

## Chapter 13

# Human Development

*Economic policy has often to strike a delicate balance between the two goals of economic growth and human welfare which need not necessarily be contradictory. Despite global shocks, India has not compromised on welfare expenditures especially for the needy and marginalized, though growth has lagged behind. A new impetus to growth along with targeted policies aimed at both social and financial inclusion can help convert outlays into outcomes.*

13.2 India with a large and young population has a great demographic advantage. The average age of the 125 billion-strong Indian population will be 29 years in 2020, even younger than the 37 years of China and the US. The proportion of working-age population is likely to increase from approximately 58 per cent in 2001 to more than 64 per cent by 2021, adding about 63.5 million new entrants between 2011 and 2016 with a large number of young persons in the 20-35 years age group. This is a great opportunity for India. Taking advantage of such an opportunity is contingent upon progress on the human development front.

### HUMAN DEVELOPMENT: INTERNATIONAL COMPARISON

13.3 The Human Development Report (HDR) published by the United Nations Development Programme (UNDP) estimates the human development index (HDI) in terms of three basic parameters: to live a long and healthy life, to be educated and knowledgeable, and to enjoy a decent economic standard of living. According to HDR 2013, India with an HDI of 0.554 in 2012 has slipped down a few notches with its overall global ranking at 136 (out of the 186 countries) as against 134 (out of 187 countries) as per HDR 2012 (Table 13.1).

13.4 India has a long way to go as it is still in the medium human development category with countries like China, Egypt, Indonesia, South Africa, and even Vietnam having better overall HDI ranking within the same category and Sri Lanka moving to the high human development category from medium in the 2012 HDI ranking despite years of internal conflicts. The existing gap in health and education indicators in India as compared to developed countries and also many of the developing countries highlights the need for

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Demographic dividend will benefit India if its population is educated, healthy, and adequately skilled.

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Table 13.1 : India's Position and Trends in the Global HDI 2012

| Country            | HDI 2011     | HDI 2012     |            | GNI per capita 2012\$ | Life expectancy at birth (years) 2012 | Mean years of schooling (years) 2010 <sup>a</sup> | Expected years of schooling (years) 2011 <sup>b</sup> | Average annual HDI growth rate (per cent) |             |             |
|--------------------|--------------|--------------|------------|-----------------------|---------------------------------------|---|---|---|-------------|-------------|
|                    | Value        | Value        | Rank       |                       |                                       |   |   | 1980-1990                                 | 1990-2000   | 2000-2012   |
| Norway             | 0.953        | 0.955        | 1          | 48688                 | 81.3                                  | 12.6  | 17.5  | 0.59                                      | 0.79        | 0.29        |
| United States      | 0.936        | 0.937        | 3          | 43480                 | 78.7                                  | 13.3  | 16.8  | 0.40                                      | 0.33        | 0.27        |
| Germany            | 0.919        | 0.920        | 5          | 35431                 | 80.6                                  | 12.2  | 16.4  | 0.85                                      | 0.81        | 0.47        |
| United Kingdom     | 0.875        | 0.875        | 26         | 32538                 | 80.3                                  | 9.4   | 16.4  | 0.47                                      | 0.70        | 0.33        |
| Russian Federation | 0.784        | 0.788        | 55         | 14461                 | 69.1                                  | 11.7  | 14.3  | ....                                      | -0.23       | 0.84        |
| Malaysia           | 0.766        | 0.769        | 64         | 13676                 | 74.5                                  | 9.5   | 12.6  | 1.21                                      | 1.15        | 0.64        |
| Brazil             | 0.728        | 0.730        | 85         | 10152                 | 73.8                                  | 7.2   | 14.2  | 1.23                                      | 1.26        | 0.73        |
| Sri Lanka          | 0.711        | 0.715        | 92         | 5170                  | 75.1                                  | 9.3   | 12.7  | 0.88                                      | 0.72        | 0.76        |
| China              | 0.695        | 0.699        | 101        | 7945                  | 73.7                                  | 7.5   | 11.7  | 1.96                                      | 1.78        | 1.42        |
| Egypt              | 0.661        | 0.662        | 112        | 5401                  | 73.5                                  | 6.4   | 12.1  | 2.12                                      | 1.68        | 0.92        |
| Indonesia          | 0.624        | 0.629        | 121        | 4154                  | 69.8                                  | 5.8   | 12.9  | 1.26                                      | 1.21        | 1.28        |
| South Africa       | 0.625        | 0.629        | 121        | 9594                  | 53.4                                  | 8.5   | 13.1  | 0.87                                      | 0.01        | 0.11        |
| Vietnam            | 0.614        | 0.617        | 127        | 2970                  | 75.4                                  | 5.5   | 11.9  | ....                                      | 1.98        | 1.22        |
| <b>India</b>       | <b>0.551</b> | <b>0.554</b> | <b>136</b> | <b>3285</b>           | <b>65.8</b>                           | <b>4.4</b>  | <b>10.7</b>   | <b>1.75</b>                               | <b>1.23</b> | <b>1.50</b> |
| Bangladesh         | 0.511        | 0.515        | 146        | 1785                  | 69.2                                  | 4.8   | 8.1   | 1.49                                      | 1.83        | 1.46        |
| Pakistan           | 0.513        | 0.515        | 146        | 2566                  | 65.7                                  | 4.9   | 7.3   | 1.29                                      | 0.89        | 1.74        |
| <b>World</b>       | <b>0.692</b> | <b>0.694</b> |            | <b>10184</b>          | <b>70.1</b>                           | <b>7.5</b>  | <b>11.6</b>   | <b>0.68</b>                               | <b>0.64</b> | <b>0.68</b> |

Source : HDR 2013.

Note : a & b - Data refers to 2010 & 2011 respectively or the most recent year available; \$: gross national income (GNI) per capita is based on 2005 dollar purchasing power parity (PPP).

much faster and wider spread of basic health and education. Life expectancy at birth in India was 65.8 years in 2012, compared to 81.3 years in Norway, 78.7 years in the United States, 73.8 years in Brazil, 75.1 years in Sri Lanka, 73.7 years in China, and the global average of 70.1 years. However the Indian life expectancy figure is significantly higher than that of South Africa (53.4 years) which has higher HDI rank and even higher per capita income within the same category. The Indian performance in mean years of schooling (4.4 years) is not only much below that of countries like China, Brazil, Sri Lanka, and Egypt which have higher per capita incomes but also below that of Bangladesh and Pakistan which have lower per capita incomes. It is also much lower than the global average of 7.5 years. Though lower in HDI ranking, in terms of average annual HDI growth rate for 2000-12, India is well ahead of many countries with high and very high human development. With 1.50 per cent average annual HDI growth it is ahead of China (1.42), Brazil (0.73), Egypt (0.92), and Bangladesh (1.46), though it is behind Pakistan (1.74). While China and Egypt performed very well in terms of HDI growth in the 1980s and 1990s, there was a deceleration in the 2000s. On the other hand, India, which seems to have faltered in the 1990s, has picked up again during 2000-12 (Table 13.1).

## TRENDS IN INDIA'S SOCIAL-SECTOR EXPENDITURE

13.5 Central support for social programmes has continued over the years although most social-sector subjects fall within the purview of the states. Though there has been a consistent rise in

social sector expenditure by the government, the adverse fiscal circumstances in the country arising from the impact of the global financial crisis of 2008-09 and the euro area crisis of 2010-12 resulted in a fall in government spending on the social sector in recent years. It has however picked up again in 2013-14. While central government expenditure on social services as a percentage of total expenditure fell from 12.61 per cent in 2010-11 to 11.43 per cent and 11.93 per cent in 2011-12 and 2012-13 (revised estimates—RE), it picked up to 12.83 per cent in 2013-14 (budget estimates—BE). Total central government expenditure on social services including rural development (Plan and non-Plan) and the Pradhan Mantri Gram Sadak Yojana (PMGSY) fell from 18.00 per cent in 2010-11 to 15.79 per cent in 2011-12 and 15.12 per cent in 2012-13(RE). It picked up to 16.70 per cent in 2013-14(BE) (Table 13.2).

**Table 13.2 : Central Government Expenditure (Plan and non-Plan) on Social Services and Development (as per cent of total expenditure)**

| Item   | 2008-09      | 2009-10      | 2010-11      | 2011-12      | 2012-13 RE   | 2013-14 BE   |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| 1. Social service                                |              |              |              |              |              |              |
| a. Education,sports,youth affairs                | 4.27         | 4.15         | 4.56         | 4.73         | 4.38         | 4.38         |
| b. Health & family welfare                       | 2.09         | 2.00         | 1.98         | 2.02         | 1.81         | 1.99         |
| c. Water supply, housing, etc.                   | 2.54         | 2.39         | 2.35         | 2.11         | 1.88         | 2.20         |
| d. Information & broadcasting                    | 0.23         | 0.20         | 0.21         | 0.19         | 0.18         | 0.17         |
| e. Welfare of SCs/STs and OBCs                   | 0.41         | 0.43         | 0.58         | 0.64         | 0.54         | 0.62         |
| f. Labour & employment                           | 0.28         | 0.22         | 0.24         | 0.26         | 0.26         | 0.29         |
| g. Social welfare & nutrition                    | 1.15         | 0.87         | 1.01         | 1.28         | 1.13         | 1.21         |
| h. North-eastern areas                           | 0.00         | 0.02         | 0.02         | 0.01         | 1.56         | 1.80         |
| i. Other social services                         | 1.55         | 1.67         | 1.66         | 0.20         | 0.19         | 0.16         |
| <b>Total</b>                                     | <b>12.52</b> | <b>11.94</b> | <b>12.61</b> | <b>11.43</b> | <b>11.93</b> | <b>12.83</b> |
| 2. Rural development                             | 4.56         | 3.77         | 3.51         | 2.88         | 2.49         | 2.57         |
| 3. PMGSY   | 0.88         | 1.11         | 1.87         | 1.48         | 0.70         | 1.30         |
| 4. Social services, rural development, and PMGSY | 17.95        | 16.82        | 18.00        | 15.79        | 15.12        | 16.70        |

**Source :** Based on Budget Documents.

**Table 13.3 : Trends in Social Services Expenditure by General Government**

| Items   | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 RE | 2013-14 BE |
|---|---------|---------|---------|---------|------------|------------|
| Total expenditure                                   | 1599677 | 1852119 | 2145145 | 2421768 | 2839927    | 3219783    |
| Expenditure on social services                      | 380628  | 446382  | 529398  | 580868  | 710410     | 812139     |
| of which: i) Education                              | 162008  | 197070  | 244156  | 277053  | 334480     | 375427     |
| ii) Health  | 74273   | 88054   | 100576  | 110228  | 132134     | 155633     |
| iii) Others   | 144347  | 161258  | 184666  | 193587  | 243796     | 281079     |
| <b>As percentage to GDP</b>                         |         |         |         |         |            |            |
| Total expenditure                                   | 28.4    | 28.6    | 27.5    | 26.9    | 28.1       | 28.4       |
| Expenditure on social services                      | 6.8     | 6.9     | 6.8     | 6.4     | 7.0        | 7.2        |
| of which: i) Education                              | 2.9     | 3.0     | 3.1     | 3.1     | 3.3        | 3.3        |
| ii) Health  | 1.3     | 1.4     | 1.3     | 1.2     | 1.3        | 1.4        |
| iii) Others   | 2.6     | 2.5     | 2.4     | 2.1     | 2.4        | 2.5        |
| <b>As percentage to total expenditure</b>           |         |         |         |         |            |            |
| Expenditure on social services                      | 23.8    | 24.1    | 24.7    | 24.0    | 25.0       | 25.2       |
| of which: i) Education                              | 10.1    | 10.6    | 11.4    | 11.4    | 11.8       | 11.7       |
| ii) Health  | 4.6     | 4.8     | 4.7     | 4.6     | 4.7        | 4.8        |
| iii) Others   | 9.0     | 8.7     | 8.6     | 8.0     | 8.6        | 8.7        |
| <b>As percentage to social services expenditure</b> |         |         |         |         |            |            |
| i) Education  | 42.6    | 44.1    | 46.1    | 47.7    | 47.1       | 46.2       |
| ii) Health  | 19.5    | 19.7    | 19.0    | 19.0    | 18.6       | 19.2       |
| iii) Others   | 37.9    | 36.1    | 34.9    | 33.3    | 34.3       | 34.6       |

**Source :** Reserve Bank of India (RBI) as obtained from Budget Documents of union and state governments.

13.6 On the other hand, expenditure on social services by the general government (centre and states) as a proportion of total expenditure increased almost continuously over the years (except 2011-12) from 23.8 per cent in 2008-09 to 25.2 per cent in 2013-14 (BE). As a percentage of the gross domestic product (GDP), expenditure on social services increased from 6.8 per cent in 2008-09 to 7.2 per cent in 2013-14 (BE), with expenditure on education increasing from 2.9 per cent to 3.3 per cent and on health from 1.3 per cent to 1.4 per cent (Table 13.3).

## POVERTY

13.7 The Planning Commission has updated the poverty lines and poverty ratios for 2011-12 based on the recommendations of the Tendulkar Committee using Household Consumer Expenditure Survey 2011-12 data of the National Sample Survey (NSS) 68<sup>th</sup> round. Accordingly, with the poverty line at all India level at monthly per capita expenditure (MPCE) of ₹ 816 for rural areas and ₹ 1000 for urban areas in 2011-12, the poverty ratio in the country has declined from 37.2 per cent in 2004-05 to 21.9 per cent in 2011-12. In absolute terms, the number of poor declined from 407.1 million in 2004-05 to 269.3 million in 2011-12 with an average annual decline of 2.2 percentage points during 2004-05 to 2011-12 (Table 13.4). The Planning Commission constituted an Expert Group under the Chairmanship of Dr. C. Rangarajan in June 2012 to 'Review the Methodology for Measurement of Poverty'. The term of the Expert Group has been extended up to 30 June 2014.

## INEQUALITY

13.8 The HDR measures inequality in terms of two indicators. The first is the income Gini coefficient which measures the deviation of distribution of income (or consumption) from a perfectly equal distribution among individuals within a country. For India, the income Gini coefficient was 33.4 during 2011-12. In this respect, inequality in India is lower than in many other developing countries like South Africa (63.1), Brazil (54.7), Malaysia (46.2), China (42.5), Sri Lanka (40.3), the Russian Federation (40.1), Thailand (40.0), Turkey (39.0), and Vietnam (35.6), as well as countries like the USA (40.8), Poland (34.1), and Switzerland (33.7) that have otherwise very high HDI ranking. Not only is inequality lower in India than many other countries, it has also decreased as reflected in a 9.2 per cent fall in its Gini coefficient from 36.8 during 2010-11 to 33.4 during 2011-12. The second indicator is the quintile income ratio, which is a ratio of the average income of the richest 20 per cent of the population to that of poorest 20 per cent. The quintile income ratio for India was 4.9 in 2011-12. Countries like the United States (8.4), Switzerland (5.5), Turkey (7.9), Poland (5.5), the Russian Federation (7.3), Brazil (20.6), China (9.6), Malaysia (11.3), South Africa (25.3), Philippines (8.3), and Thailand (7.1) had higher ratios. This implies that the inequality between the top and bottom quintiles in India was lower than in a large number of countries.

13.9 A related issue is the rural-urban disparity. One of the parameters used to estimate the rural-urban gap is the monthly

| Year  | Rural | Urban | Total |
|---|-------|-------|-------|
| Poverty ratio (per cent)  |       |       |       |
| 2004-05   | 41.8  | 25.7  | 37.2  |
| 2011-12   | 25.7  | 13.7  | 21.9  |
| Number of poor (million)  |       |       |       |
| 2004-05   | 326.3 | 80.8  | 407.1 |
| 2011-12   | 216.5 | 52.8  | 269.3 |
| Annual average decline 2004-05 to 2011-12 (percentage points per annum) |       |       |       |
|   | 2.32  | 1.69  | 2.18  |

Source : Planning Commission (Estimated by Tendulkar Method).

Table 13.4 : Number and Percentage of Poor

per capita expenditure (MPCE), which is defined as a value assigned to each household for measuring the level of living. The uniform reference period (URP) estimates of MPCE are used to study long-term trends in consumer expenditure because these are available from earlier and recent NSS surveys. According to the findings of the NSS 68th round (2011-12), the average MPCE based on URP estimates at current prices is ₹ 1278.94 and ₹ 2399.24 respectively for rural and urban India indicating rural-urban disparities (Table 13.5). However, at constant prices (2004-05), it is ₹ 703.42 and ₹ 1353.82. The real MPCE at constant prices has grown over seven years (2004-05 to 2011-12) by 25.9 per cent in rural India and by a higher 28.6 per cent in urban India. The share of food in the MPCE in 2011-12 (at current prices) is 48.6 per cent and 38.5 per cent for rural and urban India, a fall from the 55.0 per cent and 42.5 per cent shares in 2004-05 respectively. This indicates a shift away from food, with the share of rural India declining at a relatively higher rate than that of urban India. This shift from spending on food is broadly in conformity with the Engel's law which states that the income spent on food, as a percentage of overall income, decreases as income rises.

## EMPLOYMENT AND UNEMPLOYMENT

13.10 During 1999-2000 to 2004-05, employment (usual status) increased by 59.9 million persons from 398.0 million to 457.9 million. But the progress was slow during the 2004-05 to 2009-10 period, showing a small increase by 1.1 million persons. It picked up again during 2009-10 to 2011-12, adding 13.9 million persons to the workforce (Table 13.6). During 2004-05 to 2011-12, employment growth (compound annual growth rate [CAGR]) was only 0.5 per cent, compared to 2.8 per cent during 1999-2000 to 2004-05 as per usual status. Based on current daily status (CDS), CAGR was 1.2 per cent and 2.6 per cent respectively for the same periods.

| Method  | 1999-2000 | 2004-05 | 2009-10 | 2011-12 |
|---|-----------|---------|---------|---------|
| Persons and persondays employed (in millions)   |           |         |         |         |
| PS+SS   | 398.0     | 457.9   | 459.0   | 472.9   |
| CDS   | 336.9     | 382.8   | 400.8   | 415.7   |
| Persons and persondays unemployed (in millions) |           |         |         |         |
| PS+SS   | 9.2       | 11.3    | 9.8     | 10.8    |
| CDS   | 26.6      | 34.3    | 28.0    | 24.7    |
| Job creation over previous period (in millions) |           |         |         |         |
| PS+SS   | -         | 59.9    | 1.1     | 13.9    |
| CDS   | -         | 45.9    | 18.0    | 14.9    |
| Unemployment rate (in per cent)                 |           |         |         |         |
| PS+SS   | 2.2       | 2.3     | 2.0     | 2.2     |
| CDS   | 7.3       | 8.2     | 6.6     | 5.6     |

**Source :** Various survey rounds of the NSSO on employment and unemployment in India.

**Note :** PS+SS: usual status (principal + subsidiary) measures employment in persons, CDS: current daily status measures employment in persondays.

13.11 While employment growth has been lower in 2009-10 and 2011-12, unemployment rate in India continued to hover around 2 per cent under usual status (ps+ss) and fell under CDS. Although

| Year                        | Round            | Rural   | Urban   |
|-----------------------------|------------------|---------|---------|
| MPCE (₹) at constant prices |                  |         |         |
| 2011-12                     | 68 <sup>th</sup> | 703.42  | 1353.82 |
| 2009-10                     | 66 <sup>th</sup> | 599.06  | 1200.01 |
| 2004-05                     | 61 <sup>st</sup> | 558.78  | 1052.36 |
| MPCE (₹) at current prices  |                  |         |         |
| 2011-12                     | 68 <sup>th</sup> | 1278.94 | 2399.24 |
| 2009-10                     | 66 <sup>th</sup> | 927.70  | 1785.81 |
| 2004-05                     | 61 <sup>st</sup> | 558.78  | 1052.36 |

**Source :** Various survey rounds of the National Sample Survey Office (NSSO) on Household Consumer Expenditure in India.

Table 13.5 : All-India Average MPCE (URP)

Table 13.6 : Employment and Unemployment Scenario in India

the unemployment rate may be lower than what is prevailing now in developed economies, the number of unemployed is significant in absolute terms. During 2004-05, the number of unemployed people was 11.3 million, which declined to 9.8 million in 2009-10 but again increased to 10.8 million in 2011-12 under usual status (ps+ss). However, based on the CDS the number of unemployed person-days declined from 34.3 million in 2004-05 to 28.0 million in 2009-10 and further to 24.7 million in 2011-12. Thus there is steep reduction in unemployment rate under CDS from 8.2 per cent in 2004-05 to 5.6 per cent in 2011-12 (Table 13.6). The fall in unemployment despite marginal growth in employment in 2009-10 and 2011-12 could also be on account of the demographic dividend, as an increasing proportion of the young population opts for education rather than participating in the labour market. This is reflected in the rise in growth in enrolment of students in higher education from 4.9 million in 1990-91 to 28.5 million in 2011-12. Similarly gross enrolment ratio (GER) in Classes I-VIII has also risen from 81.0 in 1999-2000 to 103.9 in 2010-11. The government has been conducting quarterly surveys on employment for some selected sectors since October 2008. The results of the latest quarterly report indicate an increase in employment since the first survey (Box 13.1).

## SOCIO-ECONOMIC PROFILE OF STATES AND INTER-STATE COMPARISONS

13.12 Inter-state comparisons of socio-economic development of select states based on available indicators from different sources show some interesting results (Table 13.7):

### Population

- Kerala is the best performing state in terms of the two indicators- Decadal growth of population (4.9 per cent) and sex ratio (1084) and is well ahead of other states. Andhra Pradesh is a distant second in terms of population growth and third in terms of sex ratio with Tamil Nadu in second place in terms of sex ratio. Bihar has the highest decadal growth of population (25.4) and Haryana the lowest sex ratio (879).

### Growth

- Bihar is the best performing state in terms of growth rate of both gross state domestic product (GSDP) 2012-13 (15.1 per cent) and average GSDP 2005-06 to 2012-13 (9.9 per cent) and also per capita income growth 2012-13 (13.9 per cent). Madhya Pradesh is another state that has performed well along all three indicators. Gujarat and Kerala are the other two states that have performed well in terms of all these indicators and well above the all India average. However, in terms of absolute values of GSDP and per capita income, Maharashtra and Haryana respectively are at the top. There is no single worst performer in terms of all these indicators. While Tamil Nadu has the lowest growth in GSDP 2012-13 and Assam the lowest average GSDP growth, Rajasthan has the lowest per capita income growth in 2012-13.

### Box 13.1 : Quarterly Survey Report on Employment in India October to December 2013

The survey results for selected sectors, i.e. textiles including apparel, leather, metals, automobiles, gems and jewellery, transport, information technology (IT) / business process outsourcing (BPO) and handloom/powerloom are as follows:

- Overall employment in December 2013 over December 2012 increased by 4.19 lakh, with the highest increase recorded in textiles including the apparels sector (2.86 lakh) followed by IT/BPO (1.09 lakh), leather (0.44 lakh), automobiles (0.16 lakh), and gems and jewellery (0.09 lakh). On the other hand, employment in the metals, transport and handloom/powerloom sectors registered negative growth during this period.
- During the quarter September 2013 to December 2013 overall employment increased by 0.83 lakh, with the highest increase in textiles (0.92) followed by IT/BPO (0.17 lakh) and leather (0.13 lakh). The overall increment in employment in this period was affected significantly by the fall in employment in the metals sector (0.20 lakh) followed by automobiles (0.11 lakh), gems and jewellery (0.06 lakh), transport (0.02 lakh) and there was no growth in employment in the handloom/powerloom sector.
- The results of the 20th quarterly survey reveal that there has been a sustained increase in overall employment in these sectors with a total addition of 33.25 lakh starting from the first survey (October 2008 to December 2013).

**Source:** Labour Bureau, Ministry of Labour and Employment.

Table 13.7 : Socio-economic Profiles and Inter-State Comparison of Some Major States of India

| Socio-economic Indicators/Items  | Andhra Pradesh | Assam      | Bihar      | Gujarat    | Haryana    | Himachal Pradesh |
|--|----------------|------------|------------|------------|------------|------------------|
| <b>Population related*</b>   |                |            |            |            |            |                  |
| Decadal growth of population (2001- 2011) (%)                                    | 11.0           | 17.1       | 25.4       | 19.3       | 19.9       | 12.9             |
| Sex-ratio (Females per 1000 males)   | 993            | 958        | 918        | 919        | 879        | 972              |
| <b>GSDP growth and per capita income #</b>                                       |                |            |            |            |            |                  |
| Absolute GSDP 2012-13 (₹ crore)  | 754409         | 141621     | 313995     | 670016     | 345238     | 73710            |
| GSDP growth 2012-13 over previous year (%)                                       | 5.1            | 6.1        | 15.1       | 8.0        | 6.5        | 6.1              |
| Average GSDP growth 2005-06 to 2012-13 (%)                                       | 8.6            | 5.8        | 9.9        | 9.7        | 8.8        | 8.0              |
| Absolute per capita income 2012-13 (₹)   | 78958          | 40475      | 28774      | 96976      | 120352     | 83899            |
| Per capita income growth 2012-13 (%)   | 4.5            | 4.6        | 13.9       | 6.6        | 5.0        | 5.1              |
| <b>Poverty headcount ratio**</b>   |                |            |            |            |            |                  |
| 2011-12 (2004-05) Rural  | 11.0(32.3)     | 33.9(36.4) | 34.1(55.7) | 21.5(39.1) | 11.6(24.8) | 8.5(25.0)        |
| 2011-12 (2004-05) Urban  | 5.8(23.4)      | 20.5(21.8) | 31.2(43.7) | 10.1(20.1) | 10.3(22.4) | 4.3(4.6)         |
| 2011-12 (2004-05) Total  | 9.2(29.6)      | 32.0(34.4) | 33.7(54.4) | 16.6(31.6) | 11.2(24.1) | 8.1(22.9)        |
| <b>Rural-Urban disparity 2011-12##</b>   |                |            |            |            |            |                  |
| Rural average MPCE (MMRP) (₹)  | 1754           | 1219       | 1127       | 1536       | 2176       | 2034             |
| Rural share of food expenditure (%)  | 51.4           | 61.3       | 59.3       | 54.9       | 52.1       | 47.3             |
| Urban average MPCE (MMRP) (₹)  | 2685           | 2189       | 1507       | 2581       | 3817       | 3259             |
| Urban share of food expenditure (%)  | 42.3           | 47.7       | 50.5       | 45.2       | 39.2       | 42.4             |
| <b>Unemployment rates (per 1000) under usual status (adjusted)##</b>             |                |            |            |            |            |                  |
| Rural persons 2011-12 (2004-05)  | 12 (7)         | 45 (26)    | 32 (15)    | 3 (5)      | 24 (22)    | 10 (18)          |
| Urban persons 2011-12 (2004-05)  | 43 (36)        | 56 (72)    | 56 (64)    | 8 (24)     | 42 (40)    | 40 (38)          |
| <b>Health related*</b>   |                |            |            |            |            |                  |
| Infant mortality rates (per 1000 live births) 2012                               | 41             | 55         | 43         | 38         | 42         | 36               |
| Birth rate (per 1000) 2012   | 17.5           | 22.5       | 27.7       | 21.1       | 21.6       | 16.2             |
| Death rate (per 1000) 2012   | 7.4            | 7.9        | 6.6        | 6.6        | 6.4        | 6.7              |
| <b>Education related \$</b>  |                |            |            |            |            |                  |
| GER (6-10 years) (2010-11)   | 99.5           | 94.3       | 127.7      | 120.3      | 94.9       | 109.2            |
| GER (11-13 years) (2010-11)  | 80.1           | 67.9       | 64.6       | 85.7       | 83.5       | 113.8            |
| PTR Primary/Jr.basic school (2010-11)  | 31             | 28         | 76         | NA         | 51         | 15               |
| PTR Middle/Sr. basic school (2010-11)  | 25             | 17         | 51         | 35         | 38         | 14               |
| PTR High/Post basic school (2010-11)   | 26             | 26         | 68         | 33         | 26         | 24               |
| <b>Financial inclusion @</b>   |                |            |            |            |            |                  |
| All Offices of commercial banks 2012 (Nos)                                       | 8932           | 1711       | 4913       | 5896       | 3262       | 1237             |
| All Offices of commercial banks 2013 (Nos)                                       | 9573           | 1841       | 5301       | 6525       | 3772       | 1338             |
| <b>Key social-sector programmes</b>  |                |            |            |            |            |                  |
| Progress under NRHM 24x7 (primary and other health centres as on 30.09.2013)\$\$ | 1183           | 575        | 611        | 451        | 398        | 156              |
| Average persondays per household under Mahatma Gandhi NREGA 2013-14@@            | 50             | 24         | 42         | 40         | 36         | 52               |
| Women's share in employment during 2013-14 under Mahatma Gandhi NREGA (%) @@     | 58.7           | 24.8       | 34.9       | 44.0       | 41.7       | 62.6             |
| Houses constructed under Indira Awas Yojana (IAY) during 2013-14 (Nos.) @@       | 172621         | 49978      | 260532     | 27780      | 3589       | 1206             |
| Achievement of IAY against target (%)  | 83.3           | 36.0       | 43.0       | 25.8       | 20.0       | 17.1             |

**Sources** \*: Office of Registrar General of India (RGI).

#: CSO (Absolute GSDP and Per capita income are at current prices, and growth rate in GSDP and per capita income are at constant prices).

\*\* : Planning Commission.

##: NSSO.

\$: M/o Human Resource Development (GER: Gross enrolment ratio; PTR: Pupil teacher ratio).

@: D/o Statistics and Information Management, RBI, Master Office File System.

\$\$: M/o Health and Family Welfare.

@@: M/o Rural Development.

NA: Not available.

| Karna-<br>taka | Kerala    | Madhya<br>Pradesh | Mahara-<br>shtra | Odisha     | Punjab    | Rajas-<br>than | Tamil<br>Nadu | Uttar<br>Pradesh | West<br>Bengal | All<br>India |
|----------------|-----------|-------------------|------------------|------------|-----------|----------------|---------------|------------------|----------------|--------------|
| 15.6           | 4.9       | 20.3              | 16.0             | 14.0       | 13.9      | 21.3           | 15.6          | 20.2             | 13.8           | 17.7         |
| 973            | 1084      | 931               | 929              | 979        | 895       | 928            | 996           | 912              | 950            | 943          |
| 524502         | 349338    | 372171            | 1372644          | 255459     | 286809    | 459215         | 744474        | 768930           | 620160         | 9388876      |
| 5.3            | 8.2       | 9.9               | 7.1              | 8.1        | 4.7       | 4.5            | 4.1           | 5.5              | 7.3            | 4.5          |
| 7.5            | 8.1       | 8.4               | 9.3              | 7.7        | 6.8       | 7.9            | 9.5           | 6.9              | 6.7            | 8.0          |
| 77309          | 88527     | 44989             | 107670           | 49241      | 86106     | 59097          | 98550         | 33137            | 62509          | 67839        |
| 4.2            | 7.7       | 8.6               | 5.8              | 5.2        | 3.9       | 2.9            | 3.5           | 3.6              | 6.4            | 2.1          |
| 24.5(37.5)     | 9.1(20.2) | 35.7(53.6)        | 24.2(47.9)       | 35.7(60.8) | 7.7(22.1) | 16.1(35.8)     | 15.8(37.5)    | 30.4(42.7)       | 22.5(38.2)     | 25.7(41.8)   |
| 15.3(25.9)     | 5.0(18.4) | 21.0(35.1)        | 9.1(25.6)        | 17.3(37.6) | 9.2(18.7) | 10.7(29.7)     | 6.5(19.7)     | 26.1(34.1)       | 14.7(24.4)     | 13.7(25.7)   |
| 20.9(33.3)     | 7.1(19.6) | 31.6(48.6)        | 17.4(38.2)       | 32.6(57.2) | 8.3(20.9) | 14.7(34.4)     | 11.3(29.4)    | 29.4(40.9)       | 20.0(34.2)     | 21.9(37.2)   |
| 1561           | 2669      | 1152              | 1619             | 1003       | 2345      | 1598           | 1693          | 1156             | 1291           | 1430         |
| 51.4           | 43.0      | 52.9              | 52.4             | 57.2       | 44.1      | 50.5           | 51.5          | 53.0             | 58.2           | 52.9         |
| 3026           | 3408      | 2058              | 3189             | 1941       | 2794      | 2442           | 2622          | 2051             | 2591           | 2630         |
| 40.1           | 37.0      | 42.2              | 41.6             | 45.4       | 41.0      | 44.8           | 42.7          | 44.0             | 44.2           | 42.6         |
| 9 (7)          | 68 (107)  | 4 (5)             | 7 (10)           | 22 (50)    | 19 (38)   | 7 (7)          | 20 (12)       | 9 (6)            | 27 (25)        | 17 (17)      |
| 29 (28)        | 61 (156)  | 26 (28)           | 23 (36)          | 35 (134)   | 28 (50)   | 31 (29)        | 27 (35)       | 41 (33)          | 48 (62)        | 34 (45)      |
| 32             | 12        | 56                | 25               | 53         | 28        | 49             | 21            | 53               | 32             | 42           |
| 18.5           | 14.9      | 26.6              | 16.6             | 19.9       | 15.9      | 25.9           | 15.7          | 27.4             | 16.1           | 21.6         |
| 7.1            | 6.9       | 8.1               | 6.3              | 8.5        | 6.8       | 6.6            | 7.4           | 7.7              | 6.3            | 7.0          |
| 104.7          | 91.4      | 135.2             | 104.7            | 119.4      | 84.3      | 109.9          | 111.8         | 126.9            | 92.7           | 115.5        |
| 90.7           | 103.9     | 101.4             | 92.4             | 82.0       | 80.8      | 82.4           | 112.3         | 79.9             | 86.3           | 85.2         |
| 17             | 23        | 38                | 29               | 33         | 26        | 46             | 27            | 79               | 45             | 43           |
| 27             | 25        | 39                | 32               | 26         | 15        | 26             | 32            | 69               | 49             | 33           |
| 21             | 25        | 39                | 32               | 23         | 23        | 22             | 35            | 69               | 46             | 30           |
| 7605           | 5303      | 4983              | 10118            | 3481       | 4742      | 5235           | 8048          | 12771            | 6335           | 106903       |
| 8400           | 5675      | 5398              | 10899            | 3782       | 5325      | 5664           | 8774          | 14014            | 6741           | 116448       |
| 2328           | 660       | 685               | 994              | 487        | 426       | 1661           | 1848          | 1214             | 596            | 15835        |
| 50             | 57        | 42                | 45               | 42         | 33        | 51             | 59            | 35               | 37             | 46           |
| 46.6           | 93.4      | 42.6              | 43.7             | 33.6       | 52.8      | 67.8           | 84.1          | 22.2             | 35.4           | 52.9         |
| 72496          | 44679     | 29432             | 45848            | 53163      | 2063      | 63761          | 23033         | 79385            | 96702          | 1093157      |
| 82.6           | 97.7      | 26.1              | 33.4             | 41.5       | 10.6      | 74.6           | 26.0          | 26.7             | 52.1           | 44.1         |

### Poverty

- Poverty estimates indicate that Bihar which had the second highest poverty headcount ratio (HCR) in 2004-05 moved to first place in 2011-12 with the HCR at 33.7 per cent relegating Odisha to second place. While the all India poverty HCR was 21.9 per cent, states like Madhya Pradesh, Assam, and Uttar Pradesh, besides Bihar and Odisha had above all India poverty levels in 2011-12. However, in terms of rural poverty, both Odisha and Madhya Pradesh were at the top followed by Bihar and Assam. Kerala had the lowest poverty (7.1 per cent) followed by Himachal Pradesh (8.1 per cent) and Punjab (8.3 per cent).

### Rural-Urban Disparity

- Odisha followed by Bihar, Madhya Pradesh, and Uttar Pradesh had the lowest MPCE in rural areas and Bihar followed by Odisha, Uttar Pradesh, and Madhya Pradesh the lowest MPCE in urban areas in 2011-12. The highest MPCE could be seen in Kerala and Haryana in rural and urban areas respectively with least expenditure on food share in Kerala compared to other states.

### Unemployment

- Rural unemployment rate as per the usual status (adjusted) was lowest in Gujarat followed by Madhya Pradesh and Rajasthan in both 2011-12 and 2004-05. The rural unemployment rate of 3 per thousand in 2011-12 in Gujarat was much below the 17 per thousand all India average. In the case of urban unemployment also Gujarat had the lowest rate. Urban unemployment at 8 per thousand in 2011-12 in Gujarat was way below the all India level of 34 per thousand. Maharashtra with 23 per thousand was a distant second. While Kerala's unemployment rate (both urban and rural) has fallen in 2011-12, it is still the highest. This could be due to unemployment of educated particularly women who are in search of the right job. This is also indicated in the lower labour force participation rate (LFPR) of females in the age group 15-59 years, with the LFPR of rural females being lower than the all India average. After Kerala, Assam followed by Bihar, West Bengal, Haryana and Odisha had high rural unemployment and Bihar followed by West Bengal, Andhra Pradesh and Haryana had high urban unemployment.

### Health

- Infant mortality rate (IMR) in 2012 was the lowest in Kerala (12) and highest in Madhya Pradesh (56) followed by Assam (55), Odisha, and Uttar Pradesh (53 each) against a national IMR of 42. Birth rate was also lowest in Kerala (14.9) and highest in Bihar (27.7) against a national average of 21.6. Death rate was lowest in Maharashtra and West Bengal (6.3) and highest in Odisha (8.5) against a national average of 7.0.

## Education

- Madhya Pradesh (135.2) followed by Bihar (127.7) had the highest GER in the age group 6-10 years during 2010-11 while Punjab (84.3) had the lowest. GER in the age group 11-13 years was highest in Himachal Pradesh (113.8) followed by Tamil Nadu (112.3) and lowest in Bihar (64.6) followed by Assam (67.9). The relatively lower 11-13 years GER compared to 6-10 years GER indicates that the transition of students from primary to upper primary classes is relatively lower than the entry to primary classes. Pupil-teacher ratios at all India levels of education-primary, middle, and high schools-are very high in states like Uttar Pradesh and Bihar affecting the quality of education.

## Financial Inclusion

- The coverage of all types of commercial banks has been expanded in all the states, with a total number of 1,16,448 branches at all India level in 2013. Uttar Pradesh (14,014) has highest number of bank branches followed by Maharashtra and Andhra Pradesh in 2013.

## Key Social-sector Programmes

While there are state-wise indicators for some social-sector programmes, it is not possible to evaluate the performance of states based just on numbers.

- Progress in terms of 24x7 primary and other health centre facilities under the National Rural Health Mission (NRHM) is highest in Karnataka (2328) followed by Tamil Nadu and Rajasthan, and lowest in Himachal Pradesh (156) and Haryana (398).
- The average persondays per household under the Mahatma Gandhi NREGA during 2013-14 is the highest in Tamil Nadu (59 persondays) followed by Kerala (57 persondays) and lowest in Assam (24 persondays) followed by Punjab (33 persondays) against the national average of 46 persondays. While the share of women employed under Mahatma Gandhi NREGA is the highest in Kerala (93.4 per cent) followed by Tamil Nadu (84.1 per cent), it is lowest in Uttar Pradesh (22.2 per cent) followed by Assam (24.8 per cent).
- The overall target achievement for the Indira Awas Yojana (IAY) in 2013-14 was 44 per cent during 2013-14 and Kerala (97.7 per cent) followed by Andhra Pradesh (83.3 per cent) and Karnataka (82.6 per cent) had the highest target achievements and Punjab (10.6 per cent) followed by Himachal Pradesh (17.1 per cent) the lowest.

13.13 The inter-state comparisons of performance of states based on different available indicators furnish some clear policy pointers. While some states have done very well in terms of growth indicators, they are poor performers in terms of other human development indicators. So the human development dimension needs to be taken into account while formulating and implementing social-sector programmes and arriving at criteria for devolution of funds to states.

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The human development dimension needs to be taken into account during formulation and implementation of social-sector programmes and in devolution of funds to states.

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## INCLUSIVE DEVELOPMENT AND SOCIAL-SECTOR PROGRAMMES

13.14 Inclusive development incorporates social and financial inclusion and in most cases the socially excluded are also financially excluded. Many segments of the population like landless agricultural labourers, marginal farmers, scheduled castes (SCs), scheduled tribes (STs), and other backward classes (OBCs) continue to suffer social and financial exclusion. The government's policies are directed towards bringing these marginalized sections into the mainstream. Towards this end, the central government has been implementing many social-sector programmes. They can be classified under the following broad heads viz. poverty alleviation and employment generation, social protection, rural infrastructure and development, urban infrastructure, education and skill development, health, women and child development, and welfare and development of weaker sections.

### Poverty Alleviation and Employment Generation Programmes

13.15 Some of the major poverty alleviation and employment generation programmes are the following:

**Mahatma Gandhi NREGA:** Mahatma Gandhi NREGA aims at providing not less than 100 days of guaranteed wage employment in a financial year to every rural household, with a stipulation of one-third participation of women, through creation of assets that address causes of chronic poverty like drought, deforestation, and soil erosion, thus encouraging sustainable development. With an outlay of ₹ 33,000 crore in 2013-14, the scheme provided 219.72 crore persondays of employment to 4.78 crore households with an average wage employment of 46 persondays. The share of women, SC, and ST persondays in this period was 53 per cent, 23 per cent and 17 per cent respectively. With wages indexed to the consumer price index for agricultural labour (CPI-AL), the average wage under the scheme has increased from ₹ 65 in FY 2006-07 to ₹ 132 in FY 2013-14, resulting in improvement in the bargaining power of agriculture labour. It has also led to improved economic outcomes, especially in watershed activities, and reduction in distress migration. Box 13.2 lists some recent initiatives.

**National Rural Livelihoods Mission (NRLM) - Aajeevika:** The NRLM aims at organizing all rural poor households and continuously nurturing and supporting them till they emerge out of abject poverty, by organizing one woman member from each household into affinity-based women self-help groups (SHGs) and their federations at village and higher levels by 2024-25. The objective is to ensure that each family, once it is in the SHG network for a period of 6-8 years is able to achieve household food security and have 3-4 stabilized livelihoods through a strong convergence with panchayati raj institutions (PRIs). The mission has covered 97,391 villages and mobilized around 20 lakh SHGs, of which 3.8 lakh are new. During 2013-14, ₹ 22121.18 crore of SHG bank credit has been disbursed. For 2014-15, ₹ 3560 crore has been allocated to NRLM.

**Swarna Jayanti Shahari Rozgar Yojana (SJSRY)/ National Urban Livelihoods Mission (NULM):** SJSRY, replaced by the

#### Box 13.2 : Some Recent Initiatives under the Mahatma Gandhi NREGA

- Inter-departmental convergence and collaboration activities like construction of individual household latrines under the Nirmal Bharat Abhiyan (NBA), construction of anganwadi centres under the Integrated Child Development Services (ICDS) Scheme, construction of village playfields under the Panchayat Yuva Krida aur Khel Abhiyan, and convergence with watershed management programmes.
- Steps to open individual bank/post office accounts for all women workers.
- Identifying and providing job cards to widowed, deserted, and destitute women.
- Initiatives for the disabled and other vulnerable persons by fixing schedule of rates (SoR) based on work and time motion study at state level.
- Adding new works to the existing list of permissible works specifically focused on rural livelihood and agricultural activities.

Source: Ministry of Rural Development

NULM in September 2013, aims to provide gainful employment to the urban unemployed and underemployed. The NULM will focus on organizing urban poor in SHGs, creating opportunities for skill development leading to market-based employment, and helping them set up self-employment ventures by ensuring easy access to credit. The mission aims at providing shelter with basic amenities to urban homeless. It also plans to address livelihood concerns of urban street vendors. During 2013-14, ₹ 720.43 crore was released and the number of persons skill trained and assisted for self-employment was 6,83,452 and 1,06,250 respectively.

### Social Protection Programmes

13.16 Some important social protection programmes are the following:

**Aam Aadmi Bima Yojana (AABY):** The AABY extends life and disability cover to persons between the ages of 18 and 59 years, living below and marginally above the poverty line in 47 vocational/occupational groups, including rural landless households. The scheme is also available to all Rashtriya Swasthya Bima Yojana (RSBY) beneficiaries satisfying eligibility conditions. The AABY provides insurance cover for a sum of ₹ 30,000 on natural death, ₹ 75,000 on death due to accident, ₹ 37,500 on partial permanent disability due to accident, and ₹ 75,000 on death or total permanent disability due to accident. It also provides an add-on benefit of scholarship of ₹ 100 per month per child to a maximum of two children. The total annual premium is ₹ 200 per beneficiary of which 50 per cent comes from the social security fund and the remaining 50 per cent is contributed by the state government/nodal agency/beneficiary. A total of 4.61 crore lives are covered under the AABY as on 30 April 2014.

**Rashtriya Swasthya Bima Yojana (RSBY):** The RSBY, a smart card-based cashless health insurance scheme, including maternity benefit, provides cover of ₹ 30,000 per family per annum on a family floater basis to BPL families in the unorganized sector. As of now there are about 6.85 crore targeted BPL families and 70.98 lakh reported hospitalization cases. As on 31 March 2014, more than 3.69 crore families were covered under the RSBY. During 2013-14, ₹ 885.91 crore was released. The benefits of RSBY are being extended to all unorganized workers in a phased manner.

**The Unorganized Workers Social Security Act 2008 and National Social Security Fund:** The Act provides for constitution of a National Social Security Board and State Social Security Boards that will recommend social security schemes for unorganized workers. A National Social Security Fund with initial allocation of ₹ 1000 crore to support social security schemes for weavers, toddy tappers, rickshaw pullers, beedi workers, etc. has also been set up. Further, ₹ 500 crore has been added to the fund.

### Rural Infrastructure and Development Programmes

13.17 Rural infrastructure and development programmes have been designed to achieve a higher degree of rural-urban integration and an even pattern of growth and opportunities for the poor and disadvantaged sections of society. Some such programmes are the following:

**Rural Housing — Indira Awaas Yojana (IAY):** The IAY aims at providing dwelling units to houseless below poverty line (BPL) households identified by the gram sabhas and those living in dilapidated and kutcha houses, with a component for providing house sites to the landless poor as well. Under the IAY, a shelterless BPL family is given assistance of ₹ 70,000 in plains areas and ₹ 75,000 in hilly/difficult areas/Integrated Action Plan (IAP) districts for construction of a new house. For upgradation of kutcha or dilapidated houses, ₹ 15,000 is provided. For purchase of house sites, ₹ 20,000 is provided. The physical target for construction during 2013-14 is 24.81 lakh houses, of which 10.93 lakh have been constructed and 23.76 lakh are under construction. During 2013-14, a total of ₹ 13,894.90 crore was allocated for construction of 24.81 lakh houses and ₹ 12,970 crore was released.

**Pradhan Mantri Gram Sadak Yojana (PMGSY):** The PMGSY is a fully funded centrally sponsored scheme with the objective of providing all-weather road connectivity to all eligible unconnected habitations in rural areas of the country having population of 500 persons and above in plains areas and 250 persons and above (as per the 2001 census) in special category states, selected tribal and desert areas. It also permits upgradation of existing rural roads. Since inception, projects for providing new connectivity to 1,44,717 habitations with a road length of 5,44,462 km have been cleared at an estimated cost of ₹ 1,82,560 crore including upgradation. A total of 3,99,979 km road length has been completed and new connectivity has been provided to over 97,838 habitations up to March 2014. During 2013-14, 25,316 km of all-weather road including new connectivity to 6560 habitations has been completed at an expenditure of ₹ 13,095 crore. Upgradation of selected existing roads has also been taken up.

**Rural Drinking Water — National Rural Drinking Water Programme (NRDWP):** Under the NRDWP, the goal is to ensure that every rural person in the country has access to 70 l of water per capita per day (lpcd) within their household premises or at a distance of not more than 50 m by 2022. The coverage under the programme is 68 per cent. However, slippages happen owing to depleting groundwater levels, increase in population, demand for increased levels of service, and low involvement of gram panchayats and communities in the planning, implementation and monitoring. Increasing contamination of drinking water sources for a variety of reasons is another problem. As on March 2014, about 73.8 per cent of rural habitations are fully covered with the provision of at least 40 lpcd of safe drinking water. The rest are either partially covered or have chemical contamination in drinking water sources. During 2013-14, a target to cover 1,41,838 habitations was fixed against which coverage of 1,52,423 habitations has been reported. The outlay for rural drinking water supply has been increased from ₹ 4098 crore in 2005-06 to ₹ 9700 crore in 2013-14. According to the NSS 69<sup>th</sup> round (Key Indicators on Drinking Water, July 2012 to December 2012) there were 88.5 per cent estimated rural households in India with access to drinking water from improved sources and 11.5 per cent with access to drinking water from unimproved sources. However, Census 2011 reported that 84.2 per

cent of rural households have access to improved drinking water sources from taps, hand pumps, and covered wells.

**Rural Sanitation — Nirmal Bharat Abhiyan (NBA):** According to Census 2011, only 32.7 per cent of rural households have latrine facilities. The NBA, started in 2012, aims at achieving 100 per cent access to sanitation for all households by 2022. As of today, NBA projects have been sanctioned in 607 districts with a total outlay of ₹ 22,672 crore, of which the central share is ₹ 14,888 crore. Allocation for the NBA has increased from ₹ 1500 crore in 2011-12 (RE) to ₹ 2300 crore in 2013-14 (RE). The provision of incentives for individual household latrine units has been widened to cover above poverty line (APL) households belonging to SCs, STs, and other vulnerable sections along with all BPL households. The number of households being provided toilets annually has increased from 6.21 lakh in 2002-03 to 45 lakh in 2012-13. During 2013-14 (up to March 2014), over 49 lakh toilets were provided to households.

**Backward Regions Grant Fund (BRGF):** The BRGF programme launched in 2007 is now applicable in 272 identified backward districts of 27 states, except Goa. The untied funds under the BRGF provide financial resources for supplementing and converging existing development inflows and bridging the critical gaps in local infrastructure and other development requirements that are not being adequately met through other sources of funding. The planning is participatory in nature by PRIs with a bottom-up approach. The entire budgetary allocation of ₹ 2800 crore (RE) has been released during 2013-14.

## Urban Infrastructure Programmes

13.18 The following are major initiatives for providing better urban infrastructure, housing, and sanitation facilities:

**Jawaharlal Nehru National Urban Renewal Mission (JNNURM):** The JNNURM launched in December 2005 is being implemented in cities with focus on upgradation of urban infrastructure, creation of housing stock, and provision of basic services to the poor through community participation and accountability of urban local bodies. The mission is implemented through a) the Basic Services to the Urban Poor (BSUP) programme and b) the Integrated Housing and Slum Development Programme (IHSDP). The BSUP is applicable to 65 select cities in the country and the remaining cities are covered under the IHSDP. Under the BSUP, 519 projects at a total cost of ₹ 28,569.9 crore for the construction of 9,68,486 dwelling units (DUs) have been approved. Under the IHSDP, 1070 projects for construction of 5,52,288 DUs in 910 cities have been approved at a total cost of ₹ 11,681.51 crore. As on 31 March 2014, 8,03,453 houses have been constructed and 5,80,030 houses occupied by beneficiaries. Out of ₹ 21,594.83 crore additional central assistance for these projects, ₹ 17,117.99 crore has been disbursed to states.

**Rajiv Awaas Yojana (RAY):** The RAY, which envisages a slum-free India, was launched in 2011 and 54 pilot projects and 228 cities have been included under the preparatory phase of programme with total project cost of ₹ 2468.51 crore of which the central share is

₹ 1361.84 crore. In the implementation phase, 112 projects for construction/upgradation of 78,664 DUs, at a total project cost of ₹ 4003.55 crore of which the central share is ₹ 2169.35 crore, have been sanctioned.

## Education and Skill Development Programmes

13.19 India has to provide quality education and develop the skills of its large young population to fully reap the benefits of the demographic dividend. Currently, many programmes are being implemented both in elementary and secondary education and higher and technical education.

### *Elementary and Secondary Education*

**Sarva Shiksha Abhiyan (SSA):** Right to Education (RTE) Act 2009 was enacted in April 2010 with the objective of making free and compulsory elementary education a right for children. The SSA aims at universalizing access to education at primary and upper primary levels through new schools, additional classrooms, teachers, special training for out-of-school children, provisions for textbooks, uniforms, residential facilities, transportation, training, etc. The achievements of the SSA till 2013-14 include opening of 3,57,611 new primary and upper primary schools, construction of 2,77,093 school buildings, construction of 15,87,836 additional classrooms, provision of 2,23,939 drinking water facilities, construction of 7,83,349 toilets, appointment of 15.06 lakh teachers, in-service training for 53.33 lakh teachers at block and cluster resource centres, and a significant reduction in the number of school dropouts.

**Mid-Day Meal (MDM) Scheme:** The MDM Scheme aims at providing hot cooked mid-day meals to all children attending elementary classes in government, local body, government-aided and national child labour project schools, as well as centres under the Education Guarantee Scheme (EGS) and alternate and innovative education centres, including madrasas / maqtabas. During 2013-14, against the budget allocation of ₹ 13215 crore an expenditure of ₹ 10927 crore was incurred, benefiting about 10.80 crore children. Social audit has been introduced to monitor the scheme, including testing of food samples by NABL/CSIR/FSSAI-accredited labs. The scheme is being monitored by the MDM-MIS web portal which has scope for integrating with the interactive voice response system (IVRS) for real-time monitoring through community participation.

**Rashtriya Madhyamik Shiksha Abhiyan (RMSA):** The RMSA aims at enhancing access to secondary education and improving its quality to ensure GER more than 90 per cent by 2017 and universal retention by 2020. During 2013-14, ₹ 3045.87 crore has been released to states under the RMSA. To ensure efficient utilization of funds and greater coordination, other centrally sponsored schemes for secondary education, i.e. Information and Communication Technology at School, Inclusive Education for the Disabled at secondary stage, Vocational Education Scheme, and Girls Hostel Scheme, have been subsumed under the RMSA.

**Model School Scheme (MSS):** The MSS aims at building capacity in secondary schools to absorb the pass outs from expanded primary enrolments. The scheme is being implemented in two

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As a percentage of GDP, expenditure on education has gone up from 2.9 per cent in 2008-09 to 3.3 per cent in 2013-14(BE). There is need not only to increase it further, but also address quality issues.

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modes (i) 3500 model schools are to be set up in educationally backward blocks (EBB) through state/UT governments; and (ii) the remaining 2500 model schools are to be set up under PPP mode in blocks which are not EBBs. Up to May 2014 under the first component, financial sanction has been accorded for setting up of 2166 schools in 22 states with release of central share amounting to ₹ 3184.64 crore. Further, 1184 model schools have been made functional in 12 states since 2010-11. The second component under PPP was initiated during 2012-13 and 500 schools are proposed to be awarded, in as many blocks, under it.

**Saakshar Bharat (SB)/ Adult Education:** The focus of SB is female literacy. While only 73 per cent literacy has been achieved as per Census 2011, there is marked improvement in female literacy. Male literacy at 80.89 per cent is still higher than female literacy at 64.64 per cent but the latter increased by 10.9 percentage points compared to the 5.6 percentage points for the former. By the end of March 2013, the programme was sanctioned in 1.61 lakh gram panchayats of 383 low female literacy districts in 25 states and 1 UT. Over 1.52 lakh adult education centres have been set up, manned by 2.42 lakh village coordinators. Up to August 2013 about 24.37 million learners, of which around three-fourths are women, have successfully passed the assessment tests for basic literacy conducted by the National Institute of Open Schooling. Nearly 2 million adults have been skilled in various vocational trades by jan shikshan sansthans. In recognition and appreciation of the programme's endeavour to establish a fully literate society, SB has been awarded the King Sejong Literacy Prize 2013 by the United Nations Educational, Scientific and Cultural Organization (UNESCO). While the SSA has helped in universalization of primary education, a lot more needs to be done to provide quality education. The Annual Status of Education Report (ASER) 2013 by Pratham, an NGO, in its annual survey of rural children conducted in 550 districts, highlights many positives and negatives (Box 13.3). While declining levels of educational achievement are a cause for concern, it is unclear how much of the decline is because of lower levels of learning, and how much is because schools are reaching out to enrol students with lower preparation than they did earlier.

### *Higher and Technical Education*

13.20 In quantity terms, with the number of universities and colleges increasing from 20 and 500 respectively at the time of independence to 723 universities and university-level institutions with 37,204 colleges and 11,356 diploma-level institutions in 2012-13, India has one of the largest numbers of higher education institutions. The GER in higher education has nearly doubled from around 10 per cent in 2004-05 to 20.4 per cent in 2011-12 with the enrolment of 28.5 million students. While India has some of the best institutions the world, in terms of quality of education, a lot more needs to be done. Some recent initiatives in the area of higher and vocational education are the following:

- A new mission mode scheme called Rashtriya Uchchatar Shiksha Abhiyan (RUSA), which will focus on access, equity, quality, and innovation through creation, expansion and

### **Box 13.3 : ASER 2013: Main Findings**

#### **Some Positives**

- **Rising enrolment:** In 2013, 96.8 per cent of all 6-14 year old children in rural India are enrolled in schools with the proportion not enrolled falling marginally, from 3.5 per cent in 2012 to 3.3 per cent in 2013. The proportion of girls in the age group 11 to 14 not enrolled in school dropped from 6 per cent in 2012 to 5.5 per cent in 2013. Private school enrolment of 6-14 year olds has risen steadily from 18.7 per cent in 2006 to 29.0 per cent in 2013.
- **Better provision of girls' toilets:** The proportion of schools without toilets (girls + boys) has fallen from 8.4 per cent in 2012 to 7.2 per cent in 2013. The proportion of schools with separate toilets for girls has improved from 32.9 per cent in 2010 to 53.3 per cent in 2013.
- **More libraries in schools:** The proportion of schools without libraries has declined from 28.7 per cent in 2011 to 22.9 per cent in 2013.
- **Compliance on pupil-teacher ratio:** There has been a consistent rise in the proportion of schools complying with RTE norms on pupil-teacher ratio, from 38.9 per cent in 2010 to 45.3 per cent in 2013.
- **Improvement in drinking water facility:** The proportion of schools with no provision for drinking water has declined from 17.0 per cent in 2010 to 15.2 per cent in 2013 with useable drinking water facility slightly improving from 73.0 per cent in 2012 to 73.8 per cent in 2013.

#### **Some Negatives**

- **Teacher — Classroom ratio is declining:** There has been a decline in the proportion of schools with at least one classroom per teacher, from 76.2 per cent in 2010 to 73.8 per cent in 2013, exceptions being Andhra Pradesh, Bihar, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Karnataka, Maharashtra, and Mizoram.

*Contd....*

consolidation of institutions, research, and innovation and will have norm-based funding, has been launched for strengthening and reforming higher education. During the Twelfth Plan, RUSA will create 80 new universities by converting autonomous colleges/colleges in a cluster to state universities, besides creating other related infrastructure.

- Technical Education Quality Improvement Programme (TEQIP) Phase II, a four-year programme, is currently being implemented with the assistance of the World Bank, covering about 200 institutions based on competitive funding. A total of 187 institutions has been selected under TEQIP.
- Under a scheme for interest subsidy on educational loans introduced in 2009-10, full interest subsidy is provided during the period of moratorium on educational loans from banks availed of by all economically weaker section (EWS) students under the educational loan scheme of the Indian Banks Association (IBA). For the period 2009-12, ₹ 2231.23 crore was released as interest subsidy on educational loans, benefiting about 25 lakh students.
- The National Vocational Education Qualification Framework (NVEQF) has been aligned to the National Skill Qualification Framework (NSQF) to standardize skill learning outcomes and provide mobility. As of now, 287 new polytechnics have been established under its sub-mission on polytechnics and 457 existing polytechnics have been provided financial assistance. In 2012-13, 2.07 lakh persons have been trained through polytechnics and 3.5 lakh persons have been trained in four regional boards of apprenticeship during the last five years.

### *Skill Development*

13.21 Skill development is vital not only for reaping the benefits of demographic dividend, but also for greater inclusive growth. To bridge the demand-supply mismatch of skilled persons, the National Skill Development Corporation (NSDC) has approved 158 proposals till March 2014. The overall commitment to 129 training proposals and 29 sector skill councils stands at ₹ 2215.89 crore. A total of 19,54,300 persons have received job-oriented skills training through NSDC skilling partners since 2010, of which 60 per cent have been placed in different sectors. During 2013-14, NSDC partners trained 10,05,074 people across a wide array of sectors ranging from healthcare, manufacturing, electronics and hardware, tourism, hospitality and travel to banking, financial services, retail, information technology, and textiles in 366 districts. The National Skill Certification and Monetary Rewards Scheme, popularly known as STAR with a budget outlay of ₹ 1000 crore provides monetary reward to those who wish to acquire a new skill or upgrade existing skills. The scheme became operational on 16 September 2013 and has enrolled more than 4 lakh trainees in 206 courses. As on 31 March 2014, 3,44,545 trainees have completed their training with 559 partners in 6402 centres across the country. Under the special skills training initiatives called Udaan, a private sector-led skills training programme for diploma holders, graduates, and post-

### **Box 13.3 : ASER 2013: Main Findings (Contd...)**

- **Declining basic reading levels:** The percentage of children in standard V able to read a standard II level text declined from 53.7 per cent in 2010 to 47.0 per cent in 2013.
- **Decline in Arithmetic levels:** The percentage of standard III children able to solve simple two-digit subtraction problems fell from 39.1 per cent in 2009 to 26.1 per cent in 2013. However states like Haryana, Himachal Pradesh, Jammu & Kashmir, Odisha, Punjab, Rajasthan and Uttar Pradesh are exceptions where arithmetic levels have risen for the classes III-V.
- **Children's attendance has declined:** Children's attendance (for standards I-V) shows a decline from 72.9 per cent in 2010 to 70.7 per cent in 2013 in rural primary schools with exceptions being Bihar, Karnataka, Odisha, and Tamilnadu.
- **Same classroom for different classes:** More than half of standard 2 and standard 4 classes sit together in rural government primary schools.

**Source :** Based on ASER 2013, Press Release dated 15 January 2014.

*Skill development is vital not only for taking advantage of the demographic dividend, but also for more inclusive growth.*

graduates of Jammu & Kashmir, 61,893 people from 47 corporates across the country have been trained. By 31 March 2014, 4318 people had joined training from 36 corporates, of whom 1451 have completed their training. The target for the next year is to enrol 8000 people from Jammu & Kashmir.

## Health Programmes

13.22 Providing quality and affordable healthcare to the large Indian population, particularly the poor and underprivileged, is a formidable task. The allocations for the health sector have increased over the years. In 2013-14, there was an increase in outlay for the health sector by 7.44 per cent over the previous year to ₹ 32,745 crore. The combined revenue and capital expenditure of the centre and states on medical and public health, family welfare, and water supply and sanitation has increased from ₹ 53,557 crore in 2006-07 to ₹ 1,36,296 crore in 2012-13 (BE). The central government outlay for the health sector in the Twelfth Plan has been increased by about 200 per cent to ₹ 3,00,018 crore over the actual outlay of ₹ 99,491 crore in the Eleventh Plan. The process of rolling out universal health coverage has also been set in motion. Though the progress in the health sector as reflected in selected health indicators (Table 13.8) is impressive, with just a 1.4 per cent share in India's GDP, a lot more needs to be done to provide quality and affordable healthcare for the large Indian population.

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Expenditure on health is just 1.4 per cent of India's GDP. A lot more needs to be done to provide quality and affordable healthcare for the large Indian population.

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| Sl. No | Parameter   | 1981      | 1991      | 2001          | Current level  |
|--------|---|-----------|-----------|---------------|----------------|
| 1.     | Crude birth rate (CBR) (per 1000 population)              | 33.9      | 29.5      | 25.4          | 21.6 (2012*)   |
| 2.     | Crude death rate (CDR) (per 1000 population)              | 12.5      | 9.8       | 8.4           | 7.0 (2012*)    |
| 3.     | Total fertility rate (TFR)                                | 4.5       | 3.6       | 3.1           | 2.4 (2012*)    |
| 4.     | Maternal mortality ratio (MMR) (per 1,00,000 live births) | NA        | NA        | 301 (2001-03) | 178 (2010-12*) |
| 5.     | Infant mortality rate (IMR) (per 1000 live births)        | 110       | 80        | 66            | 42 (2012*)     |
|        | Rural   | NA        | NA        | NA            | 46             |
|        | Urban   | NA        | NA        | NA            | 28             |
| 6.     | Child (0-4 years) mortality rate (per 1000 children)      | 41.2      | 26.5      | 19.3          | 11 (2012*)     |
| 7.     | Life expectancy at birth                                  | (1981-85) | (1989-93) | (1999-03)     | (2006-10)**    |
|        | Total   | 55.4      | 59.4      | 63.4          | 66.1           |
|        | Male  | 55.4      | 59.0      | 62.3          | 64.6           |
|        | Female  | 55.7      | 59.7      | 64.6          | 67.7           |

**Sources:** Ministry of Health and Family Welfare; \*Sample Registration Survey (SRS), \*\*Abridged Life tables, 1999-03, 2003-07 to 2006-10, Registrar General of India.

13.23 Many programmes are being implemented in the health sector. Some important ones are the following:

**National Health Mission (NHM):** The national health mission (NHM) was launched in 2013 to enable universal access to equitable, affordable, and quality health care services. The NHM subsumes the NRHM and National Urban Health Mission (NUHM)

Table 13.8 : India : Select Health Indicators

as sub-missions, initiated in 2013 to expand the primary healthcare service coverage in the country. The NUHM covers slum dwellers and other marginalized groups of all cities/ towns with a population of more than 50,000, as towns below 50,000 population are already covered under the NRHM. Since 2005, the NRHM has led to improvement in healthcare delivery service through better infrastructure, drugs, and equipment and availability of human resources in health facilities at different levels in rural areas (Table 13.9). The total plan outlay under the NHM for 2013-14 was ₹ 18,775.35 crore.

**Reproductive and Child Health (RCH):** Two RCH programmes, i.e. Janani Suraksha Yojna (JSY) and Janani Shishu Suraksha Karyakram (JSSK), aim to bring about a change in three critical health indicators, maternal mortality rate (MMR), infant mortality rate (IMR), and total fertility rate (TFR). In order to meet the increased demand for delivery care services, the initiative to introduce 100-bedded maternal and child health (MCH) wings in 158 district hospitals and medical colleges has been taken up. Mother and child tracking system (MCTS) has been introduced to track every pregnant woman for timely pre-natal care, institutional delivery, and post-natal care, with immunization of the children. The registration of pregnant women and children has reached about 2.08 crore and 1.67 crore respectively during 2013-14. Under the JSY, institutional deliveries conducted by skilled birth attendants have increased from 7.38 lakh in 2005-06 to more than 1.06 crore in 2012-13. The number of institutional deliveries during 2013-14 (up to September 2013) was 80.94 lakh. Under the JSSK, all pregnant women delivering in public health institutions are entitled to absolutely no expense deliveries including caesarean, free drugs, diagnostics, blood and diet, and free transport from home to institution, including during referrals.

**Pradhan Mantri Swasthya Suraksha Yojana (PMSSY):** Under the PMSSY, six All India Institute for Medical Sciences (AIIMS)-like institutions in the first phase at Bhopal, Bhubaneswar, Jodhpur, Patna, Raipur, and Rishikesh have become functional. Two batches of students totalling 210 at each of these six institutions are receiving education. Besides upgradation of 13 medical colleges in the first phase, 6 in the second phase, and 39 in the third phase are envisaged.

**AYUSH:** The Indian system of medicine is also being developed and promoted by involvement / integration of the AYUSH system in national healthcare delivery through an allocation of ₹ 1069 crore in 2013-14. But the recent NSSO survey highlights the huge gap in outreach of public healthcare delivery of AYUSH system as compared to its demand. Only 4.7 per cent of patients could avail of medicines from government hospitals/dispensaries, with the remaining 95.3 per cent population using private and other sources.

**Human Resources, Infrastructure Development/ Upgradation in Tertiary Health Care:** To strengthen government medical colleges, land requirement norms and infrastructural requirements for opening new medical colleges have been revised. To further increase availability of doctors, new medical colleges

| Sl. No. | Facilities  | Numbers |
|---------|---|---------|
| 1.      | SC/PHC/CHC (2012)*  | 177248  |
| 2.      | Government hospitals (rural & urban areas, including CHCs) ** | 35416   |
| 3.      | AYUSH hospitals & dispensaries (as on 01.04.12)**             | 27586   |
| 4.      | Nursing personnel (as on 01.01.12)**                          | 2124667 |
| 5.      | Doctors (modern system) (2012)**                              | 883812  |

**Sources :** \*RHS: Rural Health Statistics in India 2012 and \*\* National Health Profile 2012.

**Notes:** SC is sub-centre; PHC is primary health centre; CHC is community health centre; AYUSH is Ayurveda, Yoga, Unani, Siddha and Homeopathy.

Table 13.9 : Health Care Infrastructure

attached to district hospitals are also being set up which will add 16,000 MBBS seats during the Twelfth Plan. To meet the shortage of faculty in pre- and para-clinical disciplines in state government medical colleges, ₹ 686.02 crore has been released as on 15 October 2013 to 72 government medical colleges in 20 states for creation of about 4000 postgraduate seats.

### Women and Child Development Programmes

13.24 Women and children constituting about 70 per cent of the total population of the country are vulnerable and lagging in terms of many economic and social parameters. So there is a need for focused planning with affirmative action for their inclusion in the growth and development process with greater share in the decision-making process. Recognizing this fact, gender budgeting (GB), as a tool for achieving gender mainstreaming, has been adopted in 2005. The share of the gender budget has increased from 2.79 per cent in 2005-06 to 5.83 per cent (₹ 97,133.70 crore) of the gross budgetary support in 2013-14. Of the many schemes being implemented for the welfare of women and children, the Integrated Child Development Services (ICDS) Scheme, which aims at holistic development of children below 6 years of age and proper nutrition and health education of pregnant and lactating mothers, is an important one. This has now been universalized with cumulative approval of 7076 projects and 14 lakh anganwadi centres (AWCs), including 20,000 anganwadis 'on demand'. They are currently providing services to 1026 lakh beneficiaries.

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Greater inclusion of women involves not just a greater share for the gender budget but also greater share of women in the decision-making process.

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**Policies to address violence against children and women:** A new National Policy for Children (NPC) 2013 for the realization of the rights of all children has been adopted. It recognizes every person below 18 years as a child for the harmonious development and protection of whom a long-term, sustainable, multi-sectoral, integrated, and inclusive approach is necessary. Besides, a special law, the Protection of Children from Sexual Offences (POSCO) Act 2012 to deal with child abuse cases below the age of 18 years, came into force from 14 November 2012. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 enacted on 9 December 2013 covers all women against sexual harassment at the workplace in both the public and private sectors. Similarly, in order to prevent violence against women, comprehensive amendments were introduced in the Indian penal code through the Criminal Law (Amendment) Act 2013 that makes provisions more stringent. A high-level committee on the status of women was also set up on 24 May 2013 to prepare a report on the current socio-economic, political, health, and legal status of women in India and recommend measures for empowerment of women. The committee is mandated to present its report within two years.

### Welfare and Development Programmes for Weaker Sections

13.25 Economic and social empowerment along with educational upliftment of socially disadvantaged groups and marginalized sections of society can help in achieving faster and more inclusive

development. An amount of ₹ 5084.56 crore has been released for social justice and empowerment during 2013-14. Some schemes targeted at the different weaker sections are as follows:

#### SCs

- **Special Central Assistance (SCA) to the Schedule Castes Sub Plan (SCSP):** This aims at uplifting the SCs above the poverty line through self-employment or skill development for which subsidy is provided. During 2013-14, ₹ 790.25 crore has been released to the states for an estimated 6.08 lakh beneficiaries. Several legislations have been enacted for securing the civil rights of SCs and STs. For providing support to SCs, ₹ 3990.14 crore has been released during 2013-14.
- **Scholarship schemes:** Pre-matric scholarships have been introduced in 2012, for classes IX and X for SC children so as to minimize the incidence of drop-out, especially in the transition from elementary to secondary stage. An amount of ₹ 547.17 crore was released to the states during 2013-14 for an estimated 19.10 lakh beneficiaries for the purpose. Under the Post-matric Scholarship Scheme for SCs, central assistance of ₹ 2153 crore was released to the states during 2013-14 for 52.78 lakh beneficiaries.
- **Other schemes:** There are other schemes for SC students like the Rajiv Gandhi National Fellowship Scheme which aims at providing financial assistance to SC students pursuing M Phil and Ph D courses, National Overseas Scholarship Scheme which provides financial support to students pursuing Master's level and PhD/post-doctoral courses abroad, and the Top Class Education Scheme which provides full financial support to eligible students who secure admission in notified premier institutions like the Indian Institutes of Technology (IIT), Indian Institutes of Management (IIM), and National Institutes of Technology (NIT).

#### STs

13.26 Various policies and programmatic and legislative interventions have been made for the socio-economic development and empowerment of the STs. As per Planning Commission (2009-10), 47.4 per cent of STs in rural areas and 30.4 per cent in urban areas were below the poverty line. Major schemes targeted at their welfare are as follows:

- **Tribal Sub Plan and Special Area Programmes:** The Tribal Sub-Plan (TSP) is an instrument for accelerating socio-economic development by bridging the developmental gaps between STs and the general population. During 2013-14, ₹ 3879 crore (RE) was allocated for the welfare and development of STs. Major expenditure was incurred on central assistance to state governments under two special area programmes, (i) grants to states to supplement their TSP (SCA to TSP) for income generating schemes, creation of incidental infrastructure, community based activities and development of forest villages, and (ii) grants under article 275(I) of the constitution for development and up-gradation of

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Faster and more inclusive development also depends on economic and social empowerment along with educational upliftment of socially disadvantaged.

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administration in tribal areas. The latter is also used for setting up of Eklavya Model Residential Schools (EMRS) in states for providing quality education in remote areas. The revised allocation under these two programmes was ₹ 2147.14 crore during 2013-14, which has been released to the states.

- **Economic Empowerment Programmes:** For economic empowerment of STs, financial support is extended through the National Scheduled Tribes Finance and Development Corporation (NSTFDC) in the form of loans and micro-credit at concessional rates of interest for income-generating activities. During 2013-14, the corporation disbursed ₹ 141.35 crore for various income-generation activities of STs. Forward linkage is provided by the Tribal Cooperative Marketing Development Federation of India (TRIFED). A new scheme was launched in 2013-14 as a mechanism for marketing of minor forest produce through minimum support price and development of value chain, for which ₹ 112.49 crore was released to state implementing agencies.
- **Educational Development Programmes:** Despite continued support by the government, low educational levels among STs remain an area of concern. To address this issue, a Pre-matric Scholarship scheme launched in July 2012 provides 100 per cent financial assistance. The Post-matric Scholarship scheme also provides 100 per cent financial assistance. The Top Class Education Scheme provides financial assistance for quality education to 625 students per annum for pursuing Master's and doctoral and post-doctoral studies in identified institutes. Under the pre-matric scheme and post-matric scheme ₹ 219.43 crore and ₹ 748.45 crore respectively have been released in 2013-14.

### *Minorities*

13.27 For the development of minorities, the plan outlay was raised from ₹ 3135 crore in 2012-13 to ₹ 3511 crore in 2013-14. Three scholarships schemes, namely Pre-matric, Post-matric and Merit-cum-Means based, were implemented exclusively for the notified minorities with a total provision of ₹ 1770 crore in 2013-14. The Multi-sectoral Development Programme, is a special area development initiative to address the 'development deficits' especially in education, skill development, employment, health and sanitation, housing, and drinking water in 196 minority concentration districts under which projects worth ₹ 1466.98 crore were approved during 2013-14. The corpus of the Maulana Azad Education Foundation has been enhanced from ₹ 100 crore in 2005-06 to ₹ 910 crore up to March 2014 and will be further enhanced by ₹ 113 crore during 2014-15 for expanding its activities.

13.28 There are also special programmes to benefit OBCs and persons with disabilities.

## **OUTLOOK AND CHALLENGES**

13.29 The outlook for India on the human development front could be positive given the large demographic dividend waiting to be

tapped. The benefits of this unique opportunity can be reaped only if this young population is educated, healthy, and adequately skilled which, however, India's human development performance does not reflect. Though some pick-up is seen in these indicators during 2000-12, India's performance continues to be below global average in most of the HDI indicators like life expectancy at birth, mean years of schooling, expected years of schooling, and even per capita income. Notwithstanding growth in these indicators, India has slipped in its HDI rank.

13.30 Unleashing the potential of the demographic dividend is the biggest challenge India has to face, particularly now, as it is a time-bound advantage. Already the average age in some states like Kerala (33), Goa (32.3), Tamil Nadu (31.3), Himachal Pradesh (30.4), Andhra Pradesh (29.3), Punjab (29.9), and West Bengal (29.1) has surpassed the average age of 2020. So timely action for equipping the young population with high expectations with health, education, adequate skills and security is of paramount importance. For this, massive efforts are needed in the form of investment in social infrastructure, skill development, and empowerment of women.

13.31 Providing jobs for all and a decent standard of living are other challenges. While higher growth will have its trickle-down effect, the quality of growth is equally important. The present focus on development of infrastructure facilities and the employment-generating tourism sector are steps in the right direction. This along with targeted and redesigned employment and poverty-alleviation programmes can have the desired effect.

13.32 Another challenge is of dealing with multiple and sometimes overlapping programmes. While India has not compromised on expenditures on welfare activities despite the global shocks as reflected in the rise in social expenditure as a percentage of GDP, the outlays have not fully translated into outcomes. A mere mark up each year in the Budget for existing programmes or starting some new programmes will not suffice. What is needed is a 'zero budgeting' approach with a revamp, reorganisation and convergence of social-sector schemes with a minimum size prescribed for the schemes (Box 13.4).

13.33 The final challenge is the delivery mechanism. The outlays for the different schemes have not often translated fully into outcomes owing to the poor delivery mechanism. Leveraging modern technology for efficient delivery of programmes, removing the multiple layers of governance, simplifying procedures, and greater participatory role by the beneficiaries can help in creating a better delivery mechanism. India has made great strides in IT technology. This along with bigger private-sector participation can come in handy in the delivery of social-sector programmes. While this can help in quick delivery for beneficiaries, it can also help in detecting 'ghost' beneficiaries and overlapping of beneficiaries. The Direct Benefit Transfer (DBT) to Bank Account is one such example. The payment through e-musters under the Mahatma Gandhi NREGA is another. But a lot more can be done with the help of the private sector which has shown itself a little reluctant

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Massive investment in social infrastructure, skill development, and empowerment of women is needed to reap the benefits of the time-bound demographic dividend.

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A mere mark up each year in the Budget for existing programmes or starting some new ones will not suffice. What is needed is a 'zero budgeting' approach with a revamp, reorganization, and convergence of schemes.

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### Box 13.4 : Need for Revamp/ Reorganization of Some Social-sector Schemes

The government has been implementing many social-sector programmes. The performance of the different schemes is varied. A major revamp/reorganization of the myriad schemes and convergence of some is needed along with a zero budgeting approach for maximum efficiency gains.

#### **Mahatma Gandhi NREGA**

- Though the act is panchayat-centric and demand based, on the ground there is lack of principal role in planning, execution and monitoring by the PRI's especially the gram sabha.
- The awareness level in the gram sabha/PRI's is very low also resulting in lack of ownership, ill-conceived planning and shelf of projects, and weak or even no social audit.
- The need for community projects is becoming less important as probably such works have already been completed or are on the brink of saturation or on account of lack of common interest in public works. Individual activities on farms are preferred by beneficiaries.
- Delayed measurement of works leads to delayed wage payment. This is also owing to lack of technical staff.
- In some places only female workers are interested in availing of work as market wage for males is much higher, resulting in only small works of lesser utility being undertaken instead of big and tangible projects.
- Need to avoid projects with single or small number of beneficiaries and the use of Mahatma Gandhi NREGA funds in a supply-driven mode.

So there is an urgent need to revamp the Mahatma Gandhi NREGA to prevent its misuse and make it a development-oriented programme creating tangible and meaningful assets and infrastructure including tourism-related infrastructure or some large agriculture-related activities.

#### **NRLM**

- The SGSY/NRLM has been working satisfactorily in activities like tailoring, home-made products like agarbattis, locally consumable items, pottery, and hospitality services. However, careful assessment of demand and supply of the end-product through meticulous planning and putting in place the backward and forward linkages is necessary. For this proper time-bound identification and development of growth centres at block level are needed.
- The mismatch in the scope of activities and large amount of investment made in infrastructure like buildings and equipment needs to be looked into.

#### **NRHM**

- Though the NRHM has been successful in reaching affordable healthcare services to the rural population, there are problems like underutilization of the well-built infrastructure, either due to bad location of the centre or due to lack of transport/residential facilities for doctors and other staff, safety of women, and shortage of qualified doctors and nurses.
- There is also a need to consider PPP in this sector with careful regulatory oversight.

#### **SSA**

- The mandate of the RTE Act to have a school within 1 km of radius of every habitation was to ensure that every child gets the facility of a nearby school. However, this provision needs to be revisited as the number of students in some places does not warrant separate classrooms and it has led to mushrooming of schools, with the infrastructure in the form of buildings wasted. A single and bigger school for nearby places could serve the purpose better with optimization of resources.
- Need for regularization of temporary teachers and outcome-based assessment of teachers.
- The absence of basic amenities like toilet facilities, safe drinking water, shortages of staff at all levels including safai karamcharies in the schools need to be addressed.

#### **MDM**

- The scheme needs a facelift as there are concerns about the safety of children owing to poor quality of food. Some suggestions include provision of dining rooms in each school as there is no cover from rains and other exigencies. There is a need to ensure hot cooked meals.
- Using the teaching staff only for supervision of the scheme instead of involving them directly in this activity, as the primary activity of teaching suffers.

#### **NBA**

This scheme has done well since inception, though there is still a long way to go. Some issues that need to be addressed are:

- Rural sanitation being a state subject, it is necessary for the state governments to accord high priority to the programme. Though most states have included the TSC in their programmes, financial allocations for sanitation are often not adequate on account of lack of priority attached to the programme which often takes a backseat to water which is a more politically important issue.
- There has been less emphasis on capacity building and IEC (information, education and communication) activities which is needed at the cutting-edge level for implementing a demand-driven project. The implementation machinery at field level, which is quite familiar with the working of supply-driven target-oriented schemes needs to be further sensitized to the challenges of this demand-driven approach.
- Some other challenges are provision of low-cost and region-specific technological options, quality of construction, and convergence with various other departments at national, state, district, and grassroots levels.

**Source:** Dr H.A.C. Prasad, Dr N.K. Sinha, and Riyaz A. Khan, Working paper No 3/2013-DEA (November 2013), Department of Economic Affairs, GoI and various other studies.

to participate in the government's social-sector programmes on account of payment and procedural delays. To avoid such delays, multiple layers of governance have to be reduced and intermediaries avoided. The success of programmes and policies of the government lies in the institutional arrangement and attitudinal mindset in the public delivery system. There is a need for greater degree of accessibility to information for the public, especially about the role, rights, and entitlements of the PRIs. Demanding accountability from the public delivery system by the general public will also make the authorities more responsive. Greater awareness and capacity-building activities at gram sabha level and devolution of powers in real terms, i.e. funds, function, and functionaries to the PRIs that are overdue since the 73<sup>rd</sup> Constitutional Amendment can help in effective planning, execution, monitoring and social audit of panchayat-centric programmes.

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Focused attention on raising the awareness levels of the PRIs, especially Gram Sabhas, will lead to better and more effective planning, execution, monitoring, and social audit of panchayat-centric programmes.

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