

CHAPTER - 6

An Evaluation of the Rural Development under Planning in Saharsa District

6.0 Introduction

This chapter examines the issues of Rural Development Programmes under plan period. A number of studies addressed these issues and identified the relationships. The relationship is very complex and it varied from region to region. Accordingly, the development programmes implemented in the State are being restructured / reconceptualised to achieve sustainable development. In this context, it has been realised to examine the impact of the programmes on rural environment and rural households. Poverty is a complex phenomenon. It manifests itself in myriad ways. The poor not only suffer from low income and high unemployment, but also low life expectancy, low levels of literacy and poor health. Rural poverty is even more complex as it is reinforced by social factors. Social and economic factors operate differently in different regions. Specific targeted anti-

poverty programmes started in right earnest were taken up in the Sixth Plan. The poverty alleviation efforts in India have adopted a multi-pronged approach to alleviate poverty at individual level through programmes of direct attack on poverty. Area development programmes introduced at community and regional level for enabling the poor and enhancing opportunities for the poor in rural areas. To address the compelling needs of time, the existing programmes have been revamped and restructured to make them more people friendly and trigger the bottom-up initiatives.

After attaining independence, the main concern of the Planners was to pay adequate attention to the rural development sector. Thus in 1950, the Planning Commission was set up in order to prepare the development plan of the country and several Five Year Plans were formulated for the most effective and planned utilisation of the country's resources. Beginning with the First Five Year Plan in 1951, we are now passing through the XII Five Year Plan. During this period, several changes have taken place in the policy framework of rural development.

In the beginning of our development planning, it was sought to initiate a process of all-round balanced development to ensure a rising national income and a steady improvement in living standards of the people over a period. The aim was not merely to plan with the socio-economic framework but change it progressively through democratic methods. It was to be achieved through full participation of the people. The consecutive Five Year Plans and their major development are briefly described below:

6.1. The First Five Year Plan (1951-56)

When India attained freedom, it presented a picture of poverty, malnutrition, poor standards of public health and mass illiteracy. This was the background against which the First Five Year Plan was formulated and there was a resolve to reconstruct the country socially and economically. Since majority of the population lived in rural villages, special attention was given to rural development programmes in the First Plan itself. The programme had a two-fold objective to correct the disequilibrium in economy caused by the Second World War and partition of the country and also to initiate simultaneously a process of all-round balanced development. The First Plan emphasised that the central objective of planning in India is to raise the standard of living of the people and to open out to them opportunities for a richer and more varied life. For achieving the desired changes in the social and economic life of the rural areas, a comprehensive programme known as Community Development Programme was launched through which emphasis was given to the development of agriculture, irrigation, power, transport, communication, education, health and employment.

The Second Five Year Plan extended the community development activities all over the country with the inception of Panchayati Raj in 1959. The main objectives of the Plan were:

- i. An increase of 25% in the national income,
- ii. Rapid industrialisation with particular emphasis on the development of basic and heavy industries,

- iii. Large expansion of employment opportunities, and
 - iv. Reduction of inequalities in income, wealth and more even Distribution.'
- The Khadi and Village Industries Programme, Village Housing Projects Scheme, Tribal Area Development Programme, Package Programme, Intensive Agricultural District Programme were the major programmes of rural reconstruction during this Plan Period.

6.2 The Intensive Agricultural District Programme

The intensive Agricultural District Programme (IADP) was introduced in 1962 with all the essential elements for increasing production to the extent needed, such as supply of fertilizers, pesticides, improved seeds and implements and composite scientific demonstrations. More liberal credit and agricultural extension were also provided under this programme. The objectives of IADP were:

- i. To emphasise the necessity for government policies that could provide farmers incentives, assure needed inputs such as fertilisers, improved seed varieties, essential financial resources and competent staff to the betterment of the programme,
- ii. To put together a package of practices with the resources and competence of all cultivators that were to be field-tested and adopted to farm conditions and then recommended through extension workers for the farmer's adoption,
- iii. To transform existing or create new institution-oriented to and capable of providing all the cultivators with the services and inputs related to the recommended package of practices,

iv. To provide markets that were farmer-oriented and trustworthy.'

6.3 The Third Five Year Plan (1961-66)

The Third Five Year Plan laid emphasis on reduction in poverty and promotion of economic prosperity by way of self-employment. During this period, the Planning Commission initiating the process of involving the States in Plan preparation. The States were asked to compile data in respect of their developmental performance, priorities, resource position and suggest the ways for minimising the gap between the developed and underdeveloped regions. All these plans thus emerged were intended to be suitable to the geography, climate, traditions and customs of the concerned States.

The important rural development programmes during this period were:

Applied Nutrition Programme, The Rural Industries Projects, Intensive Agricultural Area Programme, High Yielding Variety Programme, Rural Works Programme, Tribal Development Block Programme etc.

6.4. Panchayati Raj

The formation and introduction of Panchayati Raj system is a major development during this Five Year Plan period. Panchayati Raj is an important feature of the Indian political system which ensures the direct participation of people at the grassroots level. Though Panchayats have been in existence in India since ancient times, they suffered a set back during the British rule. After independence the framers of the Constitution decided to give them importance and directed the States to organise Village Panchayats as units of rural self-government. Accordingly in 1956, the

National Development Council appointed Balwant Kai Mehta Committee to suggest measures for the better working of the community development and National Extension Service. The Committee submitted its report in 1957, in which it recommended:

- i. the formation of a hierarchic three-tier system of rural local government to be called Panchayati Raj. The three tiers are the Grama Panchayat at Village level, the Panchayat Samiti at intermediate level and the Zila Parishad at District level
- ii. genuine transfer of power and responsibility to these institutions,
- iii. adequate resources to all bodies to enable them to discharge their responsibilities,
- iv. that all social and economic development programmes be channelled through these agencies,
- v. that the system be evolved to effect further dissolution and dispersal of power.

6.5. The Interim Plan Period (1966-69)

The mid-sixties were also years of severe drought so that the Country had to settle for Annual Action Plan for three years (1966-69) The adverse economic situation in the Country occasioned largely by the severe drought of 1966 and 1967 made the Government declare a 'Plan Holiday' and in the place of the Five Year Plan, India had three annual plans for 1966-'67, 1967-'68 and 1968-'69. Also the sixties witnessed the Green Revolution consequent to the introduction of new chemical fertilisers and high yielding seed varieties.

6.6. The Fourth Five Year Plan (1969-74)

Growth with Stability' was the main objective of this Plan. The Plan expected to increase the national income at the rate of 5.5 per annum through the growth of agriculture and industries. The Crash Scheme for Rural Employment, Drought Prone Area Programme, Small Farmers Development Agency, Tribal Area Development Agency, Pilot Intensive Rural Employment Programme, Minimum Needs Programme and Command Area Development Programme were the major rural development programmes during this period. All these programmes helped to accelerate the overall development of the country but their contribution to reduce the rural poverty or to generate employment was not much.

6.7. The Drought Prone Area programme

The Drought Prone Area Programme (DPAP) is an area development programme, Initiated in 1970 to mitigate the severe scarcity conditions in the selected chronically drought affected areas in the country. The main objectives of the programme were:

1. Restoration of ecological balance,
2. Development and management of irrigation resources,
3. Soil and moisture conservation and afforestation,
4. Restoring of cropping pattern and pasture development,
5. Changes in agronomic practices,
6. Livestock development,
7. Provision of drinking water supply, and
8. Development of small and marginal farmers and agricultural labourers.

6.8. The Crash Scheme for Rural Employment

The Crash Scheme for Rural Employment (CSRE) was launched during the IV Five Year Plan period. This is a centrally sponsored scheme initiated in 1971 to provide employment to at least 1000 persons in each of the selected Districts for a period of 10 months in a year.

The job was based on various labour intensive rural works such as minor immigration, soil conservation, afforestation, link roads etc. Assuming 25 working days in a month, the scheme is expected to generate 2.19 lakhs man-days of employment in every district. The State Governments have been maintaining this tempo and it is expected that the achievements would reach a still higher level of performance during the current year with a view to offer suitable manual work to every person in the age-group of 15 to 59. This will take care of the employment requirements of workers for varying periods.

6.9. Pilot Intensive Rural Employment Project

The Pilot Intensive Rural Employment Programme (PIREP) was an adhoc scheme and as such could not result in stable gainful employment in the real sense of the term. Subsequently in 1972, a central sector scheme the Pilot Intensive Rural Employment Project (PIREP) was started and implemented in areas having different socio-economic conditions on a pilot basis."

The main objective of PIREP is to ascertain the dimension of the problem of rural unemployment and underemployment and to identify systems through which this unemployed and under-employed labour force can be put to best possible use in socio-economic terms.

6.10 The SFDA and MFALDA

The Small Farmers Development Agency (SFDA) and the Marginal Farmers and Agricultural Labourers Development Agency (MFALDA) were introduced in the Fourth Five Year Plan to improve the economic conditions of small and marginal farmers and agricultural labourers by assisting them to raise their agricultural output through adoption of:

- i. agricultural inputs including agriculture implements,
- ii. development of minor irrigation i.e. dug wells, pump sets, tube wells, community irrigation works both ground water and surface water projects, and
- iii. subsidiary occupation schemes such as animal husbandry, dairy, sheep and goat rearing, poultry and piggery,

The main objectives of SFDA was to assist potentially viable small farmers to become surplus producers . Thus the major responsibilities were.

- i. to help the small farmers by organising and arranging services and supplies (the services including customs service with regard to matches, implements and similar requirements and supplies includes improved seed, fertilizers and pesticides) required by them,
- ii. to arrange irrigation from the most practicable sources,
- iii. to assist them in securing loan facilities from co-operative banks and other credit institutions,
- iv. to arrange facilities such as storing, transporting, processing and marketing their produce,

v. to attain income through animal husbandry (dairying, poultry, piggery etc.) and even agro-based industries.

The MFAL programme focused on marginal farmers and agricultural labourers and the major responsibilities were:

- i. to identify the eligible marginal farmers and agricultural labourers,
- ii. to investigate their problems and formulate economic programmes for providing gainful employment to them,
- iii. to promote rural industries and evolve adequate institutional, financial and administrative arrangements for implementing various programmes,
- iv. to promote the creation of common facilities for the production, processing, storage and marketing of products, and
- v. to evaluate the programme from time to time.

6.11. The Tribal Area Development Programme

The Tribal Area Development Programme (TADP) started in 1970-71 with 8 pilot projects in selected tribal areas in Andhra Pradesh, Bihar (one each) Madhya Pradesh and Orissa (two each) were implemented through the Department of Rural Development.

The programme has the objective of bringing tribal areas in the mainstream of economic development of the country through programmes in the fields of agriculture, animal husbandry, land development, minor irrigation and cooperatives are being intensified. These are supplemented by the programme of construction of link roads in these areas.

The basic approach of these projects is to identify a core programme of economic development and to put through social services in the shape of

drinking water facilities, education and health to bring about an all-round development.

6.12. The Minimum Needs Programme

The Minimum Needs Programme (MNP) introduced in 1974, during the Fourth Five Year Plan was to raise the standard of living of people below the poverty line.

The objectives of the programme include:

- i. The provision of elementary education for children up to the age of 14,
- ii. Providing availability of public health facilities which would include preventive medicines, family planning, nutrition and the detection of early mortality and adequate arrangements for referring serious cases to appropriate higher authority,
- iii. Supplying purified water to the needed villages suffering from scarcity or having unsafe sources of water,
- iv. Provision of roads for the needed villages,
- v. Provision of house sites for landless rural households,
- . The environmental improvement of urban slums, and provision of rural electrification.

The Minimum Needs Programme was revised in the Sixth Five Year Plan with a larger outlay and also with an additional programmes of adult education.

6.13. The Fifth Five Year Plan (1974-79)

The draft Fifth Plan proposed to strengthen and concretise the target group oriented programmes started during the Fourth Plan period. During the Fifth

Plan, emphasis was to be laid on integrated development both spatial and functional.

The important rural development programmes were:

Hill Area Development programme, Special Livestock Production Programme, Food for Work Programme, Desert Development Programme and Training of Rural Youth for Self-employment.

The Janata Government reconstituted the Planning Commission and announced a new strategy in planning. The objective was changed as 'Growth for Social Justice' instead of 'Growth with Social Justice'. The new pattern was the 'Rolling Plan', which meant that every year the performance of the Plan would be assessed and a new Plan would be made for the next year. The Rolling Plan started with an Annual Plan for 1978-79 and as a continuation of the terminated Fifth Plan.

6.14. The Special Livestock Production Programme

The Special Livestock Production Programme (SLPP) was initiated by the Ministry of Agriculture in 1975-76 on the basis of the recommendations of the national Commission on Agriculture. The programme aims at providing greater employment opportunities to the weaker sections and the rural masses. The programme intended to provide financial assistance to small or marginal farmers and agricultural labourers for setting up of poultry, piggery and sheep production units and for rearing of cross-bred heifers.

The programme consisted of two parts viz. (i) Cross-bred heifer rearing, and (ii). Setting up of sheep, poultry and piggery units Under the first scheme, assistance is given to small and marginal fanners at the rate of 50% and 66

213 % to agricultural labourers for feeding of cross-bred heifers from 4 to 32 months of age. Under the second scheme, subsidy is provided at the rate of 25% to small farmers 38 113 % to marginal farmers and agricultural labourers and 50% to scheduled tribe people.

6.15. The 20-Point Programme (Announced on 1 July 1975)

With the imposition of the Internal Emergency in June 1975, the 20-point programme was announced by the then Prime Minister Mrs. Indira Gandhi. This programme was announced on 1 July 1975 included the following items:

- i. Continuance of steps to bring down prices of essential commodities. Streamline production, procurement and distribution of essential commodities, economy in government expenditure,
- ii. Implementation of agricultural land ceilings and speedier distribution of surplus land and compilation of land records,
- iii. Stepping up of provision of house sites for landless and weaker sections.
- iv. Bonded labour, wherever it exists, will be declared illegal,
- v. Rural indebtedness, legislation for moratorium on recovery of debt from landless labourers, small farmers and artisans,
- vi. Review of laws on minimum agricultural wages,
- vii. Five million more hectares to be brought under National Irrigation Programme for use of underground water,
- viii. An accelerated power programme, Super Thermal stations under central control,
- ix. New Development Plan for Handloom sector,

- x. Improvement in quality and supply of people's cloth,
- xi. Socialism of urban and urbanisable land. Ceiling on ownership and possession of vacant land and on plinth area of new dwelling units,
- xii. Special squads for valuation of conspicuous consumption and Prevention of tax evasion.
- xiii. Special legislation for confiscation of smuggler's properties,
- xiv. Liberalisation of investment procedures.
- xv. New schemes for worker's participation in industry,
- xvi. National Permit scheme for road transport,
- xvii. Income tax relief to middle class, exemption limit placed at
- xviii. Essential commodities at controlled prices to students in hostels,
- xix. Books and stationery at controlled prices, and
- xx. New apprenticeship scheme to enlarge employment and training, especially of weaker sectioned.

6.16. The Desert Development Programme

The Desert Development Programme (DDP) was started in 1977-78 with the objective of controlling desertification and development of conditions for raising the level of production, income, and employment of people of the areas covered under it. This is a centrally sponsored scheme and is administered by the District Rural Development Agency (DRDA)

The major activities under the programme are:

- i. Afforestation (with special emphasis on shelter belt plantation, grass land development and sand dune stabilisation),
- ii. Ground water development and utilisation,

- iii. Construction of water harvesting structures,
- iv. Rural electrification for energising tube wells or pump sets, and
- v. Development of agriculture , horticulture and animal husbandry.

6.17. The Training of Rural Youth for Self-Employment

The Training of Rural Youth for Self-Employment (TRYSEM) is launched by the Central Government on 15 August, 1979.' ~ This programme is designed as a tool for transforming rural youth into a productive force and thus it is viewed as a facilitating component of IRDP. The main aim of the programme is to equip the rural youth with necessary skills and technical knowledge to enable them to take self-employment in different vocations." The operational strategy is to train at least 2, 00,000 rural youth every year or forty youths in each block.

The major rural development programmes during this period were Integrated Rural Development Programme (IRDP), National Rural Employment Programmes, Development of Women and Children in Rural Areas (DWCRA) and the 20-Point Programme.

6.18. The National Rural Employment Programme

In 1980, during the Sixth Five Year Plan the National Rural Employment Programme (NREP) was launched. It replaced the erstwhile Food for Work Programme incorporated the same characteristics under which it was envisaged to integrate the development projects and target group oriented employment generation projects NREP aims at providing supplementary employment opportunities to rural workers particularly during the lean periods of the year when they are not able to find gainful employment. It

also aims at creation of rural economy and steady rise in the income level of the rural poor and thereby bring about improvement in the quality of life of the villagers. The main objectives of the programme are

- i. generation of additional gainful employment for the unemployed and under-employed persons both men and women in mal areas,
- ii. creation of productive community assets for direct and continuing benefits to the poverty groups and for strengthening rural, economic and social infrastructure which will lead to rapid growth of economy and steady rise in the income levels of the rural poor, and
- iii. improvement of overall quality of life in rural areas. NREP was implemented as a centrally sponsored scheme on 50:50 sharing basis between the Centre and the States. The wages paid under the programme should be on par with the minimum agricultural wage prescribed for the area. The quantum of food grains as part of wages should be such as to be adequate for the family's need. Contractors are totally excluded from the execution of the rural works. The implementation of the programme has been entrusted to the District Rural Development Agencies. The execution of works under the programme will be mainly through the Panchayati Raj institutions so that works undertaken are wholly responsive to the need of the local populace. Besides 10% of the resources are meant for the works of direct and exclusive benefits to the SCs and STs.

6.19. The New 20- Point Programme

Since the 70s, development in general has begun to be viewed in terms of the contribution it makes to the reduction of poverty, inequality and

exploitation. Rural development reflects these concerns and is manifested in special programmes for the weaker sections of the rural community and the backward areas. The major rural development programmes such as SFDA, MFALDA, NREP, IRDP, DPAP and the MNP have become too well known. They are part of the 20-point programme of 1982."

The 20-point programme announced on 14 January 1982 included the following main points:

- i. Increase immigration potential,
- ii. Raise production of pulses and vegetable oils,
- iii. Strengthen IRDP and NREP,
- iv. Implement agricultural land ceiling,
- v. Enforce minimum wages for farm labourer,
- vi. Rehabilitation of bonded labourer,
- vii. Welfare plan for Scheduled Castes and Scheduled Tribes,
- viii. Drinking water for millions,
- ix. Mouse sites for rural families,
- X. Slum improvement,
- xi. Maximise power generation,
- xii. Programmes of afforestation,
- xiii. Promotion of family planning,
- xiv. Welfare plan for women and children,
- xv. Elementary education for children and removal of adult illiteracy,
- xvi. Expansion of the public distribution system,
- xvii. Liberalise investment procedures,

- xviii. Primary health care facilities,
- xix. Action against smugglers, hoarders, tax evaders and black-money operators, and
- xx. Gear up public enterprises.

6.20. The Development of Women and Children in Rural Areas

The Development of Women and Children in Rural Areas (DWCRA) is a centrally sponsored scheme started in 1982. It was formulated as a sub-scheme of IRDP so that income-generating activities could be provided to women and enable them to become organised participants in social development and economic self-reliance. The target group of the DWCRA is the same as IRDP while the methodology of reaching it is through group strategy rather than individual beneficiaries. The women are expected to come together for an activity of mutual Interest to all. Its primary skill is the formation of groups of 15-20 women from poor families, preferably from scheduled castes and scheduled tribes for delivery of services like credit, skill training, cash and structural support for.

6.21. The Rural Landless Employment Guarantee Programme

The Rural Landless Employment Guarantee Programme (RLEGP) was introduced in 1983 with the objective of providing employment opportunities for at least one member of every landless household for a period up to 100 days in a year. RLEGP aimed at creation of tangible community assets for strengthening rural infrastructure, which will lead to rapid growth of rural economy. Among these are, construction of link roads, digging of field channels to improve utilisation of the irrigation potential

created by large irrigation projects, land development and reclamation of waste or degraded land with special emphasis on ecological improvement in hilly desert areas, social forestry, soil and water conservation and improvement of minor irrigation works.

RLEGP was a centrally sponsored programme. The wages paid under this programme partly in food grains and partly in cash. The food grain component was distributed at a subsidised rate. That would intend to improve the consumption in favour of poorer sections of the rural population and improve their nutritional standards. Later, RLEGP merged with the JRY programme.

6.22. The Seventh Five Year Plan (1985-90)

The Seventh Plan envisages the continuance and expansion of the antipoverty programmes. The programmes like National Rural Employment Programme (NREP), Integrated Rural Development Programme (IRDP) and Rural Landless Employment Guarantee Programme (RLEGP) constitute the major elements of the anti-poverty drive. However, an expanding economy and dynamic agricultural sectors are the pre-conditions for the anti-poverty programmes to succeed. Apart from the rural poor, this Plan also paid attention to the poor in the urban areas. The Seventh plan strategy focused attention on employment generation and poverty alleviation."

The major rural development programmes during this Plan Period were: Integrated Rural Energy Planning Programme, Special Livestock Breeding

Programme, Jawahar Rozgar Yojana, Million Wells Scheme and Indira Awas Yojana.

6.23. Jawahar Rojgar Yogana

Jawahar Rozgar Yogana was launched on 1 April 1989, &er merging the two earlier employment schemes namely, NREP and RLEGP." The objectives of the programme are:

- i. to provide additional employment for the unemployed and under employed in rural areas,
- ii. to create sustained employment by strengthening the rural economic infrastructure and assets and improvement in the overall quality of life in rural areas Under this programme, all works which results in the creation of durable assets can be taken up. These include social forestry works, soil and water conservation works, minor irrigation works, construction of roads, flood protection, drainage and water-logging works, construction of sanitary latrines, land development and houses for SCs and STs.

JRY is a centrally sponsored scheme and the expenditure is shared between the Centre and the States in the ratio of 80:20. The guidelines for implementation of the programme are as follows:

- i. The wage and no-wage ratio should be 60:40 since it is principally a wage-employment scheme,
- ii. Contractors are prohibited from the execution of any work. The work is to be done through the elected panchayat and its members, the panchayat secretary and the committees of beneficiaries,

- iii. While selecting workers for employment, preference is to be given to SC/STs and freed bonded labourers,
- iv. 30% of employment opportunities were reserved for women,
- v. Minimum wages are to be paid to casual workers as per the notified minimum wages in the state and no discrimination is to be made in wages between men and women workers.

6.24. Indira Awas Yojana

Indira Awas Yojana (IAY) which was an important component of RLEGP aiming at construction of dwelling units, free of cost for the poorest of the poor belonging to SCs, STs and freed bonded labourers continues. It is now implemented under JRY.~ Houses under IAY as far as possible, are to be built in clusters as per micro-habitat approach so that common facilities can be provided for the clusters. The plinth areas of the house should be between 17 to 20 sq. mts.

The design could be specific to the area keeping in view of the climatic conditions. The houses should have a kitchen, smokeless chullah and a sanitary latrine.

6.25. The Eighth Five Year Plan (1992-97)

The Eight Plan has recognised the need for a re-orientation of planning in keeping with the process of economic reforms and restructuring of the economy. The objectives of the VIII Plan are:

- i. Generation of adequate employment to achieve full employment by the turn of the century,

- ii. Control of population growth through people's active cooperation and an effective scheme of incentives and disincentives,
- iii. Universalisation of elementary education and complete eradication of illiteracy among the people in the age group of 15-35 years,
- iv. Provision of safe drinking water and primary health facilities, including immunisation, accessible to all the villages and the entire population and complete elimination of scavenging,
- v. Growth and diversification of agriculture to achieve self-sufficiency in food and general surplus for exports, and
- vi Strengthening the infrastructure (i.e. energy, transport, Communication, irrigation etc.) in order to support the growth process on a sustainable basis."

The major programmes during this Plan period are: IRDP, Jawahar Rojgar Yojana, Indira Awas Yojana, and Million Wells Scheme.

6.26. The Ninth Five Year Plan (1997-2002)

The objectives of the Ninth Plan evolved from the Common Minimum Programme of the Government and the Chief Ministers' Conference on basic minimum services. The suggestions are as follows:

- i. Priority to agriculture and rural development with a view to generate productive employment and eradication of poverty,
- ii. Accelerating the growth rate of the economy with stable prices,
- iii. Ensuring food and nutritional security for the vulnerable section of the society,

- iv. Providing the basic minimum services of safe water, primary health care facilities, universal primary education, shelter and connectivity to all in time-bound population,
- v. Ensuring environmental sustainability of the development process through participation of people,
- vi. Containing the growth rate of population,
- vi. Empowerment of women and socially disadvantaged groups,
- vii. Promoting and developing Panchayati Raj, Co-operatives, and
- ix. Strengthening efforts to build self-reliance. IRDP was renamed as Swarna Jayanti Gram Swarozgar Yojana from 1 April, 1999 onwards.

6.27. Twelfth Plan Objectives for Growth Trends

Alternative Investment Scenarios for the 12th Plan (Rs in Crore)

To attempt for a high growth rate (7%) in Agriculture and allied sectors by adopting the strategy of the Rainbow Revolution

To develop infrastructure at a much higher pace

To focus on industrialization,

To emphasize the development of the social sector further, particularly education and health,

To make a sustained effort for reduction in poverty

To make a substantial increase in the income level of the lowest strata of society,

To make an attempt at equitable regional development.

6.28. Growth Prospect in the 12th Plan Period

It is important to note that the gap between the per capita income of Bihar and the national per capita income has kept on widening since the beginning of the planning era (1950-51). Due to exemplary growth shown by the state, it hinted at a sign of recovery in recent years but in reality, the rate of recovery is quite low. In fact, at the beginning of the planning era the Per Capita Income of Bihar at Constant Prices (2004- 05) was Rs. 4707 which had a gap of 31.37 % with respect to average per capita income of India. This gap has continued to widen in each succeeding plan period up to the Ninth Plan. From the 11th Plan period the gap has started narrowing down, but at a slow rate. In the year 2011-12 the gap has narrowed down by 2.5 percentage points over the 2010-11 figures. During 12th Plan (2012-17), not only this wide divergence between per capita incomes has to be addressed but a conscious effort needs to be made to bridge the gap effectively and efficiently. It is, therefore, imperative that the investment is substantially stepped up both in public and private sectors. There has been a commendable rise in rate of investment during the period from 2006-07 to 2010-11.

The Planning Commission has explored two alternative targets for economic growth in the Twelfth Planone for 9 percent growth rate and the other for 9.5 percent average growth for the 12th Five Year Plan. Table below presents an assessment of investment requirement in Bihar for target growth rates (at varying rates), which will call for a higher rates of

investment as compared to the investment in the Eleventh Plan public as well as private.

6.29. Conclusion

The basic task of economic planning in India is to bring about a structural transformation of the economy so as to achieve a high and substantial rate of growth, progressive improvement in the standard of living, eradication of poverty and unemployment provide material basis for a self-reliant social economy and ensure social justice. To mention a few, there were achievements of self-sufficiency in food, stagnant changes in the structure of economy such as fall in the shares of non-agricultural sectors, the expansion and diversification of the industrial sector and growth in scientific and technical manpower. In spite of this, performance with regard to rural development had not been very impressive with a population growth rate of 2.2% per annum, there has not been qualitative improvement in the standard of living of people. Also there has been a little change in the overall income inequalities and majority of the population still live in the state of poverty. But with the help of current strategy for rural development through poverty alleviation programmes, a variable acceptance of principle of growth with social justice and the adoption of decentralised planning process, it is expected that the country would progressively eliminate poverty.

