

## POVERTY PLANNING AND DEVELOPMENT

(Case study of Uttarakhand state)

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The book is an outcome of a research study project sponsored by Planning Commission, Government of India which examines planning process and implementation of development programmes undertaken by the Government since the inception of Sixth Five-year Plan (1980-85) and its impact, if any, on poverty eradication and Human Development Index. The book was originally published in 2008 and has also been reprinted by other publishers in India and abroad.

### PREVIEW

Before the construction of roads, the people in the hill region of Uttarakhand maintained self sufficient economy with limited trade with Tibet (China) and the plains of Uttar Pradesh. The import was limited to Salt and Gur from the plains and cloth including home made woolen was available locally and supplied by the tribal population in the North. There was hardly any migration to plains before independence except for higher education. As the construction of roads extended to remote areas and more educational facilities became available demand for salaried jobs kept on increasing. This resulted into loss of agricultural labor and subsequently agricultural output. SC/ST population and others who partly lived on their traditional occupation and provided agricultural labor also opted for formal and higher education. This helped SC/ST population to take full advantage of new job opportunities provided by reservation policy after independence. Craftsmen like Blacksmiths, Coppersmiths, Carpenters, Mason also gradually left their traditional occupation and opted for white collar jobs.

The modern approach to planning and development has made the population of this hill region totally dependent on the supplies coming from the plains both for agricultural and industrial products. This has led to increasing demand for money and salaried jobs. Spread of education did not match with job opportunities available. Increasing reservation for various categories of the people at state and national level also affected and reduced job opportunities for the people living in this hilly region. The people have, therefore, been compelled by the circumstances to migrate wherever salaried job could be guaranteed and those unable to migrate are either living below the poverty line or making money by any means even at the cost of public health, ecology and environment.

All social obligations such as marriages etc. which were earlier carried out on a cooperative mutual and self help basis now require money for hiring labour, equipment etc. due to changing social conditions, development of road communication and high rate of literacy. The construction of houses, which was earlier done with locally made and available construction material and labor, now takes away whole life savings of the rich to buy bricks, cement and steel to construct modern houses generally along roadside. All this has led to increasing demand for money. The rural economy can not sustain without agriculture. The people in this region are clearly facing different kind of situation whose agricultural income is negligible which can last for 3 to 6 months and alternative sources of income could not develop due to defective planning which was possible to manage by selling surplus agricultural produces and other homemade goods to moneyed people. Today no one has surplus agricultural produces to sell or barter resulting into increasing demand for money.

It is now widely accepted that in spite of huge expenditure incurred on development program, the economic standard of the people continues to be backward and poor. About Rs 570 crore per year was spent on development of Uttarakhand hill region since the inception of Sixth Five year plan with no tangible results. The situation had worsened to such an extent that a separate state had to be created to meet the demand and aspirations of the people. The existing planning is based on national perspective and priorities. However, national priorities may not be strictly applicable to planning and development of a hill region such as Uttarakhand. Planning has to be realistic to the prevailing local socio-economic conditions, resources and availability of man power and existing infrastructure in the region. Unless socially relevant development plans are drawn and evenly distributed then the exploitation of one socio-economic order by another i.e. by plains of the hills, by urban or the rural or by the rich of the poor can not be checked.

This research study was, therefore, undertaken to examine the present approach to reduce poverty and unemployment in general with particular reference to planning and program undertaken so far for the economic development of the hilly state of Uttarakhand. This study report has been carried out in the light of National Human Development Report-2001. The study examined the planning process and implementation of relevant development program since the Sixth Five year plan period (1980-85) with a view to identify factors that have lead to the failure of development program in a hilly state like Uttarakhand. The author of this research project has personally and physically seen the planning process and implementation of development program at the grass root level in the hill region of Uttarakhand during his 16 years service (1983-1999) with the state government of Uttar Pradesh. Besides government publication on planning and development, the author of this project has gone through all possible research work published on Poverty alleviation and Rural development and relevant to the economic development of a hilly state like Uttarakhand.

Being a case study, it has given full opportunity to study all aspects of the problem in-depth within a limited time frame. This enabled the author to collect all the evidence systematically, methodically study the variables based on information collected from all possible sources including observation made and interviewing individuals which is frequently used in a case study. Thus the role of all participating agencies was critically examined to illustrate the relationship and the pattern of influence on poverty, planning and development program undertaken by the government during the last 25 years for the development of hilly region of Uttarakhand state.

No fresh data were collected for the study report. Secondary data already available pertaining to district and state level (then Uttarakhand hill region of Uttar Pradesh) and published during the period from 1980 to 1999 have been used for this study report. The government of Uttarakhand could not up-date data after 1999 mainly due to reorganization of districts prior to and after the creation of new state. However, primary data, pertaining to prevailing socio-economic condition at the grass root level in Uttarakhand state, have been used from the following three pertinent published research work. Unfortunately, the planners fail to utilize these primary data collected by research scholars for the purpose of realistic planning and development of a hilly region like Uttarakhand.

Basic and primary data collected in 1988-89 by the Government of Uttar Pradesh pertaining to 59 villages with a population of 13959 with 2759 families and 4230 cattle to implement IRGAD Micro-Watershed Project in and around Pauri Development Block in Pauri Garhwal District (now Uttarakhand state.)

‘Eco-system in the Central Himalayas’ by Vikram Singh published in 1995, containing primary data pertaining to 11 villages near Nainital, Ranikhet and Almora in Kumaon Division. The ‘thesis’ provides the prevailing socio-economic condition in Kumaon Region with particular reference to small holding of land,

agricultural practices number of human being per hectare of land cultivated, degradation of forest, decreasing livestock population resulting into migration of the people to cities and urban areas.

‘Environmental Health in Garhwal Himalayas’ by Ramila Bisht (A study of Pauri Garhwal) published in the year 2002 containing latest authentic primary data pertaining to prevailing socio-economic environment in the hill state of Uttarakhand. The study (Thesis) is based on an areas study of five villages of Yamkeshwar Development Block in Pauri Garhwal district.

The book ‘Environmental Health in Garhwal Himalayas’ rightly brings out that, “for centuries the people of Uttarakhand hill region have wrested a very comfortable living from a very difficult terrain. The pattern of life that survived for centuries has now been transformed by the inroads of development which has been resource intensive, ignoring the socio-economy of the local people. The advent of industrialization and the modern state with its political centralization, development of transport and Communication and other aspects of infrastructure such as permanent markets, the extension of law and other machinery etc have undermined the self sufficiency of the village and the close relationship of man with nature has been disturbed.” The concept of local level planning practiced in China, U.S.A and own experience in India since the inception of Sixth five year plan have been included in this report for comparative study.

After having completed the detailed examination of all issues involved, it was felt necessary to divide the whole study report into six parts for clear understanding of problem in various stages and suggest specific or combined policy intervention under the relevant chapter or part of the study report. First part of the study report provides an introduction to the new state of Uttarakhand with basic data universally used to know the broad picture of the state. Part-II of the study report examines poverty and status of Human Development Index in Uttarakhand in the light of National Human Development Report.-2001 and further analyses the indices fixed by the Planning Commission and whether the same has any meaning for the people living in a hilly state like Uttarakhand where forest and agriculture are the basic needs of the people and not road and electricity.

Part-III of the study reports covers planning and development process adopted since the inception of Sixth Five Year Plan (1980-85) introduced for the development of hilly and other specified backward region in the country. To what extent hill area sub-plan has helped or failed in the development of the hill region of Uttarakhand State has been covered in this study report. Part-IV of the study report reviewed budget allotment and utilisation of funds by various departments connected with development during the year 1982-83 where it is found that money was simply distributed among various offices of the department from state to district level. As a result of this no single program or project could have been completed nor any result could have been produced both in terms of income or assets for the people living in rural and hilly areas. In fact the utilization of budget has only increased the assets and expenditure of the government which is now forced to sell assets to private sector on the one hand and reduce government expenditure on the other side.

Part-V of the study report brings out an alternative approach to the development of a hilly region like Uttarakhand which involves a major policy intervention to understand poverty and related problems and then draw realistic development plans for implementation. Finally it was appreciated that unless there is improvement in governance, the ultimate goal of planning and development can not be accomplished. Only effective government machinery which understands local conditions and adopt realistic approach to planning and development, prepare comprehensive plan document, do better management of financial resources and effectively monitor implementation of development program-can produce desired results. Good governance (political, civic and economic) can be provided only by well trained, dedicated and experienced employees at all level of government which has been discussed briefly in the last Part-VI of this study report. However, it

requires detailed study of the existing structure of each department, administrative-financial-technical powers of personnel, responsible in accordance to existing or non existing rules and procedures. Only after detailed study remedial measures can be suggested to improve the quality of governance in general and governance for the development of a hilly state in particular.

Findings of this research study will definitely help planning commission, Government of India to get first hand information about ground realities with particular reference to : (1) As to how multiplicity of various government agencies are working and spending money for the socio-economic development of the district without any consideration to human development with no short term or long term perspective plan drawn for the development of the region. (2) As to how data are being collected, compiled and analyzed independently by various agencies of the government and non-government organizations to which district or state planning committees has no access, control or interaction. The findings of this research study will directly help the new state of Uttarakhand to streamline the planning process, modify plan strategy and draw short term and long term perspective development plans for the new state of Uttarakhand and improve the quality of governance to achieve the goals set for human development by the Planning Commission. Lastly use of English language is also one of the handicap in local area planning and development and therefore, the research study report needs to be translated into Hindi for the benefit of Hindi speaking state for compliance by all connected with local area planning and development.

*( The study project was completed in 2003 and published with the approval of Planning Commission in 2006)*

### **Executive Summary**

Findings and Recommendations

## **POVERTY PLANNING AND DEVELOPMENT**

(A case study of Uttaranchal state)

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## **INTRODUCTION**

1. Besides 20 years of preliminary study (1983-2003), physical and personal observation carried out by the author of this study report, secondary datas pertaining to original eight hill districts of then Uttarakhand hill region of Uttar Pradesh and now 13 districts of Uttaranchal State, published during the period 1980-1999, have been used for this study report. The government of Uttaranchal could not up-date datas after 1999 mainly due to reorganisation of districts prior to and after the creation of the new state on 9<sup>th</sup> November, 2000. However, following three important published document/books (thesis) containing most relevant primary datas, pertaining to socio-economic conditions prevailing in Uttaranchal state, have been extensively used for this study report.
2. Basic and primary datas collected in 1988-89 then by the Government of Uttar Pradesh in respect of 59 villages with a population of 13959 with 2759 families and 4230 cattle to implement IRGAD Micro-Watershed Project in and around Pauri Development Block in Pauri Garhwal District.
3. 'Eco-system in the Central Himalayas' (thesis) by Vikram Singh published in 1995, containing primary datas in respect of 11 villages near Nainital, Ranikhet and Almora in Kumaon division.

4. 'Environmental Health in Garhwal Himalayas' (thesis) by Ramila Bisht published in the year 2000 containing latest authentic primary data based on a study of five villages in Yamkeshwar Development Block in Pauri Garhwal district.
5. The status of Human Development Index in Uttarakhand has been examined in the light of National Human Development Report-2001. It has been brought out that indices fixed by the Planning commission are not relevant to the people of a hilly state like Uttarakhand where forestry and agriculture are the main issues today which have to be sustained for the survival of the people largely living in rural and hilly areas. The study has proved and endorses the view that for centuries the people of Uttarakhand hill region have wrested a living from a very difficult terrain and maintained self sufficient economy. The pattern of life that survived for centuries has now been transformed by the inroads of development which has been resource intensive and ignoring the socio-economy of the local people. The advent of industrialisation and extension of law and order machinery etc. have undermined the self sufficiency of the village and the close relationship of man with nature has been disturbed.
6. Findings of this comprehensive research study will definitely help Planning Commission, Government of India to get first hand information about the ground realities with particular reference to the following :
7. Firstly, as to how multiplicity of various government agencies are working and spending money for the socio-economic development of the district without any consideration to human development with no short term and long term perspective plan drawn for the development of the region?
8. Secondly, as to how data are being collected, compiled and analysed independently by various agencies of the government and non-government organisations to which district or state planning committees have no access, control or interaction?
9. Findings of this research study will directly help the state planning department to review planning process including implementation of development programme, modify plan strategy and draw short term and long term perspective development plans for the new state of Uttarakhand. The study report has gone into the history of planning process, planning and development strategy adopted so far, faulty implementation of development programmes and the actual status of poverty and human development index in Uttarakhand. The role played by every known agency and authorities connected with the socio-economic development of a state have been studied in-depth and the lessons learnt have been brought out for taking corrective measures and policy intervention suggested wherever necessary.
10. Important findings including policy intervention suggested in this study report are briefly given in the following paragraphs.

## **POVERTY AND HUMAN DEVELOPMENT**

6. The structure of world economy is such that the rich grow richer and poor grow poorer. Surplus is created by the rich countries at the cost of poor countries due to unfavorable trade terms and most of the savings of the developing countries goes back as refund of loan and interest. This could equally be true of the rich and poor states within the country. However, economic disparity within the country can be eliminated through better planning, better management of economic and manpower resources which can ensure balanced and sustainable development of all states.

### **Incidence of Poverty in Uttarakhand**

7. According to the state government of Uttarakhand about 4,16,018 persons were identified as living below the poverty line in the year 2002. Based on the total population being 84,79,562 as per Census-2001 and the percentage of people living below the poverty line notified by the Planning commission, the total number of persons living below the poverty line can be estimated around 29.28 lakh which is distinctly higher than the figures estimated by the state government of Uttarakhand and compare to neighbouring state of Himachal Pradesh. In the absence of data not being made available by NSSO on per-capita expenditure pertaining to special category state, the state government should use existing machinery to identify the exact number of persons or families living below the poverty line fixed by the Planning commission. Those not willing to believe the extent of poverty mainly in the 11 hill districts of Uttarakhand, must know that today people are surviving in this hill state because of an estimated Rs. 320.00 crore of remittances coming yearly from migrant workers all over India and abroad.

(Chapter-5 and para 52.3 of the study report refers)

### **Calorie Intake and Poverty Line**

8. Minimum calorie intake required and fixed by the Planning commission and uniformly applied for all regions in the country needs re-examination. In hilly region, a person would need more calories not only because of cold climate but the extra time and hard labour required to earn same quantity of food, clothing and housing to survive unlike his counterpart in plains. In other words, people working and living in hilly region would be entitled to higher rate of wages and that means higher rates of estimated consumption expenditure. Therefore, minimum monthly expenditure level will have to be refixed for the people living in hilly region to find out the exact percentage of people living below the poverty line.

9. Average calorie norm of 2110 calorie per day prescribed by FAO for South Asia (FAO 1996) is far lower than 2400 calories that is adopted in India for rural area. Nutritional requirement vary not with climate but also with gender, age and activity status. In fact 2400 calories corresponds to the National Institute of Nutritions Recommended Daily Allowance (RDA) for an adult male weighing 60 Kg. engaged in sedentary work. The RDA for an adult woman also engaged in sedentary activity is 1875 calories per day. The corresponding recommendations for moderate work are 2875 and 2225 calories respectively. Women in the hill region work for an average of 17 hours per day and may have to travel about 12 km per day. The calorie requirement may even exceed 2875 per day. Therefore, food insufficiency and lack of nutrition is bound to affect the health of women as well as children. Thus there is strong case to refix calorie requirement and poverty line for the people living in a state like Uttarakhand and accordingly redraw plans and schemes to remove poverty in this region.

(Chapter-5 and 52 of the study report refers)

### **Access to Drinking Water**

10. In case of hilly areas like Uttarakhand state, the main source of drinking water is from the natural source ie springs. Based on which each village has developed and expanded over a period of time. It is neither like Rajasthan or Gujarat where people walk even up to 25 km. to collect water nor like plains of Uttar Pradesh where bad management, installation of tubewell and laying of pipelines are the major cause for non-availability of clean drinking water in rural areas. Unfortunately far too many serious mistakes have been committed in the hilly areas in the implementation of drinking water schemes due to ignorance of local geography and other socio-economic conditions on the part of agencies and engineers involved to execute the schemes. The mistakes committed are :

- Overestimating the potential of water source. The scheme is bound to fail if the source is sufficient only for one or two villages and pipeline laid say for 4-5 villages.
- The level of pipeline is not maintained. Natural spring can not push water from low level to high level.
- Water sources drying up due to deforestation which has been overlooked. Plantation of known specific species of trees is the answer to increase the capacity of existing natural springs.
- While some villages continue to be collecting water from distant water source, other villages have gone ahead to provide water through pipeline next to their house. This has affected the availability of water for other purposes.
- In many places the source of water disappeared because the construction of reservoir was undertaken by inexperienced people close to the spring where natural setting of the earth and the rocks got disturbed and with that the natural spring also disappeared.

11. There is need to train staff to develop water supply system in the hilly region. It is geologically wrong to start digging at the source of spring which develops only after thousands of year based on forest, soil and mountain formation. It should be noted down that earlier single water point was one of the main source of unity, love and affection among villagers. Distribution of water to individual houses or group of houses has resulted into disputes and disharmony among villagers. The biggest harm has been done to irrigation facilities that was available at the centrally located water point where a pond was generally available to store surplus water and used for drinking by animals and for irrigation by small scale vegetable growers in and around the water point.

(Chapter-6 of the study report refers)

### **Access to Electricity**

12. The distribution of power in Uttarakhand suffers from many defects. Main power line may be drawn to cover the entire region. Unless there is sufficient power, extension of power line to each village is a wastage of resources. Electricity poles were put up in 1985-88 but electricity connection were given in 1992. In 2000, power supply was not there due to low voltage which can not even light the bulb. Unless basic amenities are available to villagers, power supply is only a luxury than a necessity. Supply of power should be extended provided it is regular and the people at large want it. The ground realities are that only few who have sufficient money and who have managed to make pucca houses of bricks, cement etc. also want electricity, toilet facilities etc. But 90 per cent of the family in the hills can neither afford nor need electricity till their general economic condition has improved. As brought out in this study report that 50 per cent of the household did not avail electricity connection even-though power lines are laid in the villages.

(Chapter-6 of the study report refers)

### **Health Attainment in Uttarakhand**

13. NHDR-2001 has identified and analysed certain indicators on health attainment and demography at the national level. The data made available do not include information about smaller states in the country. Data compiled by Uttarakhand state on health attainment are also incomplete. However, based on available data, the health conditions in Uttarakhand are comparatively better than national average. The reason could be increasing percentage of literacy, cold climate and traditional way of living. The credit does not go to modern medical facilities which is unable to function effectively due to hilly terrain with villages located in remote areas with no regular access to outside world. In fact faith in god, family deities and other traditional ritual

practices continue to be the first preference to get rid of unknown diseases. In other cases quacks attend to patient suffering from incurable diseases. Traditional system of medicine should be encouraged and 'Vaidya' recognised with some incentives who should pay more attention to prevention of diseases. The cases of malnutrition and iron deficiency among children as well as woman is equally prevalent in Uttarakhand state like in other parts of the country. The health status can certainly improve provided economic standard also improves.

(Chapter-8 of the study report refers)

### **Problem of Disabled in Uttarakhand**

14. The exact number and information about each individual disabled person is not maintained at district or state level. District level officials in-charge to look after disabled persons fail to visit remote villages. Almost all eligible disabled persons are asked to present themselves in district headquarters for necessary aid which may be even 100 km away involving walking in difficult hilly terrain. Proportionately about 15 lakh persons may be suffering from various forms of disabilities in Uttarakhand as against 10 per cent of the population ie about 9 lakh reported recently. The Government of Uttarakhand needs to find out exact number of disabled persons in the state and make it public and then formulate programmes and procedures to help disabled person at the place of their residence itself.

(Chapter-10 of the study report refers )

### **Child Labour**

15. NHDR-2001 has adequately given out the nature and magnitude of the problem pertaining to children between 5-14 years of age in the country so to enable the state to care for children also. The position in Uttarakhand is slightly different. Traditionally there has been no labour force or agricultural labourer in Uttarakhand. Every one was an agriculturist and himself a agricultural labourer also. The problem of child labour started with the decline in agricultural growth and increasing poverty among poor farmers who could not even afford to send their children to school. Large number of these children belong to families who have no earning member and no source of cash income who allow their children to go away to small town and cities to do all kinds of menial job including household work where they are given only food and clothing. The state government can identify and control the exploitation of these children and give necessary aid. There is a need to formulate one single scheme (See para 29.12 of the study report and para 35 of this executive summary) for the families living below the poverty line with additional handicap like landless labourer, widow, old age, unemployed and disabled person in the family. The number of children employed in Uttarakhand are estimated to be about 3.5 lakh as per this study report. Children from the hill region are not suited to work in industries. However, large number of these children can now be seen with transport industry like vehicle cleaning and repair shop etc.

(Chapter-11 and para 52.4, 55.5 of the study report refers).

### **Physical Environmental Issue**

16. Physical Environment issue is a matter of national concern. There is total freedom in the country for the people to move from one state to another in search of job and other opportunities to do business and trade. While the central government has certain duties and powers to regulate utilisation of natural resources including forest and water keeping in view the environmental needs of the people, the state government are generally negligent who remain preoccupied with short term plans and projects to provide immediate relief which may have disastrous consequences in the long run. Taking advantage of this attitude of the state

government, the traders including labourers moving in from outside the state are also least interested in environment. The aim of migrant workers or traders is to buy and occupy any land, construct big buildings or develop 'Jhuggi Jhopri' at any cost in violation of all the rules of the state. Environment and ecology disturbed in one state also affects the neighbouring states. The state government is, therefore, obliged to attend to these issues forcefully in the larger interest of the country. The other related issues are installation of incinerators for the disposal of hospital waste like syringes and blood transfusion sets, use of polythene etc. which the state government has failed to implement inspite of law providing fine up to Rs. 10,000/-. Drying of river due to siltation and illegal construction like in and around Dehradun city has given space for dumping garbage and slum dwellers which has further multiplied the problems of solid waste disposal, safe drinking water and noise pollution in the valley. The government should not only control the public conduct and behaviour but also of the government employees so that no harm is done to forest cover and water and at the same time pollution is controlled effectively.

(Chapter-13 of the study report refers)

### **Law and Order**

17. There has been sudden spurt in crime in Uttarakhand after its creation. Though historically there has been regular infiltration of small time criminals from the plains of Uttar Pradesh to the hilly region, urbanisation and other developmental programmes has opened up new opportunities for land, liquor, forest and mine mafias who are now trying to wrest control over the resources of the state and capture political power if possible. This can be dealt with strong political will supported by public. However, Uttarakhand does need a highly trained, specialised police force capable of operating fast and effectively in a hilly terrain and forest covered areas which provide safe heaven even to criminals coming from outside the state. At the same time activities of the unemployed youth needs to be diverted in a big way to sports and constructive social welfare activities. Law and order can be improved on the line suggested in Part-VI of this study report dealing with governance and development in the state.

(Chapter-12 and Part-VI of the study report refers)

### **Unemployment and Poverty**

18. According to State Government of Uttarakhand, there were a total of 348675 unemployed youth registered with employment office in the year 2002. The government could give job to only 194 whereas 2865 were directly recruited by other bodies during the year 2002. The rate of unemployment is increasing by 2.2 per cent to 7 per cent per year in the country. Employment opportunities in the country are increasing in agriculture, technology, tourism and unorganised sector of the financial services. Uttarakhand will have to plan human resource development and create employment opportunities accordingly. Employment indicator is based on the person in the age group 15 years and above who were either working (ie employed) on the usual principle and subsidiary status or seeking or available for work ie presently unemployed. There is a need to go beyond the existing credit-cum-subsidy scheme and rural employment. These programme do give temporary relief but fail to provide lasting solution to the problem of poverty. Therefore state government will have to find alternative ways and means to improve the economic standard of the people living in a hilly state like Uttarakhand. New approach should include giving people more access to natural resources including land, minerals and water. Those in need of employment should be deployed for conservation of natural resources including social forestry, land development and on water conservation projects.

(Chapter-6 and Chapter-15 of the study report refers)

## PLANNING AND ECONOMIC DEVELOPMENT

### Finance Commission and Uttarakhand

19. Keeping in view the interest of a state like Uttarakhand, following points should also be taken into consideration for devolution of funds to states.

- Certain development/welfare schemes drawn by the central government may not be equally relevant or beneficial to all states. Accordingly when the state fails to participate in a particular scheme, the matching grant by the centre also lapses. This needs to be rectified. The state should be allowed to modify or reschedule the scheme as per requirement of the state and matching grant allowed to be carried forward to successive financial year.
- The per capita income of Punjab and Haryana has increased considerably due to green revolution which was made possible due to liberal and active assistance by the central government during seventies and eighties. Similar assistance should now be given to other backward states to exploit and develop their natural as well as human resources.
- Inefficiency and corruption at all level of the state government results into tax evasion, theft, losses and misappropriation of funds allotted for all kinds of development and welfare programmes. States needs to be made accountable for this who should be given incentive for better financial management of the state.
- Royalty should be paid to Uttarakhand on power and water resources shared by other states on the same line as given to Himachal Pradesh, Nepal and Bhutan.
- State like Uttarakhand should be compensated for keeping 60% of the land under forest with special schemes for unemployed youth with an incentive to take up self employment in forest and agriculture based allied activities. State government has many options to improve the economy of the state even after the Finance Commission has given its final award. The various ways and means open to state government have been listed in para 23.6 of the study report.

(Chapter-22 and 23 of the study report refers)

### Job Opportunities in Government Departments

20. The study report brings out that the conditions in Himachal Pradesh and Uttarakhand are identical except that in Himachal Pradesh rural economy is more prosperous than Uttarakhand. Against 1.40 lakh government employees in Uttarakhand, Himachal has 2.40 lakh government employees. Government of Himachal Pradesh has promised to give employment to 12 lakh as against 2 lakh by the government of Uttarakhand during the period 2002-2008. Large number of jobs can be created in Uttarakhand also if planned properly. Specific schemes and plans suggested to increase more employment opportunities at the lower level and drastic reduction in top heavy administration are given in para 28.3 of the study report.

(Chapter-28 of the study report refers)

### Planning Process

21. Even though planning process at the Central government level is reasonably well co-ordinated, it is not so well streamlined in the state and at the district level. There is a need to fix targets and priorities for each state by the Planning Commission for various sectors of economy depending upon the resources available and conditions favourable in the state. Like the Annual plan and Five year plan of the state is approved by the

Planning Commission, District Plan should also be approved by the state Planning Commission/set up provided it is manned by experts. This is extremely important in a state like Uttarakhand where there is a large variation between districts like Udhampur and Tehri Garhwal district of Uttarakhand in terms of natural resources, human resources, agricultural production, unemployment and poverty. District level authorities should be directly made responsible for the physical verification and quality of work executed by various departments in the district.

(Part-III and Chapter-29 of the study report refers)

### **Population Growth and Development**

22. It is widely believed that rapid population growth is one of the main causes of underdevelopment in the Third world. However, experts have come to the conclusion that uncontrolled population growth is not the root cause of problem endemic to the Third world such as poverty, hunger, environmental destruction, economic stagnation and political instability. Instead, policies and measures promoting inequitable and unsustainable development create these problems and are responsible for the population crisis. Only transformation of social and economic institutions that perpetuate poverty and make people dependent on children for survival can reduce population growth. The experts have therefore, identified recipe for demographic transition which include income and land redistribution, employment opportunities and social security, education, improvement in the status of women including late age marriage and access to health care and family planning services. It is, therefore, necessary for the state planning machinery to take this factor into account both for planning and execution of development programmes.

(Part-III and Chapter-29 of the study report refers)

### **Bio-diversity and Development**

23. All the plans drawn and implemented by the Government or non-government organisations have failed to follow principle of bio-diversity for a long time now. This has resulted into soil losing productivity, water sources drying up and forest wealth degenerating. It has been clearly defined that bio-diversity does not include only life forms of various groups but also the culture of the people, livelihood and the uses of traditional knowledge which enables them to derive direct or indirect benefits from forests, wetlands, grasslands, marine areas for their livelihood and jobs. So far this was ignored by the administration responsible to approve projects of various corporate sector and others who have interest in only making fast money by exploitation of natural resources. This needs to be checked and monitored at all stages by the Planning Commission or any other authority appointed for the job.

(Part-III and Chapter-29 of the study report refers)

### **Multiple Agencies and Development**

24. One of the observations made by this study report is the free hand given to various agencies and departments including research institutes drawing development plans for this hill region independently without any interaction on the approval of state level Planning Commission. Money is pouring into Uttarakhand through all kinds of non-government organisation, foreign aided projects and through Central government agencies. The benefit may be going to only managers of these projects and suppliers of technology from outside with no end result to open employment opportunities for the unemployed youth or to enhance the income of the rural poor. An example of this approach is given in the following paragraphs.

25. During three day workshop on 'Uttarakhand development through technological intervention' held at Kosi Katarmal (Near Almora), Director of the Indian Institute of Technology (IIT) Delhi announced an ambitious Rs.1360 crore Science 5 year plan for Uttarakhand which will create five lakh employment opportunities for local people. The Department of Science and Technology (DST) and the Ministry for Information Technology would work together to improve the Communication networks of the region. The plan includes:-

- A Rs. 100/- crore pilot project to explore the scope of a low cost indigenous telecom technology, internet and very small aperture terminal (US) systems to improve the connectivity of the region. The centre would focus on infrastructure like telecom, power and transportation without which private investments are hard to attract. It would also conduct feasibility studies to assess the scope of alternative transport system like zeppelin, ropeways and balloons.
- To utilise the Himalayan bio-resources and generate high value added produces using them, the department of biotechnology (DBT) will initiate projects to improve Uttarakhans economy and set up a national bio-resources investigation Centre. Several institutes including the GB Pant Institute of Himalayan Environment and Development at Kosi Katarmal, Central Institute of Medical and Aromatic Institute in Lucknow, Indian Council of Agricultural Research (ICAR) and three local universities Kumaon University, Garhwal University and Pant Nagar University, would work together for sustainable utilisation of Himalayan bio-resources.
- A regional plant tissue culture facility would be setup to undertake projects on agro-forestry, underutilised crops, high altitude pasture lands, animal husbandry and fisheries and production of value added food production.
- A biotechnology complex would be established in Uttaranchal for technology demonstration and training.
- It was proposed a utilise 37 of the 60 hot springs in the inner belt of the Himalayas for providing heat on a commercial basis.
- The existing network of seismic stations should be expanded to cover all earthquake prone areas in the Himalayas.

26. Contrary to the above, Mahatma Gandhi had suggested that man should be the centre for economic growth. However, the planners accepted the modernisation concept which was based on metal and machine. This western concept based on modern technology is not sufficient to meet Indian challenges because the western model is not fit to face vast rural and poverty problem like the one prevailing in India. It has been brought out convincingly in this study report that local area planning has to take into consideration the local environment, culture, traditions, and the requirement of traditional trades and methods of farmers to sustain rural economy. Any decision at the central government level without considering local condition, will have damaging effect on the population who are marginalised and their tradition and culture destroyed. Those planning to bring big size buffaloes and cows in this hill region are ignorant of the fact that the bigger size animals also need more fodder, more water and bigger houses or cowsheds etc. Science and Technology can be used to improve administrative support and social services in the hill region. It could not be used to change the size of man, animal and plants. No plan or programme by any government agency including non-government organisation should be permitted to be implemented without the approval of Planning Commission which is manned by people who have expertise in planning and development issues pertaining to all sectors of economic activity at national as well as regional level. This is very important if the government resources are

to be utilised for the removal of poverty and unemployment in the state instead of financing scientific research institutes, scientist and managers of non-government organisations.

27. It will not be out of place to mention here that each UNDP's annual report since 1990 have focussed world's attention on the need to put the people at the centre of development. The 1997 report, in its six point agenda for poverty eradication had urged empowering individuals, households and communities to gain greater control over their lives and resources. Instead of concentrating on these basic guidelines, the state and other agencies continue to invent new policy and programmes and totally ignoring local elected representatives, entrepreneurs, innovators and those associated with peoples movement. NGOs who are associated with these programme launched by various international and national agencies are also from outside with negligible local participants. Multiplicity of agencies at the regional/district level should be abandoned. Even if it is necessary to have more than one agency to execute a programme or a project the same should be well co-ordinated.

(Part-III and Chapter-29 of the study report refers)

### **Role of NGO's**

28. It is reported that about 450 non-government organisations are working in the state of Uttarakhand and about two dozen of these NGO's are financially well established. It is the claim and achievements of these NGO's which is often reported in the press. They claim to have achieved and contributed to the development of Uttarakhand with a small organisation and after spending only few lakhs of rupees. On the other hand government achievements are negligible even after spending crores of rupees. Some of these NGO's have even been awarded with national and international award. The government should either associate these organisations with planning and Development at various level or make it public that they are bogus and misleading the public for their vested interest. Alternatively activities of the NGO's should be restricted to areas where government machinery is unable to reach and may be given to NGO's with full accountability to the people and public representatives of the area. This may include schooling and medical facilities where government departments are unable to reach. NGO's engaged in a particular activities say in forestry should be placed under forest or the department concerned for monitoring and co-ordination.

(Part-III and Chapter-29 of the study report refers)

### **Social Scientist Research and Development**

29. It is clearly understood that research studies needs to be undertaken by social scientists to highlight the issues related to socio-economic, political and strategic importance of all regions in the country for the economic development of the region at local level and as part of national level development. This is mostly undertaken by the Indian Council for Social Science Research (ICSSR) and other research scholars all over the country. However, the outcome of these research studies are seldom used by the planning commission at the state level.

### **Construction of Building and Houses**

30. It will be in the larger interest of the people of Uttarakhand to stop construction of building with bricks, steel and cement which is not only costly but unsuitable for this hill region from the point of view of climate and earthquake etc. The traditional construction technique designed by the people with locally available material ie stone, mud, wood etc. and later developed with CGI sheet during the British Raj should be encouraged. These old building made of stone-mortar with wooden roof covered by CGI Sheet have been comfortable and long lasting. Under no circumstances RCC roof should be allowed on walls made of stone-

mud-mortar. Traditional technique of making houses will reopen new job opportunities for local artisans and other craftsmen.

(Part-III and Chapter-29 of the study report refers)

### **Urban Development for Sustaining local Economy**

31. As against 15793 villages, there are about 86 small towns in the state of Uttarakhand. There is a need to develop, each place for tourist as well as for local residents with all modern facilities like schools, hospitals, water, electricity available. This will help reduce pressure on the foothill towns of Dehradun, Haridwar, Kotdwara, Haldwani, Ram Nagar on the one hand and create market for the local agriculturists to sell their product including milk, vegetables, fruits etc. besides creating large number of new opportunities for self employment. Development of these small towns will also open market for locally produced cash crops now becoming popular like turmeric, ginger, cardamom and off season vegetables. These towns will also provide market for pisciculture which is coming up all over based on mud ponds created for rainwater harvesting, beekeeping and honey production, rabbit farming etc. Since 60 per cent of land has to remain under forest in Uttarakhand as per national policy, sale and purchase of land will have to be regulated by the government.

(Part-III and Chapter-29 of the study report refers)

### **Industrial Development Planning**

32. Industrial development planning has been a total failure in the hill region of Uttarakhand. Some of the major industries like Hindustan Machine Tool (HMT) at Haldwani, UP Textile Mill Jaspur, Flowmore Polyester Ltd. at Kashipur had been declared sick long time back. The other industries like ARC Cement factory Dehradun, UP Government Calcium Carbide Hydrate Factory, Aditya Chemicals and Hindustan computer Ltd. had to close down. Therefore, industrial development in Uttarakhand has to be agro-based and forest based restricted to small scale industries sector only.

(Part-III and Chapter-29 of the study report refers)

### **Local Entrepreneurship Development**

33. Uttarakhand hill region had traditional artisans including Tamtas (Copper Smith) popular for hand made utensils, Gold smiths and other artisans making useful household items out of Bamboo and other selected commercial wood. There is a need to upgrade the skill of these artisans and give them exposure to outside market without middlemen. National Institute of Design could help the local craftsmen to know the demand of local and international market. Similarly jute, ringal and 30 other fibers have been identified which can be commercially utilised by craftsmen for traditionally known numerous handicraft products.

(Part-III and Chapter-29 of the study report refers)

### **Construction of Roads**

34. Construction of Roads in the hills has suffered due to following draw backs which needs to be corrected.

- Construction of roads in the hill region has been going on purely on the basis of demand from public and the interest of the political leaders without any consideration to administrative or economic requirement. Construction of roads should be taken up first to connect administrative units, to promote tourism and to help in transportation of forest produce, agricultural produce, if any, in the areas selected.

- It has been common to start construction of many roads simultaneously all over and thereafter leave them incomplete for years. This is a pure wastage of money and limited resources of the government.
- Road network needs to be planned for the hill region once for all. It is neither possible nor advisable to connect every village by road. However, jeepable road may be constructed to connect as many villages as possible with main road. Even Prime Minister's Rural Road Construction programme includes villages with a population of 500 and above only. Construction of roads in the hill region is also restricted due to Central Forest Act. Therefore, uncontrolled utilisation of land for road construction is likely to affect the other needs of the rural population including fuel and fodder.
- Biggest fault with the construction works in Uttarakhand is that there were far too many construction agencies like Public Works Department, Department of Rural Engineering, State public construction corporation, State public construction corporation for SC/ST, CPWD, Jal Nagam, Jal Sansthan, Irrigation department. All executing small scale work in a particular Development block with their Executive Engineers operating independently from District Headquarters which may be 100-150 km away. This needs to be corrected for the hill region. All types of construction work could be placed under one single agency with an Executive Engineer say at Tehsil level with Assistant Engineer at Block level and a Superintendent Engineer at District level. This will on the one hand save money of the government and on the other help in execution of work effectively with quality and direct supervision. This will definitely prevent bridges and buildings collapsing before inauguration.

(Part-III and Chapter-29 of the study report refers)

### **Unified Poverty Alleviation Programme**

35. There is a need to formulate one single scheme for a family living below the poverty line irrespective of the fact that family belongs to scheduled castes, scheduled tribe or other category or caste group. Besides being below poverty line, the family may have additional problem or handicap as under:-

- Family may be landless
- Head of the family or a member may be a widow
- Head of the family may be above 60 years of age
- Head of the family may be disabled person
- Head of the family or a member may be suffering from a disease which requires specialised treatment.
- May be owning a single room house
- Daughter with marriageable age.

36. Based on the above criteria, the family should be given aid and identified for monthly pension till such time the family is given a piece of land or employment to one of the family members. The present policy of the government to expect a family living below the poverty line to approach 6-7 different authorities for grant and for different purposes as above is neither economical for the government nor for the beneficiaries. In fact under the existing procedures, the beneficiary and the government together spend Rs. 200/- to disburse a grant of Rs. 100/- to the beneficiary. The suggested formula for giving grant under unified poverty alleviation programme could be as follows:-

(i)	Below poverty line	-	Rs. 500/- pm
(ii)	Landless	-	Rs. 250/- pm
(iii)	Head of the family or a member is a widow -		Rs. 250/- pm
(iv)	Head of the family is above 60 years of age -		Rs. 250/- pm
(v)	Head of the family or member of a family - suffering from a disease which is incurable or requires specialised treatment		Rs. 500/- pm or free treatment
(vi)	Daughter with marriageable age	-	One time grant which may be fixed by the state Government.
(vii)	Owning a single Room House	-	One time grant for one more room.
(viii)	Education	-	Free education with books and uniform up to 10 <sup>th</sup> standard.

37. The above grant could be sanctioned to the head of the family on one single application form by the office of Sub-Divisional Magistrate only subject to monitoring by District Magistrate office. To up-lift the family:-

- Unemployed male earning member could be given job on daily wages near his place of residence
- Landless could be given a piece of land including forestland for plantation and maintenance.
- Having fulfilled the above two basic needs, the family should be declared living above the poverty line after a period of three years and may continue to receive grants under the head (iii) (iv) (v) and (viii) above.

(Part-III and Chapter-29 of the study report refers)

### **Development and Data Collection by Various Departments**

38. Nothing is likely to move forward unless the departmental set up are reviewed at all level from village to state level, role of the each department at various level in specified and finally accurate data collection and preparation of up-to-date statistical records for each district is put in place. Only then plans can be drawn at block/district level, targets fixed and project executed, monitored and the problem of unemployment and poverty solved or reduced.

(Part-III of the study report refers)

### **Credit Deposit Deployment**

39. It was wrong to presume that two out of every three person in the hill region of Uttarakhand had a deposit account in the Bank. The large number of accounts also include corporate sector, traders, government sector, multiple accounts of individuals including serving and retired government employees account in the Bank. While the average credit deposit ratio of private sector, rural and co-operative bank has been around 30 per cent, CD ratio of nationalised bank has been only 10 per cent. Short term as against long term credit particularly in agriculture and industrial sector are believed to be the main reason for low credit deposit ratio.

According to latest statement by government about Rs. 320 crore was deposited in the bank as against Rs. 66 crore disbursed as loan during the year 2000-2001. As a result of this public sector bank have to transfer huge amount to their head office to earn additional interest for the bank only. Therefore the banking policy for a state like Uttaranchal also needs review so that it could help in the removal of poverty and unemployment in the state.

(Chapter-24 of the study report refers)

### **General and Economic Services**

40. The Sixth Five year plan (1980-85) document of the state also included Jails, Stationery & Printing, Academy of Administration, Training, Weight and Measure, Public Housing, Assistance to Housing board, General pool accommodation, Food storage and Public Distribution, Food subsidy, Assistance to co-operatives, Assistance to Public Undertakings, Storage and Ware Housing Information and publicity which needs to be corrected. Whereas, food storage and public Distribution should form part of social services other should either go to respective sector or form part of non-plan expenditure. General and economic services should include Statistics, Planning Machinery, Stationery Printing, Training for development as part of plan expenditure which the planning commission at the Centre has also included in its plan documents.

(Part-III of the study report refers)

### **IMPLEMENTATION OF SECTORAL DEVELOPMENT PROGRAMME**

41. Implementation of development programme undertaken by various departments like Agriculture, Horticultures, Animal husbandry, Soil and water conservation, Watershed management, Forest, Environment, wild life, Irrigation flood control, Energy development, Industrial development, Mineral development, Transport, communication, Tourism, Science, Techonology, Education, Public health, Drinking water supply programme, Urban development, welfare of SC/ST/OBC etc. and Disaster reduction and management have been examined in details in Part-IV of the study report and Policy intervention suggested. The common mistakes committed in the implementation of development programme are :

- Government departments are created without assessing the job requirement, the load of work and scope for development which should be done only after detailed study based on necessary survey and data collection.
- Besides agriculture and animal husbandry, the horticulture has been one of the worst example of bad planning for sectoral development programme in Uttaranchal. The state had then undertaken about 37 schemes to develop horticulture in Uttaranchal which were aimed to produce quality seeds for vegetables, nurseries and plantation of fruit trees. By the end of 1998-1999, almost 25 projects were running in losses and horticulture department like other government undertaking was actually spending about 27 crore on pay and allowances of the staff to manage projects worth 2 crore only. Budget was thus allotted without any utilisation. As a result of this, losses had accumulated to Rs. 2.50 crore by the end of 1998-99. It is a typical example of development on paper and the department had created various post for 3549 employees including Director, Additional Director, Joint Director, Four Deputy Directors, eight technical Officers as specialist in horticulture, Deputy Directors at Divisional level, Extension service officers, Horticulture officer, District potato vegetable development officer, Nursery development officer etc. The net result is that today the state government has decided to sell all the farms to private sector.

- When the department is created without any specified job in the field, false targets are fixed and achievements are reported to justify existence of the department and to justify demand for budget allotment. Thus the money is disbursed without actually increasing production or improving economic growth. This points needs special attention to monitor performance of each department connected with industrial and agricultural growth in the state.
- Misappropriation of funds can be seen clearly in the soil and water conservation programme. The job is done by agriculture, Civil Soayam forest and under watershed management programme. Due to multiplicity of department, no central authority is accountable to monitor and physically verify the results of the programme. Even though research studies are carried out by Central soil & water conservation and Research Institute Dehradun, there is no linkage between the state department and the institute to make full use of the findings for soil and water conservation in the hill state of Uttarakhand.

(For full details refer Part-IV of the study report)

### **Watershed Management and Development**

42. Watershed management in a new national strategy and approach to development of rural areas in India. The aim of the strategy is augmentation and stabilisation of production and productivity to minimise ecological degradation, reducing regional disparity and also opening up of greater opportunities for employment of the rural poor in the rainfed areas. To this end a common approach and participatory action for empowerment of the community has been suggested. The role of each department i.e. Forestry, Agriculture, Horticulture, Soil conservation, minor irrigation Animal husbandry, Energy conservation and Miscellaneous work for the community have been identified to be undertaken as part of watershed management programme. Instead of regulating and monitoring the work undertaken by various department, the watershed management has developed in an additional department. The net result is that there are more departments, more development authorities for watershed development with least participation by the people and the grass root level workers. In other words there are more managers and less workers. The role and functioning of CDO, DRDA and PRI at village, block and district level vis-a-vis watershed management authorities will have to be re-examined for the development of a hilly state like Uttarakhand. Area of responsibility will have to be clearly defined, multiplicity of agencies and duplication of work will have to be eliminated to minimise wastage of resources for speedy development of the region with a view to provide more job opportunities for the unemployed on the one hand and eradication of poverty on the other.

(For full details refer Part-IV of the study report)

### **Forest Environment and Wild Life**

43. Management of Forest Environment and wild life has been examined in Chapter 36 of the study report. Policy intervention required with regard to income from forest corporation, forest conservation, Forest conservation Act. 1980, Joint forest Planning and Management, Role of Forest research institute, medicinal plant and forest, wild life, wild life and bio-diversity, corruption in forestry sector and administrative reform required for forest and wild life conservation have been identified and documented in the study report for taking necessary corrective measures and policy intervention.

(For full details refer Chapter-36 of the study report)

## **Irrigation and Flood Control**

44. Like soil conservation scheme, construction of irrigation canal in the difficult mountain terrain may be on paper only and possibility of sub-standard or no actual construction can be taken for granted in many cases. If the construction of roads and drains in a city like Dehradun (now capital city) could be seen getting washed away only within few months of the construction, the large number of minor irrigation channel, guls, water tanks constructed in remote hilly region may have been constructed on paper only and money pocketed by engineers and contractors. Unless we have highly dedicated officials and workers who can physically walk in the hills and monitor the construction work, misappropriation of funds will not stop.

(For full details refer Part-IV of the study report)

## **Other Sectors of Economic Activity**

45. Other sectors like Power and energy, Industrial development, Mineral development, Transport and communication, Tourism, Science and Technology have also been studied in detail and policy intervention suggested with regard to planning, priorities and utilisation of budget.

(For full details refer Chapters-38 of the study report)

## **Policy Intervention in Social Sector**

46. Issues connected with social sector like Education, Medical and public health, Drinking water supply programme, welfare of SC/ST/OBC and Disaster management have been studied in detail in Chapter-44 to 49 of the study report and necessary policy intervention suggested. Unless there is economic development and equitable distribution of wealth, the problems of social sector will keep multiplying. Inadequate funds, misappropriation of funds, lack of staff and building, lack of quality education in vocational Training Institutes, unauthorised private and poor educational standard of government schools in rural areas are responsible for poor human resource development in the state which can be improved after taking corrective measures. Misappropriation of funds allotted for the welfare of sick, elderly people, widows and disabled people can be checked by appointing highly dedicated village level workers and by simplifying procedures to sanction and payment of grant. This could be done on the same line as suggested in para 55.3 Part-V of the study report. There is a need to combine Disaster management set up with physical environment which should be placed under one authority. This authority should have all the powers to keep watch on physical environment which should not be allowed to be disturbed at any cost and so to prevent disasters. And in case of disaster this authority should be responsible to manage relief to disaster victims.

(Part-IV of the study report refers)

## **ALTERNATIVE APPROACH FOR THE DEVELOPMENT OF UTTARANCHAL**

47. Weak rural economy, lack of employment opportunities, dependence on Money order economy and increasing consumption of liquor and tobacco due to frustration and non-availability of sufficient nutritional food are some of the main reasons for poor economic attainment in the hill state of Uttarakhand. Therefore, removal of these factors may bring in prosperity in this state. The main issue relevant to regional development and the hilly state of Uttarakhand have been brought out in Part-V of the study report where an alternative approach for the development of Uttarakhand state has been outlined. This part of the study report can be used to formulate new strategy for the development of the region and accordingly five year plans can be drafted.

(For full details refer Part-V of the study report)

## **CONCLUSION**

48. However, to implement the development programmes a thorough reorganisation of the departments with particular reference to their structure, role and functioning at all level will have to be carried out. In view of this, the present status of Governance has also been briefly discussed in Part-VI of the study report and all the issues relevant to good governance for development have been identified which will have to be rectified after necessary structural and administrative reform. A separate study is necessary to find out the exact nature of structural, administrative, legal and procedural reforms that may be required to improve political, civic and economic governance at the state, district, block and village level. A project profile has since been prepared on 'Governance and Development' (with particular reference to inefficiency and corruption in civil administration) and submitted to the planning commission for approval. The comprehensive study report on 'Poverty Planning and Development' is equally important for planning and development of rural and hilly areas of all other backward states in the country. Besides executive summary, full text of the report should, therefore, be studied to take note of specific recommendations and policy interventions by various agencies and concerned department of the central/state government.