underlined that black money is, in fact, not restricted to India but has engulfed several developed and developing countries. It is now a global phenomenon.

The crucial question is how the black money is generated. As one writer put it; black money is generated every hour. It is, therefore, difficult to list up the multiple ways it is being created. The complete erosion of traditional values of life and the metamorphosis in the living styles are the fundamental causes of the black money phenomenon. The impolitic and unprincipled political activities are also blamed for the generation of vast amounts of black money. The noted economist, Mr. D.R. Pendse, has speculated, on certain

assumptions, that black money of the order of Rs. four hundred crores would have been obliged to be generated in the system, just to finance the Lok Sabha elections. The government formulates such economic policies as attract unscrupulous traders and industrialists who manipulate them to their advantage. Secondly, the defective implementation of these policies also helps them in achieving their end i.e. amassing black money. The desire to keep up with the Joneses is strong and, in most cases, irresistible. Thanks to the growing inter-regional, interpersonal and international income disparities. The Gandhian doctrine of trusteeship is a utopia, whatever its merits. The demonstration effect drives a person to resort to devious means to get-rich-quick and live as others do with black money, if necessary. A chain reaction follows.

Now, income tax payers in India are only 0.37% of the population, out of whom 80% are employees with fixed incomes. This means that all taxes, inclusive of direct tax, sales tax, excise duty, octroi and such others, are evaded in a big way. As a result of inflation, industrial prices have been rising, but agricultural prices have not been keeping pace. By and large, the rich in the city are getting richer and rich in the agricultural sector are growing relatively much less rich than their counterparts in the cities. This in turn, leads to clashes between the rich farmers and the others whose incomes are too low. Already the farmers have begun to rise leading to clashes. In the same way, the interests of the landless and other labour also are bound to clash, breaking there-by the entire fabric of society and posing threats of dictatorship.

Conscience killer

The most destructive effect of black money is its dehumanizing influence. It is a conscience killer and a political pollutant. Nothing is considered anti-social in making black money and spending it for various purposes. Further, the unaccounted money prevents a true picture of the state of the economy—the growth of savings and investment, national income, capital formation, etc. The tax evasion which is the fountain-head of unrecorded money is so much loss of revenue to the public exchequer. On social grounds the process of un-reported income widens the rich-poor gap. The black money tends to cause serious distortions in the production and the consumption patterns. Mis-allocation of the scarce resources goes on by default. The parallel economy frustrates the efforts of the government for the uplift of the people through monetary and credit policies. With the persistent negative balances of payments, the losses in the foreign exchange earnings on account of smuggling and manipulations of invoices have started looming large.

How to liquidate it ?

There is no economic policy worth the name for the liquidation of the parallel economy. Black money has to be reduced and stopped. It is the first step needed to scotch the parallel economy. The only way out

therefore, is to make parallel economy worthless and useless. For this purpose, we may have to divide the production in the country and imports into three parts.

- (1) bare basic necessities;
- (2) ordinary necessities of middle class families; and
- (3) the rest i.e. luxuries, which constitute conspicuous consumption and are mostly bought with moneys from the parallel economy.

The first should be the responsibility of the Government to supply to each and everyone; the second should be allowed to be bought by all, and the third should be prohibited from use in the country. And to do it effectively, we must perforce have some kind of a rigid society, a controlled one. Under the scheme, all basic necessities must be made available to everyone in the country by the State. All parallel and superfluous money should be rendered useless by laying down that no one can buy anything except basic necessities. All basic necessities should be clearly specified, strictly controlled and properly distributed. This was done in a big way during the war-time in India. Everyone used to get at that time only a few yards of cloth, a few gallons of petrol or kerosene oil, and limited quantities of the other rationed commodities. In England then, to wear torn-patched-up clothes became a fashion, which has since spread and become almost world-wide. A rationing of some such sort will have to be evolved.

In his book "The Great Crash", John Kenneth Galbraith, a former U.S. Ambassador to India, has this to say on the subject of centralisation of management and control:

"... the instrument for accomplishing this centralisation of management and control was the holding company. These brought control of the operating companies. On occasions, they brought control of other holding companies, which in turn, directly or indirectly through yet other holding companies controlled the operating companies".

Curative measures

Demonetization of notes of high denomination, voluntary disclosure schemes, special bearer bonds for short periods and raids to bring economic offenders to book are but "cosmetic measures". The malady is deep seated, cancerous and calls for surgical operations. Not gradualism but radicalism, once-and-for all, is needed. To arrest proliferation of black money, to contain it and to eliminate it, ultimately, is a Herculean task and requires crusader's zeal. Some of the curative measures may be suggested.

- (1) The entire gamut of controls need to be thoroughly reviewed and reformed.
- (2) There should be no escalation in tax rates; tax laws should be rationalised; strict tax compliance should be aimed at, tax rates should be reduced if it helps in deceleration of black money generation.
- (3) Fundamental changes in election laws and

practices should be made without any further delay.

Pernicious role

The pernicious role that the black money has been playing in the national and individual activities must be cut short. Gandhiji had clearly stated that our economy should be village oriented and that our handicrafts should be revived and revitalised extensively; so also in his Peoples' Plan, M.N. Roy had advocated an agriculture oriented economy. Mao, the Chinese leader, too did so, from 1949 onwards, fairly successfully; he increased handicrafts production in the villages and made villages as much self-sufficient as possible and succeeded in banishing vicious circle of poverty from the villages. But, all along, our Government went in for large scale technology, aping the westerners and the Russians, and has created a tremendous increase in unemployment over the last thirty years. It is now imperative to turn to the villages again and produce all the basic requirements of people in the villages and small towns themselves. This alone will increase employment.

Stamp out corruption

The other thing to be done is to reduce inequalities and stamp out corruption. Though late, we should do it at least now, or face the disastrous consequences of such omission which will sweep away not only the ruling party but all the parties, and result in nothing but chaos, anarchy and lawlessness and the destruction of all "values" which India has cherished for so long.

(Contd from page 26)

area are submerged under water. (2) Instead of paying compensation money at a time, it is suggested that it should be paid in installments, so that the people may realise after spending some amount, about its proper utilisation. (3) Minimum facilities like drinking water, approach roads, supply of food grains and other essential facilities must be completed in the new colonies, before they move to the colonies, to minimise the hardships to enable them for smooth adjustment to the new environment. (4) Another important aspect of rehabilitation is to provide an alternative gainful employment to the affected people. Therefore imparting training and skill formation is very vital, because most of the people deprived livelihood from their farm lands. This will enable them to find an alternative jobs in non-traditional sectors. (5) All the Government sponsored employment schemes should be made available to the affected people and appropriate safeguards should be evolved on the agreement between the contracts of various works and the project that the affected people should be provided employment on continuous basis, and (6) As these two projects are subjected to several environmental implications, it is suggested that massive afforestation programmes should be undertaken for preserving the environment and also measures for anti-soil erosion and preventing water logging should be undertaken for proper ecological balance in the project area.

For common good

Accumulation of wealth is an obstacle to the working of democracy because of the gross and unwarranted inequality it promotes. Democracy postulates equality, both of resources, opportunities and, as far as is practicable, of economic possessions. Wealth treasures actually tend to "dehumanise" people; they erode the essential human value. As Jawaharlal Nehru said, "It is not easy for the upper class drawingroom to understand the humble cottage or the mud hut."

Even the Founding Fathers of the Constitution went further to lay down, as stated in Article 39, that "the ownership and control of the material resources of the community should be so distributed as best to subserve the common good ... and further that the operation of the economic system should not result in the concentration of wealth and means of production to the common detriment."

Saints and philosophers have expressed the view that the best thing a very wealthy person can do is to spend his wealth for the benefit of fellow human beings. He that does not use his wealth for the good of others while he is living, prevents it from doing good to himself when he is dead, and by an egotism that is suicidal cuts himself from the highest pleasure here and also happiness after shedding the mortal coils.

Life without black money would be worry-free and tension-free and the national economy would grow healthier and political pursuits would purr. □ □

It is worth mentioning that without effective and proper rehabilitation of evicted people and measures for maintaining the ecological balance, the very cause of implementing river valley projects for nation's prosperity is lost. □ □

States asked to intensify dehoarding of foodgrains

The States have been specifically asked by the centre to intensify measures for dehoarding of foodgrains to ensure their easy availability at reasonable prices. In a recent communication to the Chief Ministers of all States and Union Territories, Shri H.K.L. Bhagat, Minister of Parliamentary Affairs and Food and Civil Supplies has impressed upon them the urgency and necessity of intensifying dehoarding operations in context of the present rising trend in the prices of rice, wheat and wheat products. He also suggested them to consider fixing of stock limits for wheat and rice, taking an overall view of the availability and prices of foodgrains prevailing in their States.

It may be mentioned here that the Ministry of Food and Civil Supplies too had advised the State administrations sometime back to initiate appropriate action in this regard.

A plea for use of artificial sweeteners

T.R. Mahajan

The author points out that excessive intake of refined sugar (sucrose) is a serious health hazard which can cause very dreaded diseases like diabetes, coronary and intestinal disorders and obesity, etc. That is why use of artificial sweeteners (Saccharin, Aspartame, Cyclamate etc.) is highly desirable. He enumerates multi-dimensional uses of artificial sweeteners. But at the same time he answers various queries and doubts raised about the utility of these artificial sweeteners, and gives the findings of nutrition experts, in support of these sweeteners.

THERE IS A WORLD-WIDE UNANIMITY that refined sugar causes, to a wide range of civilization, diseases like tooth decay, diabetes, obesity, coronary and intestinal disorders (caused by overweight) Professor Hellmuth Mehnert of Federal Republic of Germany had advised the over-nourished societies of the western countries to do without unnecessary sugar calories and recommended the use of artificial sweeteners and other sugar substitutes. Professor Scheinin of Finland had declared that even 10 grams intake of sugar daily can cause caries. Dr. Campbell of South Africa gave an idea that per capita consumption of sugar should not exceed the limits of 32 kg. per annum which does happen in industrialised countries. However, in developing countries like India sugar still plays an important part in providing energy and nutritional values to our people. In India the per capita availability of sugar was 10.9 kg. in 1985-86. But an issue is still open to researchers whether excessive consumption of sugar can cause dreaded diseases like

cancer. In the regard the findings of an alarming study of Huntingdon, are yet to be confirmed.

Substitute of refined sugar

There is a greater emphasis from medicinal point of view that intake of refined sugar (Sucrose) may be reduced to the minimum. An alternative to refined sugar, come before us the artificial sweeteners.

Sweetening agents are generally divided into two categories :

- Calorie Sweeteners (e.g. sugar, corn sweeteners, honey, etc.).
- Non-calorie. Sweeteners (e.g. Saccharin, Aspartame, Cyclamate, etc.

Non-calorie sweeteners are usually called artificial sweeteners. Relative sweetness of sweetening agents which is determined in relation to sucrose, taken as usual standard, is as follows :

Table I
RELATIVE SWEETNESS OF COMMON SWEETENING AGENTS

Common Sweetener	Approximate (Sucrose-1)	sweetness
Aspartame		180
Cyclamate		30
Pure Crystalline Fructose		1.2 - 1.7
Saccharin		300 - 450
Sorbitol		0.54 - 0.57
Alesulfam-K		200

Artificial sweetener which acted as an additive to our food stuffs and pharmaceutical products has been thoroughly open to research institutes, food laboratories and scientific teams. The first sweetener which came to be discovered was Saccharine in 1879 in the course of investigation by Ira Ransen and C. Fahlburg of John Hopkins University, USA. Then came the discovery of

Cyclamate in Canada and USA, later joined by aspartame and other sweeteners—Alesulfam-K, Fructose, Glycergic acid, Hydroflourene, xylitol, Harmextas, Sorbitol, Maltose, Lactose, Gulucose D and Gulucose I, Dextrose etc.

Uses of artificial sweeteners

Artificial sweeteners as an alternate source of sweetness serve a number of purposes. They are used as :

- (1) Additive food and beverage choices for those who must or want to control calorie, carbohydrate or specific sugar intake.
- (2) Assist weight control or reduction.
- (3) Help in the management of diabetes.
- (4) Check the decay of dental cavities.
- (5) Act in preparation of pharmaceuticals & cosmetics.
- (6) Provide sweetness when sugar is not available.
- (7) Act in the cost-effective use of limited resources.

Artificial sweeteners provide the means of preparing good tasting foods and beverages with reduced calorie content. Replacing 100 gms of sugar a day with an artificial sweetener can save 400 calories a day—the calorie reduction recommended by Food & Nutrition Board of USA.

The principal artificial sweetener which still rules the Indian market is Saccharin, Sodium Saccharin in tablet, powder and liquid formation. In Indian market it is being consumed by diabetic patients, pharmaceuticals, soft-drink manufactures, bakery products-biscuits, cakes and cookies, ice-cream manufactures, tooth paste and tooth powder, cosmetics, pan masala and in electroplating.

Pros and cons

Doubts about the safety of Saccharin were raised in research study in Canada which showed increased incidence of the cancer of urinary bladder in male rats. Saccharin is not metabolised and has no food value. It was banned in USA in 1912 because of the fear that people who used Saccharin instead of sugar would be deprived of nutritional values. However this ban was lifted later on due to strong opposition. Since 1950, USA sales of Saccharin have increased. Later Cyclamate was introduced which was banned in 1969. In India Cyclamate was banned by Government in 1979 because its mixture with Saccharin had caused bladder tumor on rats, as revealed by the Research findings.

Artificial sweeteners are often superior to natural sugars in developing tastes of drugs and can eliminate technical difficulties (e.g. by eliminating the bulk associated with sucrose). In addition, many persons on carbohydrate-restricted diets take drugs, so it is desirable that drugs do not contain sucrose. Artificial sweeteners may be less expensive for their use, either alone or in conjunction with sucrose or other artificial sweeteners.

Marketing of saccharin

In the last 10 years or so, the Peoples' Republic of China, the Republic of Korea have started production in addition to established manufacturing in Japan. The countries in which Saccharin and its ammonium, sodium and calcium salts are marketed include Argentina, Australia, Brazil, France, Federal Republic of Germany, Netherland, Italy, Japan, Mexico, Portugal, Spain, South Africa, U.K. and U.S.A.

The US market of Saccharin is 2700 tonnes per year, whereas European market comes round 1500-2000 tonnes and would market around 7000-9000 tonnes. In India, the market survey conducted by the Marketing Research Corporation of India in February, 1987 has revealed its market around 600 tonnes per year thus accounting only 6 per cent of the world market.

What nutrition scientists say

The food industry, in the coming years, is expected to offer more sugarless products irrespective of restrictive practices of the authorities. The toxicologists and nutrition scientists from 20 countries of the Western world who assembled in Geneva, had reached the unanimous conclusion, based on their own studies or of their colleagues that neither Saccharin nor Cyclamate can be considered to have mutagenic or carcinogenic properties. The question of the safety of non-nutritive sweeteners has been supported by a sound scientific evidence.

The experts have discussed the role of non-caloric sugar substitutes such as Saccharin, Aspartame, Alesulfam-K Harmextas, Maltitol, Xylitol, Glycergic acid, Fructose, Hydrofluorene, Sorbitol, Sorbose, Lactose, Dextrose and some new developments. These sweeteners play an important role in satisfying the sweetening requirements of diabetic all the more, as they are metabolised independently from insulin.

Some new sweeteners

A number of new sweeteners are being readied for market before the end of century, with scores of others under study in U.S. market according to Melrin Wolkstein, President of US Consulting Firm, Reach Associates. The major cost improvement, which will cause considerable upheaval is Fructose powder. Efforts are afoot that retail prices of Crystalline Fructose will be competitive agent is Polydextrose which is produced by Pfizer. Aspartame which is almost 200 times sweeter than sugar and other newly developed high intensity sweeteners will further intrude upon sugar. Several high temperature Aspartames are in the pipeline. A super Aspartame, which is upto 5500 times sweeter than sucrose and more stable than Aspartame has been patented by Anwar of France.

Sucralose is a cholinated sucrose which is about 600 times sweeter than sucrose and stable at high temperatures. there are plans to submit the sweetener for approval in the U.K., Canada and the U.S. In India too,

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BOOK REVIEW

EDUCATION AND THE PROCESS OF CHANGE
Edited by Ratna Ghosh and Mathew Zachariah.
Published by Sage Publications (India) Pvt. Ltd.,
M-32, Greater Kailash Market I, New Delhi
110048. First published: 1987. Pages 301. Price
Rs. 190.00

In retrospect the book makes a penetrating evaluation of the— Indian educational system as it has evolved itself in the last four decades. Fourteen essays have been contributed by various aspects of the subject.

It has been pointed out that despite the high priority given to the Constitutional directive of universalisation of elementary education (6 to 14 age group) the first target date of 1960 was undoubtedly too ambitious. Nor is the intended target of 1990 likely to see this accomplished. Actually, nearly 30 per cent of the 6 to 14 year-olds or 60 million children, do not go to school. The majority of children who do not enrol are from the socio-economically disadvantaged sections of the population, who for a variety of economic, social and cultural reasons either stay away or drop-out.

Surely, the gains have been largely in higher education and the benefits have been derived mostly by urban middle class women. Only about 3 per cent of the female population have university degrees and a small percentage of them are visible in positions of power and prestige. It has also been observed that the number of Scheduled Castes and Scheduled Tribes pupils has gone up three-fold during 1950-76 but their literacy rate was only 21.38 per cent.

While the promotion of equality of opportunity in modern India goes hand in hand with a continuing inequality in condition which exacerbate problems, the success of education in providing opportunities for social mobility is still confined to the middle-and-upper castes in rural and urban areas. This has promoted the formulation of a new education policy in 1985 but its social and economic context is riddled with problems that have surfaced in regard to the role of education in national development.

The papers in this volume deal with issues like structural constraints, scientific and technological education, the strategies for improvement and social change for cultural revitalisation. Iqbal Narain's paper tackles the problem of university education in its various ramifications. Although education is the dependent variable in a complex socio-economic system,

he concludes that hope for reform lies within, not outside, the system. Suma Chitnis explores the impact of massive investment in educational institutions in so far as bridging the gap between the privileged and the disadvantaged sectors of the population is concerned. Usha Naidu takes a look at the problem of child labour and its educational facilities while Vina Majumdar discusses the subject of improving women's status through education.

Ratna Ghosh has ably summarised the various papers contained in this book and Mathew Zachariah has made a useful comment on the various views expressed. However, nowhere in the book it is mentioned as to which, where and when the conference was held though it is said that the papers were presented at the conference. Also, bibliography and index are conspicuous by their absence.

Navin Chandra Joshi
Art & Culture of North East India By L.P. Vidyarthi
Published by Publications Division, Patiala House
New Delhi PP: 124, Price : Rs. 40/-

The publisher is again to the fore with this valuable brainwork of one of the outstanding anthropologists of recent times whose research endeavour extending to the Himalayas and the culture of Himalayan Region had deservedly earned him wide acclaim in the national and international scenario of social studies. Through his competent pen he has almost visualised in this volume the very art and culture of North-East India, in all its ramifications.

The North-Eastern Region of India, despite its richness in natural resources, natural beauty and rare heritage of art and culture had suffered from oblivion during the British regime. Progress and development had been negligible. Accordingly, in deference to the demands of a democratic set-up brought to being in the entire region, extensive research on the various aspects of life existing over there, the extent of natural potential, and betterment of the people of the region was of imperative necessity. The author has taken cudgels in giving an authentic account of the various aspects relating to the region under the broad chapters of "Research on Art and Culture" "Land and People", "Demography" "Ethnicity and History", "Changing Jhum Economy", "Art and Craft" and "Changing Cultural Scene". The description is to the point, replenished by statistical data and illustrations here and there, coming upto the overall readability of an erudite study.

This attractive paper-back of royal size with exquisite get-up and a very reasonable price is bound to draw sizeable readership.

R.P. Rahi

FOLK TALES OF RAJASTHAN : Compiled by Dinanath Dube; pages-72, Price-Rs. 10.00
ONCE UPON A TIME (FOLK TALES OF PUNJAB): Compiled by Shaharyar; Pages-40; Price-Rs. 7.00.
FOLK TALES OF TAMILNADU: Compiled by Mugarai Rajamanickem; (translated by S. Radhakrishnan); Pages-64; Price-Rs. 15.00 Published by the Publications Division

To be or not to be—that is the question with folk tales also. True, these tales are spontaneous expression of folk psyche. They narrate the human experiences of a society. Recorded History is often the chronicle of kings and queens and their lesser counterparts, written by privileged and favoured elites. But the pulse of the common people can only be felt in folk-lore. They witness their development, their fallings and aspirations, their sufferings and joys, their customs and traditions. As such, they provide us with the roots, without which we will remain superficial and hollow.

But everything is not gold in our past. Loyalty to the feudal lord, strict caste and rank system, and subjugation of women were the 'values' of that society, which deserve only to be thrown in the dust-bin today. As perpetuation of tyranny and exploitation could not be possible by fear of punishment only, psycho-emotional tactics were used frequently to ensure complete subjugation. Such 'values' were glorified and were made a part of 'morals' and 'religion'. It resulted in mental slavery of the exploited as they never dared to break these 'values', as it tormented the 'Conscience' and punishment was ensured even in 'next life' 'Sacrifices' either for the feudal lord, or in the shape of 'Sati', and 'Johar' were eulogised. All these things have profusely polluted the brains of our folks and these trends have been reflected in folk-tales also.

Now, as the basic target readership of folk-tales are children, too vulnerable to impressions. So, when we present folk-tales to them, we must be responsible, cautious and selective so that none of such obnoxious 'values' infiltrate their conscious and subconscious minds. These 'Values' once planted will be very difficult to be faded away and will ruin all efforts to develop them into rational, modern and scientific in later age. The dangers of polluting the future generation with stinking, obsolete thoughts are obvious. It is regretted that there is no sign of required in-depth study in the selection of stories in these books. The very first story Punjab's Tales suggests the 'moral': How to 'tackle' the arrogant wife? Obviously by terrorising her. These tendencies do exist in folks. But when the tale is meant for the children, it is, no doubt a folly of selection. It becomes a graver folly, as the work is undertaken by a Government Publication.

Take the tales of Rajasthan. Most of them are not even folk-tales in true sense. These are rather pseudo-historic stories. Most of them deal with the glorification of Rajput princes fighting with Sultans and Pathans (or among themselves). Usually a woman is the 'catch' and personal whims and selfing ends have been given the fair names of patriotism or defence of religion. The struggle between Moghuls and Rajputs in Medieval India was a struggle of supremacy among feudal lords. It had nothing to do with religion and patriotism. Religion was used, as ever, for political convenience of warring lords. As for patriotism, it was parochialism at best, as each territory of, say, twenty miles, was a 'nation'. As for common people, different races and creeds have contributed to a composite culture and we are the progeny of it. Division of this composite popular legacy on fanatic lines had promoted obscurantism only and will certainly hamper scientific and rational thinking. History with such unscientific emotional sweeping has dangerous implications.

Entertainment is another major criterion. Folk tales are to be 'told' to children by grandma or grandpa and not simply to be 'read' by elders. Telling story needs dramatic diction and visual details, interwoven plots, problems-solutions, new problems, stroke of luck, bizarre happening. 'Beauty' should not be beautiful alone, it needs at least a paragraph of cinematographic details to satisfy the 'Hows' and 'thens' of children. And the 'Beast' is simply not ugly and crooked, but must present a sumptuous feast to the bulging eyes of little kids. And after a long-long pulsating development, after a series of ups and downs, 'hows' and 'thens', the suffering 'good' fellow 'defeats' the contriving 'bad' one with skill, honesty, hard work, and of course with surprise help of Lady Luck or with the blessings of some benevolent supernatural power. It really needs an elaborate visual and colourful stuff to make the child spell-bound from 'long long ago' to 'and they lived happily everafter'. This is the secret of the popularity of 'Alibaba and 'Cydrella'.

On this front also, these folk tales lack the imaginative and psychological insight. They are just 'written' and the care has not been taken for the 'telling aspect'. 'Tamaktoo' (tale from Rajasthan) is a charming story. There are some other good stories in other two books also. But the proportion of entertaining tales is not good enough.

Folk-tales reflect the tendencies, living-styles, whims, struggles and even topography, economy and temperament of a particular region. The books under review also prove this point. We face the enterprising, gay and witty-naughty Punjabis as well as the loyal and brave Rajasthanis. But the Tales of Tamilnadu deserve special mention in this regard. They have a distinct Tamil colour. A really pleasant thing to observe is the interaction of the mythological characters of Northern India (Pandaras etc.) with the native Southern characters in some tales, indicating the process of confluence of cultural streams.

Rajendra Bhatt

MASS MEDIA IN INDIA-1986-compiled by RESEARCH & REFERENCE DIVISION, published by PUBLICATION DIVISION-page 265 price-Rs. 50.00

The annual number presents in a nutshell the media scene obtaining in the country during the period April, 1985 to March 1986. The editors of this compilation deserve a word of praise firstly, for the well planning of it and secondly for the host of information regarding various media given in it.

In the articles section of it, there are thirteen articles each written by a distinguished contemporary journalist. The range of these articles is vast in as much as divergent topics from 'Media policy' to 'Documentation Technology' have been included in it. A conscientious reader, however, feels that while the inclusion of an article on Bengali press is well deserved, a discussion about the growth of other regional language press would have been relevant. Thanks to the care and discretion applied by its editors towards selection of the articles for this number, the articles 'Mass Media and National Integration', 'Radio and Rural Development', 'Education through Mass Media', 'Television in the service of the Nation' and 'Films' and Social Change'

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some of these sweeteners may appear in the market in the coming years.

As mentioned earlier, the use of artificial sweeteners- Saccharin or Sodium Saccharin and Sorbital-is extensively made in Indian market in pharmaceutical products, soft drinks, tooth paste, ice-cream, biscuits, Pan Masala and tablets for consumption of diabetic patients. Because of this industry being located in the small sector, no official production figures are available. However, on the basis of consumption estimates in the course of Market Survey the consumption and demand estimates have been formulated by segments of industry :

TABLE II

Industry Segment	Actual Consumption Year 1986	(Tonnes) Estimated Demand	
		1987	1988
1. Pharmaceutical	299.90	329.89	362.88
2. Diabetic patients etc.	14.42	15.20	15.87
3. Soft drinks	46.42	50.96	55.96
4. Tooth paste	52.80	57.00	61.60
5. Ice-cream	61.70	66.00	70.60
6. Biscuits	48.68	53.55	58.90
7. Pan Masala	26.00	27.82	29.76
8. Cosmetic	11.00	11.22	11.44
9. Electroplaying	11.00	11.55	12.12
Total	571.90	623.19	679.13

Production and estimates for Glucose and Dextrose are produced here. Glucose is abundantly used in

altogether drive the reader home, how the media in a developing country like ours has become a powerful instrument in nation building. Besides, the articles such as 'Television Journalism-Reality and Potential' 'News Agencies in India', 'Rolling the paper carpet for News', 'Teletext turns New Leaf', and 'Asia-Pacific Institute for Broadcasting Development' give the reader a fair idea not only of the functioning of various media but also of their development in phases.

The other section dealing with media organisations gives details about the Information machinery of the governments in the centre as well as the states and union territories plus how it works. The latest available figures for area, population, literacy percentage, total circulation of newspapers, the number of dailies published, their names and the location of Radio and Television stations are a useful addition.

Finally, besides these two sections, there are two other chapters in this number, namely 'Chronology of Events' and 'Appendices'. The importance of inclusion of these two chapters can hardly be over emphasised. But for their inclusion the very purpose of bringing out this number as a reference book for the students and researchers in mass communication would have been defeated.

Dilip Kumar Ghosh

manufacture of biscuits and Dextrose in manufacture of confectionery candies and toffees. Their production figures and estimated demand is as follows :

TABLE III

'Tonnes'			
Year	Glucose		Estimated Demand
	Production	Year	
1982-83	40014	1988-89	86160
1983-84	43000	1989-90	95076
1984-85	44523	1990-91	105153

Year	Dextrose		Estimated Demand
	Production	Year	
1982	175000	1988-89	36,114
1983	190000	1989-90	42,454
1984	195000	1990-91	50,180

There is a felt need of introducing an artificial sweetener as an alternative to sucrose which must have satisfactory taste, stability, solubility, low cost and be baked by Food and Drug authorities of Government on scientific research findings. □ □

TO OUR READERS

As announced in our issue of March 1-15, 1988, the next issue, i.e., of March 16-31, 1988 was to be on 'Population Growth & Urbanisation'. Because of certain problems, that subject could not be focussed in our March 16-31 issue. An issue on this subject will be brought out in the near future.

Comprehensive programme of “Education for Women’s Equality”

A COMPREHENSIVE PROGRAMME FOR THE OVERALL development of women is to be implemented from the current financial year (1988-89). For this the Department of Education has prepared a detailed project entitled “Education for Women’s Equality”. Women are one of the important components of the Human Resource Development. Without improvement in the ‘status of women’ through education, it is difficult to achieve the goal as envisaged in the National Policy of Education.

According to 1981 census, the male literacy in the country is about 47 per cent while it is less than 25 per cent among females. The extent of drop-outs among girls is very alarming; of every 10 girl students who enroll in the primary schools, less than 2 per cent are able to complete elementary schooling upto 8th class. As per recent estimates 1.4 crore of children are engaged in wage labour, while three crore are engaged in economic activity as unpaid family labour. The majority of them are girls. The problem of illiteracy in the country is due to high rate of illiteracy among girls.

In order to overcome the above problem, the National Council of Educational Research and Training (NCERT) has prepared a special project for the improvement of women. An exemplar material for women’s equality units in curricula and a massive programme for women teachers training has also been prepared. The text books are also being reviewed to remove the bias against women. □

Education to meet challenges of technological advancement

THE NATIONAL POLICY OF EDUCATION, with its stress on technical education, envisages that the ever-growing demands of fast technological development and emerging technologies should be met in a manner that such developments do not cause undue strain on the system. While planning for technical education, it has to be ensured that introduction of latest technologies go together with upgradation in the the technical skills of the existing personnel so that there is no danger of their going out of employment. This was stated by the Minister of Human Resource Development, Shri P.V. Narasimha Rao at the meeting of the Parliamentary Consultative Committee attached to his Ministry held in New Delhi recently. He assured the Members that efforts were already being made to impart technical training to persons belonging to families of artisans and others in rural areas through strengthening the system of Community Polytechnics.

The Minister said that high priority had also been given to modernisation and removal of obsolescence of engineering and technological institutions at all levels. Accordingly, all Central and Centrally-sponsored institutions had been directed to re-prepare their programme of actions. The State Governments and Union Territories had also been asked to prepare suitable proposals.

Shri Rao further said that the Government had identified some high priority areas and finalised suitable programmes of implementation. These priority areas included modernisation of technological institutions through setting up of new laboratories and additional equipment and creation of infrastructure in the area of emerging technologies; promotion of technical education for women and setting up of residential polytechnics for them; promotion of research and development in higher institutes of technology and strengthening of existing curriculum by setting up Resource Development Centres and Cells at the State Level.

The Minister assured the Members that to tackle the problem of brain drain, the Government were keen on modernising the industrial atmosphere in the country through revamping of technical education. □ □
