

**ESTIMATES COMMITTEE  
(1974-75)**

**(FIFTH LOK SABHA)**

**SIXTY-NINTH REPORT**

**PLANNING COMMISSION  
DEVELOPMENT OF BACKWARD AREAS**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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**(1974-75)**

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## INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the Report on their behalf, present this Sixty-Ninth Report on the Planning Commission—Development of Backward Areas.

2. The Committee took the evidence of the Planning Commission, Ministries of Finance, Industrial Development, Agriculture, Home and Labour at their sittings held on the 5th and 16th November, 1974. The Committee wish to express their thanks to the officers of the Planning Commission and these Ministries for placing before them the material and information which they desired in connection with the examination of the subject and for giving evidence before the Committee.

3. The Committee also wish to express their thanks to Shri S. K. Somaiya, President, Shri I. P. Podar, Vice-President, Shri N. G. Abyankar, Executive Director and other representatives of the All India Manufacturers' Organisation for furnishing memorandum to the Committee and also for giving evidence and making valuable suggestions.

4. The Committee also wish to express their thanks to all the other associations and individuals who furnished memoranda on the subject to the Committee.

5. The Report was considered and adopted by the Committee on the 18th December, 1974.

6. A statement giving the summary of recommendations contained in the Report is appended to Report (Appendix VII). An analysis of recommendation is also appended (Appendix VIII).

NEW DELHI;  
December 19, 1974.  

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Agrahayana 28, 1896 (S).

R. K. SINHA,  
Chairman,  
Estimates Committee.

## CHAPTER I

### A. Introductory

Accelerated development of backward areas with a view to reducing regional disparities is one of the important national objectives. Although the *per capita* income of the country was Rs. 681 in 1972-73 which was one of the lowest in the world, even this *per capita* was unevenly distributed in the various States and a number of States had *per capita* incomes far below the national average. The position is further complicated by the fact that even the States having *per capita* income higher than the national average had districts and areas which had *per capita* income much below the national average. Moreover, these regional imbalances are further widening due to the fact that market forces normally operate in such a way that growth tends to be attracted to the already developed States. The economics of agglomeration, size and specialisation accentuate the trends which widen the inequalities between different areas, making it difficult to alter the growth process in favour of the less developed areas.

1.2. An analysis of the regional structure in the country indicates that a variety of factors have, singly or jointly, prevented different areas from benefiting adequately from the process of socio-economic development. In several areas, stagnation is attributable to historical reasons. During the pre-Independence era, the areas which were unimportant from the point of view of commercial and political interests received less attention compared to others. In many areas production relations have also not been conducive for the development of initiative, stimulation of entrepreneurial abilities and capital formation. Certain other areas have adverse land man ratios or are so poorly endowed in natural resources as to offer very limited opportunities for the diversification of their economic structure. Poor infrastructure and the resulting absence of external economics are also an important causal factor for backwardness. In hilly and other sparsely populated areas, the effect of these factors is further accentuated by the relatively higher cost of providing economic and social services and the existence, particularly in the tribal areas of unfavourable socio-cultural impediments.

1.3. The Committee regret to note that even after 27 years of Independence and implementation of four Five Year Plans, large areas in the country still remain backward and the people in these



areas have been denied the fruits of developmental efforts. Moreover, most of the developmental efforts have remained concentrated in the areas which are already developed. This has not only accentuated regional imbalances but the state of backwardness and lack of employment opportunities, have compelled the people of these areas to migrate to developed States and metropolitan and big cities resulting in creation of pressures on these areas, growth of slums and consequential generation of social tensions. The Committee feel that this state of affairs is fraught with dangerous potentialities and calls for immediate and concerted efforts to tackle the problem of backwardness. The Committee stress that the problem of backwardness of these areas should be studied in depth and all out efforts made by all the agencies concerned viz., the Central Government, the State Governments, public financial institutions and all others concerned to undertake developmental activities in these areas so that their potential for economic development is fully realised, and differences in levels of regional development made up at the earliest so as to bring them in line with the rest of the country.

### B. Identification of Backward Areas

1.4. At a meeting of the Committee of the National Development Council held in September, 1968, the position regarding regional imbalances and more specifically of regional disparities in industrial development was reviewed in detail. In pursuance of the decisions taken at this meeting, the Planning Commission set up two Working Groups in November, 1968. One Working Group was asked to recommend the objective criteria to be followed in identifying less developed regions while the other Working Group was to consider *inter alia*, the nature of concessions to be given and in particular to examine procedural, financial and fiscal incentives and the role of State Governments and financial institutions in the development of industries in the less-developed regions. The Working Group on 'Identification of Backward Areas' (commonly known as Pande Working Group) recommended the following criteria to be applied in aggregate for the purpose of identification of industrially backward States and Union Territories:—

1. Total per capita income.
2. Per capita income from industry and mining.
3. Number of workers in registered factories.
4. Per capita annual consumption of electricity.
5. Length of surfaced roads in relation to population and the areas of the State.

6. Railway mileage in relation to the population and the area of the State.

On the basis of the relevant statistical data in respect of these criteria, the Pande Working Group recommended that the following industrially backward States and Union Territories should qualify for special treatment by way of incentives for industrial development:—

States	Union Territories
Andhra Pradesh	Goa
Assam	Himachal
Jammu & Kashmir	Tripura
Madhya Pradesh	Manipur
Nagaland	
Orissa	
Rajasthan	
Uttar Pradesh	
Bihar	

The Pande Working Group felt that about 20-30 districts in all may be finally selected for grant of special incentives during the Fourth Plan period.

Subsequently, at the instances of the new States of Meghalaya and Himachal Pradesh, statistical data in respect of the criteria recommended by the Working Group for these States were examined and it was agreed to identify them also as industrially backward.

1.5. The Working Group on "Fiscal and Financial Incentives for starting industries in Backward Areas" (Wanchoo Working Group) recommended the following incentives for attracting entrepreneurs for setting up industries in the selected backward areas:—

- (a) Grant of higher development rebate to industries located in backward areas.
- (b) Grant of exemption from income-tax, including corporate tax, for 5 years after providing for the development rebate.
- (c) Exemption from the payment of import duties on plant and machinery, components etc. imported by units set up in backward areas.
- (d) Exemption from excise duties for a period of 5 years.

- (e) Exemption from sales tax, both on raw materials and finished products, to units set up in specified backward areas for a period of 5 years, from the date of their going into production.
- (f) Transport subsidy:—Upto 400 miles the distance should be considered as normal and beyond that the transportation cost for finished products should be subsidized for such backward areas as may be selected in the States of Assam, Nagaland, Manipur, Tripura, NEFA and Andaman. The transport subsidy should be equivalent to 50 per cent of the cost of transportation in case of the backward areas specified in J & K State.

1.6. In pursuance of the decisions of the Committee of the National Development Council the following criteria were evolved after consulting the financial institutions to be adopted as guidelines by the States and Union Territories for identification of the Industrially backward districts to qualify for concessional finance.

- (1) Per capita foodgrains/commercial crops production depending on whether the district is predominantly a producer of foodgrains/cash crops. (For inter-district-comparison conversion rates between foodgrains and commercial crops may be determined by the State Government on a pre-determined basis where necessary).
- (2) Ratio of population to agricultural workers.
- (3) Per capita industrial output (Gross).
- (4) Number of factory employees per lakh of population or alternatively, number of persons engaged in secondary and tertiary activities per lakh of population.
- (5) Per capita consumption of electricity.
- (6) Length of surfaced roads in relation to population or railway mileage in relation to population.

1.7. States and Union Territories were requested to send their proposals for selection of industrial backward districts to qualify for concessional finance along with the relevant statistical data in respect of the criteria adopted by them for identification of such districts. They were also requested to indicate separately the names of two or three districts from the list of the districts proposed to qualify for concessional finance, to be considered for selection to qualify also for Central scheme of investment subsidy. While some State Governments have adopted these criteria *in toto*, others have adopted

somewhat different criteria presumably in the context of the availability of data. However, the proposal of the States and Union Territories regarding the districts identified as backward along with the relevant statistical information were examined in the Planning Commission in consultation with the Ministries concerned, namely, the Ministry of Industrial Development, the Department of Banking and the Department of Expenditure. It may be mentioned that although it was stipulated in the Planning Commission's letter to the States and Union Territories that only districts with indices well below the State average would be selected for the purpose, the view taken subsequently was that all the districts with indices below (and not well below) the State average may also be selected for concessional finance. Accordingly, in most States all districts and areas with indices below the State average have been selected to qualify for concessional finance except in the case of a few districts/areas from the States of Assam, Himachal Pradesh, Jammu and Kashmir, West Bengal and Madhya Pradesh where some areas above the State average have also been selected as special cases.

1.8. State Governments were initially requested to select two districts/areas from each of the States identified as industrially backward and one district/area from each of the other States and Union Territories to qualify for the Central Scheme of investment subsidy. Subsequently, after a review of the working of the scheme it was decided in mid-1972 to extend the coverage of the scheme from two to six districts/areas in each of the States identified as industrially backward and from one to three districts/areas in each of the other States so as to provide a somewhat wider choice to entrepreneurs to set up industries in these areas.

1.9. Asked when the original scheme was started and when the review of the scheme was undertaken, the Government have intimated the Committee in a written note that "The Central Subsidy was notified on August 26, 1971. The working of the Scheme was examined in an inter-Ministerial meeting held in March, 1972. On the basis of its recommendations, the Government revised the coverage of the scheme."

1.10. It has been further stated by the Planning Commission in the material submitted to the Committee that "On the recommendations of the two working Groups set up by the Planning Commission in November, 1968, a scheme of financial assistance was drawn up under which 230 districts were selected by the Planning Commission in consultations with the Central Ministries for concessional finance from financial institutions for starting small and medium scale

industries. Eight Union territories were also selected for the purpose. The number of districts eligible for outright subsidy of 10 per cent of the fixed capital investment has recently been increased to 6 in each of the States identified as backward and 3 districts/areas in each of the other States. Since March, 1973 the rate of subsidy has been increased from 10 to 15 per cent subject to a maximum of Rs. 15 lakhs for industries coming up on or after March 1, 1973."

1.11. Asked about the criterion adopted by the Central Government for identification of industrially backward areas and by the various state governments and the variations made by State Governments, the Committee have been informed in a written note furnished by the Planning Commission that "The criteria set out in the nature of Guidelines by the Centre for identifying industrially backward areas are as follows (Appendix-I). While adopting these Guidelines, the State Governments have made some modifications based on their judgement of the local circumstances. The variations made by the State Governments are shown in Appendix-II."

1.12. Asked if any in-depth study has been made by the Planning Commission to judge the adequacy or otherwise of the present criteria on the basis of its working, the Planning Commission has stated in a written note submitted to the Committee that "No specific study regarding the adequacy or otherwise of the criteria has been made by the Centre."

1.13. Asked if steps have been taken to identify economically backward areas, the Planning Commission have stated in written note submitted to the Committee:—

"The problem of the identification of backward areas has, it is felt, been made somewhat easier by the adoption of a location-specific and norm oriented Minimum Needs programme. However, considerable work still needs to be undertaken to evolve nationally acceptable criteria for this purpose. It is proposed, therefore, that steps may be taken to organise studies for determining norms for the identification of economically backward areas with the participation of the representatives of the State Governments and research and academic institutions etc."

1.14. Asked if any steps have been taken to organise the proposed studies for refining norms for the identification of economically

backward areas, the Planning Commission have stated in a written note submitted to the Committee:—

“This matter is under examination of the Committee of Backward Areas.”

1.15. The Committee are concerned to note that although the problem of development of backward areas and removal of regional imbalances has been engaging the attention of Government from the beginning of the First Five Year Plan, yet no concrete and concerted measure was initiated in this behalf till 1968. It was only in November, 1968 that Government appointed two Working Groups—(i) to recommend an objective criteria to be followed in identification of backward regions; and (ii) to recommend the nature of concessions to be given for encouraging the development of industries in these regions. The Committee note that the State Governments were originally requested to select two districts/areas from each of the States identified as industrially backward and one district/area from each of the other States/Union Territories to qualify for a central scheme of investments/subsidy. Within a period of 6 months, the scope of this scheme was extended to cover six districts/areas in each of the States identified as industrially backward and three districts/areas in each of the other States. The result has been that as many as 233 districts have become eligible for these concessions under this scheme.

1.16. The Committee fail to understand that while on the one hand, Government have been pleading financial constraints as a reason for not being able to take steps for the accelerated development of the backward areas in the country, on the other, the scope of the scheme has been extended to a large number of areas with the result that the impact of the scheme has been considerably diluted and these districts have not been able to make any significant progress in the matter of development. The Committee regret to note that although the Pande Working Group recommended the selection of only 20—30 districts in the industrially backward States/Union Territories for special incentives, Government did not accept this recommendation even though it had been specifically pointed out by them that in the working of Industrial Development Area Scheme, the progress had been slow in the States which had taken relatively a larger number of these areas. The Committee are of the view that in the present situation of constraint of resources and availability of entrepreneurial skill as well as administrative and organisational resources of the States, it would have been far better if the recommendation of the Pande Group had been accepted and

efforts had been concentrated in a limited number of districts by giving them liberal incentives so that in the backward States, there would have been atleast one district/area where significant economic development had taken place which would have served as an example to other areas.

1.17. The Committee recommend that an indepth study of the criteria followed by the Government should be made with a view to adopt a stricter approach in the matter of identification of districts /areas for providing special incentives for their development. They would like Government to review their policy in order to concentrate their efforts in a few selected districts in the backward States which have got growth potential so that real impact may be made in the development of these areas. In the light of the experience gained, concrete schemes could be evolved for application to other areas.

1.18. The Committee further note that the Working Group had laid down criteria for identifying only the industrially backward areas. The Committee would like to emphasise that the problem of backwardness in the country is not confined to the sphere of industries only. The backwardness of an area can also be removed by developing other economic activities like agriculture, horticulture, animal husbandry etc.

1.19. The Committee note that Government had laid down criteria for the identification of economically backward areas but the question of refining this criteria is under the consideration of the Committee on Backward Areas. The Committee would like this to be expedited.

### **C. Efforts made during Five Year Plans for development of Backward Areas**

1.20. Although successive five year plans have drawn attention to the problem of accelerated development of backward areas with a view to reduce regional disparities, the First to Third Five Year Plans did not outline any specific programmes or provisions for the development of backward areas. The First Five Year Plan (1951—56) document did not make any special mention of the problem of regional imbalances. It did make a mention of location of industries and postulated that "If industrial development in the country is to proceed rapidly and in a balanced manner, greater attention will have to be paid to the development of these states and regions which have so far remained backward. The Plan, however, only pointed out the large potentialities of industrial developments in several other states and stated that it is desirable in order to secure

a balanced regional development in the country, to give increasing preference to such areas in the matter of location of new industrial undertakings.

1.21. In the Second Five Year Plan, the problem of "reduction in inequalities" was dealt with in the Chapter on the "Approach to the Second Five Year Plan". It was stated in the Plan that "There are existing inequalities of income and wealth which needs to be corrected and care has to be taken to ensure that development does not create further inequalities and widen the existing disparities, ... The problem will have to be faced pragmatically, and it will call forth a great deal of flexibility and experimentation in the matter of techniques. It is important to ensure that in reducing inequalities no damage occurs in the production system as would jeopardise the task of development itself, or imperil the very process of democratic change which it is the objective of policy to strengthen. On the other hand, regard for democratic and orderly change cannot be allowed to become a sanction for existing or new inequalities." The Plan document further stated that "In any comprehensive plan of development, it is axiomatic that the special needs of the less developed areas should receive due attention. The pattern of investment should be so devised as to lead to balanced regional development. The problem is particularly difficult in the early stages when the total resources available are very inadequate in relation to needs, But more or more as development proceeds and large resources become available for investment, the stress of developmental programmes should be on extending the benefits of investments to underdeveloped regions. Only then can a diversified economy be built up." However, the Plan document remained content only with emphasising that these approaches should be kept in view while programming in the public sector as also in the administration of licensing policy for new industrial units in the private sector.

1.22. It was in the Third Five Year Plan that a separate chapter was devoted in the Plan document to the "Balanced Regional Development" and emphasis was laid on the development of backward areas. It was stated in the Plan that "In addition to the role assigned to the plans of States, there are several important features in the Third Plan which will enlarge the possibilities of development in areas which have in the past been relatively backward. Thus, for instance, the intensive development of agriculture, extension of irrigation, village and small industries, large-scale expansion of power, development of roads and road transport provision for universal education for the age-group 6—11 years and larger opportunities for



secondary, technical and vocational education, improvements in conditions of living and water supply, and programmes for the welfare of scheduled tribes and castes and other backward classes will go a long way to provide throughout the country the foundations for rapid economic development." The plan further stated that "whatever the present shortcomings, the aim must be that over a reasonable period all regions in the country should realise their potential for economic development and should attain levels of living not far removed from those of the nation as a whole. Progress in different regions must, therefore, be watched carefully, and additional steps taken to speed up development in particular areas which are found to be seriously lagging behind".

1.23. The Fourth Plan took a comprehensive view of the factors for backwardness and proposed that a multi-directional Area Development Approach should be adopted in order to accelerate the development of backward areas. Since each backward area represented a unique combination of factors, it was recognised that no uniform programme could be successfully conceived and imposed from the national level. The Fourth Plan document stated "Balanced regional development and dispersal of economic activity are closely inter-related. Growth and diversification of economic activity in an under-developed area can take place only if the infrastructure required for this is provided in an adequate measures and programmes for conservation and development of natural resources undertaken. Within a State, development planning had to satisfy these primary needs of each region or area. Proper attention must be paid to development of agricultural production. This will be made possible also by schemes for dry areas. In the development of animal husbandry, attention must be on the broadening and strengthening of the economic base of small farmers and other rural producers. An important aim of industrial development must be to meet local demand through local processing and utilisation of locally available material. Diffusion of industrial activity will be facilitated by the rural electrification programme on which large outlays are proposed."

1.24. Asked about the steps taken for the development of backward areas, the representative of the Planning Commission stated in his evidence before the Committee:—

"Certain measures have been taken by Government to ensure speedy development of these areas. Even in the Fourth Plan, there were certain formulae for example, 10 per cent of the Central assistance was set apart for states whose

per capita income was less than the national average.... There were also special facilities for border areas and the states which benefited were Assam, Jammu and Kashmir and Nagaland. With regard to pattern also, there was weightage for such areas.....Then the industrially backward areas have also been identified, nearly 232 districts and Union Territories. After identifying them, incentives in the form of concessional finance are being provided.....Then there are also certain benefits given in the import of machinery and raw material to small scale units to be set up in selected backward areas and there is liberal and preferential treatment given for industries in priority sectors.....Preference is given to the location of public sector undertaking, other things being equal. There are drought-prone area programmes, tribal development blocks and task forces for backward regions like Dandakaranya, Bundelkhand and Western Ghats. There is, of course, the North Eastern Council to cater to that region. Thus, a number of programmes have been taken up and all these were really started during the 4th Plan."

1.25. The draft Fifth Five Year Plan includes a separate chapter on the "Backward and Special Areas including Hill and Tribal Areas." The policy for the Fifth Plan with regard to the accelerated development of Backward Areas has been formulated broadly on the basis of the following considerations:—

- “(a) that the problem of backwardness is a long-term problem which can be tackled only over a long period of time;
- (b) that allocation of adequate financial resources is only one of the many steps necessary for the accelerated development of these areas; other essential measures being the evolution of locally oriented integrated strategies; the development of suitable programmes with appropriate norms, procedures and technologies; the strengthening and coordinated functioning of financing, promotional and consultancy institutions; and the reorientation and, where necessary, the restructuring of the field organisation to suit the functional requirements of the identified development programmes; and
- (c) that, in view of the indivisibility of the plan and non-plan activities and the basic administrative structure, the States

would have to continue to bear the main responsibility for the development of their backward areas, though the Central Government would also actively participate in this task by making special allocations for hilly and tribal areas and also by (i) providing technical support in respect of planning as well as programme development, (ii) channelising institutional resources on a priority basis, (iii) continuing and further extending the liberal patterns of Central assistance; and (iv) providing special incentives for the flow of private investment to identified backward areas.

Perhaps the most significant development in the Fifth Five Year Plan in respect of the reduction of disparities will be the launching of the National Programme of Minimum Needs with an outlay of Rs. 2803 crores, under which action will be taken to take care of marked deficiencies of social consumption in backward areas by extending facilities for Elementary Education, Rural Health and Water Supply, Nutrition, Rural Roads, Rural Electrification etc. The introduction of this programme will enable the disadvantaged areas and sections of population, to achieve parity in the matter of the basic items of social consumption, and participate effectively in the process of their development."

1.26. Asked if the Planning Commission have earmarked certain allocations for the development of backward areas, the representative of the Planning Commission stated in his evidence before the Committee:—

"In the Fifth Five Year Plan, many of our programmes are concerned with the development of backward regions....  
**Rs. 500 crores** have been earmarked for the development of the hill and the tribal areas. Now, these funds are entirely earmarked for the development of only these areas and they cannot be utilised anywhere else by the State Government..... The strategy under the Fifth Plan is not to restrict the expenditure on the development works; the strategy is that as far as these backward areas in a particular state are concerned the State Government should make funds available from their general revenue for the development of these areas..... This will be an additionality to their plan so that the total plan is going to

be larger than what we had in the Fourth Plan or earlier.”

1.27. The Committee regret to note that although all the Five Year Plans have drawn attention to the problem of accelerated development of backward areas with a view to reducing regional disparities, no concrete or specific programmes were included in these Five Year Plans for the specific development of backward areas with the result that most of the developmental efforts in the country have remained confined to the already developed regions in the country and the undeveloped and backward regions of the country have not only remained neglected, but the disparities between the two have got accentuated. The Committee would like to emphasise that the planning strategy in the country needs to be modified in a manner so that the development of backward areas in the country is included as a specific objective of our planning and specific programmes are included in the Plans for the development of these areas. The Committee have in subsequent chapters dealt with the strategy and programmes that should be adopted for the development of these areas. They would, however, like to stress that the planned economic development of the country cannot be meaningful until and unless the level of living of the lowest and neglected people of the country living in these areas is improved and specific emphasis laid in our Five Year Plans for the development of these areas.

1.28. The Committee would like to point out that the existing regional disparities and the lack of improvement in the condition of people living in backward areas has tended to create social tensions. It is, therefore, of utmost importance that high priority is accorded to speedy development of these areas by initiating meaningful long term and short term measures. In the opinion of the Committee, the development of backward areas can no longer be neglected and should receive the same attention as core sector included in the Plan.

1.29. The Committee are, however, glad to note that the draft Fifth Five Year Plan has devoted a separate chapter on the “Backward and Special Areas including Hill and Tribal Areas” and the draft plan includes some specific programmes for the development of these areas and a provision of Rs. 500 crores has been included to supplement the efforts of the State Governments for the development of tribal and hilly areas. The Committee would like to em-

phasise that the Central Government and State Governments should make concerted efforts to identify the factors inhibiting the growth of these backward areas and make efforts to ensure that the potentialities of these backward areas are utilised to the maximum so that the population living there are helped to improve their conditions. The Committee further emphasise that special efforts should be made to uplift the economic level of people belonging to Harijan Communities, backward classes, tribals and persons belonging to economically weaker sections of community.

## CHAPTER II

### STRATEGY FOR DEVELOPMENT OF BACKWARD AREAS

#### A—Strategy for Development of Backward Areas

A Committee was constituted in the Planning Commission on the 14th October, 1972 to go into the question of evolving a strategy for the development of backward areas, under the Chairmanship of Prof. S. Chakravarty, Member, Planning Commission. The Committee was reconstituted on 9-4-1974. Asked if the Committee has since submitted its reports, the Planning Commission has stated in a written note:

“The Committee has not submitted its report and is examining, *inter alia*, details of the strategy and other matters relating to the evolution of objective national criteria for demarcating backward areas, fiscal and monetary incentives to support development programmes in such areas, and the institutional arrangements for the formulation and implementation of the integrated development programmes. The Committee was, however, responsible for drawing up the approach to dealing with the problem of backward areas. This was incorporated in the “Approach to the Fifth Plan.”

2.2. Asked during evidence if the Committee did deliberate on the representative of the Planning Commission stated:

“As far as the report is concerned, I would only submit that this Committee did deliberate on the various issues involve..., I would submit that they have not submitted a formal report but I would submit that in the Planning Commission there is a considerable inter-action and Prof. Chakravarty was the head of the Group. All the recommendations which have been made with regard to the regional imbalances and are reproduced in Chapter 10 of the Approach Document are based on the deliberations of the Committee.”

2.3. Asked about their reaction to the suggestion that core sector in the Fifth Plan should specifically include the development of backward areas, the Government have informed the Committee in a written note that:—

“Core Sector consists of industries whose sustained growth on a long-term basis is vital. These industries contribute to significant import savings and thereby lend strength to the economy. Some of the core industries cover steel, non-ferrous metals, fertilisers, mineral oils, coal, machine building and power. In view of this concept, backward areas do not constitute a core sector.”

2.4. The Committee regret to note that even after 27 years of Independence and completion of four Five Year Plans, the Government have not finalised their strategy for the development of backward areas. The Committee are dismayed to find that the Committee on Backward Areas which was constituted as early as October 1972 to evolve a strategy for development of backward areas, has yet to give its formal report. The fact that some strategy for development of backward areas, has been outlined in the Fifth Plan, does not and cannot make up for lack of a considered report which was to be given by this Committee so that this could form the basis for informal discussion and taking of decisions in time for incorporation in the Fifth Plan. The Committee urge that the Committee on Backward Areas should finalise their recommendations without further delay and that this should be made available to Parliament at the earliest for informed discussion. Government should in the light of this Report and experience gathered in the field as well as the approach set out in the Fifth Plan document, refine their strategy for the development of backward areas which should be well-suited to the genius and potentialities of the areas.

2.5. The Committee note that ordinarily the term ‘core sector’ of the Plan connotes industries which contribute to significant import savings such as steel, non-ferrous metals, fertilisers, mineral oils, coal, machine building, power etc. They feel that development of backward areas is vital for the balanced development of the country and the well-being of the people at large. The Committee therefore recommend that the programme for development of backward areas should be included in the core sector of the Plan so that resources, finance and the essential inputs become available for timely implementation.

## B. Development of Agriculture, Animal Husbandry etc.

2.6. India is predominantly an agricultural country providing employment to about 70 per cent of its population. The people of the backward areas in the country have agriculture as their main occupation. Most of these areas are marked by primitive methods of cultivation, lack of irrigation facilities, small-land holdings, absence of supply of inputs, adverse man-land ratio, shifting cultivation and lack of credit and marketing facilities.

2.7. Asked about the measure taken or proposed to be taken to explore the agricultural potential of these backward areas, the representative of the Planning Commission stated in his evidence before the Committee:

"In the framing of the agricultural plan, particularly during the 5th Plan, a lot of stress has been laid on the integrated agricultural development of certain identified areas, particularly areas like drought-prone areas, areas having a significant concentration of small and marginal farmers and on crop husbandry and animal husbandry activities. . . . There are at present 5 major schemes figuring in the 5th Plan which primarily concern agricultural development in the backward areas. The first one is a research scheme which the I.C.A.R. has, under which they are undertaking a coordinated programme of research for dry farming activities, including the evolution of agronomic practices etc. This is in operation in 24 centres of research and has an outlay of Rs. 4.86 crores. The second scheme is to test the efficacy of research findings in these particular projects. We have integrated pilot projects for dry farming. This particular technology is being developed and a provision of Rs. 10 crores has been made in the 5th Plan. The third major scheme is for integrated agricultural development in regard both to crop husbandry and animal husbandry and all other ancilliary activities, 72 drought-prone districts, either partly or wholly, have been identified, for which a provision of over Rs. 180 crores has been made in the Central Plan and nearly of Rs. 167 crores in the States' plans, totalling about Rs. 350 crores. Then there are two main schemes which the Animal Husbandry Division of the Ministry has funded in the Plan for the development of poultry, piggery and sheep rearing, mainly focussed on small and marginal farmers in these particular areas; and there is the programme for the development of



cross-breeding and milk production. For this also, there are provisions of Rs. 40 crores under one scheme and Rs. 45 crores under another."

2.8. Asked if the research institutes in the country were looking into the problem of these areas particularly drought-prone areas, the representative of the Ministry of Agriculture replied:—

"The research is being done by ICAR. They have 24 centres, their main centre is at Hyderabad. At all these 24 centres, we have taken pilot programmes for encouraging development of farming of these areas and each centre covers 800 hectares annually. We have found two or three things which can be of use to the local areas out of the total research so far. One was selection of suitable varieties which could be grown over a shorter period, so that they do not suffer because of lack of water, for example a variety of Bajra or jawar which will be free from the disease. It was very useful particularly in South. The other was Sunflower. This could be grown where farmers have been cultivating cotton earlier. Even in marginal areas, sun-flower could be grown very successfully. That was demonstrated at some of the centres. As it is, it is a pilot project and covering only 800 hectares."

2.9. Asked about the development of animal husbandry in backward areas, the representative of the Ministry of Agriculture stated:

"In the Fifth Plan, the Animal Husbandry Programme under Small Farmers Development Project is going to be implemented slightly differently. It is on the basis of a package approach. You make available economic animals, livestock and poultry, sheeps, pigs, etc., to the poor farmers on the basis of subsidy. It will be on the basis of 50 per cent subsidy in the case of small farmers and 66.2/3 per cent in the case of marginal farmers. . . . . In the case of cattle, we have discussed this with the Planning Commission and the whole exercise has been based on the recommendation of the National Commission on Agriculture. Our intention is that wherever it is possible for cross-breed cattle to be raised, on an economic scale, the poor farmer should be supported. The first essential will, of course, be to provide assistance for breeding at the door of the farmers."

2.10. When his attention was invited to the fact that in some of the tribal areas, breeds of animals which were not suitable for local conditions were being introduced, the representative of the Ministry of Agriculture replied:—

“Regarding the special programme for tribal development, we realise that it will not only be unwise but wasteful if we thought of introducing exotic varieties where they are not really satisfactory. . . . . Regarding poultry also, the same will be applicable. The question of introducing pure-bred poultry in the under-developed areas will be a folly and it should not be done. If it is being done, it should be discontinued.”

2.11. The Committee note that agriculture is the main vocation of the people living in backward areas which are affected by such adverse factors as lack of assured irrigation, fragmented holdings, adverse man-land ratio, single cropping pattern, low productivity and shifting cultivation particularly in tribal areas. The Committee would like to emphasise that until and unless concerted measures are taken to raise the level of agricultural production in these areas, the standard of living of these people cannot register any significant improvement. The Committee recommend that Government should take effective measures to provide assured irrigation with particular emphasis on minor irrigation and agricultural inputs including well irrigation with electric pump facilities and cheap credit facilities to these backward areas so as to substantially increase the level of agricultural production which, while improving the economic conditions of the people in these areas, would also go a long way in solving the difficult food situation in the country. The Committee feel that the agricultural research institutes have got a major role to play in this regard. Government should in consultation and coordination with agricultural institutes, introduce a package of agricultural practices for improved agricultural methods, suitable to the local conditions in these areas.

2.12. The Committee consider that there is hardly any area in India except those which are prone to extreme drought or extremes of climate, where agriculture cannot be developed. The Committee would like to recall that the package deal, evolved in the Sixties for development of agriculture in the States of Punjab and Tamil Nadu provided a concrete example and incentive for spread of advanced agricultural practices, in the interest of achieving greater agricultural production, in other areas in the country. It is most unfortunate that no such package deal has been thought of or implemented

for backward areas which need these even more urgently than the relatively developed areas. The Committee feel that Government, with its experience of two decades in furthering green revolution, with vast input resources at its command and well organised agricultural research should be able to evolve a package of practices suitable for these backward areas. The Committee recommend that at least one such backward area which has most promising potentiality, should be selected in each of the States particularly those which have a large population living below the poverty line so that a significant break-through can be made. The Committee also recommend that special attention should be paid for the development of persons belonging to the backward classes, Harijans, Tribals and persons belonging to extraordinarily weaker sections of Society.

2.13. The Committee would, however, like to sound a note of caution while introducing any change in the cropping pattern in the area. It should be ensured that new varieties of seeds and cropping pattern introduced in these areas, are suitable to the local conditions. The Committee have come across an instance where a particular variety of Bajra was introduced in the backward areas of Rajasthan but the same was highly susceptible to pests with the result that the agriculturists could not get economic returns from their crops. The Committee feel that before introducing any variety of improved seeds, Government and Research Institutes should ensure that these are suitable to the local conditions as any failure in this regard while resulting in economic losses to the farmers also makes them averse to the introduction of new agricultural practices and seeds etc.

2.14. The Committee need hardly point out that animal husbandry and other subsidiary activities which go with agriculture to supplement the income of the farmer, should receive close and careful attention of the authorities. The Committee see no reason why development of dairies for milk in which Government have already gained significant experience, particularly after the launching of 'operation flood' rearing of sheep or poultry etc. could not be implemented with success in these areas.

2.15. The Committee would like Government to pay special attention to the needs of small and marginal farmers as these constitute nearly 80 per cent of the owners of land and have so far not received their due in the matter of inputs. The Committee would also stress that credit and inputs should be made available to them in time and suitable arrangements should be made to collect the

loans advanced to the people in these areas by providing ready facilities for marketing of their produce goods and making recovery on the spot.

2.16. While introducing any new varieties of animals or poultry in the backward area, Government should ensure that these are suitable to the local conditions and the people in the area, are in a position to maintain these birds/animals. The Committee have before them the instance of Bastar where sophisticated varieties of pigs and cocks which were not suitable to the local conditions, were sought to be introduced with the result that the same were not acceptable to the local population. The Committee would like the matter to be gone into thoroughly by the Government in consultation with the local leaders to obviate recurrence.

### C—Provision of Infra-Structure Facilities.

2.17. One of the main reasons for the backwardness of large areas in the country is absence of infra-structure facilities like roads, means of communications, power, etc. Because of the lack of these infra-structure facilities, the people in the backward areas remain aloof from the mainstream of economic activities in the country and the entrepreneurs are also averse to go to these backward areas in spite of provision of incentives and subsidies by Government.

2.18. A leading organisation of manufacturers in their Memorandum submitted to the Committee have stated:—

“Lack of adequate infra-structure facilities is a serious deterrent to the development of industries in backward areas...It is, therefore, necessary that a crash programme must be launched for the provision of these facilities on the basis of a blueprint drawn by Centre with funds specially earmarked for this purpose to be implemented by these States.”

2.19. In a note submitted to the Committee regarding steps taken to make the industrial infra-structure available in the backward areas, the Planning Commission have stated that:—

“Provision of industrial infra-structure is essentially the responsibility of the State Governments. Towards this

the following specific steps have been taken by the State Governments:—

- (a) Establishment of Industrial Estates.
- (b) Setting up of Industrial Development Areas.
- (c) Setting up of Corporations and making other organisational arrangements to specifically look after the development of industrial infra-structure.

Successive Five Year Plans have emphasised that an integrated approach covering the creation and expansion of basic infra-structure facilities and organisation of institutional framework to co-ordinate the essential components of industrial development programmes constitutes the basic pre-requisites for rapid industrial development of the backward areas. In the Fifth Five Year Plan it has been proposed that appropriate machinery which is capable of indentifying industries suited to the needs and potentialities of backward areas through techno-economic surveys and feasibility studies, of undertaking integrated planning and development of infra-structure in selected growth centres located in backward areas, and of providing a package of financial, marketing and other services to potential entrepreneurs for setting up new units in the backward areas should be created.”

2.20. Asked about the steps taken for providing infra-structure in the backward areas, the representative of the Ministry of Industrial Development stated in his evidence before the Committee:—

“There is a plan provision for assisting the State Government in the development of industrial infra-structure and this plan provision of Rs. 35 crores was intended to be supplemented by institutional finance. The thinking was that there should be a Central agency—a Backward Area Development Corporation—which can supplement the efforts of the State Governments and State Agencies in the establishment of industrial infra-structure and also take such measures as are necessary to ensure that this subject continues to get priority at the State level... We are seriously considering establishing such an agency during the next financial year; we are taking the necessary action even now... With the exception of Maharashtra, Gujarat and Tamil Nadu, probably in most of the other States, the efforts have not been commensurate

with the gravity of the problem. But a few other States have now started taking steps for establishing the infrastructure, and I may mention of Andhra Pradesh, Uttar Pradesh and West Bengal. We hope that, with some assistance which we may be able to provide from the Central Corporation, the State Governments which are now lagging behind may come up."

2.21. Asked about the steps taken to provide communications in the backward areas, the representative of the Planning Commission stated in his evidence:—

"Undoubtedly this is a fact that in the backward areas, communications are all the more important and it is also a fact that construction of roads and provision of communication facilities are more costly in these areas... As regards the 5th Plan, the Minimum Needs Programme has been drafted in such a manner that rural roads have to be given priority and even in the rural roads, we have stated that the backward areas should get priority. As far as the rural roads are concerned, the initial idea was that over the next five years in the 5th Plan, the Minimum Needs Programme would be completed, but because of various constraints, it has now been contemplated that the rural roads as contemplated in terms of the norms laid down under the minimum needs programme would be completed in about 7 years. There is no subsidy in the construction of rural roads as such. What has been stipulated is that considerable allocation would be made in terms to certain norms to backward areas and the local people would be employed on the construction of these roads."

He further added that:—

"I could indicate that this survey has shown that whereas considerable work had been done on village roads, culverts etc., the maintenance part has suffered a great deal. It is true that in some places they have not been completed. And in certain other areas, they have not only been not completed, but whatever was done in the past, even that has been washed away."

2.22. The Committee note that the absence of infra-structure facilities is the main reason for the backwardness of large areas in the country. The Committee are convinced that until and unless

suitable measures are taken for provision of communications, power, roads and other basic facilities necessary for economic progress, it would not be possible to make any substantial progress in the development of backward areas. They are convinced after a study of the progress made in advanced States that the development of infra-structure is an essential prerequisite to any industrial growth. They regret to note that except in a few States no substantial progress has been made in the matter of providing infra-structure facilities in the backward areas. They would, therefore, recommend that suitable programmes for the accelerated development of these facilities should be taken up in the backward areas in the country.

2.23. The Committee note that there is a plan provision of Rs. 35 crores to assist the State Governments in the provision of these facilities and this provision is further intended to be supplemented by institutional finances. The Committee recommend that the development of these facilities in the various States should be expedited and this matter be given the highest priority. The Committee realise that provision of infra-structure facilities is capital intensive and therefore emphasise that priorities should be drawn up in the matter of providing infra-structure so that it is laid out first in such areas which have most promising potentialities for industrial development. As returns from industrialisation flow, this can be extended to other areas also.

2.24. The Committee note that under the Minimum Needs Programme in the Fifth Plan, there is an ambitious scheme for provision of rural roads in the rural areas. However, from the statement made by the representative of the Planning Commission, it is noted that a number of roads constructed during the Fourth Plan period, have suffered a great deal from lack of maintenance. In many parts the roads have not been completed and in certain areas, even the portion which was constructed earlier, has been washed away. The Committee would like to emphasise that this indicates a very sorry state of affairs.

2.25. It has come to the notice of the Committee that roads were not properly constructed in rural areas with the result that instead of facilitating road communications, these have become a source of great discomfiture to the local population. The Committee stress that proper standards for construction of roads connecting the backward areas to the the main towns or centres should be laid down and strictly adhered to. The Committee reiterate that not only the construction of the roads in the backward areas but its proper maintenance and improvement should also receive the concerted attention of Government so that maximum benefits from the roads, may flow to the persons living in these areas.

2.25A. The Committee also desire that the construction of roads or laying of railway lines which are taken up as relief measures like drought relief etc. should be completed and maintained even after these measures have been withdrawn, so that the development of the areas may derive permanent benefit from them.

2.26. The Committee note that according to Government's own analysis, some of the most important reasons for backwardness are inadequate availability of economic and social infra-structure; lack of strategies based on a careful analysis of causes of backwardness and the potentialities for development; lack of coordination in different sectoral programmes and functioning of multi-level financing, promotional and consultancy institutions; inadequate institutional arrangements to support, integrate, coordinate and monitor and essential components of industrial development programmes. The Committee consider that the best solution to these problems is the adopted and implementing of integrated area development approach. They are, however, not convinced that the best method of achieving the desired objective is through the establishment of a Backward Area Development Corporation. They feel that if the integrated area development approach is followed in letter and spirit and a thorough analysis is carried out of the physical resources available in areas which are backward and their potentialities ascertained, it should be possible for Government even with the existing administrative machinery at their disposal, to ensure that the selected schemes are, in fact, implemented with efficiency and speed.

2.27. The Committee note that most of the backward areas in the country, particularly in the States of Madhya Pradesh, Orissa and Bihar have no railway lines to serve them. The Committee feel that railway lines in the backward areas would greatly help in their development by providing the much-needed communication facilities. The Committee, therefore, recommend that a fixed percentage of the investments on the opening of new railway lines should be earmarked for the backward areas.

#### D—Provision of education, medical facilities etc.

2.28. One of the main characteristics of the backward areas in the country is low level of literacy and low health standards of the people in these areas. The illiteracy of people in backward areas has not only kept them ignorant about the benefits of developmental activities in the country but have also made them a victim of exploitation by vested interests and have not allowed them to reap any benefits of welfare activities like cooperative credit societies, marketing societies etc.



2.29. It has been stated by Government that "Perhaps the most significant development in the Fifth Five Year Plan in respect of the reduction of disparities will be the launching of the National Programme of Minimum Needs with an outlay of Rs. 2803 crores, under which action will be taken to take care of marked deficiencies of social consumption in backward areas by extending facilities for Elementary Education, Rural Health and Water Supply, Nutrition, Rural Electrification etc. The introduction of this programme will enable the disadvantaged areas and sectors of population, to achieve parity in the matter of basic items of social consumption and participate effectively in the process of their development."

2.30. The Committee note that low rate of literacy and lack of adequate medical and drinking water facilities has been one of the main reasons for the backwardness of certain areas in the country. Illiteracy of the population not only keeps them ignorant of the benefits of development but also makes them a victim of exploitation by vested interests. The Committee feel that provision of educational facilities in backward areas should receive special attention. Apart from the desirability of including in the syllabii, subjects which would be of special interest for development of backward areas such as elementary knowledge of hygiene, civics, agriculture etc., there should be special emphasis on provision of vocational and technical training which would enable the younger generation to become good artisans/craftsmen. To begin with, effort may be concentrated in areas where there is a living tradition of craftsmanship. In the light of experience gained, syllabii and methods of education could be suitably adapted for extension to other areas. The Committee feel that educational effort in these areas is a prerequisite for any meaningful programme for their development and its implementation should be watched at the Centre which is responsible for overseeing the development of backward areas. They would like to emphasise that all efforts should be made to open Ashram Schools and Agricultural Schools for these areas.

2.31. The Committee consider that one of the factors which has, in the past, hampered development of these areas relates to sanitary and hygienic conditions of living. The Committee in Para No. 2.19 of their 38th Report (Fifth Lok Sabha) on "National Water Supply Programmes" have already emphasised that concerted effort should be made to provide potable drinking water and other sanitary conditions in villages which have been the victims of chronic diseases in the past. The Committee feel that the first step in the march towards development for these most backward areas which suffer susceptibility to chronic diseases, should be provision of potable drinking water and ensuring other hygienic conditions so as to make for healthy living.

2.32. The Committee would like that in the centrally sponsored schemes for the development of backward areas, tribal areas and hill areas, the cooperation of the voluntary organisations which have a good record of service should be fully utilised and necessary encouragement given to them.

### E. Technical Training

2.33. It is commonly realised that it would be necessary to give technical training to the people in the backward areas so that they may come forward to set up small scale industries in these areas and may also get employment in the large scale industries, set up in background areas. There is a common complaint of the people in the backward areas that the setting up of big industries and public sector units have not been able to make any impact on these areas as these industries and units do not provide employment to the local people and recruit people from outside. This can be possible only when local people are sufficiently trained in technical jobs so as to be able to come up to the job requirements.

2.31. Asked if any training facilities, to build up cadres of skilled personnel have been set up in the backward areas in the various States, the representative of the Ministry of Labour stated in his evidence before the Committee:—

“We have got 357 Industrial Training Institutes established all over India and so far as backward areas are concerned, nearly 124 ITIs have been established in major states to cater to the training needs in various skills. There are nearly 54 skills which have been designed—32 engineering and 22 non-engineering.”

2.34. In a subsequent note submitted to the Committee, Government have stated that:—

“In 1950, there were about 65 training centres with a seating capacity of about 10,000 seats. The present position is that under this scheme, training is now provided in 32 engineering and 22 non-engineering trades to persons within the age group of 15 to 25 years, in 357 Industrial Training Institutes having 1,55,793 seats, the period of training varying from 1 to 2 years| About 90 per cent of the seats introduced are being utilised.....Other important schemes which have been implemented relate to part time classes for industrial workers, Advance Training Institutes, Madras for training of highly skilled workers, Foreman Training Institute, Bangalore, and Staff Training and

Research Institute, Calcutta . . . . . There are 357 Industries Training Institutes in the whole country having facilities in various engineering and non-engineering trades. Out of this 124 ITIs are located in backward areas/districts. The total seating capacity of these ITIs located in backward areas/districts is 44,049 seats as against the total capacity of 1,55,793 seats in the whole country."

2.35. Regarding the evaluation of training imparted in these Institutes, it has been stated by Government that:—

"In so far as the question of evaluation of these Institutes is concerned, while no separate programme of evaluation only for the ITIs in backward areas has been formulated, the State Governments normally conduct the inspection of the ITIs as a regular feature. Directorate General of Employment and Training on its part pursues the State Directorates to initiate follow-up action on these reports and remove the shortcomings pointed out by the evaluating officer. Zonal meetings are from time to time, held in each region to review the training programme and the functioning of the ITIs. These are attended by the representatives of the industry, workers organisations, State Governments, Central Government officials and persons having special knowledge of the subject, for bringing about improvement in the training programme."

2.36. It has been further stated by Government that:—

"Employers, industry and others have from time to time adversely commented on the training in the Industrial Training Institutes on the grounds that it was unrelated to the development of the industry in the area concerned. In fact, the National Commission on Labour also referred to this problem. To overcome this shortcoming, an important development in the training programme has been the dovetailing of the Craftsmen Training Scheme with the Apprenticeship Training Programme in industry which was made statutory by the enactment of the Apprentices Act, 1961. The trainees after receiving institutional training in the Industrial Training Institutes can take up apprenticeship in the industry and receive on-the-job or shop-floor training. During the training period, the apprentices also get monthly stipends prescribed under the rules. 201 industries have so far been specified under the

Act and the number of trades designates so far is 61. About 60,900 apprentices were undergoing training in September, 1973.

2.37. The Committee consider that provision of technical training to youths in backward areas is very essential so that the people in these areas are able to set up small scale industries in large numbers and secure employment in the various industries being set up there both in the public and private sectors. The Committee note that there are 357 Industrial Training Institutes in the whole country, out of which 124 are located in backward areas with a training capacity of 44,049. The Committee would, however, like to point out that the very fact that many of the persons trained in these Institutes are not able to get jobs in the industrial units in these areas shows that either the training imparted in these Institutes is not upto the required standard or the courses in which training is being imparted, are not in consonance with the type of skills actually required in these units. The Committee regret to note that there is no programme of evaluation of training in these Institutes. The Committee would like to emphasise that Government should conduct an independent and objective evaluation of the training imparted in these Institutes in consultation with the industrialists in these areas and make necessary changes in the curricula and syllabii of the training without further loss of time so that the trainees may be able to meet the requirements of the industries in these areas and get employment.

2.38. The Committee recommend that necessary facilities and encouragement should be given to the trainees, coming out of these Institutes, by the State Governments and financial institutions to set up small scale industries in these backward areas so that local entrepreneurship may develop. In this connection, the Committee would like to cite the instance of backward areas in Maharashtra where youngmen in large numbers are coming up to set up such industries with the assistance of nationalised banks and SIDCO etc. The Committee would like this to be emulated in other States also.

2.39. The Committee feel that it should be incumbent on Indian Institutes of Technology and other leading technical institutes which have been established under the auspices of the Government or receive substantial grants from the Government that they set up at least one technical training centre in a backward area. The advantage of this would be two-fold, namely—to afford these premier technical institutions an opportunity to understand the problems of backwardness and to evolve concrete measures for its eradication. It

would also enable the local population in these backward areas to come in contact with the best that is available in the technical field and thus abridge the process and period ordinarily required for development.

#### F. Setting up of Industries in Backward Areas

2.40. After Independence, India has made considerable progress in the field of industrialisation, particularly in the field of small scale industries. This growth of industries, however, has been mainly confined to metropolitan cities and big towns and, by and large, the process has not permeated far and wide in the countryside mainly because of locational disadvantages associated with rural and backward areas.

2.41. The need for dispersal of industries as a means of attaining a balanced development of the economy was underlined in the Industrial Policy Resolution of 1956 which stated:—

“In order that industrialisation may benefit the economy of the country as a whole, it is important that disparities in levels of development between different regions should be progressively reduced. The lack of industries in different parts of the country is very often determined by factors such as the availability of raw materials or other natural resources. A concentration of industries in certain areas has also been due to the ready availability of power, water supply and transport facilities which have been developed there. It is one of the aims of national planning to ensure that these facilities are steadily made available to areas which are at present lagging behind industrially or where there is greater need for providing opportunities for employment, provided the location is otherwise suitable. Only by securing a balanced and co-ordinated development of the industrial and the agricultural economy in each region, can the entire country attain higher standards of living.”

2.42. Government have outlined the following steps which have been taken for facilitating the setting up of industries in the backward areas:—

- (1) Financial assistance on concessional terms is provided to industrial projects in selected 232 districts by IDBI, IFCI and ICI&CI. Income Tax relief upto 20 per cent of profits will also be provided in these districts.

- (2) Centre provides an outright grant/subsidy on fixed capital investment of industrial units in selected 98 backward districts/areas. Units in these areas for setting up/or expansion of which effective steps were taken during the period 1-10-70 to 28-2-73, are entitled to subsidy at the rate of 10 per cent of the fixed capital investment subject to a maximum of Rs. 5 lakhs. In case of units taking effective steps on or after 1-3-73, the quantum of subsidy is 15 per cent subject to a maximum of Rs. 15 lakhs.
- (3) A transport subsidy equivalent to 50 per cent of the total cost of transporting raw material and finished goods is provided by Union Government in the States of Jammu and Kashmir, Assam, Meghalaya, Nagaland, Manipur, Tripura, Himachal Pradesh and the Union Territories of Arunachal Pradesh and Mizoram. In the case of U.P., Transport subsidy scheme is available only to 8 Hill Districts. The subsidy scheme has also been extended to the Islands of Andaman & Nicobar & Lakshadweep. The subsidy is provided from selected rail heads to the site of factory.
- (4) Preferential treatment is accorded to industrial projects in backward areas in implementing the industrial licensing policy.
- (5) N.S.I.C. has reduced the amount of earnest money to 10 per cent for supplying indigenous machinery and to 5 per cent for supplying imported machinery to small scale industries in backward areas.
- (6) All the new 57 Rural Industries Projects are located in backward areas. An expenditure of Rs. 18.19 crores has been incurred on the programme during the 11 years' period from 1962-63 to 1972-73. Similarly 63 districts (backward) are covered by the Rural Artisans Programme under the Small Farmers and Marginal Farmers and Agricultural Labourers Projects.
- (7) S.I.D.O. undertakes techno-economic surveys, intensive campaigns, and renders other extension services on a priority basis, in backward areas.
- (8) Many State Governments are also providing special concessions and incentives for developing industries in backward areas. These concessions include rebate in electricity tariff, provision of factory sheds in concessional terms, higher price preference in Government purchase etc.

To meet the infra-structure requirements of industries in less developed areas, attempts are increasingly being made to establish industrial estates and industrial development areas. States like Uttar Pradesh, Andhra Pradesh, West Bengal etc., have also set up infra-structure Development Corporation.”

2.43. A leading organisation of manufacturers in their Memoranda submitted to the Committee have stated that:—

“The location of the largest public sector Steel or Coal complexes, which are self-contained by themselves, in the backward States such as Bihar, Orissa and Madhya Pradesh, has hardly stimulated economic development in these States.”

2.44. Asked to comment on the above, the representative of the Planning Commission stated in his evidence before the Committee:—

“In spite of massive Central investment in these States (Orissa, Madhya Pradesh and Bihar), the view is confirmed that it did not lead either to the advancement of the State industrially or otherwise. When I say otherwise, I stand reinforced in my argument by the per capita income of these States for the last few years, and also the State income.”

2.45. The representative of the Ministry of Industrial Development stated —

“It is a fact that despite large Central investment, the industrial development of some of the States had not taken place. It appears to be a fact that the type of industries which have been taken up in the Central Sector have necessarily been of a kind which did not have the forward and backward linkage like steel or coal or some of the heavy fertilisers etc. They did not lead to ancillary development and raw material supplies... It is light engineering industries which have these effects like electronics, house-hold electrical equipments, as also agro-based industries like sugar, weaving, spinning and so on. Food, processing industries are also like that. But the heavy industries, neither engineering nor on the chemical side seem to have these effects... If a unit can create a demand for three or four ancillaries, that is much more important.”

2.46. Asked about the number of industrial licences issued to the backward areas/districts from 1970-74, the following figures have been furnished:—

1970	55
1971	70
1972	74
1973	89
1974	165

(Upto August)

2.47. It has been added by Government that "The date when the industrial units have actually gone into production is not maintained by the Centre."

2.48. The Committee note that some of the large public sector undertakings like steel plants, mining projects, fertilisers projects have been established in backward States like Orissa, Madhya Pradesh and Bihar. They are, however, concerned to note that even with the establishment of these large units, the desired fillip to the industrial development of these backward areas has not taken place. In fact, it has been conceded by the representatives of the Government as well as the Planning Commission that these projects have not been able to contribute very significantly towards increasing the per capita income of the local population of these areas. The Committee cannot but view this as a serious lapse. The least that the Government and the management of these public undertakings could have done was to critically examine the reasons for this phenomenon and take concrete steps to develop linkages particularly with the ancilliary and small scale industries so as to develop them as feeders for the large units and thus help in extending industrialisation to these areas. The undertakings should also have set up vocational centres either on their own or in cooperation with the State Governments and local authorities so as to impart training and skills in technical subjects to the local population which could have helped them to secure jobs either in these undertakings or other industrial units coming up in the area. The Committee would like the Government to carry out a study in depth without further delay and take concrete measures as outlined above so that these public sector undertakings which were set up with great expectations in the backward areas, achieve the socio-economic objectives underlying their establishment.

2.49. The Committee would like Government to at least now ensure that in setting up new large scale undertakings in the public



sector in backward areas, the responsibility for developing ancillary and small scale industries as well as vocational and training facilities is spelt out in the licence itself and a close watch kept both by the administrative Ministry and the Planning Commission to see that the public sector enterprises fulfil these responsibilities.

2.50. The Committee further desire that in cases where land in the tribals and backward areas is acquired for starting Public Undertakings and other big industries, adequate compensation thereof should be paid to the persons concerned at any rate not later than the specified time to obviate harassment and facilitate their rehabilitation.

2.51. The Committee are concerned to note that while Government have given statistics of the number of industrial units which were issued licences during the period 1970—74 for being set up in the backward areas they have not been able to inform the Committee precisely about the number of units which have actually gone into production. As pointed out by the Committee in paragraph 52 of their Fiftieth Report on Industrial Licensing (1973-74) it has been the general experience that a large number of units which are licensed on paper, are not actually established. The Committee consider that this should not be allowed to happen particularly in the case of backward areas as non-establishment of licensed units not only holds up progress and also adversely affects other projects in that sector. The Committee would, therefore, like Government to examine without further delay, the actual progress made in the establishment of the units which were given licences during each of the last five years and inform the Committee about the number of industries actually established and the percentage of production achieved as compared to the licensed capacity. The Committee have no doubt that Government would not hesitate to take firm measures against those who have not made tangible progress and that it would be ensured that the deficiency is made good with the least possible delay.

2.52. The Committee would also like Government to draw the requisite lessons from the experience of issue of licences for establishment of industrial units during the last five years so as to evolve pragmatic guidelines which would ensure that the units hereafter licensed for backward areas go into production as per scheduled programme. The Committee would like to be informed of the guidelines which Government evolve after the afore-mentioned review is carried out.

#### *Industrial Potential Surveys*

2.53. Asked if techno-economic surveys have been conducted and feasibility reports undertaken for setting up industries in backward

States, Government have intimated the Committee in a written note that:—

“Industrial Potential Surveys:— The Industrial Development Bank of India, in collaboration with other term-lending institutions had initiated industrial potential surveys of specified backward regions in May/June, 1970 for the purpose of identifying specific project ideas for implementation in the next 5—10 years in the light of resource endowment, demand potential and availability of infrastructure facilities. Surveys of all States/Union Territories demarcated as backward by the Pande Working Group have been completed. The States/Union Territories to which these pertain are:—

Andhra Pradesh,  
 Arunachal Pradesh,  
 Andaman and Nicobar Islands,  
 Assam,  
 Bihar,  
 Goa, Daman and Diu,  
 Himachal Pradesh,  
 Jammu and Kashmir,  
 Lakshadweep,  
 Uttar Pradesh,  
 Madhya Pradesh,  
 Manipur,  
 Nagaland,  
 Orissa,  
 Pondicherry,  
 Rajasthan,  
 Tripura,  
 Dadra and Nagar Haveli.

These surveys have recommended several industrial projects/possibilities for implementation. Of these, 48 projects involving capital cost of Rs. 175.5 crores have either been implemented or are under implementation and 15 projects with a cost of Rs. 284.9 crores are under consideration of the financial institutions for financial assistance.”

2.54. The Committee find that the industrial potential surveys which were initiated as far back as May, June, 1970 have now been completed in respect of all the backward States and Union Territories. The Committee, however, find that these surveys are of a general nature and can at best serve as only the starting point for detailed investigation for establishment of industries in the specified backward areas. The Committee consider that as already more than four years have elapsed since this work was initiated, the follow up in the form of detailed analysis and technical studies to identify the specific industry and the location thereof, should be undertaken by high powered teams, comprising competent technical personnel who should be asked to submit their reports as per time bound programme. Thereafter Government should select the industry or industries which have the maximum potential for immediate establishment in the specified area. The Committee urge that after the industries and areas have been identified Government should take a firm decision whether these are to be developed in the public sector or in the private sector. If these are to be developed in the public sector, the agency for development together with a time bound programme, should be laid down and its implementation watched. In case, it is decided to allot the industry to the private sector, Government should give it the fullest publicity so that the best offer which comes from a party of proven experience and standing, can be accepted for implementation as per time bound programme. The Committee need hardly stress that if for any reason, the party which has been given the licence to establish the industry, fails to make the requisite progress, Government should not hesitate to take remedial measures to see that the pace of development is not allowed to be retarded and that the targets envisaged are achieved as per time bound programme.

2.55. The Committee find that out of the industrial projects recommended in the surveys, only 28 projects, involving a capital cost of Rs. 175 crores have been implemented or are under implementation while 15 projects involving an estimated cost of Rs. 285 crores, are under consideration of the financial institutions for financial assistance. The Committee can see no reason why there should be delay in processing of the 15 pending applications for projects which involve an estimated outlay of Rs. 285 crores when it is the prime need of these areas that industrial units should be established without delay. The Committee would stress the need for having a time-bound programme to take decision on project schemes so that those which are cleared can proceed to the implementation stage without delay and those which are not found to be feasible are rejected so as to leave open the field for submission of more acceptable proposals. The Committee reiterate that time here is the essence of the matter and

that decision on projects for development of backward areas should be reached without delay. They would urge that not only a tight time scheduled for this examination should be laid down but a central agency should be nominated to see that it is adhered to and a regular report submitted in this behalf to Government at the highest level to obviate any procedural delays holding up progress.

2.56. In the case of projects which are already stated to be under implementation, the Committee would like Government to keep a close watch to ensure that these projects come up, according to the targets envisaged and that they attain full production as per scheduled programme.

2.57. The Committee suggest that as the information on the above aspects is of wide public interest it should be specifically mentioned in the Ministry's Annual Report and other documents which are presented to Parliament.

*Subsidies and Incentives for Industries in Backward Areas*

2.58. Asked about the difficulties experienced in implementing the subsidy programme and the action taken to remove them, the Committee have been informed in a written note by Government that:—

“One of the main problems noticed in regard to the Central Subsidy Scheme is the uneven spread of its benefits to the different States. Comparatively less developed States have not been able to make fuller use of the scheme. This problem is currently under examination of the Ministry of Industrial Development.”

2.59. In a subsequent note submitted to the Committee, the Government have stated that:—

“The experience in the actual operation of the scheme cannot be said to be wide enough to permit a meaningful evaluation at this stage. The amount of subsidy reimbursed so far has been very small, and even here, one State namely, Maharashtra accounts for more than 50 per cent of the total subsidy. During 1972-73 the total subsidy claimed for reimbursement by State Government was Rs. 69.55 lakhs, of which Maharashtra's share was Rs. 36.99 lakhs. The corresponding figures for 1973-74 were Rs. 64.14 lakhs and Rs. 39.99 lakhs respectively.

As regards institutions for the programme fairly good progress has been made by the State level Corporations in Maharashtra, Gujarat and Tamil Nadu, Special Institutions for promotion of industries in backward areas are coming up in a few other States like the Andhra Pradesh, Uttar Pradesh and West Bengal. At the Central level it has not been possible so far to make any progress in setting up even the nucleus of an organisation. There is a Plan provision of Rs. 35 crores for backward areas development and the Planning Commission had approved a provision of Rs. 1.25 crore in our budget for 1974-75 for this purpose, but we are still awaiting concurrence of the Ministry of Finance for our proposal to get at least the D.T.R. prepared this year."

2.60. During their tour of Western Zone it was brought to the notice of the Study Group of the Committee by an organisation of manufacturers that:—

"Promises of incentives made by the State Governments to the entrepreneurs to set up industries in backward areas, are not fulfilled on one excuse or the other. In fact in many cases, the rules have not been framed to implement the concessions and incentives which are to be provided to the industries in these areas. There should be some built in sanction if the promises are not fulfilled by the State Government."

2.61. During their tour of Gujarat the Estimates Committee were informed that:—

"At present the following organisations are working for the development of industries particularly, in the backward areas:—

- (i) Gujarat Industrial Development Corpn.
- (ii) Gujarat State Financial Corporation.
- (iii) Gujarat Industrial Investment Corporation.
- (iv) Gujarat Small Industries Corporation.
- (v) Gujarat Export Corporation.
- (vi) Gujarat Agro-Industries Corporation.
- (vii) Gujarat Mineral Development Corporation.

The activities of all these Corporation are coordinated by Industries Commissioner at the State level. Various incentives are given by the State for the development of backward areas. A specific feature for accelerating development of the industries in these areas was stated to be that once a project is approved by the Government it would

automatically be approved by the other Corporations, without further scrutiny. Moreover, if any proposal is cleared by the State Government, it is also accepted by the Banks for the grant of loans. This cuts down delays at various levels."

2.62. The Committee note that there is a marked absence of industrial units in the backward areas. Although dispersal of industries as a means of attaining balanced development of the country, was underlined in the Industrial Policy Resolution of 1956 as well as in the successive Five Year Plans, the industries remain largely concentrated in the metropolitan and developed areas. The Committee regret to note that in spite of the various measures taken by the Government and incentives/concessions granted for the setting up of industries in the backward areas, the industries continue to flock to the developed areas and no significant industrialisation has taken place in the backward areas with the result that regional imbalances continue to grow. As has been admitted by the representative of the Government, even in regard to Central Subsidy/Scheme, there has been an uneven spread of its benefits to the different States. The Committee note that out of Rs. 64 lakhs sanctioned by way of Subsidy in 1973-74 and Rs. 69 lakhs in 1972-73, as much as Rs. 40 lakhs and Rs. 37 lakhs respectively were disbursed to one State, namely, Maharashtra. The Committee would like Government to make a study in depth of the factors which have made it possible for Maharashtra to claim subsidy of this order so that other States could be helped with information and guidelines to avail more fully of the subsidy scheme in the interest of establishment of industrial units in the backward areas.

2.63. The Committee are surprised to note that many of the States have not even framed the relevant rules for the grant of subsidies. It is, therefore, not surprising that the various subsidies and incentives granted by the Government have not been able to achieve the desired objectives. The Committee recommend that a review of the subsidy/incentives/schemes introduced by the Government should be conducted in consultation with the States and representative organisations of industries without delay to find out the reasons for not achieving the desired objectives and necessary remedial measures should be taken so as to make them really an effective instrument for the development of backward areas.

2.64. The Committee further note that there are complaints that incentives announced by the Government are not actually given to the industrialists in time and they have to run from place to place to obtain those incentives/concessions. The Committee would like Government to take corrective steps in this regard.

2.65. The Committee consider that it would be desirable to link subsidy on capital investment to employment generation also. In view of the paramount need for creating new employment opportunities in backward areas, the industries which are approved for location in such areas should be required to give employment to a specified minimum number of persons for becoming eligible for subsidy. Further the subsidy should be related to the promotion of ancillaries by the large industrial units so as to accelerate the process of development.

2.66. The Committee further note that in Gujarat there are seven institutions working for the development of industries particularly in backward areas and the activities of all these institutions are being coordinated by the Industries Commissioner at the State level. A special feature in the State is that once a project is approved by the State Government it is automatically approved by the other Corporations without further scrutiny and this results in cutting down of delays at various levels. The Committee recommend that an in-depth study of the procedure followed by the Government of Gujarat, should be made and results circulated to all other State Governments for guidance.

#### *Setting up Small Scale Industries in Backward Areas*

2.67. Asked about the strategy of Government for setting up small scale industries in the backward areas in the Fifth Plan, the Government have intimated the Committee in a written note that:—

“Fifth Five Year Plan envisages a positive shift in the development of small industries in backward areas, Almost sixty per cent of the total Fifth Plan outlay is earmarked for this purpose. In quantitative terms, out of a total Fifth Plan outlay of Rs. 140.95 crores, Rs. 35.0 crores, have been provided for “Development of Backward Areas,” Rs. 45.0 crores for Rural Industries Projects, Rs. 1.20 crores for setting up branch institutes in backward areas. Small Scale Industries have been recognised as a positive tool for the industrialisation of the backward areas. With a view to exploiting resources available in the area, techno-economic surveys of backward districts have already been initiated on a priority basis. For the speedy development, intensive campaigns are being organised wherever possible. Central Government has also launched a scheme for providing incentives and facilities for development of indus-

tries in the backward areas. This includes provision of Finance on concessional terms, from the financial institutions, provision of subsidy on fixed capital investment in selected areas, transport subsidy between fixed points in certain hilly areas, etc. The Government have also been pursuing a policy of progressive reservation of items for exclusive production in the small scale sector, which brings the total of such items to 177. The main objectives outlined above have largely been kept in view in formulating the study for the development of underdeveloped regions during the Fifth Plan. For outlining the strategy of backward areas, a Committee consisting of representatives of some of the Central Ministries and State Governments have been constituted which is already engaged in working out the details."

2.68. Asked about the working of the Rural Industries Project, the Government have intimated the Committee in a written note that:—

"The Rural Industries Projects programme was sponsored by the Planning Commission in 1962-63, as a Centrally sponsored scheme..... The main objectives of the programmes are to enlarge non-farm employment opportunities and increase industries, production in rural areas.

Initially, 45 areas with different socio-economic conditions, each covering 3 to 7 C.D. Blocks with a population of 3 to 5 lakhs were selected. Four more areas, close to large public sector industrial undertakings, at Bhilai, Durgapur, Ranchi and Bhadravati, were added in 1965. The actual implementation of the programme started in 1964-65, the initial two years of 1962—64 having been spent on preliminary work, such as appointment and training of staff techno-economic surveys and formulation of programmes, etc.

*Progress of Expenditure:* An expenditure of Rs. 18.19 crores has been incurred on the programme during the 11 years period from 1962-63 to 1972-73.....

*Expansion Programme:* Reviewing the progress upto March, 1970, the Rural Industries Planning Committee at its meeting on 4th December, 1970, felt that since the programme has proved itself to be an effective instrument in providing employment opportunities in rural areas and aug-



menting production the scheme should be further extended. Accordingly, it was decided to (i) extend the area of operation of the existing 49 projects to cover entire districts, (ii) take up 5 new District Projects during the Fourth Plan period under the programme 4 to be located in the areas where the Rural Electric Cooperative Projects were also located, namely, one each in Lucknow (U.P.), Junagarh (Gujarat), Karimnagar (Andhra Pradesh) and Belgaum (Karnataka) and one in Haryana (which had no project); and (iii) by taking up 57 new districts (all backward) under the programme during the Fifth Five Year Plan period. Preliminary work including appointment and training of staff, conducting techno-economic surveys and formulation of development programme for the new projects was to be undertaken during 1972-73 and 1973-74. It was also decided that in each successive plan period about 50 more districts should be taken up so that the whole country was covered under the programme within 20—25 years.

The above recommendations were accepted by the Government and action was initiated in respect of each of the recommendations. The area of operation of each of the existing 49 projects has been extended to cover the entire district (excluding towns with more than 15,000 population).

Besides, five new District Projects have been taken up in 1971-72. Preliminary action in 57 new Rural Industries Projects for the Fifth Plan was also started in 1972-73.

Out of 49 first series Rural Industries Projects, 31 are located in backward districts. Of these 23 are eligible for 15 per cent capital subsidy and 31 projects (including the above 23 eligible for capital subsidy) for concessional finance from Financial Institutions. Of the 5 Rural Industries District Projects taken up in 1971-72, 4 are located in backward districts. Of these 2 projects are eligible for 15 per cent capital subsidy and four projects (including the above 2, eligible for capital subsidy) for concessional finance from financial institutions. All the 57 new Rural Industries District Projects sanctioned for the Fifth Five Year Plan are located in the backward districts. Of these 30 projects are eligible for 15 per cent capital subsidy while all the 57 projects (including 30 projects eligible for capital subsidy) are eligible for concessional finance from financial institutions.

*Programmes in the Fifth Plan:* The programme will, as stated earlier be in operation in 111 districts during the Fifth Plan period, of which 92 districts are industrially backward. A total outlay of Rs. 45 crores from Central budgetary resources has been approved by the Planning Commission for this programme for the Fifth Plan period. It is expected that substantial funds will become available from Institutional Financing Agencies and about 25 to 30 per cent of the total investment will come from entrepreneurs themselves. On this basis it is expected that about 40,000 new units will be established in these 111 districts with employment potential of 2 lakh persons."

2.69. The Committee note that during the Fifth Five Year Plan, Government envisages a positive shift in the development of small scale industries in backward areas by earmarking as much as sixty per cent of the outlay (Rs. 81 crores out of Rs. 141 crores) for development of backward areas and for setting up of rural industrial projects.

2.70. The Committee would like the Central Government which have more than two decades of experience in the matter of providing guidance to small scale industries, to pay special attention to the development of small scale units on the right lines from the very inception. The Committee need hardly emphasise that the entrepreneurs should be helped in every way particularly in the choice of industry, the size of the unit, the availability of raw materials, extension of financial assistance and credit facilities and marketing for the end-products.

2.71. The Committee would like that the extension staff who are selected for rendering technical services should be persons of proven merit and standing in their field, with dedication to the cause of development, particularly of the backward areas so that they can help to surmount the difficulties which are bound to be experienced by the entrepreneurs in the initial stages. The Committee would like Government to so devise the conditions of employment of experts and their remuneration as to put an accent on the rendering of technical assistance in the real sense to the entrepreneurs in the development of the backward areas.

2.72. The Committee need hardly point out that there should be a system of a regular monitoring and review of the work of the agency established for rendering assistance to the small scale units in the

backward areas so that difficulties encountered are overcome with the least delay, and the momentum for development is not allowed to be impeded in any way.

2.73. The Committee note that there has been considerable progress in the setting up of small scale industries in backward areas in Maharashtra State and the Maharashtra Industrial Development Corporation and Small Industries Corporation have significant achievements to their credit in helping the entrepreneurs in setting up industries in backward areas. The Committee recommend that the Central Government should conduct an indepth study of the measures taken by the Government of Maharashtra in this regard and circulate the same to other State Governments.

2.74. The Committee note that Government are laying great emphasis on Rural Industries Projects and propose to increase the outlay from only Rs. 9.5 crores to Rs. 45 crores in the Fifth Plan. While the Committee are one with Government about the need for establishment of more industrial projects they feel that in the interest of achieving the objective underlying them, it is absolutely essential that these projects are located in areas which have the potentiality. The Committee are greatly concerned that the strategy to be followed in the setting up of these units is however still under consideration of a Committee appointed by Government. Having regard to the fact that rural industries projects came to be established more than ten years earlier, the Committee feel that strategy in this behalf should have been evolved before the conclusion of Fourth Plan and infact this should have been fully taken into account while selecting the location for the new 57 rural industries projects during the Fifth Plan. The Committee would like Government to finalise the strategy without further delay as also review the location of the Rural Industries Projects for the Fifth Plan in the light thereof so as to make sure that these have the potentiality and would make the desired contribution in the developmental effort.

2.75. One of the historic lessons thrown up by industrialisation in the West is the problem of slums and unfortunately we have not been able to avoid them in the process of industrialisation particularly in our main industrial towns. There is already anxiety all over the world about the importance of environment and the necessity of keeping it clean in the broader interest of health and well-being of the people. The Committee consider that Government should pay special attention to these environmental aspects while planning the rural industries district projects so that the ills and problems which are associated with industrialisation and slum conditions are avoided.

The Committee suggest that Government should evolve with the help of the leading institutions of architectural and industrial planning, model layouts for rural industrial district projects which could be tried out on pilot basis and then extended to other areas. The Committee also suggests that adequate provisions should be made for low income group housing schemes in these areas.

2.76. The Committee stress that Government should keep a close watch over these industrial units right from the inception to ensure that they do not suffer for want of raw materials, technical guidance, marketing facilities, finance etc. It is only if all these requisite facilities are made available in a systematic manner that the industrial units would be able to achieve their full production capacity at the earliest and thus contribute towards the development of the backward areas.

#### *Assistance to Traditional Industries*

2.77. Asked about the steps being taken by Government for the development of traditional industries and handicrafts in the backward areas, the Committee have been informed in a written note by Government that:—

“The traditional industries covered under the village and small industries sector include handlooms, sericulture, coir, khadi and village industries and handicrafts. These are mostly concentrated in rural and backward areas. The khadi and village industries programmes are implemented directly by the Khadi and Village Industries Commission and the State Boards for these industries, viz., handlooms, sericulture, coir and handicrafts with a view to formulating policies and assisting and coordinating the programmes of the States and Union Territories and evaluating their progress. The programmes of assistance for traditional industries include credit facilities under the State Aid to Industries Acts/Rules, Technical improvement, training, common service facilities and marketing etc., and are administered largely by the State Governments and the Administrations of Union Territories. These are supplemented by Central programmes for industrial extension service research, training etc. The programmes of assistance are proposed to be expanded during the Fifth Plan period. The expenditure under the plans on these traditional industries at the Centre and States has been steadily rising. The table

below gives the estimates of expenditure during the Third and Fourth Plans and tentative outlays envisaged in the Draft Fifth Plan on these industries."

TABLE

(Rs. Crores)

	III Plan	IV Plan	V Plan (Tentative)
Handlooms . . . . .	25.37	28.92	55.3
Khadi and Village Industries . . . . .	89.33	100.90	185.6
Sericulture . . . . .	4.39	8.13	34.9
Coir Industries . . . . .	1.79	4.01	15.50
Handicrafts . . . . .	5.30	5.95	21.58
Rural Industries Projects . . . . .	4.79	9.69	45.00

2.78. The Committee feel that it may not be possible to set up large industries in all the backward areas in the country. The Committee would, however, like to point out that there are a large number of traditional industries which, while providing employment to the local people, have also earned a name for their products, not only in the domestic market but even in the international markets. The carpets of Jammu and Kashmir, Mirzapur and Arunachal Pradesh, the brassware of Moradabad and handloom fabrics of many parts of the country, have earned world wide reputation. It is, however, disheartening to note that traditional industries in the country are continuously on the decline, with the result that a large number of artisans in the rural areas are now migrating in search of clerical and unskilled jobs to large cities and metropolitan areas, thus creating more and more pressure on the urban areas, resulting in the proliferation of slums and social tensions. While the Committee note that the Khadi and Village Industries Commission and the State Boards for Industries have undertaken programmes for assisting the development of these traditional industries, the very fact that these industries have not come up in a big way, indicates that much more needs to be done for the development of these industries. The Committee, therefore, recommend that the Government should examine the matter in greater detail and find out the reasons why the traditional industries particularly in rural and backward areas in the country, are not being developed to the desired extent. The Committee recommend that suitable remedial measures in this regard should be taken by Government without delay.

2.79. The Committee note that the Planning Commission envisages marked increase in the outlay on the development of handlooms, khadi and village industries and sericulture, coir industry and handicrafts during the Fifth Plan. In some of these sectors the outlay is being increased by as much as 3 to 4 times. The Committee cannot too strongly emphasise that Government and these organisations and agencies should take every care to see that the benefits in fact flow to the workers and that these are not allowed to be siphoned off at intermediate level. In this context they would like to stress the role that training centres can play in improving skill and craftsmanship so as to assist the artisans in adapting their age-old techniques and processes and designs to suit the present day taste of customers in the country and outside. It should also be ensured that the vital inputs required by craftsmen like yarn for handlooms or dyes for handicraft or cocoons for sericulture etc., become available to the workers and thus enhance their capability for production and contribute towards raising the per capita level of income.

2.80. The Committee note that the Khadi and Village Industries would be getting Rs. 185 crores in the Fifth Plan as compared to Rs. 101 crores in the Fourth Plan. Government should see that Khadi and Village Industries are fully geared to undertake this enhanced responsibility and that they implement suitable measures in the field to ensure that productive vocation is gained for larger number of under-employed and un-employed landless labour in the rural areas.

#### G. Role of Financial Institutions in Development of Backward Areas

2.81. It is commonly realised that non-availability of credit at cheap rates and liberal terms is one of the most important factors inhibiting the growth of backward areas.

2.82. A leading organisation of manufacturers in their Memorandum submitted to the Committee has suggested:—

“All the financial institutions are making sincere attempts to attract industries in developed regions and have offered a package of financial and other facilities. However, there is a basic missing link in all these schemes namely, the entrepreneurs for whom the various benefits are meant. Besides offering finance, these financial institutions should undertake periodically programmes for the managerial

training of entrepreneurs and induce unemployed technicians and engineers to set up units and nurture them till they attain adolescence. These agencies should see to it that officers entrusted with the job are equipped with adequate data of the region and the various procedural formalities to be complied with.

While the Central Government would be the apex body to evolve policies and schemes for development of backward regions, it is the duty of the State agencies and financial institutions to coordinate and implement the programmes and supplement each other's efforts. The State and financial agencies should look upon themselves as partners in the programme."

2.83. Asked to state their reactions to the above suggestion, Government have informed the Committee in a written note that:—

"It would not be correct to say that entrepreneurs do not come forward to set up industries in the backward areas. The public financial institutions feel that for promoting industrial projects in the backward areas, if greater reliance is placed on local entrepreneurial talent, the progress would be faster. The absence of local entrepreneurial talent in the backward areas is itself due to the low level of economic development in these areas. To encourage the local talent, officers of State level institutions are being trained suitably by the IDBI and training programmes devised to achieve this have been formulated.

As far as the reorientation in the policies of the public financial institutions is concerned, it may be mentioned that to encourage new entrepreneurs, a number of steps have been taken by the IDBI in partnership with the other public financial institutions. For example, consultancy organisations in different regions have been promoted, namely, Kerala Industrial and Technical Consultancy Organisation (KITCO) Cochin, North Eastern Industrial and Technical Consultancy Organisation Ltd. (NEITCO) Gauhati and Bihar Industrial and Technical Consultancy Organisation Ltd. (BITCO) Patna."

2.84. Asked if instructions have been issued to the nationalised banks to give loans to small scale industries at concessional rates, the representative of the Ministry of Finance stated in his evidence before the Committee:—

"Agencies like IDBI give it. Banks do not give. Under the

directions given by the Reserve Bank of India there is a minimum lending rate and small scale industries will be governed by that. Today the minimum lending rate is 12.5 per cent. There is no concession for backward areas."

2.85. Asked if even at the minimum lending rate, loans are not made available to the small scale industries in backward areas, he replied:—

"They are loans for the establishment of industries. These are working capital loans to small scale industries. So far as the non-availability of loans at 12.5 per cent is concerned, it is an operational matter. We will definitely consider."

2.86. Asked about the specific steps being taken by Government to increase the quantum of financial assistance given by Central financial institutions to industrial units in backward areas, the representative of the Ministry of Finance stated:—

"The progress on the assistance to backward areas by the different institutions is showing an upward trend from year to year. At present the IFC and IDBI have given assistance to the extent of 33 per cent of the total amount. So the percentage of share is going up from year to year. . . . . Projects have been revived by the IDBI and set up in the backward areas like Ashok Mill in Assam. The assistance has been of the order of Rs. 20 crores."

2.87. Asked if it was a fact that the nationalised banks were investing the savings mopped up from backward areas in the forward areas, the representative of the Ministry of Finance stated in his evidence:—

"At the time of nationalisation, the banks did not have a large network of branches in all the States. In between the last five years since nationalisation, different banks and State Bank of India have gone into the remotest areas. Today we have 17,000 branches. As and when more branches are started, the mopping up of resources do start. In the initial stages, whenever a branch is opened, there will definitely be a mopping up of resources. . . . . I would submit that the lending to priority sector by the



various nationalised banks is slightly coming up. It has now come up to a stage of about 20—25 per cent, previously it was less than 5 per cent.'

2.88. Asked about the loans and credit granted by nationalised banks and financial institutions for the backward areas and how these figures compare with the figures of loans/credits granted to developed States, Government have intimated the Committee in a written note that:—

"The existence of regional imbalances in matters of banking facilities *i.e.* branches, deposits, advances etc. cannot be denied. These are, however, more an effect than a cause of regional imbalances in economic development—particularly in the development of infrastructural facilities like transport, power, communications etc. This is a legacy of the past when banks followed development and did not precede it. The under-developed States/regions were also, therefore, severely underbanked. The commercial banks are, however, attempting to reverse this process since 1969. It will be seen that by and large the growth of deployed bank funds *i.e.* advances plus investments, have increased at a higher rate in the hitherto under-banked and backward regions as compared to their rate of growth for the country as a whole or for the relatively better developed States, indicating that the underdeveloped States are continuously receiving a better share of incremental deployment than before."

Removal of regional disparities in respect of deployment of bank funds is a long term process to be achieved through faster economic development of underdeveloped areas. What the commercial banks can do and are doing is:—

- (1) To open bank branches in hitherto neglected regions or States so as to take banking services to a large number of people; and
- (2) To devote greater attention to enlarging the flow of funds to small productive endeavours in sectors such as Agriculture, roads, transport, retail trade, handicrafts, etc., where, although the financial needs of the people are small, large number of people can reap the benefits of banking facilities and help raise the level of economic activity in under-developed areas.

Even though disparities still exist, the population coverage of banks has significantly improved in the under-developed/underbanked States. For example, the population per bank office has been brought down in Orissa from 212,000 as on July 19, 1969 to 36,000 as at the end of June 1974, in Bihar from 207,000 to 84,000; in Jammu and Kashmir from 114,000 to 28,000; in Uttar Pradesh from 118,000 to 53,000 etc.

It will be seen that by and large the priority sector advances of public sector banks have increased in backward States/Regions at a much faster rate than those for the relatively better developed States."

2.89. The Committee consider that the banks and other financial institutions have got pioneering role to play in filling up the credit gaps in the backward areas and should give lead in the matter of providing the much required finance for the development of backward areas. The Committee would like to point out that one of the main criticism against the banks of the country before nationalisation was that the activities of the banks remained confined to the metropolitan and urban centres only and the benefits of their advances were mainly reaped by the big industrial units. The Committee regret to note that even after nationalisation, the same complaint still persists and it has been represented that even the resources which are being collected by these nationalised banks from the backward areas, are being invested mostly in the developed areas only. While conceding that lack of banking facilities in the backward areas is a legacy of the past and the nationalised banks have taken considerable steps to set up branches in the backward areas, the Committee would like to point out that the steps taken in this direction so far, cannot be considered as sufficient. The Committee recommend that the financial institutions and nationalised banks should pay more attention to the backward areas in the country and should take steps to provide finances at concessional and liberalised terms to the backward areas so as to accelerate the pace of development of these areas. The Committee would like to point out that the Committee on Development of Small and Medium Entrepreneurs (Popularly known as Bhatt Committee) has recommended that the post construction and post implementation problems of the new entrepreneurs should be specially taken care of and that a cell should be created by the public financial institutions to sub-serve these needs. The Committee would like Government to take immediate action on this recommendation.

## H. Growth Centres

2.90. Backward Areas in the country constitute about 60 per cent of the total area and comprise about 58 per cent of its total population. These areas suffer from absence of basic infra-structure. As provision of basic infra-structure is costly and in the present state of financial constraints, it would not be possible for the Government to provide basic infra-structure in all the areas, it would be essential to provide this basic infra-structure in some selected areas which may serve as "Growth Centres" and as development process starts, the results of development of these areas may perforate to other areas.

2.91. The Committee on "Development of Small and Middle Entrepreneurs" appointed under the Chairmanship of Shri R. S. Bhatt in their report submitted in October, 1973 had also recommended that 'While developing the infra-structure, the accent should be on "Centres" rather than "areas". Not more than 50 such centres should be chosen initially for concentrated development'. In their statement giving decision taken on the recommendations of the Committee, the Government have stated that "The Government accept the recommendation that the accent should be on "Centres" rather than the "Areas". Some of the State Government have already taken steps to form Corporations to stimulate the development of backward areas, particularly the growth centres.'

2.92. In reply to an Unstarred Question in Lok Sabha regarding identification of growth centres in the Backward Areas, it was stated by Government that:—

"The draft Five Year Plan document (Pt. II) envisages development of infra-structure in selected growth centres in backward areas. Proposals of this Ministry for the Annual Plan 1974-75 regarding industrial development of backward areas include the scheme for providing infra-structural facilities at selected growth centres in the backward districts and setting up a Backward Areas Industrial Development Corporation for the purpose. The proposals are to be considered further on the basis of the recommendations of the Committee set up for evolving a suitable strategy for development of industries in backward areas."

2.93. The representative of the Ministry of Industrial Development in his evidence before the Committee stated that "In the light

of our experience in the operation of the scheme, it is quite clear that the resources required, especially for the infra-structure, as has been mentioned here as well, are quite large. In view of this, I would quite agree that selecting a very large number of districts would be self-defeating and is not likely to produce results."

2.94. The representative of the Ministry of Industrial Development further stated that:—

"Industrial development does require a certain threshold level of effort; certain minimal scales are necessary either in respect of infra-structure or markets or investments. Now, the moment we try and do this in a diffused way, it is quite possible that realisation of the objective may be halting.

Our experience in trying to develop a new area has been particularly successful in Maharashtra. Maharashtra has if I may say so, within that State, as much regional imbalances as in the rest of India. The total number of districts in Maharashtra is quite large because the State is large. They did not try to develop every district of Vidarbha and Konkan. They tried to develop one or two here and one or two there so that they may have 3-4 areas to concentrate on them. This is how Poona, Nasik, Nagpur and Aurangabad which were underdeveloped areas have developed and it has been a story of success. This task was assigned to M.I.D.C. and SICON. They said that they could not start development of an area unless they had a minimum amount of finance. This is how Aurangabad was planned."

2.95. Asked if growth centres and focal points for development in the various States have been identified, the Government have intimated the Committee in a written note that:—

"In the context of complex problems of backwardness and scarce resources, the idea to concentrate promotional efforts and resources in selected growth centres with maximum growth potential is no doubt the most pragmatic one.

It is understood that in some of the States, focal points have been identified for undertaking special efforts to develop

them. As regards details of focal points selected in the States, criteria adopted for their selection etc. information is not readily available."

2.96. The Committee are constrained to note that while representatives of the Planning Commission and Government are one in commending the establishment of a growth centre as a focal or nodal point for achieving maximum growth potential, there is no precise information available with the Centre, about the focal points already selected by some of the States, the criteria adopted in their selection or the precise progress made by them. The Committee cannot help pointing out that if the Government at the Centre felt convinced about this strategy of developing growth centres, the least that they could have done was to carry out a systematic review and analysis in depth of such focal points which had already been established in the States so as to evolve guidelines for other States. The Committee would like this to be done within the next three months so that meaningful guidelines could be framed by the Centre for guidance of all concerned. It is imperative that growth centres are selected most judiciously and the various input efforts, required to accelerate development and tap the growth potential are implemented systematically and in a coordinated and integrated manner in order to achieve the best results. The Committee would, however, like to add that this does not mean that present concessions granted in the 232 districts declared as backward should be withdrawn.

2.97. The Committee would like to be informed of the concrete action taken by Government in pursuance of the above recommendation within three months.

### I. Special Funds for Development of Backward Areas

2.98. Although development of backward areas and removal of regional disparities has been accepted as one of our national objectives, no significant progress has been achieved during the Four Five Year Plan periods in the development of backward areas. It has been represented to the Committee that one of the main reasons for this State of affairs is that the funds in the various Plans have been spent for the development of advanced states and the backward States/Areas have not received their due.

It has been stated by the Government that:—

“A series of steps have been taken to develop the backward areas. These are, in brief, given below:—

- (a) The principles governing the allocation of Central assistance to States were changed in the Fourth Five Year Plan under which 10 per cent of Central assistance was set apart for States whose *per capita* incomes were lower than the national average. This formula benefited Bihar, Kerala, Madhya Pradesh, Orissa, Rajasthan and U.P. In addition, special problems of border areas were separately reckoned in the formulae under which Assam, Jammu and Kashmir and Nagaland became entitled to a much larger share of Central assistance.
- (b) A special pattern of Central assistance for the hill areas was drawn up under which 90 per cent of plan outlay on hill areas of Assam, Jammu and Kashmir and Nagaland was agreed to be given as grant and remaining as loans. Similarly, a special pattern of proportionate assistance, 50 per cent grant and 50 per cent loan, for the hill areas of U.P., Darjeeling District in West Bengal and Nilgiris District in Tamil Nadu was simultaneously introduced to deal with the problems of hill areas.
- (c) In conformity with the policy that the Centre should supplement the efforts of the States in accelerating the pace of development in areas which were unfavourably placed on account of physico-geographic conditions, Drought-Prone Area Programme (DPAP) were started in 54 districts with an outlay of Rs. 2 crores per project for four years and tribal development agencies were set up in 6 districts in the latter part of 1971-72. Various programmes for the extension of social services and the economic amelioration of the tribal development blocks were also continued in the Fourth Plan.

2.99. Asked about the total Central assistance given to the backward states under the changed formula of Central assistance, the Government have intimated the Committee in a written note that:—

“The total Central assistance accruing to the States of Bihar, Kerala, Madhya Pradesh, Orissa, Rajasthan and U.P. as

well as their share in 10 per cent of Central assistance distributed on the basis of per capita incomes\* are indicated below:

States	Total Central assistance (Rs. Crores)	10% of Central assistance distributed on the basis of per capita income.
Bihar	338.00	77.62
Kerala	175.00	22.47
Madhya Pradesh	262.00	45.29
Orissa	160.00	25.89
Rajasthan	220.00	29.61
Uttar Pradesh	526.00	109.12

\*10% of total Central assistance was distributed among the States of Bihar, Kerala, MP, Orissa, Rajasthan and U.P. on account of the fact that their per capita incomes were below the national average.

There was no specific Central assistance allocated to the hill areas of any State. Figures of Central assistance which accrued during the Fourth Plan to the hill areas of Assam, Jammu and Kashmir and Nagaland, under the liberalised pattern of assistance are given below. These figures are provisional and subject to finalisation of accounts on the basis of audited figures.

(Rs. in crores)

Hill Areas	Central Assistance accrued during the Fourth Plan		
	Total	Loan	Grant
Assam	30.86	3.09	27.77
Jammu & Kashmir (Ladakh)	6.08	0.61	5.47
Nagaland	33.48	3.35	30.13

2.100. Asked during evidence if funds for the development of backward areas are being specifically allotted for expenditure in these areas, the representative of the Planning Commission stated in his evidence before the Committee:—

"I think there was no specific allocation in the Fourth Plan."

2.101. Asked if there has been any diversion of funds meant for development of backward areas for other purposes, another representative of the Planning Commission stated:—

“As far as my information goes this was not done.”

2.102. The representative of the Ministry of Finance stated:—

“This system of direct earmarking of funds has actually started from the Fifth Plan. In the Fourth Plan, only certain selected hill areas were taken up for development and it was expected that a certain sum of money was available or could actually be spent during the Fourth Plan depending upon the performance of these areas. Since the plan in these areas was started towards the end of the Fourth Plan, the performance was not equally good in all these areas. Therefore, it may appear that in some areas the expenditure was less; it was not because the fund was diverted to other purposes, but because the progress was not up to the mark.”

He further stated:—

“At present both under the hill areas and the tribal areas development programme and the minimum need programme, there is specific earmarking of funds; these cannot be diverted by the States except with the concurrence of the Planning Commission. That is the present position.”

2.103. The Committee note that although the accelerated growth of backward areas has been accepted as one of our national objectives and all the Five Year Plans have emphasised the need for removal of regional imbalances, no separate funds specially earmarked for the development of backward areas, were provided in these Plans and it was only during the Fourth Plan that the principles governing the allocation of central assistance to states were changed under which 10 per cent of central assistance was set apart for States whose per capita incomes were lower than the national average. Even this assistance was not earmarked for the development of backward areas and the Government are not sure that this amount of assistance was actually spent for the development of backward areas. The Committee have a feeling that the assistance and funds, being allotted to states for development purposes, have been by and large, spent in the comparatively developed regions and the backward



areas continue to suffer by neglect. This apprehension is reinforced by the fact that in spite of massive investments made in the four Five Year Plans and three Annual Plans there has been no marked improvement in the condition of these areas, particularly in the backward states with the result that instead of these areas coming upto the economic level of the remaining parts of the country, the economic disparities between these areas and other areas, have widened. The Committee are of the opinion that if any appreciable impact is to be made in the development of backward areas, Government should allot a certain percentage of funds specifically for the development of backward areas and it should be ensured that the funds, so earmarked, are not diverted for developed areas.

2.104. The Committee are glad to note that the draft Fifth Five Year Plan has made a specific provision of Rs. 500 crores for the Tribal and Hill Areas and that these funds would be earmarked and would not be allowed to be diverted for other purposes. The Committee recommend that similar measures should be taken for earmarking funds for the development of other backward areas also particularly for areas like Eastern U.P., Bundelkhand, Dandakaranya which are homogenous units and for which the Task Force/ Study Teams have already recommended specific strategies for development.

### J—District Planning

2.105. The geographical and economic conditions in the different backward areas of the country are quite diverse and it is not possible to lay down any uniform pattern of planning or strategy for development of these areas. The draft Fifth Plan has also emphasised the importance of district—planning in these words:—

“Local planning will continue to be the main plank of the strategy for the accelerated development of backward areas in the Fifth Plan. To facilitate this on a realistic basis, measures are being introduced in the plan which would result in the identification of overall development measures for the plan period not only for those areas which are going to be covered by special projects/programmes, but for all the districts in the country. Towards this end, States have been asked to prepare before the start of the Fifth Five Year Plan, special supplements which would give the rationale, the overall allocations and the sectoral distribution of their divisible plan resources for each district.”

2.106. The representative of a leading organisation of manufacturers in his evidence before the Committee suggested that:—

“District Planning would mean a departure from the present method of planning. Today, whether at the centre or in the States, all the planning that is done, is to estimate the resources and then make notional allocations for various fields, viz., irrigation, agriculture etc., and then those departments draw up schemes. If you want to do district planning strictly, the allocations will not be made to the Centre or the State governments, but to the districts. One has to make an assessment of the minimum socio-economic infra-structure that each district has got. You get an average for all districts. You have to see that those who are below the average, get higher allocations”.

2.107. The Government have informed the Committee in a written note that:—

“Many states have taken up the preparation of integrated district plans, not on the old pattern of making inventories of felt needs but on the basis of selective and integrated strategies. In this context, an important development has been the introduction of a Central scheme in 1972-73 under which the planning capabilities of the States have been augmented, among other things, for the setting up of well-organised units for regional and district planning. Responding to this initiative and the general emphasis on establishing appropriate mechanisms for planning and development at various crucial levels, many States have already set up district and regional development authorities and regional development corporations with the necessary technical support for the collection, scrutiny, analysis and interpretation of data, development of programmes/projects and implementation.”

2.108. Asked about the states which have taken up the work of the preparation of integrated district plans, the Government have intimated the Committee in a written note that:—

“According to the information available with the Planning Commission, preparatory work in this regard has been taken up in districts shown at Annexure. (Appendix III).

The slower pace of work in the formulation of district plans was found partly attributable to the lack of trained personnel. In order to assist the States in this regard the Centre introduced in 1972-73 a scheme of financial assistance for the strengthening of planning capabilities and suggested the setting up of, *inter alia* a unit dealing with district planning. The Planning Commission have also provided to the States guidelines for the formulation of District Plans which are currently being used in a number of States."

2.109. The Committee feel that as geographical and economic conditions in the different backward areas of the country are quite diverse, it is not possible to lay down any uniform pattern for development of these areas. Any plan drawn for the development of an area would have to pay special attention to the local conditions and potential for development as well as the removal of impediments which come in the way of accelerated development of the specific area. The Committee, therefore, recommend that for this purpose, detailed plans should be formulated for each backward district which should pay special attention to these factors and lay down specific and time-bound programme for the development of these districts. The Committee recommend that for formulating these district plans, District Planning Boards or Committees should be appointed, consisting of elected representatives of the people, the representatives of State Government and officials of the District Administration including technical personnel, which while formulating the district plans should also keep a constant watch on the implementation of the plan and monitor the progress made in the various spheres.

2.110. The Committee regret to note that although local planning has been accepted as the main plank of the strategy for the development of backward areas in the Fifth Plan, only some of the States have set up District Planning Organisations and district plans have been prepared in respect of only a few districts. For example, in the States of Andhra Pradesh, Assam, Gujarat, Maharashtra and Orissa, district plans have been completed in respect of one district only in each of the States. It is only in Karnataka State that integrated district plans for all the districts have been prepared. This shows the casual way in which the work relating to the formulation of district plans is being undertaken by the various states. The Committee note that the Centre had introduced in 1972-73 a scheme

of financial assistance for strengthening of planning capabilities of states and had suggested the setting up of a unit for dealing with district planning. The Committee recommend that the Planning Commission should impress upon the State Governments the imperative need for the formulation of district plans and render all possible assistance to them in this work.

## CHAPTER III

### DEVELOPMENT OF TRIBAL AREAS

#### A—Programme for Tribal Areas during previous Plans

##### *Programmes during First Second and Third Plans*

3.1. During the First, Second and Third Five Year Plans a large number of schemes were undertaken by the State as well as Central Government to promote the economic, educational and social development of the Scheduled Tribes. The expenditure incurred on the welfare of Scheduled Tribes has been indicated in the Report of the Commissioner for Scheduled Castes and Scheduled Tribes for the year 1965-66 as follows:—

<i>First Plan</i>	Rs. 20 25 crores
<i>Second Plan</i>	Rs. 43 93 crores
<i>Third Plan</i>	Rs. 53 40 crores

3.2. From Second Plan onwards, the Tribal Development Schemes were taken up under two distinct programmes—the State Sector Programme and Centrally sponsored programme. The State Sector Schemes fell into three broad categories—(1) Education (2) Economic Uplift and (3) Health, Housing and other Schemes, while the Centrally sponsored programme was confined to schemes which merited high priority or were related to the removal of special disabilities of a nature which required intensive measures over a long period. The Centrally sponsored programmes for the welfare of Scheduled Tribes undertaken during the Third Plan were:—

- (1) Post-matric scholarships
- (2) Tribal Girls Hostels
- (3) Tribal Research and Training
- (4) Pre-examination Training
- (5) Tribal Development Blocks
- (6) Co-operation including forest co-operatives.

3.3. As for the impact of the Tribal Development Programmes undertaken during the First, Second and Third Plan periods, the

Study Team on Tribal Development Programmes (1969) had the following observation to make:

"In the absence of an evaluation machinery the States have not been able to assist the Team with their own assessment of the impact of the development programmes on the welfare of the tribals."

*Pattern of Central Assistance for Programme in the State Sector*

3.4. The pattern of Central Assistance adopted for the schemes in the State Sector during the Third Plan period was on 50:50 basis except in the case of autonomous Hill districts of Assam where it was cent per cent. However, in view of the national policy of providing educational facilities to the entire population in the age group of 6—11, the pattern of Central Assistance was modified in 1962-63 and Central assistance was raised from 50 per cent to 75 per cent under "Education". From the year 1967-68 onwards, a uniform pattern of assistance at the rate of 60 per cent for all groups of schemes under the State Sector has been prescribed. So far as the Centrally sponsored schemes are concerned, the Govt. of India meet the entire expenditure on the scheme.

3.5. The Committee note that the Central Government have been extending since 1967-68 assistance at the rate of 60 per cent for developmental scheme for tribals falling in the State Sector while the expenditure on long term schemes such as Post-matric scholarships, Tribal Girls Hostels, Tribal Research and Training, Pre-examination Training, Tribal Development Blocks, Co-operation including forest co-operatives, was being met by the Central Government in full. The Committee find that the Study Team on Tribal Development Programme in their Report in 1969 have observed inter alia that in the absence of an evaluation machinery the States have not been able to assist the Team with their own assessment of the impact of the development programmes on the welfare of the tribals. The Committee are greatly concerned to find that Government should not have arranged either to collect the requisite data or to review critically the progress made so as to evaluate the impact made by these schemes on the welfare of the tribals and development of areas inhabited by them.

**B—Pilot Projects for Tribal Development during Fourth Plan**

*Tribal Development Agency Projects*

3.6. The Central Co-ordination Committee took a decision in August, 1970 that, for intensive development of the Tribal Areas all

over the country and considering the problems of development facing the backward tribes and the tribal areas, to start with some Pilot Projects may be located in the States of Andhra Pradesh, Bihar, Madhya Pradesh, and Orissa and executed as a Central Sector Scheme during the Fourth Plan. These Projects were to be additive in their nature and were not intended to replace the normal flow of financial allocations for the on-going schemes under the general community development and tribal development programmes. It was made explicit to the State Governments that there should be no reduction in the existing tribal programmes executed by the State Governments because of launching of these special Projects.

3.7. In pursuance of the decision, Six Pilot Tribal Development Projects for the economic development of the selected tribal areas were sanctioned by the Government of India during the later part of 1971-72. These projects are located in (i) Srikakulam District of Andhra Pradesh, (ii) Singhbhum District of Bihar, (iii) Dantewada, (iv) Konta tehsils of Bastar District of Madhya Pradesh, (v) Ganjam and (vi) Goraput Districts of Orissa State.

3.8. The Central Co-ordination Committee had identified three important components of these Pilot Projects. These were:

- (a) Problems relating to law and order, communications, police and administrative matters.
- (b) Problems relating to economic development which are the core programme of the Projects.
- (c) Problems relating to supporting facilities of social services like drinking water, health, education etc.

While the Ministry of Home Affairs is looking after the problems relating to law and order and the Department of Social Welfare the problems relating to social services, the Ministry of Agriculture has been entrusted with implementing the core programme of economic development of the tribals.

3.9. At the national level the Planning Commission and the Ministry of Agriculture have the responsibility of guiding and reviewing the implementation of these Projects. The Central Co-ordination Committee on Rural Development and Employment oversees these programmes and gives the necessary policy guidance. At the level of the Ministry of Agriculture the Secretaries' Committee has been constituted for the purpose of sanctioning and reviewing these pro-

jects. At the State Level, there is a functional co-ordination-cum-implementation committee responsible for reviewing the administration of the programme. A suitable State Government Department has been designated to look after the programme in the different States.

3.10. The salient features of these projects are:—

- (i) Each of the projects is being implemented through a society registered under the Societies Registration Act, 1860, called the Tribal Development Agency with the District Collector as the Chairman and other connected district level officers and MLAs/MPs as members. The grants are directly released by Government of India to the Chairman of the Agency. Each project has a whole time Project Officer of the rank of A.D.M. to ensure co-ordination and effective implementation of the various programmes.
- (ii) Each project has an outlay of Rs. 1.50 crores for the Core Programmes of economic development of tribals and Rs. 0.50 crores for construction of arterial roads to open up the tribal areas during the Fourth Plan period. Each project is to cover about 10,000 tribal families or 50,000 participants. The core programme of economic development relates to Tribal Agriculture, Horticulture, Land Reclamation, Land Development, Soil Conservation Measures, Control of Shifting Cultivation, Minor Irrigation, Development of animal Husbandry e.g. Cattle development, Piggery, Sheep rearing, Goat rearing, Poultry keeping, Duck rearing, Fisheries etc. Encouragement of Forest based Industries, Debt Redemption, Land Restoration, Land Record and Survey. Ordinarily the Agency subsidises 50 per cent to 75 per cent of the requirements on each programme and the balance 25 per cent to 50 per cent is expected to be met by the tribal beneficiaries from Institutional and other resources. The cost on communications (rural as well as arterial) is to be borne cent per cent by the Tribal Development Agency.
- (iii) The approach to the economic problems of the tribals is, as far as possible, comprehensive and integrated. Multiplicity of agencies approaching the tribals for various facets of their economic life would be avoided. The programme in each project is related to its specific needs. Uniformity



in programmes in different areas is not being insisted upon in view of the diverse socio-economic and physico-geographic conditions.

- (iv) The Agencies can also help other allied agencies/organisations devoted to tribal development and welfare like the Tribal Development Corporations, Land Development Banks, Central Cooperative Banks etc. with risk-fund contribution, non-overdue cover advance, Ways and Means advance, price support, managerial subsidy etc., as approved by Government of India from time to time.
- (v) For taking care of Tribal labour who reside in the Forests, the Agencies can assist them in various ways as mentioned in para (ii). The tribal labour can get employment under the various construction programmes relating to irrigation projects, rural roads, arterial roads etc. being taken up in the interior by the Agencies. The Agencies have instructions to take care that the labourers employed in such work get fair wage. Some of them could/are being also trained in the improved methods of agriculture and to improve their skills in artisanry, fruit preservation, bee-keeping etc.

3.11. The jurisdiction of the Tribal Development Projects is a few selected Blocks within a single district. The Project area extends to 9 Blocks in Srikakulam, 4 Blocks in Singhbhum, 4 Blocks in Dantewada, 3 Blocks in Konta, 8 Blocks in Ganjam and 10 Blocks in Koraput. Most of the areas selected are covered under the Tribal Development Blocks where the tribal population is predominantly high.

3.12. The draft 'Action Plans' were prepared by the State Governments and examined and approved by Government of India. The Project Agencies were registered during the last quarter of 1971-72 and started functioning from March, 1972.

#### *Finances for the Projects*

3.13. A sum of Rs. 9 crores had been earmarked for these Projects during the Fourth Plan for the core programme of economic development. Besides, a sum of Rs. 3 crores had also been earmarked for assisting construction of arterial roads in and around the Project areas to open up the hinterland and to link up the project areas to National and State highways. Such roads had been selected taking into account both the considerations of law and order and of economic development. During 1971-72 a sum of Rs. 30.00 lakhs and during

1972-73 a sum of Rs. 230 lakhs had been released to these Agencies. During 1973-74 a sum of Rs. 200 lakhs had been provided in the Budget for grant to these Agencies. Since the Agencies started functioning only from March '72, Government have decided to continue these Projects for a full five year term on the ground with effect from April, 1972. These Projects will, therefore, spill over for the first three years of the Fifth Plan.

#### Achievements during Fourth Plan period

3.14. Table below indicates the amount sanctioned, released and spent on each of the six projects on a year-wise basis.

(Rs. in lakhs)

Name of Project	Amount sanctioned and released to the six Projects from Government of India			Total	Amount spent by the six Projects at field level		
	1971-72	1972-73	1973-74		1971-72	1972-73	1973-74 Total
1. T.D.A. Srikakulam	5	53	20	78	27.67	44.13	71.80
2. T.D.A. Singhbhum	5	38	22	65	15.63	41.04	46.67
3. T.D.A. Dantewada	5	10	25	40	2.49	34.36	36.85
4. T.D.A. Konta	5	20	15	40	5.03	32.18	37.21
5. T.D.A. Ganjam	5	54	50	109	53.30	54.72	108.02
6. T.D.A. Koraput	5	55	48	108	53.56	48.34	101.90
	30	230	180	440	157.68*	254.77	412.45

3.15. Physical progress achieved by these projects as on 31-3-1974 is given below:—

Project	Participants identified	Benefited	
Srikakulam	24,285	6,392 17,875	Through Coopr Through othe Inst.
Singhbhum	31,380	16,000	
Dantewada	15,964	4,447	
Konta	10,293	7,205	
Ganjam	23,822	14,584	
Koraput	19,027	19,027	
	124,337	85,527	

\*These projects were set up during the last quarter of 1971-72, as such the expenditure during that year was nominal. The amount of Rs. 157.68 lakhs represent expenditure for both the 1971-72 and 1972-73.

*Appointment of Committees for Study of Tribal Problems*

3.16. The following committees were appointed by Government to study various aspects of the problems of the tribals in the selected tribal areas and to recommend suitable measures:—

- (i) Committee on Bench Mark Survey
- (ii) Committee on Re-organisation of the Cooperative Credit structure
- (iii) Committee on Debt Redemption and Land Restoration.

*Committee on Bench Mark Survey*

3.17. It is stated that the schedule finalised by the Committee on Bench Mark Survey has been circulated to the State Governments and the Agencies with instructions to conduct the Bench Mark Survey in each Tribal Development Agency Project area with the help of the State Directorates of Economics and Statistics or through the Tribal Research Centres. The survey work is in progress in all the six projects.

*Committee on Cooperative Structure*

3.18. The Study Team on Cooperative structure in the TDA Project areas has examined the necessity of remodelling the structure, wherever necessary, and has recommended measures so that the Cooperatives can play the expected role in the economic development of the tribals. The Team had submitted 4 Reports on Andhra Pradesh, Orissa, Bihar and Madhya Pradesh. The Committee has broadly emphasised on (i) streamlining the existing cooperative structure, (ii) linking production as well as consumption credit with marketing of agricultural and minor forest produce by the tribals, (iii) ensuring management initiative in the Cooperative Societies by tribal representatives, (iv) earmarking of a suitable percentage of loans for the tribals, (v) construction and maintenance of storage, godowns and the like. The various recommendations of the Team have been considered by the Ministry of Agriculture and appropriate decisions have been taken and communicated to the State Governments for implementation. The Team's recommendations with suitable alterations to suit local conditions may form the basis of cooperative development in Tribal areas during the Fifth Plan period. In a subsequent written note to the Committee, the Ministry of Agriculture have stated that the State Governments have been requested to follow the model prescribed by the Study Group.

on Cooperative Structure in the preparation of projects, and that advance action is being taken during the current financial year for setting up, or strengthening, of the credit-cum-marketing structure.

### **Committee on Debt Relief**

3.19. Government of India had appointed a Study Group on Debt-Relief and Land Restoration to study these problems and to recommend suitable measures. The Team has furnished its report giving various suggestions like (i) establishment of debt-relief courts to scale-down debts, (ii) advancing debt-relief loans (iii) post debt-relief care (iv) assistance to share-croppers to purchase ownership rights, (v) review of land-alienation cases and restoration of tribal land illegally appropriated by non-tribals (vi) taking up land record operations in tribal areas and the like. The various recommendations of the Team have been examined by the Ministry of Agriculture and appropriate decisions have been taken and communicated to the State Governments for implementation. It is stated that the recommendations of this Team with necessary modification to suit local conditions may form a suitable base for the debt-relief and land records operations in tribal areas during the Fifth Plan.

### **Review of Programme**

3.20. Government have stated that the programme of activities of the projects is reviewed at the Central level every quarter and important issues arising therefrom are placed before the Sanctioning Committee of the Ministry of Agriculture and Irrigation. The purpose of the reviews, it is stated, is to discuss the schematic problems and to pinpoint the shortfalls for rectification. It is further stated that detailed evaluation of the Tribal Areas Development Programmes is proposed to be undertaken in January 1975 through the Agro-Economic Research Centres under the Directorate of Economics and Statistics and the NICD, Hyderabad.

### **Subsidies to Tribals under Tribal Development Programmes**

3.21. The question of grant of concession or subsidy to Adivasis was raised during evidence. The representative of the Ministry of Home Affairs stated that in the Fourth Plan as well in earlier Plans, "there was no specific programme as such as for reduced water levies in tribal areas." Supplementing him, the representative of the Ministry of Agriculture and Irrigation stated that in the six Tribal Development Agency Projects undertaken by his Ministry during the Fourth Plan period, minor irrigation projects were also taken up as a part of the core programme for economic development, where

for individual irrigation programmes like dug-wells or big diameter wells, about 50 to 75 per cent subsidies were given. To ensure that the benefits of the public sector minor irrigation projects (for which 100 per cent assistance was provided by the Tribal Development Agency). Actually accrue to the tribals, certain safeguards have been laid down. According to the witness:

“We have insisted on certain conditions, such as that the majority of the “Ayacutdars” should be tribals owning a major portion of the land to be irrigated. Secondly, during the Project period, water rates should not be charged from the tribal people because they are not yet accustomed to utilize water for double-cropping.”

He however, added:

“The policy decision taken at the Government’s level is that we may, in the beginning, give subsidies to different developmental programmes in the tribal areas. The subsidies vary from 100 per cent to 50 per cent depending on the type of the scheme. But there is also a desire that gradually the subsidy should taper off. A meeting was held with the project authorities and the State Government authorities in February this year to decide on certain issues about the implementation of the Tribal Development Agency scheme and also to consider adoption of economy measure by way of reduction of subsidy. But there was a general reluctance on their part to accept this policy. So, reduction of subsidy as a policy aim has been kept, but it has not yet been implemented; and the subsidies that have been approved by the Government of India are still operating in the project areas.

There was also another reason for continuing the subsidy pattern. The restructuring and revitalisation of the co-operatives in these areas are progressing rather slowly. Until and unless these financial instructions are in a position to give sufficient loans, it would be unwise to discontinue the subsidy at this state.”

### **Subsidies for the Tribal Development Programmes under the Sub-Plans**

3.22. Replying to the point whether Government had taken any decision regarding the concession or subsidy to adivasis in respect

of minor irrigation and water levy under the sub-plans to be implemented during the Fifth Plan period, the representative of the Planning Commission stated:

“No final decision has yet been taken in respect of the Plan schemes. Sub-plans are still being formulated. After they are finalised, of course, the detailed integrated approach formulation will be taken up. It would be at that stage that this question will be decided.”

### **Administrative Expenditure on Tribal Development Programmes**

3.23. It was pointed out to the representative of the Planning Commission that there were two very important snags in the developmental activities in the tribal areas. Firstly, in some areas it was found that developmental expenditure was less than the administrative expenditure. Secondly, whenever the funds for tribal development are likely to lapse, these were diverted to some other project. The representative of the Ministry of Agriculture and Irrigation referring to the Tribal Development Agency Projects stated that “barring, of course, the capital investment on jeeps and buildings etc. which is also very nominal being about Rs. 5-6 lakhs, the ceiling on administrative expenditure was fixed as 14 per cent of the total outlay (on the Agency Project)”. The representative of the Planning Commission assured the Committee that this aspect would be kept in view while approving the sub-Plans for tribal areas.

### **Forest Policy with reference to Tribal Areas**

3.24. The tribals form bulk of the forest labour in respect of exploitation of forests as well as the regeneration operations, cultural operations etc. There had not been any specific scheme for the development of tribals. However, considering the possibility of exploitation of tribals by the forest contractors, a number of Forest Labourer's Cooperative Societies have been registered in many States. The Tribal forest labourers are enlisted as members of these societies. They undertake the work of forest exploitation, regeneration etc. and share the profits. There are about 1,600 Forest Labour Cooperative Societies in the country. These societies deal with the Forest Departments directly without any intermediaries and are made partners in the profit accruing to the Government.

3.25. It is stated that the people residing in and around forests enjoy rights and privileges and concessions of fuelwood, small timber for construction and repairs of their huts, collection and removal of minor forest produce, grazing either free or at highly concessional

rates etc. The unlimited exercise of these concessions may, however adversely affect the preservation of forests which may ultimately jeopardise the exercise of these very concessions. As such, certain restrictions are required to be imposed in their exercise. Government have stated that the existing forest policy is currently under review and the situation in totality will be re-assessed and that this aspect of the tribal development will be duly considered while finalising the Forest Policy.

**3.26. The Committee are glad that at long last the Central Government have taken up the programme of six Pilot Projects for development of tribals located in the States of Andhra Pradesh, Madhya Pradesh, Orissa and Bihar. The scheme is comprehensive in scope and seeks to make an integrated approach through the establishment of Tribal Development Agencies headed by the District Collector. Though the scheme was first thought of in 1970, it got underway only in March, 1972. Government have taken a decision that it should continue for a full period of 5 years i.e., till March 1977. A sum of Rs. 4.12 crores out of Rs. 4.60 crores sanctioned has been spent on these schemes till March, 1974. The Committee however, find that as against the objective of covering 50,000 participants or 10,000 tribal families, the benefit has so far reached the highest figure of only 19,927 in one project area while it is as low as 4447 in an other project area. The Committee stress that a close watch should be kept on this aspect so as to ensure that maximum benefit flows to the largest number of participants. The Committee would like to be informed of the concrete measure being taken by Government to achieve this vital objective.**

**3.27. The Committee find that Government have got examined the problems of tribals regarding credit and land restoration by two Committees, namely, Committee on Reorganisation of the Cooperative Credit Structure and Committee on Debt Redemption and Land Restoration. They have been informed that government have taken appropriate decision on their recommendations and communicated them to the State Governments for implementation with a view to afford necessary relief to the tribals from indebtedness and facilitate land restoration. The committee cannot too strongly emphasize that one of the basic reasons for the continued exploitation of tribals is their being held for generations in indebtedness by money-lenders and other vested interests. It is therefore, of utmost importance that the tribal should be made free from the burden of past debts and helped through cooperatives and other agencies to find necessary finance for essential basic requirements. It is equally important**

that land records are set straight so as to give clear and unambiguous title to the tribal to the land that he owns and free him from any coercion and intimidation at the time of reaping the harvest or gathering fruits grown on his land.

3.28. The Committee cannot but express unhappiness that the scheme for Tribal Development Agencies should have been taken up as late as in the fourth year of the Fourth Five Year Plan and that no critical evaluation of the impact made by the Scheme should have been made before the conclusion of the Plan so as to derive appropriate lessons for execution of schemes and projects for tribal development in the Fifth Plan period. They would like the Committee on Bench Mark Survey and other agencies concerned to complete their study of the impact made by the Pilot Projects without further delay. The Committee have no doubt that in the light of these studies and critical appraisal of the field experience, Government would evolve a suitable policy for implementation of tribal development scheme including the grant of subsidies to them for agricultural inputs with a view to make for full participation of the tribals in the adoption of improved agricultural practices.

3.29. The Committee also suggest that Government should review the forest policy in so far as it affects the tribals and keeping in view the need for fostering and developing tribal forest cooperatives to save them from exploitation.

3.30. The Committee would like to be informed of the result of the aforementioned survey and studies and the action taken by Government on them with particular reference to the pilot projects under implementation and the new schemes being taken up during the Fifth Plan.

### C. Programme for the Fifth Plan

#### *New Strategy for Tribal Areas for Fifth Plan*

3.31. The working of the Tribal Development Blocks has been reviewed by various agencies from time to time. A detailed examination of the working of the Tribal Development Blocks in Gujarat and Madhya Pradesh was made by the Shilu Ao Committee constituted by the Planning Commission (1969) and the Parliamentary Committee on the Welfare of Scheduled Castes and scheduled Tribes in their 11th and 22nd Reports presented in 1970 and 1973 respectively. It is stated that thinking into consideration the working of this programme a new strategy has been evolved for the



development of tribal areas for the Fifth Five Year Plan. It was appreciated that the programmes for the welfare and development of the tribal people so far, have had a limited coverage. Tribal development blocks have been started in areas with more than 2/3rd tribal concentration. These programmes, in practice became too rigid although varying conditions demanded different approaches to their problems. The T.D. Block area also proved to be too small a unit for large investment in infrastructures, economic development and social services.

3.32. The genesis of the new strategy has been indicated as follows:—

“In the Fifth Five Year Plan, attention has to be focussed on the specific problem of each identifiable group and area so that a definite perspective emerges for the course of their development. Broadly speaking, the situations in regions of tribal concentration and in areas of dispersed tribal population are quite distinct which require different approaches. In the regions of tribal concentration, area development approach has to be adopted keeping focus on the problems of the tribal people. A sub-plan should be drawn up for these areas which may present an integrated view of their problems, the broad objectives and strategies, an outline of the various programmes, physical inputs, financial outlays, legislative and administrative frame. All activities of government and semi-government organisations, financing and credit institutions and special sectoral programmes may be fully integrated in the sub-Plan which should present a total picture of the development of the region.

Although the entire tribal population will be covered under the above two categories, certain extremely backward isolated smaller groups facing problems of their very survival will have to be treated as a special category both within the areas of tribal concentration and outside and special group-orientated programmes may be formulated for them.

The region of tribal concentration, or the sub-Plan area, in each State will comprise a number of viable project areas. For each project, an integrated area development programme focussing attention on the specific problems of the area and the people in that region will have to be formulated. Preparation of sub-Plan and project formu-

lation will be two distinct exercises although preliminary steps for preparation of projects will have to be taken concurrently."

### *Objectives and Strategy*

3.33. The long term objectives of the sub-Plan are stated as follows:—

- (i) to narrow the gap between the levels of development of tribal and other areas; and
- (ii) to improve the quality of life of the tribal communities. Among the immediate objectives will be eliminations of exploitation in all forms, speeding up the processes for social and economic development, building up inner strength of the people and improving their organisation capabilities.

3.34. A general strategy to achieve these objectives will be evolved in the sub-Plan keeping in view the special problems of the tribal region in each State. Entire legal, administrative and institutional frame as also inter-sectoral and intrasectoral priorities may need to be reviewed keeping the primary focus on the welfare and development of the people. In some cases it will be necessary to take suitable steps with a view to gain the confidence of the tribal communities so that there is a positive response to the renewed effort. The strategy will keep in view the constraint of resources in relation to the immense task to be performed. Full utilisation of the existing investments under different heads, will be ensured and treated as the starting point of the new plan efforts.

### *Elements of the New Strategy.*

3.35. Some of the elements of the new strategy are as under:—

- (1) Prevention of Exploitation
- (2) Development of Tribal Economy
- (3) Generation of Employment opportunities
- (4) Provision of Basic Infra-structure and
- (5) Special attention to Groups facing special Problems.

### *Preparation of sub-Plans*

3.36. The guidelines for the preparation of the sub-Plans indicate the following steps to be taken:—

- (1) Identification and demarcation of areas of tribal concentration: Identification of taluka/tehsil Blocks with

50 per cent tribal concentration in addition to the scheduled areas. From these, suitable planning areas will be carved out at macro, meso and micro levels.

- (2) Identification of socio-cultural barriers and promoters of change and development.
- (3) Assessment of potentialities, special problems and felt needs of the tribal areas on the basis of available data with the State Government, techno-economic surveys and other research studies.
- (4) Assessing the resource availability for the sub-Plan from State Plan outlays sectoral outlays in the Central Ministries for tribal areas, special Central Sector allocation for tribal areas and, institutional finance.
- (5) Formulation of Programmes; while detailed programmes will be formulated separately at the project level, the sub-Plan will spell out in detail the inter-sectoral and intra-sectoral priorities and the phasing of developmental effort. The points which will need special attention in the various sectoral programmes are:—
  - (a) Agricultural and allied activities
  - (b) Irrigation and Power
  - (c) Small Scale and House-hold industries
  - (d) Heavy industries and mining
  - (e) Minimum needs and allied sectoral programmes; Some of the points which will need attention are: Communication, Education, Health Services, Rural Water Supply.
  - (f) Core Programmes which will comprise the following:—
    - (i) Credit and marketing including regulation of tribal markets and money lending;
    - (ii) Preparation of land records including restoration of land alienated;
    - (iii) Crop husbandary, agricultural extension, training of farmers and horticulture;
    - (iv) Minor and Medium Irrigation programmes;
    - (v) Forest based programmes, problems of forest villagers and forest labourers;

- (vi) The problem of special groups including shifting cultivators, extremely backward communities and those affected by major projects;
- (vii) Primary road net work linking important markets and growth centres;
- (viii) Problems of tribal artisans facing competition from organised sector;
- (ix) Elementary education including citizen education;
- (x) Rationalisation of administrative structure and personnel policies;
- (xi) Strengthening of traditional Panchayats and voluntary organisations; and
- (xii) Techno-economic survey and evaluation studies.

*Progress of formulation of Tribal Sub-Plans*

3.37. The Planning Commission have constituted a Central Team of officers regarding formulation of special plans for areas having tribal concentration and to ensure the flow of adequate funds from general sector programme of development of backward and tribal areas. Asked to state the specific action taken in pursuance of the decisions of this Team, the Planning Commission have in the Preliminary Material stated:—

“A Central Team of Officers held discussion with the various States regarding the formulation of sub-Plans for areas having tribal concentration. This team was not formally constituted nor has any formal report of the Team prepared. The sub-Plan is a new concept in which the effort is to identify the flow of resources from the general sector.”

3.38. In a subsequent written reply to a point, the Planning Commission have indicated the progress in this regard as follows:—

“The Planning Commission requested the State Governments to prepare the Sub-Plans for tribal areas at the time of the discussions on the States’ Fifth Five Year Plans. Guidelines in this behalf were issued in December 1973.

Andhra Pradesh, Assam, Bihar, Gujarat, Kerala, Rajasthan, Tripura, Uttar Pradesh and West Bengal have submitted

their sub-Plans. (The remaining) States have been reminded to expedite the preparation and submission of the Sub-Plans to the Planning Commission”.

### **Integrated Tribal Development Projects**

3.39. In pursuance of the new strategy for tribal development, Integrated Tribal Development Projects are being formulated under the Tribal Sub-Plans. It is stated that during the current financial year (1974-75), 45 such projects have been allocated to various States and necessary funds have been provided to them for initiating action in the project areas. The advance action is stated to include also the preparation of land records, setting up or strengthening credit-cum-marketing structure and debt redumption schemes.

### **Slow Progress of Programmes**

3.40. During evidence, replying to the point raised that the slow progress in the development of backward areas including tribal areas was due to the fact the resource mobilisation was less while the schemes were multifarious, the representative of the Planning Commission stated that for the Fifth Plan period, the strategy was that for the development of backward and tribal areas “the State Government should make funds available from general revenue; they should make a specific allocation for the development of those areas giving them due weightage; in addition, they would be given an additional amount” out of Rs. 500 crores earmarked by the Central Government for the development of hill and tribal areas.

### **Suitability of Programmes**

3.41. It was pointed out during evidence that certain development programmes in the tribal areas were unimaginative and not suited to the areas and as an illustration it was mentioned that exotic breeds of poultry were being introduced in certain tribal areas of Madhya Pradesh and Orissa which were uneconomic to the people and required much care and attention which could not be expected from the poor and illiterate people. The representative of the Ministry of Home Affairs, in reply, stated:—

“Regarding the special programme for tribal development, we realise that it will not only be unwise but wasteful if we thought of introducing exotic varieties where they are not really satisfactory.....If it has been done it must be discontinued .....because money is scarce and cannot be wasted.

3.42. Another point raised during evidence was that it should be possible to set up some small scale industries in the tribal areas, particularly those which might be related to their traditional professions e.g. leather processing and products. In reply, the representative of the Ministry of Home Affairs stated:

“The infra-structure is not here because the tribals lack initiative. This infra-structure will have to be superimposed there by an organised department of industry. I have seen among the Red Indian reservations in the United States that the specific policy of the department concerned is to locate industries in those areas and give specific concessions. The same thing was done and attempted with a certain amount of success in Pakistan in the border areas inhabited by the tribal groups. I would plead that the Ministry of Industrial Development which is supposed to cater to all the industrial areas—including tribal areas in the country—sets up a cell to process such things.”

The representative of the Ministry of Industrial Development, however, maintained that the Handicrafts Board, the Khadi and Village Industries Commission, the Silk Board etc. were already having programmes in the tribal and backward areas but, according to him, “a little more organisational effort on the part of the territories concerned would probably be more helpful.”

#### *Administrative set up for implementation of Sub-Plans*

3.43. In the guidelines issued to the State Governments for the formulation of Sub-Plans, while a common pattern of administrative organisation for the implementation of the sub-Plans is not envisaged, the State Governments are advised to review the working of the various organisations in these regions and their inter-relationships, to identify the administrative and institutional gaps and undertake necessary corrective measures. According to the Guidelines, multiplicity of agencies has resulted in diffusion of responsibility, inadequate control, lack of coordination and from the people's angle, difficulty in identifying the officials concerned with specific programmes. The pattern of administrative organisation is to be worked out in detail for achieving functional coordination and efficiency. Delegation of authority, specification of responsibility and adequate flexibility has to be built into the system so as to enable the implementing authority to effect changes in the on-going programmes on the basis of concurrent evaluation.

3.44. In a written information furnished to the Committee, Government have stated that it is proposed that the entire administrative structure in the project area should be under the control of the project Authority. The requirement of additional personnel in these areas could be met by suitably upgrading the departmental posts or adding to the regular cadre strength of the concerned technical departments.

*Personnel Policies in respect of personnel serving in Tribal Areas*

3.45. In the Guidelines issued to the State Governments for the preparation of the sub-Plans, it has been mentioned that in view of the difficult conditions in the tribal areas, personnel policies will need reformulation. It says that special incentives such as educational allowances and accommodation will have to be provided to personnel posted to tribal areas, services rendered in tribal areas should be specially recognised and a mechanism for periodical review of these policies at different levels will have to be clearly worked out.

3.46. During evidence, the question of posting of suitable officers to the tribal areas and providing incentives to them was raised and the representative of the Planning Commission stated that on this subject three case studies were made by the Indian Institute of Public Administration. According to him:—

“I would only submit that these case studies have clearly proved that by merely changing the person who is at the helm of affairs, you can change the entire ethos of working, the ethos of administration, which in other words means, only those persons who are fully committed to the tribal philosophy and who are devoted to it should be posted to these areas... In principle, one is inclined entirely to agree that in these backward areas, where you do not even have minimum amenities, you need try to provide incentives so that the right type of people are sent out to do the right kind of job .... it is necessary to pick up people, at the same time to provide incentives and above all, to make sure that they are properly trained in order that they may be posted to these areas. Adequate training programme also would be appropriate ..... we have issued some guidelines that as far as these backward and tribal areas are concerned, only officers who are suitably attended to the tribal philosophy should be posted to those areas .... But, the point to be remembered is, this is entirely a matter within the purview of the State Governments”.

3.47. He also stated that working Group of the Planning Commission had gone into the problem so far as the tribal areas were concerned and made certain recommendations which have been incorporated in the Guidelines given to the State Governments. He assured that when the Sub-Plans of the State Govt. were examined by the Planning Commission, this aspect would be given consideration.

3.48. According to the Guidelines issued to the State Governments for the preparation of the sub-Plans, for associating the tribal leaders and voluntary agencies with the programme formulation and implementation, Advisory Committees will have to be constituted at appropriate levels and these Committees could include tribal leaders, people's representatives, representatives of voluntary organisations and other local institutions.

*Prevention of Exploitation and Corruption.. ..*

3.49. It was pointed out to the representatives of the Government that at present corruption and exploitation of tribals was widespread in the tribal areas. He was asked to indicate the steps taken by the Government to prevent the same. The representative of the Planning Commission, admitting that such exploitation was possible as the tribals were poor and uneducated, stated:

“The Integrated Tribal Development Projects being formulated under Tribal Sub-Plans in various States, will give attention to the prevention of various forms of exploitation. The more important aspects needing special attention are (i) alienation, (ii) bonded labour, (iii) indebtedness, (iv) sale of minor forest produce and (v) supply of essential consumer commodities.”

He assured that when the Sub-Plans for tribal areas were received by the Planning Commission this aspect would be kept in view.

*People's Participation in Developmental Activities ..*

3.50. The representative of the Ministry was during evidence asked whether it was proposed to associate the tribal people with the administrative machinery for the development of tribal areas and, if so, in what manner it will be done. He replied that in tribal areas, as in other areas, the Zila Parishads and Panchayat Samities were responsible for the implementation of the Tribal Development Blocks. When it was pointed out to him that in the Panchayat Samities there might be a preponderance of non-tribals, he admitted that



the adivasi elements had not been vociferous or vocal enough in demanding their right (of representation) with the result that the provisions intended for them "get diverted in many cases, for the benefit of non-tribals."

3.51. Another point raised during evidence was regarding uniform pattern of administration in tribal areas and the association of voluntary organisations with the administration. The representative of the Ministry of Home Affairs stated:

"So far as the strategy of development is concerned, there cannot be a uniform pattern for the tribal areas in the whole country because the level of development of tribal areas is so different that we cannot conceive of any uniform pattern . . . . . We are trying to avoid giving any directives from the Union Government to the States with regard to these patterns. There has to be certain flexibility. This is the most important aspect of our new developmental efforts."

3.52. The Committee note that the new strategy for tribal development for the Fifth Plan aims at two types of programmes—one programme for regions where there is tribal concentration to the extent of 50 per cent of the population and another programme for areas of dispersed tribal population. In the regions of tribal concentration, area development approach has to be adopted keeping focus on the problems of the tribal people. A sub-plan has to be drawn up for these areas which may present an integrated view of their problems. Guidelines to the States for the preparation of tribal sub-Plans were issued in December, 1973. The Committee are informed that so far only 9 States have submitted their sub-Plans. Government have had experience of more than 20 years in undertaking development schemes for tribals and they should have evolved the strategy and approach for tribal development well before the commencement of the Fifth Plan so that no time was lost in launching the schemes meant for implementation during the Fifth Plan period. The Committee would like the Central/State departments/agencies concerned and the Planning Commission to finalise these sub-Plans before the end of the current financial year so that these could be implemented at least from the second year of the Fifth Plan period.

3.53. In drawing up the sub-Plans, the Committee have no doubt that Government will ensure that the peoples representatives are fully and actively associated.

3.54. Since the problems and needs of the tribal areas are more or less common, the Committee recommend that the Planning Commission may themselves formulate certain typical Projects on "on-shelf" basis and commend them to the States for adoption with such modifications as may suit local condition. This would cut out delays in formulation and subsequent scrutiny of Projects.

3.55. The Committee recommend that Government should keep a contemporaneous watch on the execution of these sub-Plans and Projects so as to take timely remedial action and in particular see that the administrative expenditure is kept to the minimum and no case allowed to exceed the prescribed percentage and that money is not diverted to projects outside the sub-Plan for tribal development.

3.56. The Committee would like to reiterate that the essence of the matter is to free the tribal from the clutches of indebtedness, enable him to have full fruit of his labour in the field and equip him with vocational education which will make him a better agriculturist and artisan.

3.57. The Committee feel that for the development of horticulture in tribal and hill areas it would be better if arrangements are made for supplying of saplings of fruit trees which can be grown there, to the local population.

3.58. The Committee would stress that the most important step required for the betterment of tribals, is to save them from exploitation which is rampant in these areas. Government should therefore give first priority to the removal of exploitation of the tribals. They consider that it would go a long way in enabling the tribals to stand on their own feet and free them from exploitation if suitable marketing facilities are provided to them whereby they can sell their produce and purchase essential commodities like kerosene, standard cloth and other essential commodities at fair prices. It should also be ensured that the level of literacy in these areas which is very low should be brought at least to the general level of literacy in the State as a whole.

3.59. The Committee further recommend that decisions on the recommendations made by the Sub-Committee appointed by the Central Prohibition Committee regarding the tribals be taken as early as possible.

3.60. The Committee would like to draw pointed attention to the potential of using Radio as a means of imparting knowledge and

useful information to the tribals. They suggest that Government should have adequate arrangements for broadcasting and community listening in these areas.

3.61. The Committee further recommend that salient features of the various schemes and programmes, being taken up for execution in the tribal areas, should be made known to them orally in their own dialect so that they derive the maximum benefit from them.

3.62. The Committee recommend that the tribal areas should be brought within the scope of the electrification programme for rural and backward areas.

3.63. The Committee need hardly emphasise that importance of posting to the tribal areas for implementation of the various development programmes, persons having first hand knowledge of the tribal problems who are of proved worth, honesty and dedication. Such persons should be given suitable incentives and awards for meritorious work done in the field of tribal development. The Committee would at the same time, suggest the energising of the existing anti-corruption and vigilance machinery in the tribal areas to prevent corrupt practices and exploitation which may have developed in the process of implementation of the development programmes.

3.64. The Committee recommend that the Planning Commission should have a comprehensive plan prepared for tribal development and arrange to lay it on the Table of the House so that it can be discussed fully by the peoples representatives particularly those who come from these areas and have been taking consistent interest in tribal development and welfare. They also recommend that the progress made in the implementation of the tribal sub-Plans should be mentioned in detail in the annual plan reviews.

## CHAPTER IV

### SPECIAL PLANS FOR DEVELOPMENT OF BACKWARD AREAS

#### (A) Hill Area Development Programme

4.1. The Planning Commission in their written note had stated that the preparation of integrated plans in some of the hill areas was taken up during the Fourth Plan period. The Planning Commission had made certain suggestions to the State Governments concerned for the formulation of the integrated plans for such areas during the Fourth Five Year Plan in the fields of Agriculture, Food and Soil Conservation, Agro-Industries, Animal Husbandry, Education, Health etc. According to the Planning Commission, many factors have, singly or jointly prevented different areas from benefitting adequately from the process of socio-economic development.

4.2. Backward Areas have been grouped broadly in two categories i.e.:

- (i) Areas with unfavourable physico-geographic conditions, terrain, climate and regions inhabited by people with typical cultural characteristics. These include hill, drought-prone and tribal areas.
- (ii) economically backward areas marked by adverse land-man ratios, lack of infrastructure or inadequate development of resource potential.

4.3. From the guidelines/suggestions for the formulation of the Plan for hill and border areas it is noticed that apart from the suggestions made by the Planning Commission for the development in the fields of Horticulture, field crops, Animal Husbandry, Livestock, Development, Health etc., the following specific suggestions have emerged:—

- (i) Selection of few centres of development on the basis of resource potential for intensive agricultural development.
- (ii) Setting up of a central station for designing and testing of improved agricultural implements in H.P.
- (iii) Investigation of new irrigation projects on priority basis.

- (iv) Communication having the highest priority for each hill district, an attempt should be made to formulate a district road plan to be executed over a period of 10 years.

4.4. To a query made by the Committee, the Planning Commission in their written note have stated that there was no specific Central assistance allocated to the hill areas of any State. However, the following liberal patterns of assistance were made applicable to selected hill and border areas in order to facilitate investment in these areas:—

- (i) 90 per cent grant and 10 per cent loan given to Ladakh in Jammu and Kashmir, Kinnaur and Lahaul and Spiti districts of Himachal Pradesh, all districts of Nagaland, all districts of Meghalaya, and the hill areas of Assam.
- (ii) 50 per cent loan and 50 per cent grant given to hill areas of Uttar Pradesh (excluding Nainital and Dehra Dun), Darjeeling district of West Bengal and Nilgiris districts of Tamil Nadu.

4.5. The Planning Commission furnished the following information regarding Central assistance which accrued during the Fourth Plan to the hill areas of Assam, Jammu and Kashmir and Nagaland under the liberalised pattern of assistance whereby 90 per cent of the plan outlay on hill areas in these States was agreed to be given as grant. The figures are provisional and subject to finalisation of accounts on the basis of audited figures.

(Rupees in crores)

Hill Areas	Central assistance accrued during the Fourth Plan		
	Total	Loan	Grant
Assam . . . . .	30.86	3.09	27.77
Jammu & Kashmir (Ladakh)	6.08	0.61	5.47
Nagaland . . . . .	33.48	3.35	30.13

With regard to the central assistance given under the 50 per cent loan pattern to the State of U.P., West Bengal and Tamil Nadu

during the Fourth Plan to deal with the problems of hill areas, the Planning Commission furnished the following information:—

(Rs. in Lakhs)

Hill Areas	Central Assistance accrued during the Fourth Plan		
	Total	Loan	Grant
Tamil Nadu	1.10	0.55	0.55
Uttar Pradesh	20.78	10.39	10.39

The figures are provisional and subject to the finalisation of accounts on the basis of audited accounts and the information is subject to the following assumption:

- (i) In the case of Tamil Nadu and U. P. the disbursement of Central assistance under the pattern for the Annual Plan of 1969-70 was not made by the Ministry of Finance.
- (ii) The Government of West Bengal did not claim any assistance on this pattern for its hill areas during the Fourth Five Year Plan.

4.6. During evidence before the Committee the representative of the Planning Commission had stated that:

"In hill areas, some subsidies have been allowed ranging from 25 per cent to 50 per cent. Similarly in Jammu and Kashmir, Assam, Nagaland and other areas which were covered by the earlier schemes under the constitutional responsibility of the Government, subsidies have been allowed; but under the Fifth Plan the schemes have yet to be finalised. . . . These sub-plans are being formulated for tribal, hill and other areas like Western Ghats, Dandakaranya and Bundelkhand. It may be necessary to provide for some sort of subsidy for these areas. As far as the agricultural sector is concerned, in terms of inputs which are likely to be made available to these areas, there is an element of subsidy even now and it is proposed that this element of subsidy should continue."

4.7. As regards the results achieved, the Planning Commission has stated that, "In view of the fact that the accrual of Central assistance

to the hill areas was not tied to any scheme or project, it is not possible to make an assessment of the results achieved thereof."

4.8. To a query made by the Committee regarding development of hill areas in the Fifth Plan, the Planning Commission in their written note have stated:—

"Markedly low levels of development, poor infrastructure and high cost of implementing development programmes has necessitated treatment of hill areas on a separate footing in the matter of planning. Like tribal areas, for hill areas also, comprehensive integrated sub-Plans are being prepared for which special supplementary assistance has been set apart in the Fifth Five Year Plan. It has been impressed upon the State Governments that a replication of the macro level priorities of the State as a whole would not achieve the objectives of the development of the people in such areas. They have been urged to include in their sub-Plans only those programmes which will manifestly results in the accrual of additional income to the local people especially those below the poverty line.

In view of the special geophysical characteristics of such areas, suitable relaxations in the norms applied to the National Programme of Minimum Needs (e.g. for Rural Roads) have been envisaged. The strategy for agricultural development seeks to emphasise programmes for horticulture development in the hills particularly in the Himalayan Region and a solution to special problems such as Jhum cultivation in the North Eastern Region. Programmes of animal husbandry and forest development are also of significance for such areas."

4.9. With regard to the pattern of Central assistance during the Fifth Plan, the Planning Commission have stated:—

"The principles and patterns governing allocation of Central assistance during the Fifth Plan are under consideration. For the current year, the Central assistance has been maintained at the final levels of 1973-74. In addition, provision of additional Central assistance has been made for hills and tribal areas and North Eastern region. Pending the evolution of a new pattern of assistance, the Fourth Plan pattern is being continued in the current year."

4.10. Referring to the Central assistance for the hill areas, the Fifth Five Year Plan document reads as under:—

“For the hill areas, in addition to continuing favourable patterns of Central assistance and the determination of the plan size of hill stations on the basis of their essential requirements as in the Fourth Plan, additional allocations of Central funds are being made to supplement, for the execution of integrated area development plans for these areas, the funds set apart by the States from their plan resources.”

4.11. To a query made by the Committee regarding earmarking of funds for the hill areas the representative of the Ministry of Finance stated:

“.....This system of direct earmarking of funds has actually started from the Fifth Plan. In the Fourth Plan, only certain selected hill areas were taken up for development and it was expected that a certain sum of money was available or could actually be spent during the Fourth Plan depending upon the performance of these areas.....”

4.12. The Committee note that the preparation of integrated plans in some of the hill areas was taken up during the Fourth Plan period and that certain guidelines were also issued by the Planning Commission to the State Governments for the formulation of such plans in the fields of agriculture, food and Soil Conservation, roads, agro industries, animal husbandry, education and health etc.

4.13. The Committee are concerned to note that it has not been possible to assess the results achieved as a result of the various programmes taken up for the development of hill areas. The Committee are unable to appreciate the plea that the results in respect of the projects could not be assessed because the accrual of the Central assistance to these areas was not tied up to any scheme or project.

4.14. The Committee are surprised that even though subsidies have been allowed by Government ranging from 25 per cent to 50 per cent and also 90 per cent of grant and 10 per cent loan was given to the States of Assam, Jammu and Kashmir and Nagaland and 50 per cent grant and 50 per cent loan was given to the States of Tamil Nadu and Uttar Pradesh for the development of these areas, no effective machinery was devised in coordination with the recipient States for evaluating the results of the investments made. The Committee feel that the desired results cannot be achieved



unless there is close and effective coordination between the various agencies concerned not only in the formulation of programmes/schemes but also in their implementation. The Committee would urge that effective arrangements should be made by Government to monitor the progress of the schemes and evaluate the results achieved, so that weaknesses in the process of implementation are identified in time and steps to accelerate the pace of development taken wherever and whenever required.

4.15. The Committee note that the Government of West Bengal did not claim any assistance on this pattern for its hill areas during the 4th Plan.

4.16. The Committee would like to know the specific achievements made in the fields of Agriculture, Irrigation and Communication as against the targets laid down during the Fourth Plan, reasons for the shortfall, if any, in the targets and the programmes proposed to be taken up during the Fifth Plan period for securing accelerated development of hill areas.

4.17. The Committee would like to be apprised of the achievements made in other fields such as education, Animal Husbandry, Forest and Soil Conservation and Health etc., and the programmes proposed to be taken up during the Fifth Plan.

4.18. The Committee find that while broad outlines of the development to be achieved in the Fourth Plan in hill areas was outlined, the Centre does not appear to have carried out any systematic review at the end of the each year to see whether the financial outlays were being appropriately distributed over various sectoral activities.

4.19. The Committee also find the Government do not have any precise information about the progress made in the implementation of the schemes like intensive agricultural development programmes, designing and testing of improved implements suitable to hill areas etc.

4.20. The Committee are deeply concerned to find that Government have neither finalised strategy nor the schemes for implementation in the hill areas during the Fifth Plan. This may well be due

to the fact that Government have not initially evaluated the progress made in the implementation of various schemes taken up during the Fourth Plan. The Committee would like to stress that this should be done without further delay and strategy for the development of hill areas announced and the specific schemes for implementation in these areas identified in consultation with the State Government concerned.

4.21. The Committee desire that Government/Planning Commission should review the schemes already in operation so as to take necessary remedial measures and to modify them in the light of the experience gained for the implementation during the Fifth Plan period.

4.22. The Committee further desire that a time bound programme for the development of hill areas during the Fifth Plan period should be drawn up in respect of the various fields of development and concerted efforts should be made to ensure that these programmes/schemes are implemented according to schedule.

4.23. The Committee note that the pattern of Central subsidy and assistance as also the question of making additional allocation of central funds for the execution of the integrated area development plans to hill areas during the Fifth Plan are under consideration. In the opinion of the Committee this should have been completed and announced before commencement of Fifth Plan. The Committee would like to be apprised of the decision taken in this regard.

4.24. The Committee note that comprehensive integrated sub-plans are being prepared for which special supplementary assistance has been set apart in the Fifth Plan. The Committee would like to emphasise the desirability of the formulation and finalisation of these sub-plans expeditiously consultation with the people of the areas concerned to that the implementation of these plans is taken up in time to achieve the maximum results during the plan period.

#### (B) Drought Prone Area Programme

4.25. In most parts of the country 80 per cent of the annual rainfall is received from June to September from Southern-West Monsoon. As far as Gujarat, Rajasthan and Madhya Pradesh are concerned, the corresponding figure is as high as 90 per cent. It is the variability of the South-West Monsoon which is a major factor in determining the periodicity of droughts. The approximate probability of deficient rainfall (deficiency equal to or greater than 25 per cent of the nor-

mal) as worked out by different meteorological sub-divisions some time back is stated to be as under:

Meteorological Sub-Division	Recurrence of the period of highly deficient rainfall
Assam.	Very rare-once in 15 years.
West Bengal, Madhya Pradesh, Konjar, Coastal Andhra Pradesh, Maharashtra, Kerala, Bihar, Orissa.	Once in 5 years.
South Interim Mysore, Eastern U.P. and Vidarbha.	Once in 4 years.
Gujarat, Eastern Rajasthan, Western U.P., Tamil Nadu, Kashmir, Rayalasecmer, Telengana.	Once in 3 years.
Western Rajasthan.	Once in 2 1/2 years.

4.26. The Task Force on Integrated Rural Development in their report (June 1973) have observed as under:—

The need for devising a development strategy for drought prone areas in the country arises from several considerations. The first is the geographical size and spread of such areas. In terms of geographical areas, the drought prone areas represent nearly 19 per cent of the total area of the country and account for nearly 12 per cent of the population. While the figures given above indicate the significance of drought prone areas for the country as a whole, the importance of such areas is even more striking for some of the States. For instance, in Rajasthan, there are as many as 10 units of drought prone areas spread wholly or partly over 13 districts. It is estimated that nearly 56 per cent of the geographical area of Rajasthan State is within this category, in terms of population, the coverage is 33 per cent. Next to Rajasthan comes Andhra Pradesh, where about 30 per cent of the geographical area and 22 per cent of the population is within the ambit of the drought prone areas. In Gujarat and Mysore, the position is almost similar. In Gujarat, about 29 per cent of the geographical area and about 18 per cent of the population is within the purview of the areas categorised as drought prone. In Mysore, the corresponding figures are 25 per cent and 22 per cent."

4.27. The Planning Commission in their written note have stated that:

"Drought Prone Areas Programme (formerly known as Rural Works Programme) was initiated in 1970-71 as non-Plan

Central Sector Scheme with an outlay of Rs. 100 crores for the four year period 1970-71 to 1973-74. The programme was designed to mitigate the severity of scarcity conditions in the selected chronically drought affected areas of the country. The programme covers primarily 54 districts and 18 contiguous areas in 13 States. Labour intensive and production oriented works in the sectors of minor/medium irrigation, soil conservation, afforestation, communication and drinking water were taken up."

4.28. The Planning Commission had issued certain guide-lines for the formation of master plans for the Drought Prone Areas to ensure that the programme was (a) based on long-term strategy taking into account the problems of potentials of the districts (b) conceived the schemes proposed under the programme as a additive to the plan and non-plan schemes with other relevant development programmes in the district and (c) had a set of considered schemes with defined *inter-se* priority which could be taken up for implementation if scarcity conditions develop while the programme was on.

4.29. The district and year-wise annual expenditure incurred during the Fourth Plan period under the Drought Prone Area Programme is given in Appendix IV.

4.30. Commenting on the DPAP the Task Force has observed as under:—

"The Drought Prone Areas Programme has been in operation for nearly 3 years. Since its inception till December, 1972, schemes costing nearly Rs. 112 crores have been sanctioned. Minor irrigation schemes have been given the largest share and account for nearly 53 per cent, of the total cost. Rural communications come next with its share being about 26 per cent. The balance of the schemes relate to other programmes such as soil conservation, afforestation and drinking water supply. In Haryana and West Bengal, the programme is confined to the creation of assets in the field of medium/minor irrigation and afforestation. Rural communications do not find a place in the programme in Haryana and West Bengal and only 0.5 per cent of the outlay has been approved for road schemes in Maharashtra. Soil Conservation programmes have not been taken up in Haryana, Madhya Pradesh and West Bengal. In Uttar Pradesh only Rs. 15 lakhs was allocated for this purpose."

4.31. With regard to the development and management of irrigation resources, the Task Force in their Report (June 1973) has stated:—

“The Irrigation Commission has computed that, at present about 13 per cent of the cropped area of the drought-affected region is irrigated. This is likely to rise to about 19 per cent when the schemes under execution are completed. Even so, as much as 81 per cent of the cropped area will remain without irrigation. In the drought areas of Gujarat, Madhya Pradesh, Maharashtra and Mysore, the position will remain much worse. In this background, a proper programme for development and management of irrigation resources in the drought-prone areas is of obvious significance.

4.32. As suggested by Irrigation Commission in 1972, the priorities in any programme of development of irrigation resources in the drought-prone areas must be as follows:—

- (i) Improvement of existing irrigation works so as to stabilise and extend irrigation through available water supplies.
- (ii) Expeditious completion of irrigation projects which have already been taken up.
- (iii) Investigation of further possibilities of increasing irrigation from surface and ground water sources.

The most striking feature of the drought-prone areas is the absence of the sizeable irrigation sources such as perennial rivers. Consequently, small works such as tanks, bhandaras and dugwells constitute the most important sources of irrigation. A large number of these works have structural and other deficiencies which need to be removed in order to improve their performance. In certain areas, where ground water level is low and irrigation from wells is precarious, attention may have to be given towards construction of percolation tanks and check dams. Such tanks/dams do not provide direct irrigation but they are helpful in firming up water supply in the nearby wells. After improvement in existing irrigation works, next in importance is the completion of irrigation projects already under construction. It is hoped that the Fifth Plan will witness the completion of most of these projects. Finally, there is the obvious need for undertaking investigation for irrigation resources from surface and ground water. In some cases, it has been possible in the past to prove irrigation by inter-basin transfer of river waters. However, there are obvious limitations in such a course of action.

More often, it is the local surface or ground water, to whatever extent it is available, that has to be harnessed. This underlines, among other things, the need for a quick and early hydrological survey of these areas. Most of the districts which fall in the drought-prone zone, have either remained unsurveyed or have been only partly surveyed. Recently, there has been a growing awareness on the part of the States to undertake these surveys. It will be necessary to step up this programme by strengthening the State Ground Water Organisation."

4.33. With regard to the physical achievements under the DPAP the Task Force in their Report (June 1973) has observed as under:

"As regards physical achievement under DPAP, it is estimated that more than 5000 minor irrigation schemes have been taken up. These schemes on completion are expected to benefit 5 lakh hectares either through additional irrigation or stabilisation of existing commands. Soil conservation schemes are expected to benefit an area of about 5 lakh hectares while coverage of afforestation programme is estimated at 1.7 lakh hectares. Under rural communications more than 2000 rural roads have been taken up involving a length of nearly 14,000 kms. Over the last two and a half years employment has been generated to the extent of about 950 million man-days under the programme. 36 per cent of the employment generated came through medium/minor irrigation, 24 per cent through soil conservation, 28 per cent through roads and 11 per cent through afforestation programmes. In Haryana, Madhya Pradesh, and West Bengal more than 80 per cent of the employment generated was through minor irrigation works. In Maharashtra and Uttar Pradesh 55 per cent of the total employment generated was through minor irrigation. 44 per cent of employment was generated through soil conservation in Maharashtra and 47 per cent in Mysore. In Jammu and Kashmir, Tamil Nadu, Rajasthan, Orissa and West Bengal 45 to 80 per cent of the employment was generated through roads."

4.34. Asked by the Committee about the achievements of Drought-Prone Area Programme in respect of minor irrigation, soil conservation, afforestation, laying of roads etc., the Planning Commission in their written note had stated that "in view of the budgetary constraint during 1973-74 only an amount of Rs. 84.88 crores was released to State Governments for the programme period. The States have reported an expenditure of over Rs. 88 crores on the

various approved schemes. The pace of the programme was a bit slow during the initial two years. The programme has, however, picked up sufficient momentum during the last two years of the Fourth Plan i.e., 1972-73 and 1973-74. Under minor irrigation 4,261 works comprising of tanks, bunds, and cut, weirs, lift irrigation, tubewells, dugwells, etc. were completed benefiting 1,31,193 hecets during the Fourth Plan. In soil conservation sector an area of 4,50,027 hecets was benefited under various soil conservation measures such as nalla bunding, contour bunding, graded bunding, gully control etc. Afforestation benefited an area of 85,648 hecets. Afforestation programme comprised of elements such as rehabilitation of degraded forests, pasture development, cultivation of green fodder, sand dune stabilisation, establishment of fodder banks etc. Under communication sector total length of the roads completed is reported to be 3,335 kms. This relates to new works constructed as well as repairs carried out on old works. In addition, drinking water supply schemes were also executed under the programme in the States of Andhra Pradesh, Gujarat and Rajasthan. While one scheme benefiting 39 villages was completed in Andhra Pradesh, in Gujarat State 9 schemes are reported to have been completed, the number of village benefited as a result of completion of these schemes is, however, not furnished. In Rajasthan most of the 29 drinking water schemes are reported to be in progress at various stages."

4.35. Asked by the Committee whether any survey of readily exploitable potentialities of the under-developed regions|districts| areas have been conducted either by the Central or State authorities to evolve possible lines on which development could take place, the Planning Commission in a written note have stated:—

"Ground water surveys have been completed in an area of 1.2 million sq. km. out of a total of 3 million sq. km. of map-pable area. Further, 2000 exploration and observation bore-holes have been drilled, successful among which have been converted into production wells. During the period 1967—74 seven special purpose projects were put on the ground, two among which, covering the desert region of Rajasthan and parts of North Gujarat, have been completed. Under these two projects an area of about 90,000 sq. km. was systematically surveyed and subjected to detailed exploration studies. These projects have proven an additional available potential of more than 575 million cub. meters of exploitable water per annum."

4.36. The State-wise physical achievements under the Drought Prone Areas Programme during the Fourth Plan period is given in Appendix V to the Report.

4.37. With regard to the Drought Prone Area Programme during the Fifth Plan, the Planning Commission have stated:—

“A number of measures in the Fifth Five Year Plan have been addressed to the special problems of the different types of backward areas. Since drought prone areas in the country constitute about 19 per cent of the area, and 12 per cent of the population, particular attention has been given to such areas. The drought prone areas Programme started in the Fourth Five Year Plan has been made more comprehensive and integrated with following ingredients:—

- (a) Development and management of irrigation.
- (b) Soil and moisture conservation and afforestation.
- (c) Restructuring of cropping pattern and pasture development.
- (d) Changes in agronomic practices.
- (e) Livestock development.
- (f) Development of small-Marginal Farmers and Agricultural Labour.

4.38. The strategy in the major and medium irrigation sector is to accord priority to the requirements of drought prone areas. Correspondingly, in the agricultural sector the research strategies and priorities lay due emphasis on arid and semi-arid areas. Besides, desert land rehabilitation is proposed to be promoted from several sides such as irrigation, forestry, fodder development and animal husbandry.”

4.39. The Committee are concerned to note that as much as 19 per cent of the total area of the country and 12 per cent of the population are prone to droughts. They further note that Drought Prone Areas Programme was initiated by Government in 1970-71 as a non-Plan central sector scheme with an outlay of Rs. 100 crores and that certain guidelines had been issued to the State Governments for the formulation of the master plans for these areas.

4.40. The Task Force on Integrated Rural Development in their Report has stated that 4. States viz., Rajasthan, Andhra Pradesh,



Gujarat and Karnataka have very large drought prone areas, compared to other States. In Rajasthan 56 per cent of the geographical area and 33 per cent of the population, in Andhra Pradesh, 33 per cent of the geographical area and 32 per cent of the population, in Gujarat 29 per cent of the geographical area and 18 per cent of the population and in Karnataka 25 per cent of the geographical area and 22 per cent of the population are within the ambit of drought prone areas. From the details of the annual expenditure incurred by the State Governments on D.P.A.P., the Committee note that a total expenditure of about Rs. 91.30 crores has been incurred by 13 States during the last four years while the expenditure in the 4 States of Rajasthan, Andhra Pradesh, Gujarat and Karnataka has been of the order of Rs. 10.97 crores, Rs. 10.93 crores and Rs. 7.43 crores respectively. The Committee are not aware of the manner in which allocation of the outlay of Rs. 100 crores was made to the various States for the implementation of their drought prone area programmes. It was expected that most of the outlays on this programme should have gone to the States which have very large drought prone areas. The Committee feel that the allocations for drought prone area programmes should be made with reference to the area involved and population affected in each State. The Committee would like Government to review their system of allocation of these resources so as to ensure that maximum benefits are derived by the States which have large chronically drought prone areas.

4.41. The Committee note that drought prone area programme covers minor and lift irrigation, soil conservation, afforestation, roads and drinking water supply. They find that while some progress has been made under minor irrigation, soil conservation and afforestation, the progress under roads and drinking water supply is very unsatisfactory. In fact, except Andhra Pradesh and Gujarat no other State appears to have undertaken any scheme for drinking water supply at all. The Committee need hardly stress that in the implementation of the drought prone areas programme, greater emphasis should be laid on the provision of minor irrigation including lift irrigation and drinking water supply to these areas. The Committee urge that specific sectoral allotments for the various schemes should be made by Government after ascertaining potentialities thereof in each State and the progress in their implementation watched.

4.42. The Committee are in agreement with the Irrigation Commission that there is need for a quick and early hydrological survey of the drought prone areas which have either remained unsurveyed or have been partly surveyed, for undertaking investigations for irrigation resources from surface and ground water.

4.43. The Committee attach the greatest importance to ground water survey, for more than 80 per cent of our population is dependent on agriculture and this can be given a fillip, particularly in the backward areas if water for irrigation becomes available on an assured basis. One of the main reasons for the spectacular progress made in Punjab, Haryana, Western U.P., Tamil Nadu, Andhra Pradesh etc., in the matter of agriculture is due to the tapping of underground water resources. The Committee are, therefore, greatly perturbed to note that Government has so far been able to complete its survey of only 1.2 million sq. k.m. out of a total 3 m. sq. k.m. of mappable area. The Committee recommend that priority should be given to the survey of backward areas, particularly those which are known to have underground water potential. The Committee would also like that concerted efforts should be made to locate ground water supply in areas which are prone to drought year after year so that positive measures could be taken to reverse the cycle of droughts by exploiting the underground water resources. The Committee recommend that this matter should be reviewed at the highest level and an integrated and well-coordinated programme of surveys should be prepared. It is also necessary that the execution of projects for tapping the underground water is taken up as a national effort with the help and cooperation of Central and State Governments as also all other agencies concerned.

4.44. The Committee further suggest that with the help of Agricultural Research Institutes at the Centre and the State Government should evolve agricultural technology, farm practices and seeds etc., suited to the drought prone areas and ensure their easy availability to the farmers so as to make these areas more and more productive. Another area which requires concerted measures pertains to the development of subsidiary occupations for the farmers and lendless labour in these areas so that they can have supplementary source of income to save them from the scourge of hunger and scarcity. Traditional occupations like sheep breeding could be supplemented by development of animal husbandry, handicrafts etc., in these areas.

4.45. The Committee would like Government to examine the above suggestions in all aspects and evolve an integrated approach to fight the endemic problems of scarcity prevailing in these areas. The Committee would like to be informed within 6 months of the concrete action taken in this behalf. They further recommend that suitable information in this regard should be specifically included in the Ad-

ministrative Reports of the Ministry of Agriculture and Planning Commission and the progress made reported to Parliament every year.

4.46. The Committee need hardly stress that the success of the schemes in this behalf would be judged by the impact that they make on the areas and population which are at present drought prone and which are made self-reliant and infact contributors to development.

### C. Development Schemes for Bundelkhand, Eastern U.P. and Dandakaranaya

(a) *Bundelkhand*.. ..

4.47. In the State of Uttar Pradesh, Eastern U.P., hill districts and Bundelkhand have been recognised as relatively backward areas. Bundelkhand region is broadly considered to be consisting of four district of U.P. viz., Jhansi, Jalaun, Hamirpur, Banda and six districts of Madhya Pradesh viz., Datia, Tikamgarh, Chhattarpur, Panna, Sagar and Damoh. Bundelkhand has certain problems some of which are paucity of roads in the rural areas, shortage of drinking water in large tracts, existence of vast area under cultivable waste, lack of irrigation facilities and negligible industrial development.

4.48. According to the Planning Commission, for backward regions such as Western Ghats, Dandakaranaya had to be undertaken through the concerted action of more than one State, the Planning Commission had taken the initiative in setting up Task Forces/Committees with the representative of the concerned States, Central Ministries and the Planning Commission with the objective of evolving suitable strategies and programmes of development.

4.49. The Planning Commission furnished the following information with regard to the programmes of development evolved by the Task Forces Committees.

*Bundelkhand Region:* .. ..

A Joint Coordination Committee of officers of the States of Uttar Pradesh and Madhya Pradesh was constituted under the Chairmanship of the concerned Programme Adviser in the Planning Commission. This Committee met on December 1, 1972 and two groups, one on Crop Pattern, Soil Conservation and Animal Husbandry and the other to look into the irrigation potential of the region were set up. .. ..

4.50. The Group on Crop Pattern, Soil Conservation and Animal Husbandry has submitted the report which was discussed in an internal meeting of the Planning Commission.....

4.51. In pursuance of the decisions taken at the internal meeting, the Directorate of All India Soil and Land Use Survey, I.A.R.I., New Delhi has placed an indent with the survey of India for the supply of aerial photographs of 1:60000 scale which will be used as base maps for reconnaissance soil survey. The indent has been processed by the Survey of India and has been sent to the Ministry of Defence for security clearance.

4.52. Regarding detailed soil surveys, the Director of All India Soil and Land Use Survey has indicated that the concerned officials in the States of Uttar Pradesh and Madhya Pradesh may identify the areas with respect to the pilot projects of 5,000 to 10,000 hectares and intimate to the Chief Soil Survey Officer. The Chief Soil Survey Officer has further indicated that the field work in connection with the detailed soil surveys will be initiated after the Fifth Plan proposals are sanctioned and staff appointed.

4.53. The second group on Irrigation Potential has not submitted its report so far. Note was taken of the fact, in one of the meetings of the group, that the Chief Ministers of Uttar Pradesh and Madhya Pradesh had concluded an agreement on 1st August, 1972 which cover Rajghat Dam, Rangwan, Greater Gangau and Urmil Dam projects.

4.54. As regards the Rajghat project, the work would be carried out under a Control Board under the Chairmanship of Union Minister for Irrigation and Power with the Chief Ministers and concerned Ministers of both the States as Members.

4.55. Rangwan project has been approved by the Planning Commission.

4.56. In respect of Upper Gangau, Madhya Pradesh would be completing investigations shortly. The report on Urmil Dam is awaited. It is also reported that inter-State agreements have been reached between the two States for Jamni Project and Lalitpur Dam.

4.57. As regards the second point of action in respect of preparation of overall plan, it was decided in the meeting of the Group that the two States would compile all information for the sub-basins of Betwa, Ken and Sindh which drain the Bundelkhand region. For preparing the Plan, it was agreed that the following criteria would be adopted by the two States:

1. Reservoirs storage would be planned for optimum capacity.

2. Water availability would be planned at 75 per cent reliability.
3. Culturable Commanded Area would be based on sample survey and actual irrigation pattern; and
4. Cropping pattern and intensity of irrigation would be based on the norms laid down by the Department of Agriculture.

4.58. The Committee note that a detailed soil survey of the Bundelkhand region as suggested by the Study Group of the Planning Commission is proposed to be initiated after the Fifth Plan proposals are sanctioned and staff appointed.

4.59. The Committee desire that concerted efforts should be made to finalise the 5th Plan proposals expeditiously so that the work in connection with the soil survey is initiated without much delay and completed within the stipulated period.

4.60. The Committee note that an indent for the supply of aerial photographs of 1:6000 scale to be used as base maps for reconnaissance soil survey has been processed by the Survey of India and is with the Ministry of Defence for security clearance. The Committee would like to be apprised of the decision taken in the matter by the authorities concerned.

4.61. The Committee would also like to be apprised of the action taken by the State Governments of Uttar Pradesh and Madhya Pradesh on the suggestions made by the Study Group with regard to the development of animal husbandry in Bundelkhand.

4.62. The Committee are unhappy to note that the Study Group appointed by the Planning Commission on Irrigation Potential has not submitted its report so far though the Group was set up sometime in December, 1972. The formulation of integrated plan and successful implementation of any agricultural programme of an area and its distribution to a larger population depends on the irrigation potential of that area. The Committee need hardly stress the urgency and importance of the completion of such a survey in the interest of the rapid development of the region.

4.63. The Committee, therefore, desire that concerted efforts should be made to finalise the report without further delay so that the development of the irrigation potential in Bundelkhand is taken

up without any loss of time. The Committee would like to be apprised of the findings of the Study Group and the action proposed to be taken thereon.

4.64. The Committee would also like to be apprised of the progress made with regard to Rajghat project, the work on which is proposed to be carried out by the Control Board under the Chairmanship of the Union Minister of Irrigation and Power, with the Chief Ministers and concerned Ministers of both the States of Uttar Pradesh and Madhya Pradesh as Members. The Committee hope that a time bound programme would be drawn up for the completion of the project and that efforts would be made to complete it according to schedule.

4.65. The Committee desire that the investigations in respect of Upper Ganga should be completed expeditiously and necessary assistance should be extended by the Centre for its early completion. The Committee would like to be apprised of the progress made in this regard.

4.66. The Committee would further like the Government to impress upon the authorities concerned for speedier finalisation of the report in respect of Urmil Dam and a time bound programme drawn up for the completion of the project within the stipulated period.

4.67. The Committee note that an agreement has been reached between the States of Uttar Pradesh and Madhya Pradesh in respect of Jamni Project and Lalitpur Dam. The Committee would urge that effective measures should be taken to complete these projects as per time bound programme.

4.68. The Committee hope that the overall plan for the sub-basins of Betwa, Ken and Sindh rivers which drain Bundelkhand region, would be prepared by the State Governments concerned expeditiously. The Committee, however, desire the Planning Commission to maintain close coordination with the concerned State Governments to ensure speedy finalisation of the various programmes/schemes and their execution in the interest of the development of Bundelkhand region.

(b) *Eastern U.P.*

4.69. The eastern region, comprising 15 districts, is characterised by high density of population, dependence on agriculture, fragmented and scattered agricultural holdings, lack of non-agricultural employment, underemployment and low standard of living. The density

of population of the region is 395 per square km. as against 300 for the entire State. The size of holdings is very small which will be evidenced from the fact that more than 75 per cent of the agricultural households have holdings of less than 5 acres (2.02 hectares). The per capita availability of cultivable land is also relatively smaller, it being only 0.61 hectares per agricultural worker as compared to the State average of 0.85 hectares. Floods are a recurring feature which greatly hamper agricultural development programmes of the region. Chronically drought affected areas also are mainly situated in the eastern region.

4.70. For assessing the levels of development and suggesting ways and means to accelerate the growth of the districts of Deoria, Azamgarh, Jaunpur and Ghazipur, a Joint Study Team (popularly known as Pande Committee) was appointed in 1962. The Team submitted its report in 1964 and development work on the basis of its recommendations was started in 1964-65. Later in 1966-67, Ballia and Basti were also included in the programme.

4.71. The Committee desired to know the specific steps taken by Government to implement the suggestions made by the Joint Study Team for the development of Eastern U.P. The Planning Commission have furnished a statement showing the suggestions made by the Study Team and the action taken thereon. The Statement is given at Appendix VI.

4.72. The Committee note that concerned at the backwardness of Eastern U.P., the Planning Commission and Government of India had taken initiative as early as 1962 to have a study made of the problems afflicting this heavily congested part of the country and to outline the potentialities and measures for its development. The Study Team submitted its report in 1964. The Committee find from the action taken note, received from the Government, that there has been an increase of only 11.4 per cent in agricultural production over 1960-61. The Committee consider this achievement to be unimpressive in the context of the Green Revolution which resulted in marked increase in agricultural production in other parts of the country, particularly in Western U.P., Haryana and Punjab. As Eastern U.P. has got fertile soil and potential overground and underground water resources, there is no reason why it should not be possible, through concerted measures, to achieve increase in the agricultural production in this area comparable to that of Western U.P., etc. The Committee therefore, stress that a package programme of inputs, including development of irrigation and water resources, seeds suited to the

climate and the soil, fertilisers and pesticides, should be made available to this area in the interest of achieving greater increase in agricultural production.

4.73. The Committee are greatly disappointed to note that not much progress has been made in the matter of industrial development on the ground that power and other incentives like relaxation in sales tax etc. were not available. The Committee see no reason why in all these 10 years, Government could not take suitable action to see that power became available in this area and paper mills, chemical industries, cotton mills, sugar mills and the distilleries came to be established, as envisaged in the Study Team Report.

4.74. The Committee are greatly disappointed that no work has admittedly been done in the matter of establishing machine tool and other ancilliary industries which were to be taken up in the Central sector. The Committee stress that Government should review at the highest level, the reasons for this continued lack in the establishment of industries in the Eastern U.P. in all these ten years and take concrete measures to ensure that this long neglected area which is heavily populated, gets its due share in the matter of establishment of industries.

4.75. The Committee would like to be furnished with a detailed note within six months setting out the concrete action taken in pursuance of the above recommendations.

(c) *Dandakaranaya*

4.76. With regard to the Development of Dandakaranaya region, the Planning Commission have stated that the Task Force for the Regional Development of Dandakarnaya was set up in June, 1972.

4.77. The Task Force has constituted the following four sub-groups to make assessment of resources and potential of the regions and prepare development plans covering the period of the Fifth Five Year Plan as well as a perspective of 10 to 15 years:

- (i) Agriculture and allied activities including forest and irrigation;
- (ii) Minerals, industrial development and power;
- (iii) Communications, roads, railway and inland water transport; and
- (iv) Social Services including special problems of tribal Communities.



4.78. The Task Force on Dandakarnaya has not finalised its report nor made any recommendations on the programme of development for the Dandakarnaya region.

4.79. With regard to the finalisation of the report by the Task Force, the Planning Commission have stated that "Work of the Task Force" is in progress. No time limit has been laid down for the submission of its report.

4.80. The Committee are concerned to note that the Task Force on Dandakaranya set up by the Planning Commission as far back as June, 1972 is still in the process of finalising its report.

4.81. The Committee are surprised to note that at the time of setting up the Task Force, no time limit was laid down for the submission of its report. This, in the opinion of the Committee reflects the casual manner in which the development of Dandakaranya has been dealt with by the authorities concerned.

4.82. The Committee desire the Planning Commission to take effective steps towards finalisation of the report by the Task Force without further loss of time.

4.83. The Committee also desire to be apprised of the suggestions made by the Task Force and the action proposed to be taken by Government thereon.

*(d) Welfare Measures for Persons engaged in Unclean occupations*

4.84. Asked about the steps taken by Government for eliminating the system of carrying night-soil by head-loads by sweepers and scavengers, and if any time-bound programme has been formulated in this behalf, the Government have informed the Committee in a written note that:—

"Improvement in the working conditions of sweepers and scavengers is primarily the responsibility of the local bodies. It was, however, felt that in the absence of adequate financial resources, the local bodies may not be able to ameliorate the conditions of sweepers and scavengers properly. A scheme was, therefore, initiated in 1957-58 under the programme for the welfare of Backward Classes, for giving grants-in-aid to the State Governments for supplying wheel barrows/hand carts and other accessories such as gum-boots, scrapers etc. to scavengers with a view

to eradicate the practice of carrying night soil as head-load. Under this scheme municipalities in towns having a population of less than one lakh were eligible for grant-in-aid upto 75 per cent of the cost whereas for municipalities with a total population of one lakh or more, the grant-in-aid was upto 50 per cent of the cost.

A Committee under the Chairmanship of Prof. N. R. Malkani, conducted a detailed study of the working of the scheme and submitted its Report in 1960. Copies of the Report were forwarded to the State Governments for implementing the recommendations made by the Committee. Main recommendations of the Committee are as follows:—

- (1) For putting an end to the practice of carrying night soil as head load or waist load, wheel barrows should be introduced.
- (2) The use of receptacles in private and public latrines should be made compulsory.
- (3) It should be made obligatory to use a standardised scraper which should be supplied by the local bodies to their employees and not left to the scavengers themselves.
- (4) Efforts should be made to encourage the use of rubber gloves, particularly at the pail-depots and dumping grounds.
- (5) Carrying of night soil in baskets 'Taslas' and drums etc. as head load should be prohibited by law and made an offence.

The scheme initiated in 1957-58 for the improvement in the working conditions of sweepers and scavengers was taken up as one of the priority schemes in the programme for the welfare of Scheduled Castes. It was included under the Central Sector and combined with the housing scheme for sweepers, scavengers in the Third Plan. This composite scheme consisted of two parts namely (i) improvement in the working conditions of those engaged in unclean professions and (ii) improvement in the living conditions of those engaged in unclean occupations. Under the first part of the scheme, as already stated above, grant-in-aid was given to the municipalities/local bodies through the State Governments for purchase of wheel barrows

and other implements. Under the second part of the scheme, Central subsidy was provided for construction of houses for those engaged in unclean occupations, e.g., sweepers, scavengers, tanners and flayers and provision was made for allotment of house-sites to those engaged in unclean occupations and/or landless labourers.

One of the major stumbling blocks in the effective implementation of the first part of the scheme was found to be the existence of 'Jagirdari of Jajmani' system i.e. the right of private scavengers to do the work in certain areas. A Committee had, therefore, been constituted with Prof. Malkani as Chairman to examine the question of the abolition of customary rights to scavenging. The Committee submitted its Report and expressed therein that the Jagirdari system had no legal standing.

Under the first part of the scheme i.e. improvement in working conditions of sweepers etc., the position with regard to financial targets is as follows:—

<i>Period</i>	<i>Allocation</i>		<i>Expenditure</i>
	(Rs. in lakhs)		
Second Plan	36.42		36.42
Third Plan	144.19		107.96
1966-67 to 1968-69	62.92*		62.92*

The position in regard to the physical targets achieved during the Third Plan period in respect of the above scheme is as under:—

Wheel barrows	= 27061	Hand carts	= 3025
Workers	= 6513	Scraper	= 1122
Gum-boots	= 1147	Buckets	= 1104
Gloves	= 663	Municipalities	= 408
Kawatis	= 22		

\* (includes figures for construction of houses under part two of the scheme during 1966-67 to 1968-69)

Since 1967-68, the scheme for (i) improvement in working conditions and (ii) housing/house-sites for sweepers and those engaged in unclean occupations had been running as a composite scheme. A composite allocation of Rs. 300.00 lakhs was made therefor during the Fourth Plan. Of this provision of Rs. 298.00 lakhs is expected to have been utilised.

Construction of sanitary latrines and conversion of dry latrines into water borne ones had been included in the National Water Supply and Sanitation Programme by the Ministry of Health in consultation with the Central Council of Local Self Governments. Some of the instructions issued by the Ministry of Health to the local bodies and municipalities urging the conversion of as many dry latrines as possible into flush latrines are as follows:—

- (1) No new buildings should be allowed to be constructed without provision of flush-out latrines.
- (2) In areas where sewers have been laid, strict enforcements of law for compulsory connection of dry latrines in the existing houses to sewers should be launched.
- (3) Where sewers are not laid, a special drive should be launched for conversion of dry latrines into flush ones in selected areas by connecting them to local septic tanks or leachingpits.

Though the scheme of "improvement in the working conditions of those engaged in unclean occupations" had been under implementation since the second plan, it had not met with considerable success and had not made the desired impact mainly because the local bodies and the State Governments were asked to contribute a percentage of the cost of the wheel barrows. In the Fifth Plan it was, therefore, proposed that this scheme be made a centrally sponsored scheme with entire financial assistance for the programme coming from the Centre.

At the Centre, a new Central Scheme, to do away with the practice of carrying night soil as head-load in medium sized towns has been prepared by the Ministry of Works and Housing and included in the Fifth Plan. Under this scheme about 300 towns with the population ranging upto 50,000 were proposed to have waterborne latrines in

place of dry ones. The scheme was originally to cost Rs. 14 crores in the Fifth Plan. It is now understood that the Planning Commission has approved an outlay of Rs. 2 crores for this scheme for the Fifth Plan."

4.85. The Committee regret to note that even after 27 years of Independence, persons engaged in unclean occupations viz., sweepers and scavengers, continue to live in the most unhygienic, insanitary and neglected conditions and the abominable practice of carrying night soil as head load is still allowed to continue in the country. Although a scheme was initiated as far back as 1957-58 for giving grants in aid to the State Governments for supply of wheel-barrow/handcarts and other accessories to scavengers, no visible progress has been made in the eradication of this evil practice and as admitted by Government the scheme of improving the working conditions of those engaged in unclean occupations, has yet to make the desired impact. The Committee consider that since this scheme will now be implemented as a Centrally sponsored scheme and the entire financial assistance for this programme will be provided by the Centre, it should not be difficult for Government to ensure that it is actually implemented in letter and spirit. The Committee would like Government to formulate a time bound programme for the eradication of this practice. They suggest that a total ban on carrying night soil as head load, by the end of the Fifth Plan, should be imposed by Government through suitable legislation. The Committee further recommend that Government should announce their intention in this behalf immediately so that necessary action to provide alternative means of carrying night soil by wheel-barrow etc., is completed by the concerned authorities in the meantime.

4.86. The Committee further consider that it is imperative that the living conditions of scavengers, who are the neglected sections of the community, should be improved. The Committee suggest that Government should provide houses, with modern amenities like water, electricity and improve sanitation, to this section of the community as per a time bound programme, by earmarking specific funds for the purpose so as to create a visible improvement in their conditions of living. The ownership of these houses should not be dependent on the sweepers continuing in the service of the municipality, but should become their property.

4.87. The Committee further desire that the progress made in the implementation of the above schemes should be included in the Annual Report of the Ministry concerned for the information of Parliament.

## CHAPTER-V

### IMPLEMENTATION MACHINERY & MONITORING

#### A. Role of Planning Commission and other Ministries and State Governments

Asked by the Committee about the specific responsibilities and role of the Planning Commission, Central Ministries/Departments and the State Governments for the development of backward areas and the nature of coordination existing among them, the Planning Commission have stated:—

“The Planning Commission has an important advisory role to play in this regard. It is responsible for evolving policies and programmes which help in accelerating the process of economic and social development of the relatively backward and disadvantaged areas. The Planning Commission provides guidance to the States in the matter of identification of backward areas and assists them in the drawing up of strategies and programmes specially suited for their speedier development. It also sets up Committees and Task Forces for the preparation of integrated plans for “inter-State backward regions” as well as for suitably strengthening the planning apparatuses at the State levels so enable them to prepare sound and informed plans for the backward areas. It also periodically reviews the Central and State level programmes which are aimed at redressal of regional imbalances and makes suggestions, wherever necessary for their reorientation.”

5.2. With regard to the responsibilities of the Central Ministries/Departments, the Planning Commission have stated:—

“The responsibilities of the Central Ministries are clearly to examine the technical details of such investment programmes which are designed to favour the comparatively backward regions. They take initiative in undertaking, in association with the Planning Commission and State Government, Centrally sponsored programmes in areas which, on account of their physico-geographic considerations, need special attention. Most of such programmes supplement the efforts of the State Governments and do not

substitute for their investments and programmes. The Central Ministries innovate and introduce such fiscal and financial measures as would change the direction of private investments in favour of relatively backward areas."

5.3. So far as the responsibility for the development of backward areas is concerned, the Planning Commission have stated that:—

"The responsibility of developing the backward areas falling with the States is essentially that of the State Governments. The Centre has taken the view that while its responsibility lies in respect of narrowing down the differences between States, the States should assume responsibility for bridging the gap between their advanced areas and backward areas. In consonance with the guidelines evolved through joint consultations, the States identify their backward areas and take up the preparation of detailed, integrated development programmes for such areas and strengthen the machinery suitably so that the various programmes and schemes can be executed in an efficient manner. Many States have taken up the preparation of integrated district plans, not on the old pattern of making inventories of felt needs but on the basis of selective and integrated strategies. In this context, an important development has been the introduction of a Central Scheme in 1972-73 under which the planning capabilities of the States have been augmented, among other things, for the setting up of well-organised units for regional and district planning. Responding to this initiative and the general emphasis on establishing appropriate mechanisms for planning and development at various crucial levels, many States have already set up district and regional development corporations with the necessary technical support for the collection, scrutiny, analysis and interpretation of data, development of programmes/projects and implementation."

5.4. Asked by the Committee about the agency both at the Central and State levels through which coordination is maintained for the implementation of the Schemes, the representative of the Planning Commission stated during evidence before the Committee that:—

"There is multiplicity of agencies at present which are supervising or controlling the programme."

He added:—

“There is overlapping and duplication to a certain extent. There is no one agency.”

5.5. To an observation made by the Committee that because of the overlapping and lack of coordination many schemes get delayed, the witness agreed and conceded:—

“Anything which is delayed becomes more costly.”

5.6. The Committee note that the present responsibility of the Planning Commission in the Development of Backward Areas is to evolve policies and programmes, to provide guidelines to the State Governments in the matter of identification of these areas and to set up Task Force/Committees for the preparation of integrated plans. The Committee also note that the responsibilities of the Central Ministries are confined only to examine the technical details of the programmes/schemes for the development of backward areas and that the responsibility for their development is essentially that of the State Government concerned.

5.7. The Committee are strongly of the view that with the present divided responsibilities for the development of backward areas the desired results cannot be achieved and the requisite impact made unless there is proper and effective coordination between the various agencies both at the Central and State levels which is of utmost importance for the implementation of the various schemes/programmes for the development of such areas.

5.8. The Committee have no doubt that with the overlapping of responsibilities due to multiplicity of agencies and lack of coordination at various levels, the programmes/schemes for the development of backward areas not only get unduly delayed, but their costs also get inflated.

5.9. The Committee, therefore, desire that suitable machinery for proper and effective coordination of the various schemes/programmes for the development of backward areas in the various fields, should be evolved so that an integrated view is taken in the formulation of these schemes/programmes and the progress made in their execution is closely watched and reviewed to facilitate timely remedial action in the interest of speedier implementation of the plans.



## B. Personnel for work in backward areas

5.10. During their tour to Western Zone it was represented to the Committee by an non-official organisations that:—

“Officers posted in these areas should be men of drive, dynamism and push who can get things done but they should be given special allowances so that they do not seek quick transfers. They should also be considered for special promotions, depending on the length of service. Even technical officers of the industrialists are reluctant to go to backward areas on account of lack of education facilities, medical facilities etc. It was stressed that officers posted to these areas should be in the age group of 30 to 40 years and that a deliberate policy should be followed by the State Government to post such officers to these areas. The tenure of such officers should be for a period of three to four years and there should be no transfers during the tenure period. Even in cases of promotion, they should be promoted in these areas under the next below rule. A sense of pride of achievement in the development of backward districts, should be inculcated in these officers. Fixed targets for achievement should be laid and suitable rewards should be given for achieving these targets.”

5.11. Asked by the Committee regarding personnel policy and incentives to serve in the backward areas, the representative of the Planning Commission stated during evidence that:—

“This is undoubtedly a very important point..... The Indian Institute of Public Administration has brought out three volumes of case studies and two of these relate to tribal development areas in Andhra Pradesh..... These case studies have clearly proved ..... that by merely changing the person who is at the helm of affairs, you can change the entire ethics of working, the ethos of administration, which in other words means, only those persons who are fully committed to the tribal philosophy and who are devoted to it should be posted to these areas.”

He added:

“In principle, one is inclined entirely to agree that in these backward areas where you do not even have minimum amenities you need try to provide incentives so that the right type of people are sent out to do the right kind of

job. For that, of course, it is necessary to pick up people, at the same time to provide incentives and above all, to make sure that they are properly trained in order that they may be posted to these areas. Adequate training programme also would be appropriate.....”

5.12. The witness informed the Committee that the following guidelines have been issued as far as the service of officers posted in backward and tribal areas concerned:—

“In view of the peculiar conditions in tribal areas personnel policies will need reformulation. It will be essential of raising the level of administration of these areas, that special incentives such as educational allowance and accommodation will have to be provided. Services rendered in tribal areas should be specially recognised....”

5.13. The working group on the Personnel Policy for Tribal Areas constituted by the Planning Commission in 1972, reviewing the personnel policy has observed as under:—

“.....It is to be noted that the personnel policies have received very little attention in the past decade or so resulting in adhocism. The key personnel in the administration are frequently transferred with the result that much of the continuity in the administration is available only at a very low level in the hierarchy.....In fact little has been done to adopt these policies to the emerging needs.....”

5.14. The Working Group has further observed:—

“In view of the considerable disparity in the availability of social services like education and health in different areas and spiralling prices which makes it difficult for fixed income groups to keep to the expected standards of living, transfers and postings, in effect, have come to be a part of the reward and punishment system in the personnel administration. This is not a happy situation. Elements of punishment which have crept must be eliminated by suitable built in elements of compensation. Unless the whole system of personnel administration is reformed not much can be expected from a sub-system which will continue to be affected by the same disease.”

5.15. The Working Group has expressed the view that, "it will be necessary that all these who are posted in these areas are suitably compensated....Unless the Government adequately compensates those posted to these areas and thus provides them with a contented bureaucracy which can work for their development whole-heartedly, the workers may not put heart on their work and may resort to illegitimate method to compensate for their hardships."

5.16. The Committee consider that one of the main reasons why there has been no marked development in the backward areas, has been that posting of personnel to these areas is generally considered as a penal measure and the officers who are not considered upto the mark, are ordinarily posted to these areas. The result is that they take little interest in the development of these areas. Moreover, a number of posts in these backward areas remain vacant and there are frequent transfers of officers posted to these areas. The Committee would like to stress that apart from the schemes and plans, it is personnel, entrusted with the work of executing these schemes, which matter most. The studies brought out by the Indian Institute of Public Administration have clearly shown how two different officers, entrusted with the work of a Tribal Development Corporation, were able to produce quite different results. It is only the officers with drive and vigour and a keen interest in the development work, who can produce the desired results and make a marked change in the life of people residing in these areas. The Committee stress that in the interest of bringing about rapid development of these areas, Government should review critically the existing personnel policies and practice in respect of these backward areas and post the best and most efficient officers, with about 7 to 10 years' service, to these areas. They should be assigned specific tasks, the performance of which should be taken special note of, for future promotions.

5.17. The Committee note that one of the reasons why officers are not willing to work in backward areas, is the lack of educational, medical and communication facilities. The Working Group on Personnel Policies for Tribal Areas has already recommended various monetary and other incentives for the persons working in tribal and backward areas so as to compensate them for the lack of facilities in these areas. The Committee recommend that the Central and the State Governments should work out a scheme of attractive incentives such as additional increments for the persons posted to work in backward areas so as to induce, the best among them, to go to these areas. Work in these areas should be given special recognition so that persons concerned are imbued with a sense of achievement

and pride. Moreover, persons posted to these backward areas should not be transferred frequently and they should be allowed to work for a minimum period of 4 to 5 years so that they may become fully acquainted with the problems of these areas and are able to successfully implement the developmental schemes. The Committee consider that it should be obligatory for every officer to work for a minimum period of five years in one of the backward areas during the first 15 years of his service. The Committee would like to be informed within three months of presentation of the Report concrete action taken in pursuance of the above recommendation.

**(C) Need for regular monitoring and presentation of progress Reports**

5.18. Asked to state details of the evaluation of the progress and the study conducted to assess the economic and social development of backward areas, the Government have stated in a written note that:—

“In the context of the need for balanced development of the different parts of the country and extension of the benefits of economic progress to the less developed regions, a study on the levels of development in different parts of the country was carried out and published in 1967 by the Programme Evaluation Organisation, Planning Commission, under the title “Regional Variations in Social Development and Levels of Living—A study of the Impact of Plan Programmes.” The principal objective of this study was to attempt an analysis of differences in improvements made in agriculture and similar fields and on levels of consumption and employment among different regions and different sections of population in each State.

The study was organised in three parts. The first part was based on the analysis of available administrative data. The main objective underlying this part of the study was to analyse and interpret the progress of different regions in selected sectors of agriculture, education, health and roads. The analysis also provided insight into the extent of creation of facilities and their utilisation. The second part was based on data on consumption and employment mainly from the 17th round of the NSS on land holdings from the 16th and 17th round of the analysis and on credit and indebtedness from Rural Data and Investment Survey 1961-62, conducted by the Reserve Bank of India. This part gave the end results achieved for the selected

indicators on consumption, employment, land holdings, credit and indebtedness, and inter-State and inter-regional differences. The third part consisted of data collected through fresh surveys on (1) adoption of improved agricultural practices, (2) utilisation of irrigation facilities, (3) soil conservation and, (4) education, drinking water and other facilities in the villages."

5.19. Asked to name the States which have made significant progress in the development of backward areas, the Government have informed the Committee that:—

"In view of the fact that the Programme Evaluation Organisation has not repeated this study, it is not possible to say which of the States have made significant progress in developing their backward areas. States are, however, giving increasing attention to the problem of their backward areas an indication of which is available in their Draft Fifth Five Year Plans."

5.20. Asked about the reasons for not conducting any study on the levels of development in different regions of the country since 1967, the representative of the Planning Commission stated in his evidence before the Committee:—

"The Study which you referred to was made in 1967 and it is quite true that no similar comprehensive study has been done since.....A repeat total study of this kind has not been done, and this is a matter which is receiving our attention at the moment.....We have not done a total review of this kind, one of the reasons being that the methodology of trying to undertake a study of the kind done in 1967 is now going to be a lot more complex because of the multitude of programmes and the variety of different activities going on."

5.21. The representative of the Planning Commission further stated that:—

"The primary responsibility for the monitoring of these studies is basically that of the administrative Ministries; we are content solely to act as a kind of catalytic agency. But where a particular agency feels that they have not the resources to undertake such a study this sort of multi-Ministerial evaluation is done. But, by and large, we

feel that it is largely the role of the State Governments or the concerned Central Ministries to monitor the progress of whatever projects they have undertaken."

5.22. Asked about the arrangements for monitoring and evaluation of the development work in Backward Areas during Fourth Plan and changes contemplated in the Fifth Plan, the Government have intimated the Committee in a written note that:—

"In the Fourth Plan the responsibility for monitoring of schemes was not placed on any Central Agency. Administrative Ministries and State Governments, however, undertook periodical reviews of utilisation of funds, progress of schemes and arrangements for coordination. For example, Home Ministry and Department of Social Welfare had research cells to cover various activities. Ministry of Agriculture reviewed work relating to SFDA|MFAL|DPAP/TAP. R.E.C. reviewed electrification schemes before releasing subsequent instalments of loans. It is estimated that 50 per cent of the value of the schemes approved by R.E.C. related to backward areas.

The Programme Evaluation Organisation of the Planning Commission also carried out studies of various programmes on a selected basis. The State Evaluation Organisations also select various schemes for study in depth. In the Fifth Plan, an attempt will be made to extend and strengthen the Central and State level activities in regard to monitoring and evaluation."

5.23. The Committee note that a study of the levels of development in different parts of the country was carried out and published by the Programme Evaluation Organisation of the Planning Commission in 1967 and since then no such evaluation has been carried out.

5.24. The Committee consider it most unfortunate that the responsibility of monitoring and evaluation of the schemes envisaged for the development of backward areas in the Fourth Five Year Plan was not placed on any Central agency. No wonder that there is lack of precise information available about the impact or otherwise of the various schemes on the development of the backward areas in the Fourth Plan. The Committee consider that Government should without further delay nominate an agency at the Centre as also at

the State level to monitor the execution of the scheme and suggest corrective remedial measures in the interest of proper and speedy implementation of the development projects in the backward areas.

5.25. The Committee feel that the Programme Evaluation Organisation of the Planning Commission which has experience of more than a decade in evaluating projects should be asked to take up immediately the evaluation of the specified developmental schemes already implemented or in the course of implementation for backward areas so as to evolve the best methodology which could be followed for implementation in the Fifth Plan. The Committee would like to be informed of the concrete action taken by Government in this behalf within three months of the presentation of the Report.

5.26. The Committee would like to emphasise that it is not the formulation of the plans or schemes but their actual implementation with real zeal and vigour which really matters in the final analysis. It is in this context that importance of the monitoring and evaluation of the schemes for the development of backward areas has to be realised. The Committee would like to emphasise that monitoring of the results achieved in the field of developmental programmes for backward areas, should be done in right earnest so as to take timely remedial measures and modify or make changes, as necessary, in the schemes to ensure that the benefit in fact flows to the weaker sections of the society and backward areas as intended.

## CHAPTER VI

### CONCLUSION

The Committee feel that despite the general concern shown by the Planning Commission in the successive Five Year Plans for removing regional imbalances and for the development of backward areas, the progress made in this behalf has been far from adequate. As pointed out in the earlier chapters, there continues to be, not only lack of information about the actual progress made in the development of backward areas, but there has been no proper machinery to monitor contemporaneously the progress made or to evaluate the working of the schemes in this behalf with a view to improve their implementation.

6.2. The Committee attach the greatest importance to the development of backward areas. They need hardly point out that the plight of the people living in these areas can no longer be overlooked and their conditions have to be improved on a sustained basis. All out efforts have to be made to enable them to share in the beneficial effects of developmental activities and feel part of the mainstream of growth. It is, therefore, of utmost importance that the Planning Commission and other Government organisations at the Centre should evaluate these schemes under execution and evolve in precise terms the strategy to be followed for development of backward areas during the Fifth Plan. In the opinion of the Committee, it is necessary to have integrated planning for the all round development of the backward areas. The Committee desire that the blue-print containing the strategy and detail of the schemes and the programmes for the all round development of backward areas in the country, should be laid before Parliament within six months to afford the Members an opportunity to express their views on this vital subject.

The Committee consider that the development of backward areas should be included in the 'Core Sector' of the Plan. They further desire that the progress made in implementing the schemes and programmes for the development of backward areas, the shortcomings noticed in their execution and the remedial measures taken in this behalf should be clearly set out in the Annual Plan reviews and administrative reports of the Ministries/Departments concerned so as to provide contemporaneous information to the Members of Parliament and the Public at large.

6.3. The Committee note that keeping in view constraint of resources and other considerations Government propose to establish



'Growth Centres' for the development of large industrial units in backward areas with forward and backward linkages with ancilliary and small scale industries. While industrial units may be set up only where there is developmental potential therefor, there should be no difficulty in developing agriculture and subsidiary activities such as horticulture, dairying, poultry, fisheries etc., for which there is enough scope in all these areas. The Committee have already stressed that there should be an integrated approach to the development of agriculture in the backward areas by making available essential inputs like water power, seeds, fertilisers, pesticides, credit and marketing facilities etc. The Committee have no doubt that by concerted efforts the living conditions of the people in the backward areas can be appreciably improved and their per capita income increased.

6.4. The Committee consider it of the utmost importance that Rural Industries Projects should be so located in backward areas after careful scrutiny of resources and development potential that they prove viable and make the maximum contribution towards the development of economy of the backward areas.

6.5. Another aspect which the Committee would like to emphasise is that in implementing any programme of development, particularly in the backward areas, special attention should be paid to the weaker sections of society, particularly the Scheduled Castes and Scheduled Tribes, and the weaker sections of the community so that their economic conditions can be improved.

6.6. The Committee are confident that if the spirit underlying their recommendations are translated by Government in strategy and programmes for development of backward areas, there would before long be a large number of flourishing industrial units, vocational and training institutions suited to the requirements of modern agriculture and industry, package programme for improvement of agriculture and development of subsidiary vocations, to tap the rich agro-industrial potential of these areas and in general generate a climate of optimism and hope. The Committee have no doubt that if the programmes and schemes for the development of backward areas are executed in a dedicated and earnest manner over the years, time will not be far when the per capita income and the standard of living in the backward areas would come up to the expected standard and not remain lagging behind other developed parts of the country.

## APPENDIX I

(Vide Para 1.11 of the Report)

### *Criteria proposed by the Planning Commission for the identification of industrially backward areas*

- (i) Per capita foodgrains/commercial crops production depending on whether the district is predominantly a producer of foodgrains/cash crops (for inter-district comparisons conversion rates between foodgrains and commercial crops may be determined by the State Government on a pre-determined basis where necessary).
- (ii) Ratio of population to agricultural workers.
- (iii) Per capita industrial output (gross).
- (iv) Number of factory employees per lakh of population or alternatively number of persons engaged in secondary and tertiary activities per lakh of population.
- (v) Per capita consumption of electricity.
- (vi) Length of surfaced roads in relation to population or railway mileage in relation to population.

## APPENDIX II

(Vide Para 1.11 of the Report)

State	Item/Items of the General guidelines	Variation
1	2	3
1. Andhra Pradesh	..	No Variation.
2. Assam	1. Per capita foodgrains/ commercial crops Pro- duction.	1. Per capita Income (rural Population).
3. Bihar	..	No Variation.
4. Gujarat	1. Per capita foodgrains/ commercial crops Produ- ction.  2. Per capita Industrial output (gross).  3. Length of surfaced goods in relation to population or railway mileage in re- lation to population.  4. Per capita consumption of electricity.  5.	1. Gross value of agricultural output per acre of net area shown.  2. Per capita Gross value of industrial output of large factories.  3. Length of Produced/ roads and railways per 100 sq. miles.  4. Population of towns and villages electrified as percentage of total Popu- lation.  5. Workers engaged in Se- condary activities per lakh of population (Additional).
5. Haryana	1. Per capita foodgrains/ commercial crops produ- ction.  ..	1. Per capita foodgrains crops Production.  2. Per capita Commercial crops production. (Taken as two district items).
6. Himachal Pradesh	..	No Variation
7. Jammu & Kashmir	1. Length of surfaced roads in relation to population.  2. Per capita foodgrains/ commercial crops Pro- duction.	1. Length of surfaced roads per thousands square miles.  2. Left out.

1	2	3
	3. No. of factory employees per lakh of population.	3. Left out.
	4. Per capita Industrial out put (gross).	4. Do.
8. Karnataka	1. Per capita foodgrains/commercial crops production.	1. Per capita income.
	2. Per capita industrial out put (gross).	2. Per capita income from industry and mining.
	3. No. of factory employees per lakh of Population.	3. Factory employment.
	4. Length of surfaced roads in relation to population or railway mileage in relation to population.	4. Length of surfaced roads in relation to area and population. 4(a) Railway mileage per lakh of population. (Taken as two district items).
	5. Per capita consumption of electricity.	5. Left out.
	6. Ratio of population to agricultural workers.	6. Do.
9. Madhya Pradesh	1. No. of factory employees per lakh of population.	1. Employment in registered factories per lakh of population.
	2. Surfaced roads in relation to population or railway mileage in relation to population.	2. Surfaced roads per lakh of population. 2.(a) Railways route per lakh of population (Taken as two district items).
	3. Per capita foodgrains/commercial crops Production	3. Left out.
	4. Per capita Industrial out-put (gross).	4. Per capita industrial out-put (gross)—separate for sample and census Sector.
10. Maharashtra		No variation.
11. Meghalaya	1. Per capita foodgrains/commercial crops production.	1. Per capita gross value of agricultural output.
	2. No. of factory employees per lakh population.	2. No. of factory employees in registered factories per lakh of population.

1	2	3
	3. Per capita consumption of electricity.	3. Per capita consumption of electricity in Public Sector only.
12. Orissa	1. Length of Surfaced roads in relation to population or mileage in relation to population.	1. Index of mileage of surfaced roads per 100 sq. kms.  1A. Index of mileage of surfaced roads per lakh of population (Taken as two district items.)
	2. Per capita foodgrains/commercial crops Production.	2. Left Out.
	3. Per capita Industrial output (gross).	3. Do.
	4. Per capita consumption of electricity.	4. Do.
		5. All other indicators have been expressed as indices.
		6. Index of per capita (Additional).
13. Kerala	1. Per capita foodgrains/commercial crops production.	1. Per capita foodgrains production.
	2. No. of factory employees per lakh of population or alternatively number of persons engaged in secondary & tertiary activities per lakh of population.	2. No. of factory employees per lakh of population.  2A. Index of secondary and tertiary workers to total population. (Taken as two district items).
	3. Length of surfaced roads in relation to population or railway mileage in relation to population.	3. Length of surfaced roads per lakh of population.  3A. Length of railways per lakh of population. (Taken both the alternatives).
	4. Per capita consumption of electricity.	4. Left out.

1	2	3
14. Punjab	1. Per capita Industrial out-put (gross). 2. Length of surfaced roads in relation to population or railway mileage in relations to population. 3. Per capita foodgrains/commercial crops production. 4.	1. Per capita net Industrial output. 2. Length of surfaced roads in Kms. per laksh of population 2A. Railway mileage per Lakh of population. (Taken as two district items). 3. Per capita value of food-grain/commercial crops production. 4. No. of electric connections for industrial purposes per lakh of population. (Additional).
15. Rajasthan.	1. Per capita foodgrains/commercial crops production. 2. Ratio of population to agricultural workers. 3. Per capita industrial out-put (gross). 4. Length of surfaced roads in relation to population.	1. Per capita (rural population) value of principal crops. 2. No. of agricultural worker per 1000 workers. 3. Per capita value of industrial output. 4. Road kilometrage per lakh of population.
16. Uttar Pradesh	1. Length of surfaced roads in relation to population or railway mileage in relation to population.	1. Length of metalled roads maintained by the P.W.D. per Lakh of Population. 1A. Length of surfaced roads per lakh of population. (Taken as two district items).
17. Tamil Nadu	1. Per capita foodgrains/commercial crops production.	1. Per capita agricultural outout.
18. West Bengal	1. Per capita foodgrains/Commercial crops production. 2. Ratio of population to agricultural workers. 3. Per capita Industrial out put (gross). 4. No. of factory employees per lakh of population. 5. Per capita consumption of electricity. 6. Length of surfaced roads in relation to population.	The State Government have not adopted any of the six criteria recommended by the Planning Commission. They have classified the districts of the State into three categories of backwardness of the basis of the statistical data relating mainly to per capita income of each district.

### APPENDIX III

(Vide Para 2.108 of the Report)

#### Status of work in regard to District Planning

State	District
Andhra Pradesh	Cuddapah
Assam	Nowgong
Bihar	Ranchi and Shahbad (Shahbad District has since been bifurcated).
Gujarat	Broach
Haryana*	District plan agencies were set up in 1971-72 for each district. Work on the preparation of district plans is under progress.
Jammu & Kashmir	Udhampur and Baramulla.
Karnataka*	Integrated district plans for all the 19 districts have been prepared.
Kerala	The State Government has sought the collaboration of the Centre for Advanced Studies for the preparation of District Plans.
Madhya Pradesh	Jhabua, Sidhi, Sarguja, Raipure, Datia, Chindwara and Vidisha.
Maharashtra	Sholapur.
Meghalaya	Garo Hills and Khasi and Jaintia Hills.
Orissa	Ganjam.
Punjab	Amritsar, Sangrur and Hoshiarpur.
Tamil Nadu	Draft district plans for all the districts have been prepared.
Uttar Pradesh	Nainital, Aligarh, Lucknow and Ballia.
West Bengal*	District plans for 11 districts have been prepared.
Himachal Pradesh	Kinnaur, and Lahul and Spiti.

\*Status of work in Haryana, Karnataka, and West Bengal relates to October, 1974. For other States, information as available with the Planning Commission in March 1973, has been given.

## APPENDIX IV

(Vide Para 4.29 of the Report)

### STATEMENT SHOWING DISTRICT AND YEARWISE EXPENDITURE INCURRED DURING THE FOURTH PLAN PERIOD UNDER DPAP

(Rs. in lakh)

#### Expenditure incurred During

District	1970-71	1971-72	1972-73	1973-74	Total	Remarks
<b>1. Andhra Pradesh</b>						
1. Anantapur	52.04	42.51	34.98	10.58	140.11	
2. Chittoor	40.78	79.77	39.20	13.58	173.33	
3. Cuddapah	33.08	72.34	60.39	12.94	178.75	
4. Kurnool	47.96	88.50	44.15	15.87	196.48	
5. Ongole*						
6. Mahboobnagar	12.77	68.00	71.61	14.62	167.00	*Contiguous Areas
7. Nalgonda*	..	..	3.28	..	3.28	
<b>TOTAL :—</b>	<b>186.63</b>	<b>351.12</b>	<b>253.61</b>	<b>67.59</b>	<b>858.95</b>	
<b>2. Bihar</b>						
1. Palamau	..	9.90	69.51	65.83	145.64	
2. Monghy		10.14	56.28	28.05	94.47	
(Jamui sub-Division)					..	
3. Nawada } One		3.20	0.73	NR	3.93	
4. Rohtas } Unit		3.33	20.35	NR	23.68	
<b>TOTAL :—</b>		<b>26.57</b>	<b>147.27</b>	<b>93.88</b>	<b>267.72</b>	
<b>3. Gujarat</b>						
1. Amroli	4.00	16.36	41.10	25.15	86.61	
2. Banaskantha	12.99	51.12	75.72	40.72	180.55	
3. Jamnagar	2.70	1.46	13.50	12.81	30.47	



## Expenditure incurred during

District	1970-71	1971-72	1972-73	1973-74	Total	Remarks
<i>Gujarat (contd.)</i>						
4. Kutch	6.60	14.55	87.05	38.72	146.92	
5. Panchmahals	6.37	34.93	103.03	61.41	205.74	
6. Rajkot	6.32	21.95	47.03	26.11	101.41	
7. Surendranagar	4.16	5.24	102.48	86.03	197.91	*Contiguous areas
8. Ahmedabad*		0.03	23.95	13.69	37.67	
9. Bhavnagar*		2.42	12.47	4.85	19.74	
10. Mehsana*		5.98	36.00	22.27	64.25	
<b>TOTAL :—</b>	<b>43.14</b>	<b>154.04</b>	<b>542.33</b>	<b>331.76</b>	<b>1071.27</b>	Revised figures received from State Govt.
<i>4. Haryana</i>						
1. Mohindargarh		173.50	173.21	172.59	519.30	*Liability of the Central Govt. is limited to Rs. 3.44 crores only.
2. Bhawani					..	
3. Hissar					..	
4. Rohtak					..	
						One Unit
<b>TOTAL :—</b>	<b>..</b>	<b>173.50</b>	<b>173.21</b>	<b>172.59</b>	<b>518.30</b>	
<i>5. Jammu and Kashmir</i>						
1. Jammu & Kashmir		12.37	58.72	25.86	96.95	*Contiguous area
2. Udhampur*						
<b>TOTAL</b>	<b>..</b>	<b>12.37</b>	<b>58.72</b>	<b>25.86</b>	<b>96.95</b>	
<i>6. Karnataka</i>						
1. Bilapur	37.81	96.15	114.62	33.40	281.98	
2. Chitradurga	44.18	135.98	90.62	76.07	346.85	
3. Kolar	14.80	58.22	44.55	32.87	150.44	
4. Belgaum	5.64	37.98	48.18	12.40	104.20	

## Expenditure incurred during

State/District	1970-71	1971-72	1972-73	1973-74	Total	Remarks
<b>Karnataka (contd.)</b>						
5. Dharwar .	12.58	48.76	52.46	16.17	129.97	
6. Gulbarga* .						
7. Raichur* .						
8. Bellary* .	..					
9. Tumkur* .						
10. Chickmagalur* .	..	..	..	..	..	
TOTAL .	115.01	377.09	350.43	170.91	1031.44	
<b>7. Madhya Pradesh</b>						
1. Jabua .	1.63	22.78	104.49	72.76	201.66	
2. Dhar .	1.56	24.38	59.69	83.31	168.94	
3. Siddi .	1.06	22.94	75.54	91.69	191.23	
4. Betul .		7.87	82.96	66.06	156.89	
5. Shahdol* .	..		1.16	5.00	6.16	*Conti- guous area
6. Khargaon* .	..	..	1.43	17.17	18.60	
TOTAL .	4.25	77.97	325.27	335.99	743.48	
<b>8. Maharashtra</b>						
1. Ahmednagar .	24.07	71.97	100.04	23.10	219.18	
2. Sholapur .	14.88	62.19	77.00	18.15	172.22	
3. Poona .	6.65	54.72	75.51	25.02	161.90	
4. Nasik .	14.52	65.83	55.79	14.52	150.66	
5. Sangli .	15.58	61.93	89.65	20.25	187.41	
6. Satara .	12.38 10.88	45.29 23.92*	58.54 23.15*	14.54 17.27	130.75 75.22*	*Misc. expendi- ture on staff for DPAP Distts.
TOTAL .	98.96	385.85	479.68	132.85	1097.34	
<b>9. Orissa</b>						
i. Kalahandi .	1.00	45.75	46.94	49.68	143.38	
2. Phulbani .	5.01	40.32	77.44	34.40	157.17	
TOTAL .	6.01	86.08	124.38	83.08	300.55	

## Expenditure incurred during

State/District	1970-71	1971-72	1972-73	1973-74	Total	Remarks
<b>10. Rajasthan</b>						
1. Jodhpur	4.94	40.26	95.13	31.54	171.87	
2. Nagaur	4.09	35.49	64.02	36.84	140.44	
3. Pali	20.12	49.46	66.42	42.49	178.49	
4. Jalore	7.45	47.13	55.69	29.45	139.72	
5. Barmer	2.29	66.35	62.20	21.88	152.72	
6. Jaisalmer	6.41	8.43	38.42	18.55	65.81	
7. Dungarpur	7.94	37.44	75.00	60.57	180.95	
8. Banswara	9.49	45.19	67.54	41.13	163.35	
9. Churu	9.51	51.64	63.18	17.86	142.19	
10. Bikaner	2.52	30.06	52.23	19.57	104.38	
11. Udaipur*						*Contiguous area.
12. Ajmer*						
13. Jhunjhunu				1.44	1.44**	**District-wise break-up not given.
<b>TOTAL</b>	<b>68.76</b>	<b>411.45</b>	<b>639.83</b>	<b>321.32</b>	<b>1441.36</b>	
<b>11. Tamil Nadu</b>						
1. Dharmapuri	37.04	47.02	44.95	49.45	178.46	
2. Ramanathapuram	64.61	55.38	46.49	39.19	205.67	
<b>TOTAL</b>	<b>101.65</b>	<b>102.40</b>	<b>91.44</b>	<b>88.64</b>	<b>384.13</b>	
<b>12. Uttar Pradesh</b>						
1. Mirzapur	22.16	64.70	101.13	82.09	270.08	
2. Banda		15.02	62.61	87.10	164.73	
3. Allahabad		1.20	52.30	118.06	171.56	
4. Varanasi		19.97	81.15	70.36	171.48	
5. Hamirpur		10.96	65.00	99.73	175.69	
6. Jalaun		18.46	68.42	52.49	139.37	
<b>TOTAL</b>	<b>22.16</b>	<b>130.31</b>	<b>430.61</b>	<b>509.97</b>	<b>1093.05</b>	*On Drought Cell of the State Govt. *Expenditure relate upto Feb. 1974.

*Expenditure incurred during*

State/District	1970-71	1971-72	1972-73	1973-74	Total	Remarks
13. <i>West Bengal</i>						
1. Purulia	5.59	21.10	104.06	} 86.57*	129.75	*Figures are common to both the districts. These figures taken on the basis of information received from State Govt.
2. Bankura & } Midnapure (one unit)	0.66 4.05	3.21 1.09	14.68 2.56		105.12 7.70	
TOTAL	9.30	25.40	121.30		86.57	
Grand Total				Rs.	9130.11	

## APPENDIX V

(Vide Para 4.36 of the Report)

### Statement Showing The Physical Achievements Under DPAP During IV Plan Period

State	Minor Irrigation		Soil Cons. (Hects.)	Affore- station (Hects.)	Roads (Length Kms.)	Drinking water supply		Remarks
	No.	Hect.				No.	Villages	
Andhra Pradesh	1,613	59,170	71,781	4,575	1,332	1	39	
Bihar	NR	NR	2,300	NR	NR	..	NR	
Gujarat	203	3,000	6,000	14,000	391	9	..	(a) 65 Nos. digging of
Haryana	6	5,690	(a)	970	..	..	..	water courses.
Jammu & Kashmir	5	NR	510	..	72	..	..	(k) All 20 Work remained
Madhya Pradesh	40	3,100	..	4,666	(k)	..	..	in progress.
Maharashtra	NR	11,000	1,65,100	1,400	(l)	..	..	(l) All works in progress.
Karnataka	670	27,000	2,00,366	21,216	NR	..	..	
Orissa	NR	NR	770	366	NR	NR	NR	
Rajasthan	306	10,793	2,100	34,279	1,540	NR	NR	
Tamil Nadu	No. 805(b)	NR	No. 610(c)	No. 39(d) + 20 Km	No. 945(e)	..	..	(m) nearly 80% works have been completed
Uttar Pradesh	NR	NR	..	1,656	(m)	..	..	
West Bengal	613	11,440	1,100	2,520	..	..	..	
<b>TOTAL</b>	<b>4,261</b>	<b>1,31,193</b>	<b>4,50,027</b>	<b>85,648</b>	<b>3,335</b>	<b>10</b>	<b>39</b>	

(f) 5 Nos. digging of 39 nos. of 945 nos. of water courses : 20 kms @ 610 contour bunding and ponds  
 (g) Forest plantation @ Avenue plantation  
 (h) Construction of new roads and upgradation of old roads.

(b) Bunds, Tanks, Weirs, bundharas and special minor irrigation repairing work.

(c) Contour bunding and ponds (d) Forest plantation and avenue plantation.

(e) Construction of new and upgradation of old roads.

NOTE: (i) Figures relate to completed works only.

(ii) Figures are provisional and subject to revision.

(iii) NR—Not reported

## APPENDIX VI

(Vide Para 4.71 of the Report)

Recommendation	Action taken
<p><b>1 Agriculture Production</b></p>	
<p>The Committee has estimated that during 1960-61, 11.49 lakhs tonne food grain was produced in these four districts and according to the Committee's estimates there should be an increase in agriculture production of about 7-8%. The Committee has given some suggestions to achieve these targets, i.e. cultivation of barren land, increase in green manure and double crop areas, credit facilities, proper arrangement of fertilizers, availability of improved seeds and equipments, land conservation, more funds for loan for agriculture.</p>	<p>Action was taken as suggested by the Committee and Agriculture Workshops were set up in all the four districts so that farmers may obtain improved equipments. The double crop area was 10.61 lakhs acres in 1967-68 whereas it was only 8.79 lakhs acres in 1960-61. It shows an increase of 21% in the acreage. Due to these programmes an additional capacity of 1.95 lakhs tonnes of food grain became available. It shows an increase of 17% over the 1960-61 level. In 1965-66 additional capacity of food grain production was 0.88 lakhs tonnes which is 6.5 more than the 1964-65. In these four districts, in 1966-67 and 1967-68 another additional food production capacity of 0.70 lakhs tonnes and 1.53 lakh tonnes respectively was created. In this way the food production capacity was enhanced by 42% in 1967-68 from the level of 1960-61.</p>
<p>In 1971-72 the total actual production of food grain in these four districts was 12.80 lakh tonnes which shows an increase of 11.4% over the 1960-61 level.</p>	
<p><b>2. Irrigation</b></p>	
<p>There is a possibility to develop large and small irrigation projects in these districts. The Committee was of the opinion to create additional irrigation potentiality for 12.71 lakh acres of land in 4 Districts by 1970-71. Term of loans and subsidy, given for encouraging the private irrigation projects, may be relaxed as follows:</p>	<p>Physical achievements under irrigation are given in statement III. Irrigation potentiality for 9.62 lakh acres of land was already created in 4 districts by 1969-70. By the end of the above years 1404 Government Tubewells were duly constructed. Due to late completion of Gandak Project, the programme of Deoria District will be completed by 1974-75.</p>
<p>(a) Sirdars and Bhumidars may be given loan—120 times and 150 times more respectively of the land revenue.</p>	<p>This facility has been made available throughout the State.</p>
<p>(b) Subsidy may be raised from 25% to 50% for wells, boring and Bunds.</p>	<p>In 1964-65 the rate of subsidy was raised in 4 districts, but this facility was withdrawn in 1965-66 because Government of India refused to sanction additional funds for this purpose.</p>

Recommendation	Action taken
(c) The period for repayment of loan may be extended from 5 to 10 years.	This period was extended upto 10 years but keeping in view the price level and income it was again fixed at 5 years in November, 1967.
<b>3. Flood Control</b>	
As mentioned in the report, drains and bunds may be constructed and the level of villages should be raised. It is expected to cost Rs. 4.68 crores.	Some drains have been constructed and few villages have also been raised but adequate progress could not be achieved due to (i) non-availability of land (ii) public opposition and (iii) court orders.
Raising of village levels, which are surrounded by water, has been suspended as decided by the State Coordination Committee. Construction of a Bund from Chhitoni Ghat to Pipraghat has been completed except 3 kilometer, for which funds are required from the Government of India.	
<b>4. Industries</b>	
(i) This part of the State is industrially backward. The Committee has recommended the following incentives for encouraging industries in this areas;	Efforts have been made to implement recommendation (a) and (b) but due to the non-availability of facilities in respect of (c) and (d) a few industrialists could get benefits out of these. Special concessions are being given as in the past years to promote industry in the whole state.
(a) Early acquisition of land.	
(b) Special provision to be made for giving loan for the constructions of buildings for factories.	
(c) Availability of power at the minimum rates.	
(d) Relaxation in the sales tax in initial years.	
(e) Rates as per local taxes, and	
(f) Increase in the distribution of raw Material.	
Establishment of following heavy industries on which expenditure of Rs. 57.35 crores is expected to be incurred.	
(a) Sugar Mills in each of the four districts.	Action is being taken to establish two sugar mills in Azamgarh district and one each in Ballia and Gazipur.
(b) Two Distilleries	Letters of intent for establishing distilleries one each in Ghazipur and Deoria have been issued.
(c) Four paper mills which can utilise the Bagasse as a raw material.	No paper mill has been set up.

Recommendation	Action taken
(d) Chemical Industries depending upon power alcohol.	Because of lack of facilities as suggested by the Committee this Industry could not be established.
(e) Two Cotton Mills . . . .	There is a proposal to set up a 25,000-spindle mill in district Azamgarh.
(iii) In addition to above mentioned Heavy Industries, several village and small scale industries should be set up.	There has been no progress in this Sector. In 1964-65 and 1965-66 under the scheme of grants of the Department of Industries in these four districts, 818 small industrial units have been set up.
(iv) Incentive to allied industries . . . .	Some units, such as workshops for sugar mill tools have been established.
(v) Establishment of the following industries in the Central Sector:	No work has been done in this Sector.
(a) Machine tools	
(b) Machine tools accessories	
(c) Tools beats units (d) Manufacture of small tractors.	
<b>5. Transport</b>	
In addition to the projects included in the Third Plan, the following works will be completed by 1974-75 with a cost of Rs. 1372 lakhs.	From 1964-65 to 1969-70, 167 miles long roads have been constructed and 131 miles long roads were renovated and re-constructed.
(a) New roads 380 miles. (b) Reconstruction of the present 47.6 miles pucca roads of districts boards. (c) Renovation and development of the present 145 miles long roads of the public Works Department.	Due to lack of funds, the road construction work could not be carried out with Speed as recommended by the Committee. The bridge on the Ganga in Ghazipur was not constructed before, because it was decided that one bridge would be constructed on Ujiyar Ghat in Rallia District. The construction work of the proposed bridge in Ghazipur has been started from 1973-74.
(d) Construction of 20 new bridges in which one bridge of Ghazipur is also included.	Out of twenty bridges, a bridge on Pilles River in Maharaj Ganj Khuthan Tarkalla Road have been constructed and the work on the following bridges in progress.
<i>Azamgarh</i>	
On Maharaj Ganj-Bilriyaganj Road on the Tons river at Nazirnabad.	
<i>Deoria</i>	
On Gheto Gandak at Nadwarghat.	
<i>Ghazipur</i>	
(i) On Ganga River at Tarighat.	
(ii) On Maghayee River at Mohammadabad Karimuddinpur Road.	
(iii) On Maghayee river at Yusufpur-Jairampur Road.	



## Recommendation

## Action taken

*Jaunpur*

On Gaumate river in Jaunpur city at Allahabad—Gorakhpur road.

6. *Family Planning*

Every effort should be made to limit the rate of growth of populations 1975-76 in between 1.2 to 1.7% per annum.

Family planning work is in progress in the entire State.

7. *Administration*

To improve the administrative efficiency the following action should be taken;

- (a) The number of village level workers should be increased. In each of these four Districts additional village level workers have been sanctioned. Accordingly the work is in progress.
- (b) PCS officers with a seniority of 8 to 10 years should be appointed as District Planning Officer. This has also been done.
- (c) Where Assistant Development Commissioners are working, there Deputy Development Commissioners should be appointed. This is also being done.
- (d) Tubewell operators should be brought in under the administrative control of Regional Development Officers.

8. *Organisation and Procedure:*

- (a) For implementation of the programme early and coordination work high level Committee should be set up under the Chairmanship of the Chief Minister. Ministers of important Development Departments should be included in this Committee. A State Coordination Committee was set up under the Chairmanship of the Chief Minister. But due to stoppage of required special Central assistance in 1966-67, it was felt that there was no need of such a Committee and hence dissolved.
- (b) At the headquarter of the State Government a special regional cell be set up under the control of a very senior officer. This cell will look after the work of formulation of projects for backward areas and will also keep an eye on outlay and physical progress. To watch the progress of development in these districts, a technical cell was set up. Now this work is being looked after by the Planning Institute, Regional Planning Department of the State.
- (c) In formulating programme for the development of these districts, necessary cooperation of the District Statistical Officers should be sought. Accordingly, action is being taken and for this purpose a Financial and Statistical Officer has been appointed in each district.

## APPENDIX VII

*Statement showing Summary of Recommendations. . .*

S. No.	Reference to Para No. of Report	Summary of Recommendation.
1	2	3
1.3	<p>The Committee regret to note that even after 27 years of Independence and implementation of four Five Year Plans, large areas in the country still remain backward and the people in these areas have been denied the fruits of developmental efforts. Moreover, most of the developmental efforts have remained concentrated in the areas which are already developed. This has not only accentuated regional imbalances but the state of backwardness and lack of employment opportunities, have compelled the people of these areas to migrate to developed states and metropolitan and big cities resulting in creation of pressures on these areas, growth of slums and consequential generation of social tensions. The Committee feel that this state of affairs is fraught with dangerous potentialities and calls for immediate and concerted efforts to tackle the problem of backwardness. The Committee stress that the problem of backwardness of these areas should be studied in depth and all out efforts made by all the agencies concerned viz., the Central Government, the State Governments, public financial institutions and all others concerned to undertake developmental activities in these areas so that their potential for economic development is fully realised, and differences in levels of regional development made up at the earliest so as to bring them in line with the rest of the country.</p>	
1.15	<p>The Committee are concerned to note that although the problem of development of back-</p>	

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ward areas and removal of regional imbalances has been engaging the attention of Government from the beginning of the First Five Year Plan, yet no concrete and concerted measure was initiated in this behalf till 1968. It was only in November, 1968 that Government appointed two Working Groups : (i) to recommend an objective criteria to be followed in identification of backward regions; and (ii) to recommend the nature of concessions to be given for encouraging the development of industries in these regions. The Committee note that the State Governments were originally requested to select two districts|areas from each of the States identified as industrially backward and one district|area from each of the other States/Union Territories to qualify for a central scheme of investment|subsidy. Within a period of 6 months, the scope of this scheme was extended to cover six districts|areas in each of the States identified as industrially backward and three districts/areas, in each of the other States. The result has been that as many as 233 districts have become eligible for these concessions under this scheme.

The Committee fail to understand that while on the one hand, Government have been pleading financial constraints as a reason for not being able to take steps for the accelerated development of the backward areas in the country, on the other, the scope of the scheme has been extended to a large number of areas with the result that the impact of the scheme has been considerably diluted and these districts have not been able to make significant progress in the matter of development. The Committee regret to note that although the Pande Working Group recommended the selection of only 20—30 districts in the industrially backward States|Union Territories for special incentives, Government did not accept this recommendation even though it had been specifically pointed out by them that

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in the working of Industrial Development Area Scheme, the progress had been slow in the States which had taken relatively a larger number of these areas. The Committee are of the view that in the present situation of constraint of resources and availability of entrepreneurial skill as well as administrative and organisational resources of the States, it would have been far better if the recommendation of the Pande Group had been accepted and efforts had been concentrated in a limited number of districts by giving them liberal incentives so that in the backward States, there would have been atleast one district/area where significant economic development had taken place which would have served as an example to other areas.

The Committee recommend that an indepth study of the criteria followed by the Government should be made with a view to adopt a stricter approach in the matter of identification of districts/areas for providing special incentives for their development. They would like Government to review their policy in order to concentrate their efforts in a few selected districts in the backward States which have got growth potential so that real impact may be made in the development of these areas. In the light of the experience gained, concrete schemes could be evolved for application to other areas.

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The Committee further note that the Working Group had laid down criteria for identifying only the industrially backward areas. The Committee would like to emphasise that the problem of backwardness in the country is not confined to the sphere of industries only. The backwardness of an area can also be removed by developing other economic activities like agriculture, horticulture, animal husbandry etc.

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4            1.19            The Committee note that Government had laid down criteria for the identification of economically backward areas but the question of refining this criteria is under the consideration of the Committee on Backward Areas. The Com- would like this to be expedited.

5            1.27            The Committee regret to note that although all the Five Year Plans have drawn attention to the problem of accelerated development of backward areas with a view to reducing regional disparities, no concrete or specific programmes were included in these Five Year Plans for the specific development of backward areas with the result that most of the developmental efforts in the country have remained confined to the already developed regions in the country and the undeveloped and backward regions of the country have not only remained neglected, but the disparities between the two have got accentuated. The Committee would like to emphasise that the planning strategy in the country needs to be modified in a manner so that the development of backward areas in the country is included as a specific objective of our planning and specific programmes are included in the Plans for the development of these areas. The Committee have in subsequent chapters dealt with the strategy and programmes that should be adopted for the development of these areas. They would, however, like to stress that the planned economic development of the country cannot be meaningful until and unless the level of living of the lowest and neglected people of the country living in these areas is improved and specific emphasis laid in our Five Year Plans for the development of these areas.

The Committee would like to point out that the existing regional disparities and the lack of

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improvement in the condition of people living in backward areas has tended to create social tensions. It is, therefore, of utmost importance that high priority is accorded to speedy development of these areas by initiating meaningful long term and short term measures. In the opinion of the Committee, the development of backward areas can no longer be neglected and should receive the same attention as core sector included in the Plan.

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The Committee are, however, glad to note that the draft Fifth Five Year Plan has devoted a separate chapter on the "Backward and Special Areas including Hill and Tribal Areas" and the draft plan includes some specific programmes for the development of these areas and a provision of Rs. 500 crores has been included to supplement the efforts of the State Governments for the development of tribal and hilly areas. The Committee would like to emphasise that the Central Government and State Governments should make concerted efforts to identify the factors inhibiting the growth of these backward areas and make efforts to ensure that the potentialities of these backward areas are utilised to the maximum so that the population living there are helped to improve their conditions. The Committee further emphasise that special efforts should be made to uplift the economic level of people belonging to Harijan Communities, backward classes, tribals and persons belonging to economically weaker sections of community.

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2.4

The Committee regret to note that even after 27 years of Independence and completion of four Five Year Plans, the Government have not finalised their strategy for the development of backward areas. The Committee are dismayed to find that the Committee on Backward Areas which was constituted as early as October 1972

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to evolve a strategy for development of backward areas, has yet to give its formal report. The fact that some strategy for development of backward areas, has been outlined in the Fifth Plan, does not and cannot make up for lack of a considered report which was to be given by this Committee so that this could form the basis for informal discussion and taking of decisions in time for incorporation in the Fifth Plan. The Committee urge that the Committee on Backward Areas should finalise their recommendations without further delay and that this should be made available to Parliament at the earliest for informed discussion. Government should in the light of this Report and experience gathered in the field as well as the approach set out in the Fifth Plan document, refine their strategy for the development of backward areas which should be well-suited to the genius and potentialities of the area.

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2.5

The Committee note that ordinarily the term 'core sector' of the Plan connotes industries which contribute to significant import savings such as steel, non-ferrous metals, fertilisers, mineral oils, coal, machine building, power etc. They feel that development of backward areas is vital for the balanced development of the country and the well-being of the people at large. The Committee therefore recommend that the programme for development of backward areas should be included in the core sector of the Plan so that resources, finance and the essential inputs become available for timely implementation.

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2.11

The Committee note that agriculture is the main vocation of the people living in backward areas which are affected by such adverse factors as lack of assured irrigation, fragmented holdings, adverse man-land ratio, single cropping

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pattern, low productivity and shifting cultivation particularly in tribal areas. The Committee would like to emphasise that until and unless concerted measures are taken to raise the level of agricultural production in these areas, the standard of living of these people cannot register any significant improvement. The Committee recommend that Government should take effective measures to provide assured irrigation with particular emphasis on minor irrigation and agricultural inputs including well irrigation with electric pump facilities and cheap credit facilities to these backward areas so as to substantially increase the level of agricultural production which, while improving the economic conditions of the people in these areas, would also go a long way in solving the difficult food situation in the country. The Committee feel that the agricultural research institutes have got a major role to play in this regard. Government should in consultation and coordination with agricultural institutes, introduce a package of agricultural practices for improved agricultural methods, suitable to the local conditions in these areas.

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2.12

The Committee consider that there is hardly any area in India except those which are prone to extreme drought or extremes of climate, where agriculture cannot be developed. The Committee would like to recall that the package deal, evolved in the Sixties for development of agriculture in the States of Punjab and Tamil Nadu provided a concrete example and incentive for spread of advanced agricultural practices, in the interest of achieving greater agricultural production, in other areas in the country. It is most unfortunate that no such package deal has been thought of or implemented for backward areas which need these even more urgently than the relatively developed areas. The Committee feel that Government, with its experience of

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two decades in furthering green revolution, with vast input resources at its command and well organised agricultural research should be able to evolve a package of practices suitable for these backward areas. The Committee recommend that at least one such backward area which has most promising potentiality, should be selected in each of the States particularly those which have a large population living below the poverty line so that a significant break-through can be made. The Committee also recommend that special attention should be paid for the development of persons belonging to the backward classes, Harijans, Tribals and persons belonging to extraordinarily weaker sections of Society.

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2.13

The Committee would, however, like to sound a note of caution while introducing any change in the cropping pattern in the area. It should be ensured that new varieties of seeds and cropping pattern introduced in these areas, are suitable to the local conditions. The Committee have come across an instance where a particular variety of Bajra was introduced in the backward areas of Rajasthan but the same was highly susceptible to pests with the result that the agriculturists could not get economic returns from their crops. The Committee feel that before introducing any variety of improved seeds, Government and Research Institutes should ensure that these are suitable to the local conditions as any failure in this regard while resulting in economic losses to the farmers also makes them averse to the introduction of new agricultural practices and seeds etc.

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2.14

The Committee need hardly point out that animal husbandry and other subsidiary activities which go with agriculture to supplement the income of the farmer, should receive close and careful attention of the authorities. The Com-

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- mittee see no reason why development of dairies for milk in which Government have already gained significant experience, particularly after the launching of 'operation flood' rearing of sheep or poultry etc. could not be implemented with success in these areas.
- 13            2.15            The Committee would like Government to pay special attention to the needs of small and marginal farmers as these constitute nearly 80 per cent of the owners of land and have so far not received their due in the matter of inputs. The Committee would also stress that credit and inputs should be made available to them in time and suitable arrangements should be made to collect the loans advanced to the people in these areas by providing ready facilities for marketing of their produce goods and making recovery on the spot.
- 14            2.16            While introducing any new varieties of animals or poultry in the backward area, Government should ensure that these are suitable to the local conditions and the people in the area, are in a position to maintain these birds/animals. The Committee have before them the instance of Bastar where sophisticated varieties of pigs and cocks which were not suitable to the local conditions, were sought to be introduced with the result that the same were not acceptable to the local population. The Committee would like the matter to be gone into thoroughly by the Government in consultation with the local leaders to obviate recurrence.
- 15            2.22            The Committee note that the absence of infra-structure facilities is the main reason for the backwardness of large areas in the country. The Committee are convinced that until and unless suitable measures are taken for provision of communications, power, roads and other basic
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facilities necessary for economic progress, it would not be possible to make any substantial progress in the development of backward areas. They are convinced after a study of the progress made in advanced States that the development of infra-structure is an essential prerequisite to any industrial growth. They regret to note that except in a few States, no substantial progress has been made in the matter of providing infra-structure facilities in the backward areas. They would, therefore, recommend that suitable programmes for the accelerated development of these facilities should be taken up in the backward areas in the country.

The Committee note that there is a plan provision of Rs. 35 crores to assist the State Governments in the provision of these facilities and this provision is further intended to be supplemented by institutional finances. The Committee recommend that the development of these facilities in the various States should be expedited and this matter be given the highest priority. The Committee realise that provision of infra-structure facilities is capital intensive and therefore emphasise that priorities should be drawn up in the matter of providing infra-structure so that it is laid out first in such areas which have most promising potentialities for industrial development. As returns from industrialisation flow, this can be extended to other areas also.

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2.24

The Committee note that under the Minimum Needs Programme in the Fifth Plan, there is an ambitious scheme for provision of rural roads in the rural areas. However, from the statement made by the representative of the Planning Commission, it is noted that a number of roads constructed during the Fourth Plan period, have suffered a great deal from lack of maintenance. In many parts the roads have not been complet-

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ed and in certain areas, even the portion which was constructed earlier, has been washed away. The Committee would like to emphasise that this indicates a very sorry state of affairs.

It has come to the notice of the Committee that roads were not properly constructed in rural areas with the result that instead of facilitating road communications, these have become a source of great discomfiture to the local population. The Committee stress that proper standards for construction of roads connecting the backward areas to the main towns or centres should be laid down and strictly adhered to. The Committee reiterate that not only the construction of the roads in the backward areas but its proper maintenance and improvement should also receive the concerted attention of Government so that maximum benefits from the roads, may flow to the persons living in these areas.

2.24A

The Committee also desire that the construction of roads or laying of railway lines which are taken up as relief measures like drought relief etc. should be completed and maintained even after these measures have been withdrawn, so that the development of the areas may derive permanent benefit from them.

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2.26

The Committee note that according to Government's own analysis, some of the most important reasons for backwardness are inadequate availability of economic and social infra-structure; lack of strategies based on a careful analysis of causes of backwardness and the potentialities for development; lack of coordination in different sectoral programmes and functioning of multi-level financing, promotional and consultancy institutions; inadequate institutional arrangements to support, integrate, coordinate and monitor and essential components of industrial development programmes. The Committee

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consider that the best solution to these problems is the adoption and implementing of integrated area development approach. They are, however, not convinced that the best method of achieving the desired objective is through the establishment of a Backward Area Development Corporation. They feel that if the integrated area development approach is followed in letter and spirit and a thorough analysis is carried out of the physical resources available in areas which are backward and their potentialities ascertained, it should be possible for Government even with the existing administrative machinery at their disposal, to ensure that the selected schemes are, in fact, implemented with efficiency and speed.

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2.27

The Committee note that most of the backward areas in the country, particularly in the States of Madhya Pradesh, Orissa and Bihar have no railway lines to serve them. The Committee feel that railway lines in the backward areas would greatly help in their development by providing the much-needed communication facilities. The Committee, therefore, recommend that a fixed percentage of the investments on the opening of new railway lines should be earmarked for the backward areas.

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2.30

The Committee note that low rate of literacy and lack of adequate medical and drinking water facilities has been one of the main reasons for the backwardness of certain areas in the country. Illiteracy of the population not only keeps them ignorant of the benefits of development but also makes them a victim of exploitation by vested interests. The Committee feel that provision of educational facilities in backward areas should receive special attention. Apart from the desirability of including in the syllabii, subjects which would be of special interest for develop-

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ment of backward areas such as elementary knowledge of hygiene, civics, agriculture etc., there should be special emphasis on provision of vocational and technical training which would enable the younger generation to become good artisans/craftsmen. To begin with, effort may be concentrated in areas where there is a living tradition of craftsmanship. In the light of experience gained, syllabi and methods of education could be suitably adapted for extension to other areas. The Committee feel that educational effort in these areas is a prerequisite for any meaningful programme for their development and its implementation should be watched at the Centre which is responsible for overseeing the development of backward areas. They would like to emphasise that all efforts should be made to open Ashram Schools and Agricultural Schools for these areas.

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2.31

The Committee consider that one of the factors which has, in the past, hampered development of these areas relates to sanitary and hygienic conditions of living. The Committee in Para No. 2.19 of their 38th Report (Fifth Lok Sabha) on "National Water Supply Programmes" have already emphasised that concerted effort should be made to provide potable drinking water and other sanitary conditions in villages which have been the victims of chronic diseases in the past. The Committee feel that the first step in the march towards development for these most backward areas which suffer susceptibility to chronic diseases, should be provision of potable drinking water and ensuring other hygienic conditions so as to make for healthy living.

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2.32

The Committee would like that in the centrally sponsored schemes for the development of backward areas, tribal areas and hill areas, the

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cooperation of the voluntary organisations which have a good record of service should be fully utilised and necessary encouragement given to them.

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2.37

The Committee consider that provision of technical training to youths in backward areas is very essential so that the people in these areas are able to set up small scale industries in large numbers and secure employment in the various industries being set up there both in the public and private sectors. The Committee note that there are 357 Industrial Training Institutes in the whole country, out of which 124 are located in backward areas with a training capacity of 44,049. The Committee would, however, like to point out that the very fact that many of the persons trained in these Institutes are not able to get jobs in the industrial units in these areas shows that either the training imparted in these Institutes is not upto the required standard or the courses in which training is being imparted, are not in consonance with the type of skills actually required in these units. The Committee regret to note that there is no programme of evaluation of training in these Institutes. The Committee would like to emphasise that Government should conduct an independent and objective evaluation of the training imparted in these Institutes in consultation with the industrialists in these areas and make necessary changes in the curricula any syllabii of the training without further loss of time so that the trainees may be able to meet the requirements of the industries in these areas and get employment.

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2.38

The Committee recommend that necessary facilities and encouragement should be given to the trainees, coming out of these Institutes, by the State Governments and financial institutions to set up small scale industries in these back-

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ward areas so that local entrepreneurship may develop. In this connection, the Committee would like to cite the instance of backward areas in Maharashtra where youngmen in large numbers are coming up to set up such industries with the assistance of nationalised banks and SIDCO etc. The Committee would like this to be emulated in other States also.

- 24            2.39            The Committee feel that it should be incumbent on Indian Institutes of Technology and other leading technical institutes which have been established under the auspices of the Government or receive substantial grants from the Government that they set up at least one technical training centre in a backward area. The advantage of this would be two-fold, namely—to afford these premier technical institutions an opportunity to understand the problems of backwardness and to evolve concrete measures for its eradication. It would also enable the local population in these backward areas to come in contact with the best that is available in the technical field and thus abridge the process and period ordinarily required for development.

- 25            2.48            The Committee note that some of the large public sector undertakings like steel plants, mining projects, fertilisers projects have been established in backward States like Orissa, Madhya Pradesh and Bihar. They are, however, concerned to note that even with the establishment of these large units, the desired fillip to the industrial development of these backward areas has not taken place. In fact, it has been conceded by the representatives of the Government as well as the Planning Commission that these projects have not been able to contribute very significantly towards increasing the percapita income of the local population of these areas. The Committee cannot but view this as a serious



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lapse. The least that the Government and the management of these public undertakings could have done was to critically examine the reasons for this phenomenon and take concrete steps to develop linkages particularly with the ancillary and small scale industries so as to develop them as feeders for the large units and thus help in extending industrialisation to these areas. The undertakings should also have set up vocational centres either on their own or in cooperation with the State Governments and local authorities so as to impart training and skills in technical subjects to the local population which could have helped them to secure jobs either in these undertakings or other industrial units coming up in the area. The Committee would like the Government to carry out a study in depth without further delay and take concrete measures as outlined above so that these public sector undertakings which were set up with great expectations in the backward areas, achieve the socio-economic objectives underlying their establishment.

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2.49

The Committee would like Government to at least now ensure that in setting up new large scale undertakings in the public sector in backward areas, the responsibility for developing ancilliary and small scale industries as well as vocational and training facilities is spelt out in the licence itself and a close watch kept both by the administrative Ministry and the Planning Commission to see that the public sector enterprises fulfil these responsibilities.

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2.50

The Committee further desire that in cases where land in the tribals and backward areas is acquired for starting Public Undertakings and other big industries, adequate compensation thereof should be paid to the persons concerned at any rate not later than the specified time to

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obviate harrassment and facilitate their rehabilitation.

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2.51

The Committee are concerned to note that while Government have given statistics of the number of industrial units which were issued licences during the period 1970—74 for being set up in the backward areas they have not been able to inform the Committee precisely about the number of units which have actually gone into production. As pointed out by the Committee in paragraph 52 of their Fiftieth Report on Industrial Licensing (1973-74) it has been the general experience that a large number of units which are licensed on paper, are not actually established. The Committee consider that this should not be allowed to happen particularly in the case of backward areas as non-establishment of licensed units not only holds up progress and also adversely affects other projects in that sector. The Committee would, therefore, like Government to examine without further delay, the actual progress made in the establishment of the units which were given licences during each of the last five years and inform the Committee about the number of industries actually established and the percentage of production achieved as compared to the licensed capacity. The Committee have no doubt that Government would not hesitate to take firm measures against those who have not made tangible progress and that it would be ensured that the deficiency is made good with the least possible delay.

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2.52

The Committee would also like Government to draw the requisite lessons from the experience of issue of licences for establishment of industrial units during the last five years so as to evolve pragmatic guidelines which would ensure that the units hereafter licensed for backward areas go into production as per scheduled pro-

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	<p>gramme. The Committee would like to be informed of the guidelines which Government evolve after the afore-mentioned review is carried out.</p>	<p>The Committee find that the industrial potential surveys which were initiated as far back as May-June, 1970 have now been completed in respect of all the backward States and Union Territories. The Committee, however, find that these surveys are of a general nature and can at best serve as only the starting point for detailed investigation for establishment of industries in the specified backward areas. The Committee consider that as already more than four years have elapsed since this work was initiated, the follow up in the form of detailed analysis and technical studies to identify the specific industry and the location thereof, should be undertaken by high powered teams, comprising competent technical personnel who should be asked to submit their reports as per time bound programme. Thereafter Government should select the industry or industries which have the maximum potential for immediate establishment in the specified area. The Committee urge that after the industries and areas have been identified Government should take a firm decision whether these are to be developed in the public sector or in the private sector. If these are to be developed in the public sector, the agency for development together with a time bound programme, should be laid down and its implementation watched. In case, it is decided to allot the industry to the private sector, Government should give it the fullest publicity so that the best offer which comes from a party of proven experience and standing, can be accepted for implementation as per time bound programme. The Committee need hardly stress that if for any reason, the party which has been given the licence to establish the industry, fails to make the</p>
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requisite progress, Government should not hesitate to take remedial measures to see that the pace of development is not allowed to be retarded and that the targets envisaged are achieved as per time bound programme.

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2.55

The Committee find that out of the industrial projects recommended in the surveys, only 28 projects, involving a capital cost of Rs. 175 crores have been implemented or are under implementation while 15 projects involving an estimated cost of Rs. 285 crores, are under consideration of the financial institutions for financial assistance. The Committee can see no reason why there should be delay in processing of the 15 pending applications for projects which involve an estimated outlay of Rs. 285 crores when it is the prime need of these areas that industrial units should be established without delay. The Committee would stress the need for having a time-bound programme to take decision on project schemes so that those which are cleared can proceed to the implementation stage without delay and those which are not found to be feasible are rejected so as to leave open the field for submission of more acceptable proposals. The Committee reiterate that time here is the essence of the matter and that decision on projects for development of backward areas should be reached without delay. They would urge that not only a tight time schedule for this examination should be laid down but a central agency should be nominated to see that it is adhered to and a regular report submitted in this behalf to Government at the highest level to obviate any procedural delays holding up progress.

In the case of projects which are already stated to be under implementation, the Committee

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		<p>would like Government to keep a close watch to ensure that these projects come up, according to the targets envisaged and that they attain full production as per scheduled programme.</p>
32	2.57	<p>The Committee suggest that as the information on the above aspects is of wide public interest it should be specifically mentioned in the Ministry's Annual Report and other documents which are presented to Parliament.</p>
33	2.62	<p>The Committee note that there is a marked absence of industrial units in the backward areas. Although dispersal of industries as a means of attaining balanced development of the country, was underlined in the Industrial Policy Resolution of 1956 as well as in the successive Five Year Plans, the industries remain largely concentrated in the metropolitan and developed areas, the industries continue to flock to the spite of the various measures taken by the Government and incentives concessions granted for the setting up of industries in the backward areas, the industries continue to flock to the developed areas and no significant industrialisation has taken place in the backward areas with the result that regional imbalances continue to grow. As has been admitted by the representative of the Government, even in regard to Central Subsidy Scheme, there has been an uneven spread of its benefits to the different States. The Committee note that out of Rs. 64 lakhs sanctioned by way of Subsidy in 1973-74 and Rs. 69 lakhs in 1972-73 as much as Rs. 40 lakhs and Rs. 37 lakhs respectively were disbursed to one State, namely, Maharashtra. The Committee would like Government to make a study in depth of the factors which have made it possible for Maharashtra to claim subsidy of this order so that other States could be helped with information</p>

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		and guidelines to avail more fully of the subsidy scheme in the interest of establishment of industrial units in the backward areas.
34	2.63	The Committee are surprised to note that many of the States have not even framed the relevant rules for the grant of subsidies. It is, therefore, not surprising that the various subsidies and incentives granted by the Government have not been able to achieve the desired objectives. The Committee recommend that a review of the subsidy incentives schemes introduced by the Government should be conducted in consultation with the States and representative organisations of industries without delay to find out the reasons for not achieving the desired objectives and necessary remedial measures should be taken so as to make them really an effective instrument for the development of backward areas.
35	2.64	The Committee further note that there are complaints that incentives announced by the Government are not actually given to the industrialists in time and they have to run from place to place to obtain those incentives concessions. The Committee would like Government to take corrective steps in this regard.
36	2.65	The Committee consider that it would be desirable to link subsidy on capital investment to employment generation also. In view of the paramount need for creating new employment opportunities in backward areas, the industries which are approved for location in such areas should be required to give employment to a specified minimum number of persons for becoming eligible for subsidy. Further the subsidy should be related to the promotion of ancil-

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		<p>liaries by the large industrial units so as to accelerate the process of development.</p>
37	2.66	<p>The Committee further note that in Gujarat there are seven institutions working for the development of industries particularly in backward areas and the activities of all these institutions are being coordinated by the Industries Commissioner at the State level. A special feature in the State is that once a project is approved by the State Government it is automatically approved by other Corporations without further scrutiny and this results in cutting down of delays at various levels. The Committee recommend that an indepth study of the procedure followed by the Government of Gujarat, should be made and results circulated to all other State Governments for guidance.</p>
38	2.69	<p>The Committee note that during the Fifth Five Year Plan, Government envisages a positive shift in the development of small scale industries in backward areas by earmarking as much as sixty per cent of the outlay (Rs. 81 crores out of Rs. 141 crores) for development of backward areas and for setting up of rural industrial projects.</p> <p>The Committee would like the Central Government which have more than two decades of experience in the matter of providing guidance to small scale industries, to pay special attention to the development of small scale units on the right lines from the very inception. The Committee need hardly emphasise that the entrepreneur should be helped in every way particularly in the choice of industry, the size of the unit, the availability of raw materials, extension</p>

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		of financial assistance and credit facilities and marketing for the end-products.
39	2.71	The Committee would like that the extension staff who are selected for rendering technical services should be persons of proven merit and standing in their field, with dedication to the cause of development, particularly of the backward areas so that they can help to surmount the difficulties which are bound to be experienced by the entrepreneurs in the initial stages. The Committee would like Government to so devise the conditions of employment of experts and their remuneration as to put an accent on the rendering of technical assistance in the real sense to the entrepreneurs in the development of the backward areas.
40	2.72	The Committee need hardly point out that there should be a system of a regular monitoring and review of the work of the agency established for rendering assistance to the small scale units in the backward areas so that difficulties encountered are overcome with the least delay, and the momentum for development is not allowed to be impeded in any way.
41	2.73	The Committee note that there has been considerable progress in the setting up of small scale industries in backward areas in Maharashtra State and the Maharashtra Industrial Development Corporation and Small Industries Corporation have significant achievements to their credit in helping the entrepreneurs in setting up industries in backward areas. The Committee recommend that the Central Government should conduct an indepth study of the measures taken by the Government of Maharashtra in this

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		regard and circulate the same to other State Governments.
42	2.74	<p>The Committee note that Government are laying great emphasis on Rural Industrial Projects and propose to increase the outlay from only Rs. 4.5 crores to Rs. 45 crores in the Fifth Plan. While the Committee are one with Government about the need for establishment of more industrial projects they feel that in the interest of achieving the objective underlying them, it is absolutely essential that these projects are located in areas which have the potentiality. The Committee are greatly concerned that the strategy to be followed in the setting up of these units is however still under consideration of a Committee appointed by Government. Having regard to the fact that rural industries projects came to be established more than ten years earlier, the Committee feel that strategy in this behalf should have been evolved before the conclusion of Fourth Plan and infact this should have been fully taken into account while selecting the location for the new 57 rural industries projects during the Fifth Plan. The Committee would like Government to finalise the strategy without further delay as also review the location of the Rural Industries Projects for the Fifth Plan in the light thereof so as to make sure that these have the potentiality and would make the desired contribution in the developmental effort.</p>
43	2.75	<p>One of the historic lessons thrown up by industrialisation in the West is the problem of slums and unfortunately we have not been able to avoid them in the process of industrialisation particularly in our main industrial towns. There is already anxiety all over the world about the importance of environment and the necessity of keeping it clean in the broader interest of health</p>

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and well-being of the people. The Committee consider that Government should pay special attention to these environmental aspects while planning the rural industries district projects so that the ills and problems which are associated with industrialisation and slum conditions are avoided. The Committee suggest that Government should evolve with the help of the leading institutions of architectural and industrial planning, model layouts for rural industrial district projects which could be tried out on pilot basis and then extended to other areas. The Committee also suggests that adequate provisions should be made for low income group housing schemes in these areas.

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2.76

The Committee stress that Government should keep a close watch over these industrial units right from the inception to ensure that they do not suffer for want of raw materials, technical guidance, marketing facilities, finance etc. It is only if all these requisite facilities are made available in a systematic manner that the industrial units would be able to achieve their full production capacity at the earliest and thus contribute towards the development of the backward areas.

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2.78

The Committee feel that it may not be possible to set up large industries in all the backward areas in the country. The Committee would, however, like to point out that there are a large number of traditional industries which, while providing employment to the local people, have also earned a name for their products, not only in the domestic market but even in the international markets. The carpets of Jammu and Kashmir, Mirzapur and Arunachal Pradesh, the brassware of Moradabad and handloom fabrics of many parts of the country, have earned world

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wide reputation. It is, however, disheartening to note that traditional industries in the country are continuously on the decline, with the result that a large number of artisans in the rural areas are now migrating in search of clerical and unskilled jobs to large cities and metropolitan areas, thus creating more and more pressure on the urban areas, resulting in the proliferation of slums and social tensions. While the Committee note that the Khadi and Village Industries Commission and the State Boards for Industries have undertaken programmes for assisting the development of these traditional industries, the very fact that these industries have not come up in a big way, indicates that much more needs to be done for the development of these industries. The Committee therefore recommend that the Government should examine the matter in greater detail and find out the reasons why the traditional industries particularly in rural and backward areas in the country, are not being developed to the desired extent. The Committee recommend that suitable remedial measures in this regard should be taken by Government without delay.

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2.79

The Committee note that the Planning Commission envisages marked increase in the outlay on the development of handlooms, khadi and village industries and sericulture, coir industry and handicrafts during the Fifth Plan. In some of these sectors the outlay is being increased by as much as 3 to 4 times. The Committee cannot too strongly emphasise that Government and these organisations and agencies should take every care to see that the benefits in fact flow to the workers and that these are not allowed to be siphoned off at intermediate level. In this context they would like to stress the role that training centres can play in improving skill and craftsmanship so as to assist the artisans in

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adapting their age-old techniques and processes and designs to suit the present day taste of customers in the country and outside. It should also be ensured that the vital inputs required by craftsmen like yarn for handlooms or dyes for handicraft or cocoons for sericulture etc., become available to the workers and thus enhance their capability for production and contribute towards raising the *per capita* level of income.

47            2.80            The Committee note that the Khadi and Village Industries would be getting Rs. 185 crores in the Fifth Plan as compared to Rs. 101 crores in the Fourth Plan. Government should see that Khadi and Village Industries are fully geared to undertake this enhanced responsibility and that ~~they~~ implement suitable measures in the field to ensure that productive vocation is gained for larger number of under-employed and unemployed landless labour in the rural areas.

48            2.89            The Committee consider that the banks and other financial institutions have got pioneering role to play in filling up the credit gaps in the backward areas and should give lead in the matter of providing the much required finance for the development of backward areas. The Committee would like to point out that one of the main criticism against the banks of the country before nationalisation was that the activities of the banks remained confined to the metropolitan and urban centres only and the benefits of their advances were mainly reaped by the big industrial units. The Committee regret to note that even after nationalisation, the same complaint still persists and it has been represented that even the resources which are being collected by these nationalised banks from the backward areas, are being invested mostly in the developed areas only. While

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conceding that lack of banking facilities in the backward areas is a legacy of the past and the nationalised banks have taken considerable steps to set up branches in the backward areas, the Committee would like to point out that the steps taken in this direction so far, cannot be considered as sufficient. The Committee recommend that the financial institutions and nationalised banks should pay more attention to the backward areas in the country and should take steps to provide finances at concessional and liberalised terms to the backward areas so as to accelerate the pace of development of these areas. The Committee would like to point out that the Committee on Development of Small and Medium Entrepreneurs (Popularly known as Bhatt Committee) has recommended that the post construction and post implementation problems of the new entrepreneurs should be specially taken care of and that a cell should be created by the public financial institutions to sub-serve these needs. The Committee would like Government to take immediate action on this recommendation.

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2.96

The Committee are constrained to note that while representatives of the Planning Commission and Government are one in commending the establishment of a growth centre as a focal or nodal point for achieving maximum growth potential, there is no precise information available with the Centre, about the focal points already selected by some of the States, the criteria adopted in their selection or the precise progress made by them. The Committee cannot help pointing out that if the Government at the Centre felt convinced about this strategy of developing growth centres, the least that they could have done was to carry out a systematic review and analysis in depth of such focal points which had already been established in the States

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so as to evolve guidelines for other States. The Committee would like this to be done within the next three months so that meaningful guidelines could be framed by the Centre for guidance of all concerned. It is imperative that growth centres are selected most judiciously and the various input efforts, required to accelerate development and tap the growth potential are implemented systematically and in a co-ordinated and integrated manner in order to achieve the best results. The Committee would, however, like to add that this does not mean that present concessions granted in the 232 districts declared as backward should be withdrawn. The Committee would like to be informed of the concrete action taken by Government in pursuance of the above recommendation within three months.

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2.103

The Committee note that although the accelerated growth of backward areas has been accepted as one of our national objectives and all the Five Year Plans have emphasised the need for removal of regional imbalances, no separate funds specially earmarked for the development of backward areas, were provided in these Plans and it was only during the Fourth Plan that the principles governing the allocation of central assistance to states were changed under which 10 per cent of central assistance was set apart for States whose *per capita* incomes were lower than the national average. Even this assistance was not earmarked for the development of backward areas and the Government are not sure that this amount of assistance was actually spent for the development of backward areas. The Committee have a feeling that the assistance and funds, being allotted to states for development purposes, have been by and large spent in the comparatively developed regions and the backward areas continue to suffer by

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neglect. This apprehension is reinforced by the fact that in spite of massive investments made in the four Five Year Plans and three Annual Plans there has been no marked improvement in the condition of these areas, particularly in the backward states with the result that instead of these areas coming upto the economic level of the remaining parts of the country, the economic disparities between these areas and other areas, have widened. The Committee are of the opinion that if any appreciable impact is to be made in the development of backward areas, Government should allot a certain percentage of funds specifically for the development of backward areas and it should be ensured that the funds, so earmarked, are not diverted for developed areas.

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2.104

The Committee are glad to note that the draft Fifth Five Year Plan has made a specific provision of Rs. 500 crores for the Tribal and Hill Areas and that these funds would be earmarked and would not be allowed to be diverted for other purposes. The Committee recommend that similar measures should be taken for earmarking funds for the development of other backward areas also particularly for areas like Eastern U. P., Bundelkhand, Dandarkaranaya which are homogenous units and for which the Task Force/Study Teams have already recommended specific strategies for development.

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2.109

The Committee feel that as geographical and economic conditions in the different backward areas of the country are quite diverse, it is not possible to lay down any uniform pattern for development of these areas. Any plan drawn for the development of an area would have to pay special attention to the local conditions and potential for development as well as the removal of impediments which come in the way of accelerated development of the specific area.

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The Committee, therefore, recommend that for this purpose, detailed plans should be formulated for each backward district which should pay special attention to these factors and lay down specific and time-bound programme for the development of these districts. The Committee recommend that for formulating these district plans, District Planning Boards or Committees should be appointed, consisting of elected representatives of the people, the representatives of State Government and officials of the District Administration including technical personnel, which while formulating the district plans should also keep a constant watch on the implementation of the plan and monitor the progress made in the various spheres.

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2.110

The Committee regret to note that although local planning has been accepted as the main plank of the strategy for the development of backward areas in the Fifth Plan, only some of the States have set up District Planning Organisations and district plans have been prepared in respect of only a few districts. For example, in the States of Andhra Pradesh, Assam, Gujarat, Maharashtra and Orissa, district plans have been completed in respect of one district only in each of the States. It is only in Karnataka State that integrated district plans for all the districts have been prepared. This shows the casual way in which the work relating to the formulation of district plans is being undertaken by the various states. The Committee note that the Centre had introduced in 1972-73 a scheme of financial assistance for strengthening of planning capabilities of states and had suggested the setting up of a unit for dealing with district planning. The Committee recommend that the Planning Commission should impress upon the State Governments the imperative need for the



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formulation of district plans and render all possible assistance to them in this work.

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3.5

The Committee note that the Central Government have been extending since 1967-68 assistance at the rate of 60 per cent for developmental scheme for tribals falling in the State Sector while the expenditure on long term schemes such as Post-matric scholarships, Tribal Girls Hostels, Tribal Research and Training, Pre-examination Training, Tribal Development Blocks, Co-operation including forest co-operatives, was being met by the Central Government in full. The Committee find that the Study Team on Tribal Development Programme in their Report in 1969 have observed *inter alia* that in the absence of an evaluation machinery the States have not been able to assist the Team with their own assessment of the impact of the development programmes on the welfare of the tribals. The Committee are greatly concerned to find that Government should not have arranged either to collect the requisite data or to review critically the progress made so as to evaluate the impact made by these schemes on the welfare of the tribals and development of areas inhabited by them.

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3.26

The Committee are glad that at long last the Central Government have taken up the programme of six Pilot Projects for development of tribals located in the States of Andhra Pradesh, Madhya Pradesh, Orissa and Bihar. The scheme is comprehensive in scope and seeks to make an integrated approach through the establishment of Tribal Development Agencies headed by the District Collector. Though the scheme was first thought of in 1970, it got underway only in March, 1972. Government have taken a decision that it should continue for a full period of 5 years i.e. till March, 1977. A sum

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of Rs. 4.12 crores out of Rs. 4.60 crores sanctioned has been spent on these schemes till March, 1974. The Committee however, find that as against the objective of covering 50,000 participants or 10,000 tribal families, the benefit has so far reached the highest figure of only 19027 in one project area while it is as low as 4447 in an other project area. The Committee stress that a close watch should be kept on this aspect so as to ensure that maximum benefit flows to the largest number of participants. The Committee would like to be informed of the concrete measure being taken by Government to achieve this vital objective.

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3.27

The Committee find that Government have got examined the problems of tribals regarding credit and land restoration by two Committees, namely, Committee on Reorganisation of the Cooperative Credit Structure and Committee on Debt Redemption and Land Restoration. They have been informed that government have taken appropriate decision on their recommendations and communicated them to the State Governments for implementation with a view to afford necessary relief to the tribals from indebtedness and facilitate land restoration. The Committee cannot too strongly emphasize that one of the basic reasons for the continued exploitation of tribals is their being held for generations in indebtedness by money-lenders and other vested interests. It is, therefore, of utmost importance that the tribal should be made free from the burden of past debts and helped through cooperatives and other agencies to find necessary finance for essential basic requirements. It is equally important that land records are set straight so as to give clear and unambiguous title to the tribal to the land that he owns and free him from any coercion and

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		intimidation at the time of reaping the harvest or gathering fruits grown on his land.
57	3.28	The Committee cannot but express unhappiness that the scheme for Tribal Development Agencies should have been taken up as late as in the fourth year of the Fourth Five Year Plan and that no critical evaluation of the impact made by the Scheme should have been made before the conclusion of the Plan so as to derive appropriate lessons for execution of schemes and projects for tribal development in the Fifth Plan period. They would like the Committee on Bench Mark Survey and other agencies concerned to complete their study of the impact made by the Pilot Projects without further delay. The Committee have no doubt that in the light of these studies and critical appraisal of the field experience, Government would evolve a suitable policy for implementation of tribal development schemes including the grant of subsidies to them for agricultural inputs with a view to make for full participation of the tribals in the adoption of improved agricultural practices.
58	3.29	The Committee also suggest that Government should review the forest policy in so far as it affects the tribals and keeping in view the need for fostering and developing tribal forest co-operatives to save them from exploitation.
59	3.30	The Committee would like to be informed of the result of the aforementioned survey and studies and the action taken by Government on them with particular reference to the pilot projects under implementation and the new schemes being taken up during the Fifth Plan.
60	3.52	The Committee note that the new strategy for tribal development for the Fifth Plan aims

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at two types of programmes—one programme for regions where there is tribal concentration to the extent 50 per cent of the population and another programme for areas of dispersed tribal population. In the regions of tribal concentration, area development approach has to be adopted keeping focus on the problems of the tribal people. A sub-plan has to be drawn up for these areas which may present an integrated view of their problems. Guidelines to the State for the preparation of tribal sub-Plans were issued in December, 1973. The Committee are informed that so far only 9 States have submitted their sub-Plans. Government have had experience of more than 20 years in undertaking development schemes for tribals and they should have evolved the strategy and approach for tribal development well before the commencement of the Fifth Plan so that no time was lost in launching the schemes meant for implementation during the Fifth Plan period. The Committee would like the Central|State departments|agencies concerned and the Planning Commission to finalise these sub-Plans before the end of the current financial year so that these could be implemented at least from the second year of the Fifth Plan period.

In drawing up the sub-Plans, the Committee have no doubt that Government will ensure that the peoples representatives are fully and actively associated.

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3.54

Since the problems and needs of the tribal areas are more or less common, the Committee recommend that the Planning Commission may themselves formulate certain typical projects on "onshelf" basis and commend them to the States for adoption with such modifications as may suit local condition. This would cut out delays in formulation and subsequent scrutiny of Projects.

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62            3.55            The Committee recommend that Government should keep a contemporaneous watch on the execution of these sub-Plans and Projects so as to take timely remedial action and in particular see that the administrative expenditure is **kept to the minimum** and no case allowed to exceed the prescribed percentage and that money is not diverted to projects outside the sub-Plan for tribal development.

The Committee would like to reiterate that the essence of the matter is to free the tribal from the clutches of indebtedness, enable him to have full fruit of his labour in the field and equip him with vocational education which will make him a better agriculturist and artisan.

63            3.57            The Committee feel that for the development of horticulture in tribal and hill areas it would be better if arrangements are made for supplying of saplings of fruit trees which can be grown there, to the local population.

64            3.58            The Committee would stress that the most important step required for the betterment of tribals, is to save them from exploitation which is rampant in these areas. Government should therefore give first priority to the removal of exploitation of the tribals. They consider that it would go a long way in enabling the tribals to stand on their own feet and free them from exploitation if suitable marketing facilities are provided to them whereby they can sell their produce and purchase essential commodities like kerosene, standard cloth and other essential commodities at fair prices. It should also be ensured that the level of literacy in these areas which is very low should be brought at least to the general level of literacy in the State as a whole.

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65	3.59	The Committee further recommended that decisions on the recommendations made by the Sub-Committee appointed by the central prohibition committee regarding the tribals be taken as early as possible.
66	3.60	The Committee would like to draw pointed attention to the potential of using Radio as a means of imparting knowledge and useful information to the tribals. They suggest that Government should have adequate arrangements for broadcasting and community listening in these areas.
67	3.61	The Committee further recommend that salient features of the various schemes and programmes, being taken up for execution in the tribal areas, should be made known to them orally in their own dialect so that they derive the maximum benefit from them.
68	3.62	The Committee recommended that the tribal areas should be brought within the scope of the electrification programme for rural and backward areas.
69	3.63	The Committee need hardly emphasise that importance of posting to the tribal areas for implementation of the various development programmes, persons having first hand knowledge of the tribal problems who are of proved worth, honesty and dedication. Such persons should be given suitable incentives and awards for meritorious work done in the field of tribal development. The Committee would at the same time, suggest the energising of the existing anti-corruption and vigilance machinery in the tribal areas to prevent corrupt practices and exploitation which may have developed in the process of implementation of the development programmes.

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70            3.64            The Committee recommended that the Planning Commission should have a comprehensive plan prepared for tribal development and arrange to lay it on the Table of the House so that it can be discussed fully by the Peoples representatives particularly those who come from these areas and have been taking consistent interest in tribal development and welfare. They also recommend that the progress made in the implementation of the tribal sub-Plans should be mentioned in detail in the annual plan reviews.

71            4.12            The Committee note that the preparation of integrated plans in some of the hill areas was taken up during the Fourth Plan period and that certain guidelines were also issued by the Planning Commission to the State Governments for the formulation of such plans in the fields of agriculture, food and Soil Conservation, roads, agro-industries, animal husbandry, education and health etc.

The Committee are concerned to note that it has not been possible to assess the results achieved as a result of the various programmes taken up for the development of hill areas. The Committee are unable to appreciate the plea that the results in respect of the projects could not be assessed because the accrual of the Central assistance to these areas was not tied up to any scheme or project.

The Committee are surprised that even though subsidies have been allowed by Government ranging from 25 per cent to 50 per cent and also 90 per cent of grant and 10 per cent loan was given to the States of Assam, Jammu and Kashmir and Nagaland and 50 per cent grant and 50 per cent loan was given to the States of Tamil Nadu and Uttar Pradesh for the development of these areas, no effective machinery was

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devised in coordination with the recipient States for evaluating the results of the investments made. The Committee feel that the desired results cannot be achieved unless there is close and effective coordination between the various agencies concerned not only in the formulation of programmes/schemes but also in their implementation. The committee would urge that effective arrangements should be made by Government to monitor the progress of the schemes and evaluate the results achieved, so that weaknesses in the process of implementation are identified in time and steps to accelerate the pace of development taken wherever and whenever required.

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4.15

The Committee note that the Government of West Bengal did not claim any assistance on this pattern for its hill areas during the 4th Plan.

The Committee would like to know the specific achievements and in the fields of Agriculture, Irrigation and Communication as against the targets laid down during the Fourth Plan, reasons for the shortfall, if any, in the targets and the programmes proposed to be taken up during the Fifth Plan period for securing accelerated development of hill areas.

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4.17

The Committee would like to be apprised of the achievements made in other fields such as Education, Animal Husbandry, Forest and Soil Conservation and Health etc., and the programmes proposed to be taken up during the Fifth Plan.

The Committee find that while broad outlines of the development to be achieved in the Fourth Plan in hill areas was outlined, the Centre does not appear to have carried out any systematic review at the end of the each year to see whether the financial outlays were being appropriately distributed over various sectoral activities.



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The Committee also find the Government do not have any precise information about the progress made in the implementation of the schemes like intensive agricultural development programmes, designing and testing of improved implements suitable to hill areas etc.

74            4.20            The Committee are deeply concerned to find that Government have neither finalised strategy nor the schemes for implementation in the hill areas during the Fifth Plan. This may well be due to the fact that Government have not initially evaluated the progress made in the implementation of various schemes taken up during the Fourth Plan. The Committee would like to stress that this should be done without further delay and strategy for the development of hill areas announced and the specific schemes for implementation in these areas identified in consultation with the State Government concerned.

75            4.21            The Committee desire that Government/ Planning Commission should review the schemes already in operation so as to take necessary remedial measures and to modify them in the light of the experience gained for the implementation during the Fifth Plan period.

76            4.22            The Committee further desire that a time bound programme for the development of hill areas during the Fifth Plan period should be drawn up in respect of the various fields of development and concerted efforts should be made to ensure that these programmes/schemes are implemented according to schedule.

77            4.23            The Committee note that the pattern of Central subsidy and assistance, as also the question of making additional allocation of central funds for the execution of the integrated area development plans to hill areas during the Fifth Plan are under consideration. In the

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		opinion of the Committee this should have been completed and announced before commencement of Fifth Plan. The Committee would like to be apprised of the decision taken in this regard.
78	4.24	The Committee note that comprehensive integrated sub-plans are being prepared for which special supplementary assistance has been set apart in the Fifth Plan. The Committee would like to emphasise the desirability of the formulation and finalisation of these sub-plans expeditiously in consultation with the people of the areas concerned to that the implementation of these plans is taken up in time to achieve the maximum results during the plan period.
79	4.39	<p>The Committee are concerned to note that as much as 19 per cent of the total area of the country and 12 per cent of the population are prone to droughts. They further note that Drought Prone Areas Programme was initiated by Government in 1970-71 as a non-Plan central sector scheme with an outlay of Rs. 100 crores and that certain guidelines had been issued to the State Governments for the formulation of the master plans for these areas.</p> <p>The Task Force on Integrated Rural Development in their Report has stated that 4 States viz., Rajasthan, Andhra Pradesh, Gujarat and Karnataka have very large drought prone areas, compared to other States. In Rajasthan 56 per cent of the geographical area and 33 per cent of the population, in Andhra Pradesh, 33 per cent of the geographical area and 32 per cent of the population, in Gujarat 29 per cent of the geographical area and 18 per cent of the population and in Karnataka 25 per cent of the geographical area and 22 per cent of the population are within the ambit of drought prone areas. From the details of the annual expenditure incurred</p>

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by the State Governments on D.P.A.P., the Committee note that a total expenditure of about Rs. 91.30 crores has been incurred by 13 States during the last four years while the expenditure in the 4 States of Rajasthan, Andhra Pradesh, Gujarat and Karnataka has been of the order of Rs. 10.97 crores, Rs. 10.43 crores and Rs. 7.43 crores respectively. The Committee are not aware of the manner in which allocation of the outlay of Rs. 100 crores was made to the various States for the implementation of their drought prone area programmes. It was expected that most of the outlays on this programme should have gone to the States which have very large drought prone areas. The Committee feel that the allocations for drought prone area programmes should be made with reference to the area involved and population affected in each State. The Committee would like Government to review their system of allocation of these resources so as to ensure that maximum benefits are derived by the States which have large chronically drought prone areas.

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4.41

The Committee note that drought prone area programme covers minor and lift irrigation, soil conservation, afforestation, roads and drinking water supply. They find that while some progress has been made under minor irrigation, soil conservation and afforestation, the progress under roads and drinking water supply is very unsatisfactory. In fact, except Andhra Pradesh and Gujarat no other State appears to have undertaken any scheme for drinking water supply at all. The Committee need hardly stress that in the implementation of the drought prone areas programme, greater emphasis should be laid on the provision of minor irrigation including lift irrigation and drinking water supply to these areas. The Committee urge that specific sectoral allotments for

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**the various schemes should be made by Government after ascertaining potentialities thereof in each State and the progress in their implementation watched.**

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4.42

The Committee are in agreement with the Irrigation Commission that there is need for a quick and early hydrological survey of the drought prone areas which have either remained unsurveyed or have been partly surveyed, for undertaking investigations for irrigation resources from surface and ground water.

The Committee attach the greatest importance to ground water survey, for more than 80 per cent of our population is dependent on agriculture and this can be given a fillip, particularly in the backward areas if water for irrigation becomes available on an assured basis. One of the main reasons for the spectacular progress made in Punjab, Haryana, Western U.P., Tamil Nadu, Andhra Pradesh etc., in the matter of agriculture is due to the tapping of underground water resources. The Committee are, therefore, greatly perturbed to note that Government has so far been able to complete its survey of only 1.2 million sq. k.m. out of a total 3 m. sq. k.m. of mappable area. The Committee recommend that priority should be given to the survey of backward areas, particularly those which are known to have underground water potential. The Committee would also like that concerted efforts should be made to locate ground water supply in areas which are prone to drought year after year so that positive measures could be taken to reverse the cycle of droughts by exploiting the underground water resources. The Committee recommend that this matter should be reviewed at the highest level and an integrated and well-coordinated programme of surveys should be prepared. It is also necessary that the execution of projects for tapping the under-

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ground water is taken up as a national effort with the help and cooperation of Central and State Governments as also all other agencies concerned.

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4.44

The Committee further suggest that with the help of Agricultural Research Institutes at the Centre and the States, Government should evolve agricultural technology, farm practices and seeds etc., suited to the drought prone areas and ensure their easy availability to the farmers so as to make these areas more and more productive. Another area which requires concerted measures pertains to the development of subsidiary occupations for the farmers and landless labour in these areas so that they can have supplementary source of income to save them from the scourge of hunger and scarcity. Traditional occupations like sheep breeding could be supplemented by development of animal husbandry, handicrafts etc., in these areas.

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4.45

The Committee would like Government to examine the above suggestions in all aspects and evolve an integrated approach to fight the endemic problems of scarcity prevailing in these areas. The Committee would like to be informed within 6 months of the concrete action taken in this behalf. They further recommend that suitable information in this regard should be specifically included in the Administrative Reports of the Ministry of Agriculture and Planning Commission and the progress made reported to Parliament every year..

The Committee need hardly stress that the success of the schemes in this behalf would be judged by the impact that they make on the areas and population which are at present drought prone and which are made self-reliant and in fact contributors to development.

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84	4.58	<p>The Committee note that a detailed soil survey of the Bundelkhand region as suggested by the Study Group of the Planning Commission is proposed to be initiated after the Fifth Plan proposals are sanctioned and staff appointed.</p> <p>The Committee desire that concerted efforts should be made to finalise the 5th Plan proposals expeditiously so that the work in connection with the soil survey is initiated without much delay and completed within the stipulated period.</p>
85	4.60	<p>The Committee note that an indent for the supply of aerial photographs of 1 : 6000 scale to be used as base maps for reconnaissance soil survey has been processed by the Survey of India and is with the Ministry of Defence for security clearance. The Committee would like to be apprised of the decision taken in the matter by the authorities concerned.</p>
86	4.61	<p>The Committee would also like to be apprised of the action taken by the State Governments of Uttar Pradesh and Madhya Pradesh on the suggestions made by the Study Group with regard to the development of animal husbandry in Bundelkhand.</p>
87	4.62	<p>The Committee are unhappy to note that the Study Group appointed by the Planning Commission on Irrigation Potential has not submitted its report so far though the Group was set up sometime in December, 1972. The formulation of integrated plan and successful implementation of any agricultural programme of an area and its distribution to a larger population depends on the irrigation potential of that area. The Committee need hardly stress the urgency and importance of the completion of such a survey in the interest of the rapid development of the region.</p>

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		<p>The Committee therefore desire that concerted efforts should be made to finalise the report without further delay so that the development of the irrigation potential in Bundelkhand is taken up without any loss of time. The Committee would like to be apprised of the findings of the Study Group and the action proposed to be taken thereon.</p>
88	4.64	<p>The Committee would also like to be apprised of the progress made with regard to Rajghat project, the work on which is proposed to be carried out by the Control Board under the Chairmanship of the Union Minister of Irrigation and Power, with the Chief Ministers and concerned Ministers of both the States of Uttar Pradesh and Madhya Pradesh as Members. The Committee hope that a time bound programme would be drawn up for the completion of the project and that efforts would be made to complete it according to schedule.</p>
89	4.65	<p>The Committee desire that the investigations in respect of Upper Ganga should be completed expeditiously and necessary assistance should be extended by the Centre for its early completion. The Committee would like to be apprised of the progress made in this regard.</p>
90	4.66	<p>The Committee would further like the Government to impress upon the authorities concerned for speedier finalisation of the report in respect of Urmil Dam and a time bound programme drawn up for the completion of the project within the stipulated period.</p>
91	4.67	<p>The Committee note that an agreement has been reached between the States of Uttar Pradesh and Madhya Pradesh in respect of Jamni Project and Lalitpur Dam. The Committee would urge that effective measures should be taken to complete these projects as per time bound programme.</p>

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92	4.68	<p>The Committee hope that the overall plan for the sub-basins of Betwa, Ken and Sindh rivers which drain Bundelkhand region, would be prepared by the State Governments concerned expeditiously. The Committee, however, desire the Planning Commission to maintain close coordination with the concerned State Governments to ensure speedy finalisation of the various programmes/schemes and their execution in the interest of the development of Bundelkhand region.</p>
93	4.72	<p>The Committee note that concerned at the backwardness of Eastern U.P., the Planning Commission and Government of India had taken initiative as early as 1962 to have a study made of the problems afflicting this heavily congested part of the country and to outline the potentialities and measures for its development. The Study Team submitted its report in 1964. The Committee find from the action taken note, received from the Government, that there has been an increase of only 11.4 per cent in agricultural production over 1960-61. The Committee consider this achievement to be unimpressive in the context of the Green Revolution which resulted in marked increase in agricultural production in other parts of the country, particularly in Western U.P., Haryana and Punjab. As Eastern U.P. has got fertile soil and potential overground and underground water resources there is no reason why it should not be possible, through concerted measures, to achieve increase in the agricultural production in this area comparable to that of Western U.P., etc. The Committee therefore, stress that a package programme of inputs, including development of irrigation and water resources, seeds suited to the climate and the soil, fertilisers and pesticides, should be made available to this area in the interest of achieving greater increase in agricultural production.</p>

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94	4.73	<p>The Committee are greatly disappointed to note that not much progress has been made in the matter of industrial development on the ground that power and other incentives like relaxation in sales tax etc. were not available. The Committee see no reason why in all these 10 years, Government could not take suitable action to see that power became available in this area and paper mills, chemical industries cotton mills, sugar mills and the distilleries came to be established, as envisaged in the Study Team Report.</p> <p>The Committee are greatly disappointed that no work has admittedly been done in the matter of establishing machine tool and other ancillary industries which were to be taken up in the Central sector. The Committee stress that <b>Government</b> should review at the highest level, the reasons for this continued lack in the establishment of industries in the Eastern U.P. in all these ten years and take concrete measures to ensure that this long neglected area which is heavily populated, gets its due share in the matter of establishment of industries.</p> <p>The Committee would like to be furnished with a detailed note within six months setting out the concrete action taken in pursuance of the above recommendations.</p>
95	4.80	<p>The Committee are concerned to note that the Task Force on Dandakaranya set up by the Planning Commission as far back as June, 1972 is still in the process of finalising its report.</p> <p>The Committee are surprised to note that at the time of setting up the Task Force, no time limit was laid down for the submission of its report. This, in the opinion of the Committee reflects the casual manner in which the deve-</p>

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lopment of Dandakaranya has been dealt with by the authorities concerned.

The Committee desire the Planning Commission to take effective steps towards finalisation of the report by the Task Force without further loss of time.

The Committee also desire to be apprised of the suggestions made by the Task Force and the action proposed to be taken by Government thereon.

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4.85

The Committee regret to note that even after 27 years of Independence, persons engaged in unclean occupations viz., sweepers and scavengers continue to live in the most unhygienic, insanitary and neglected conditions and the abominable practice of carrying night soil as head load is still allowed to continue in the country. Although a scheme was initiated as far back as 1957-58 for giving grants in aid to the State Governments for supply of wheelbarrows handcarts and other accessories to scavengers, no visible progress has been made in the eradication of this evil practice and as admitted by Government the scheme of improving the working conditions of those engaged in unclean occupations, has yet to make the desired impact. The Committee consider that since this scheme will now be implemented as a Centrally sponsored scheme and the entire financial assistance for its programme will be provided by the Centre, it should not be difficult for Government to ensure that it is actually implemented in letter and spirit. The Committee would like Government to formulate a time bound programme for the eradication of this practice. They suggest that a total ban on carrying night soil as head load, by the end of the Fifth Plan, should be imposed by Government through suitable legislation. The Committee fur-

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they recommend that Government should announce their intention in this behalf immediately so that necessary action to provide alternative means of carrying night soil by wheel-barrows etc., is completed by the concerned authorities in the meantime.

- 97            4.86            The Committee further consider that it is imperative that the living conditions of scavengers who are the neglected sections of the community, should be improved. The Committee suggest that Government should provide houses, with modern amenities like water, electricity and improved sanitation, to this section of the community as per a time bound programme, by earmarking specific funds for the purpose so as to create a visible improvement in their conditions of living. The ownership of these houses should not be dependent on the sweepers continuing in the service of the municipality, but should become their property.
- 98            4.87            The Committee further desire that the progress made in the implementation of the above schemes should be included in the Annual Report of the Ministry concerned for the information of Parliament.
- 99            5.6            The Committee note that the present responsibility of the Planning Commission in the Development of Backward Areas is to evolve policies and programmes, to provide guidelines to the State Governments in the matter of identification of these areas and to set up Task Force Committees for the preparation of integrated plans. The Committee also note that the responsibilities of the Central Ministries are confined only to examine the technical details of the programmes|Schemes for the development of backward areas and that the responsibility for their development is essentially that of the State Government concerned.

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The Committee are strongly of the view that with the present divided responsibilities for the development of backward areas the desired results cannot be achieved and the requisite impact made unless there is proper and effective coordination between the various agencies both at the Central and State levels which is of utmost importance for the implementation of the various schemes|programmes for the development of such areas.

The Committee have no doubt that with the overlapping of responsibilities due to multiplicity of agencies and lack of coordination at various levels, the programmes|schemes for the development of backward areas not only get unduly delayed, but their costs also get inflated.

The Committee, therefore, desire that suitable machinery for proper and effective coordination of the various schemes|programmes for the development of backward areas in the various fields, should be evolved so that an integrated view is taken in the formulation of these schemes|programmes and the progress made in their execution is closely watched and reviewed to facilitate timely remedial action in the interest of speedier implementation of the plans.

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5.16

The Committee consider that one of the main reasons why there has been no marked development in the backward areas, has been that posting of personnel to these areas is generally considered as a penal measure and the officers who are not considered upto the mark, are ordinarily posted to these areas. The result is that they take little interest in the development of these areas. Moreover, a number of posts in these backward areas remain vacant and there are frequent transfers of officers posted to these areas. The Committee would like to stress that

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apart from the schemes and plans, it is personnel, entrusted with the work of executing these schemes, which matter most. The studies brought out by the Indian Institute of Public Administration have clearly shown how two different officers, entrusted with the work of a Tribal Development Corporation, were able to produce quite different results. It is only the officers with drive and vigour and a keen interest in the development work, who can produce the desired results and make a marked change in the life of people residing in these areas. The Committee stress that in the interest of bringing about rapid development of these areas, Government should review critically the existing personnel policies and practice in respect of these backward areas and post the best and most efficient officers, with about 7 to 10 years' service, to these areas. They should be assigned specific tasks, the performance of which should be taken special note of, for future promotions.

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5.17

The Committee note that one of the reasons why officers are not willing to work in backward areas, is the lack of educational, medical and communication facilities. The Working Group on Personnel Policies for Tribal Areas has already recommended various monetary and other incentives for the persons working in tribal and backward areas so as to compensate them for the lack of facilities in these areas. The Committee recommend that the Central and the State Governments should work out a scheme of attractive incentives for the persons posted to work in backward areas such as additional increments so as to induce, the best among them, to go to these areas. Work in these areas should be given special recognition so that persons concerned are imbued with a sense of achievement and pride. Moreover, persons posted

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to these backward areas should not be transferred frequently and they should be allowed to work for a minimum period of 4 to 5 years so that they may become fully acquainted with the problems of these areas and are able to successfully implement the development schemes. The Committee consider that it should be obligatory for every officer to work for a minimum period of five years in one of the backward areas during the first 15 years of his service. The Committee would like to be informed within three months of presentation of the Report concrete action taken in pursuance of the above recommendation.

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5.23

The Committee note that a study of the levels of development in different parts of the country was carried out and published by the Programme Evaluation Organisation of the Planning Commission in 1967 and since then no such evaluation has been carried out.

The Committee consider it most unfortunate that the responsibility of monitoring and evaluation of the schemes envisaged for the development of backward areas in the Fourth Five Year Plan was not placed on any Central agency. No wonder that there is lack of precise information available about the impact or otherwise of the various schemes on the development of the backward areas in the Fourth Plan. The Committee consider that Government should without further delay nominate an agency at the Centre as also at the State level to monitor the execution of the schemes and suggest corrective remedial measures in the interest of proper and speedy implementation of the development projects in the backward areas.

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5.25

The Committee feel that the Programme Evaluation Organisation of the Planning Commission which has experience of more than a decade in evaluating projects should be asked to take up immediately the evaluation of the specified developmental schemes already implemented or in the course of implementation for backward areas so as to evolve the best methodology which could be followed for implementation in the Fifth Plan. The Committee would like to be informed of the concrete action taken by Government in this behalf within three months of the presentation of the Report.

The Committee would like to emphasise that it is not the formulation of the plans or schemes but their actual implementation with real zeal and vigour which really matters in the final analysis. It is in this context that importance of the monitoring and evaluation of the schemes for the development of backward areas has to be realised. The Committee would like to emphasise that monitoring of the results achieved in the field of developmental programmes for backward areas, should be done in right earnest so as to take timely remedial measures and modify or make changes, as necessary, in the schemes to ensure that the benefit in fact flows to the weaker sections of the society and backward areas as intended.

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## APPENDIX VIII

*Analysis of Recommendations contained in the Report.*

### **Classification of recommendations**

**A. Recommendations for improving the organisation and working:**

13, 17, 21, 22, 24, 25, 26, 29, 31, 35, 37, 38, 39, 40, 44, 48, 49, 52, 69, 71, 99, 100, 101, 102.

**B. Recommendations for affecting economy :**

62.

**C. Miscellaneous Recommendations:**

1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 18, 19, 20, 23, 27, 28, 30, 32, 33, 34, 35, 41, 42, 43, 45, 46, 47, 50, 51, 53, 54, 55, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 70, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 103.