



Chapter 24

Sectoral Perspectives and Development Strategy

Context

- Imagine a state, half of which was segmented into 30 princely states (26 Shimla Hills and 4 Punjab Hills) during the colonial days, functioning separately with some degree of internal autonomy, and other half was directly under the hegemony of the British rule;
- Imagine a state which was previously much smaller and non-contiguous in the early years of its development history after independence; and
- Imagine a state which could not look after its interests effectively before it gained statehood in 1971

This is, of course, Himachal Pradesh, which made a transition from a patchwork of feudatory states, to the status of a Chief Commissioner's Province in 1948, Part C State in 1951, union territory in 1956, a consolidated geographical entity in 1966, and a full-fledged state in 1971. On the way, the Part C State of Bilaspur was merged into it in 1954. Such a territorial evolution of the state had a profound influence on the structure and style of its politics and administration. Thereby, the development process too got defined in diverse ways in terms of priorities and pace over time.

Himachal Pradesh covers an area of about 56 thousand sq. kms, and has a population of 6.1 million, according to the 2001 Census. It is one-third larger in area and one-sixth smaller in population than Switzerland. Its population is projected to increase to 6.9 million in 2011 and 7.9 million in 2025 (Sharma and Parthi, 2001). Administratively, the state is organised into 12 districts, 75 *tehsils*, and as many development blocks.

Vision

Which is the most appropriate vision for Himachal Pradesh?

- A 'model' hill state, analogous to Kerala in human development, Punjab in economic development, and Andhra Pradesh in e-governance;
- A 'modern' hill state, in terms of a physical and social infrastructure of the best quality; an economy which is based on horticulture belts, industrial clusters, tourism circuits and hydel-power complexes; an investment climate which is conducive to entry of multinationals, in particular; and a society which is responsive to the emerging global scene;
- A 'beautiful' state, manifest in landscapes exquisitely designed by nature, professional management of water, soil and vegetation on watershed basis, and a harmony between economy and ecology; and
- A 'local governance' state, wherein development is based on local resources, requirements and adaptive technology; management of affairs is by the people rather than for the people; and tradition and modernity have been meaningfully blended to invigorate the native culture.

The vision leads us to some specific questions. How can a progressive upgradation of the standard of living and quality of life of the people be ensured? How can the prevailing subsistence foodgrain agriculture of the state be transformed into widespread commercial horticulture, appropriate to different altitudinal zones and seasons? How can the state attract massive investment in power, tourism, industry, and information technology? How can the dynamism of the

state be stirred by raising the core competency of the people, promoting entrepreneurship and breaking their insular psyche? And, above all, how can all this be accomplished without causing damage to ecology?

Guiding Principles

As a response to the questions raised above, it is imperative to enunciate some guiding principles. These are listed below:

- We have to work for a recipe which can be worked into a delectable dish; a strategy that is implementable. The actual task boils down to identification of micro-level projects, which will spur the development process, or solve some chronic problem, or create something special.
- A policy has to be formulated which is free from any political bias or prejudice and which can survive any electoral change. The critical issues facing the state are fairly well defined and choices are limited.
- A policy has to be designed which does not permit erosion of the development gains already made, especially in the sphere of human development.
- The resource gap in every individual sector has to be assessed, and effective measures to fill it worked out.
- Note has to be taken of the interconnectivity of every individual sector of the state with its counterpart in the neighboring states, in terms of both complementarity and competition.
- Since the Government of Himachal Pradesh has already announced policies for a number of sectors, including Environment (undated), Transport (1999), Industry (1999), Tourism (2000), Information Technology (2001), Youth (2002), Forestry (2002), and Biotechnology (2003), it will be desirable to review these within the framework of their specifications, and suggest improvements, if necessary.
- Reforming the existing structure is better than replacing it by a new one. Revolutionary measures can be made to wait. This is said with special reference to the respective roles of the public and private sectors in running the system.

Distinctive Features

For defining such a development strategy, we may first take note of what makes Himachal Pradesh a distinct entity. This is summarised below:

- The state is a macro-watershed for the entire north-west region. Three major rivers, namely the Beas, Ravi and Chenab, originate from here. The Satluj traverses through it for a long distance and the Yamuna defines its eastern boundary. The ecological criticality of the watersheds formed by these rivers transcends the territorial limits of the state into Punjab, Haryana and Jammu & Kashmir. This calls for an inter-related planning to protect the ecological health of the entire region, and realise mutual economic benefit.
- The state experienced frequent and extensive territorial changes in its physical contours. The reorganisation of Punjab in 1966 led to the doubling of its area over what then existed. This gave it a physical contiguity and compactness too. On acquiring statehood in 1971, it inherited an administrative set-up and infrastructure base, which could be maintained only with liberal financial assistance from the Central Government. Such a situation persists even today.
- Four successive phases - 1947-66, 1966-71, 1971-91 and 1991 to date - can be identified in the history of development of the state since independence. The temporal divides, as indicated, coincide either with a change in its political status, or territorial arrangement or management paradigm. The post-1991 phase is linked to the adoption of the new economic policy, at the all-India level.
- Himachal Pradesh is noted for its relative political stability. National parties held a sway; regional parties could not make a dent. For 20 years, Y.S. Parmar was the Chief Minister; Virbhadra Singh was earlier Chief Minister for as many as 12 years and has again returned with a five year mandate; and P.K. Dhumal recently had a five-year uninterrupted stint. Such a political regime gave a continuity to the development process, and transformed the state from a problem one to a progressive one. By that token, Himachal Pradesh is a peaceful state; caste and class conflicts are minimal; and there is hardly any law and order problem.
- The state is credited for its relative efficiency and efficacy. It has ranked consistently high at the all-India level in the implementation of the 20 Point Programme. It has been quick in its response to every natural disaster. In all earnestness, it has prepared policy documents for

TABLE 24.1
Special Category States: Some Select Development Indicators

	<i>Per Capita Net State Domestic Product (1999-2000) (Rs.)</i>	<i>Per Capita Public and Private Investment (1999-2000) (Rs.)</i>	<i>Credit/Deposit Ratio (1999-2000)</i>	<i>Per Capita Tax Revenue (1999-2000) (Rs.)</i>	<i>Road Length Per 1000 sq. km. (1999-2000)</i>
Himachal Pradesh	15012	52102	26	2512	542
Jammu & Kashmir	12228	16916	34	1863	97
Uttaranchal	NA	19943	24	NA	NA
Sikkim	13356	122629	15	2913	258
Arunachal Pradesh	14338	37888	22	3089	168
Nagaland	NA	1372	14	3051	1107
Manipur	11370	5053	41	1846	490
Mizoram	NA	13422	29	3599	229
Tripura	10213	17577	22	1754	1405
Meghalaya	11678	3022	17	1939	378
Assam	9720	42158	38	1070	872

Source: Tenth Five Year Plan: 2002-2007, Volume III, State Plans, Concerns and Strategies, p. 71 for items 1, 2 and 3, and Statistical Abstract of Punjab, 2002, pp. 806-807 for item 4.

the promotion of several sectors of the economy and society. The ground experience is that people have an easy access to those in political power or administration. Grievances are generally taken care of expeditiously. The state delivery system is fairly regulated.

- There is a long tradition of service in the army. Himachal Pradesh accounts for almost 10 per cent of the serving soldiers in the Indian Army. Ex-servicemen constitute a big constituency. There is considerable inflow of financial resources to the state through remittances and pensions, thereby.
- Out-migration under conditions of intense population pressure on agricultural land has been sizeable over the years. The outflow was mainly of males, with families staying back to look after the land. This is true particularly of those areas of the state which were earlier part of Punjab
- Practically every family nurtures the dream of having at least one of its members in government service on considerations of security of job, social status and administrative/political networking.
- Himachal Pradesh scores high on indices of human development. Its per capita outlay for the social sector is the highest among all the states in the country. The relatively high status of women has been promotive of household economy, education and self-help groups. Using data for 46 indicators, classified into 8 categories of prosperity and budget, law and order, health, education, consumer market, agriculture,

infrastructure, and investment, and employing the technique of principal component analysis, *India Today*, in its May 19, 2003 issue, described Himachal Pradesh as a trail-blazing success story in human development and social infrastructure scripted by a remarkable synergy between government initiative and community participation.

- Above all, it is a 'special category' state. Among 11 states of the kind, it ranks the highest on per capita income, and also on percentage of households having the facility of tap water supply, electricity connection, television and telephone (Tables 24.1 and 24.2). Likewise, Himachal Pradesh is best placed in respect of tap water supply and electricity connections among the neighbouring states (Table 24.3). During 1970-2000, the 'special category' states received financial transfers from the Centre which, on per capita basis, were nearly three times of what other states got. Within its own group, what Himachal Pradesh received was 15 per cent higher than the others (Table 24.4).

In a relative sense, Himachal Pradesh is a success story in hill-area development. It is covered also under the partially Tribal Area and Border Area Development programmes. The World Bank and other such international agencies have provided considerable financial support to its development projects as a part of the state efforts. No less crucial has been the NABARD's contribution to the extension of rural infrastructure, particularly irrigation and road transport, during the recent years.

TABLE 24.2
Special Category States of India: Some Select Indicators of Quality of Living, 2001

State/India	Percentage of Households with the Facility of					
	Pucca House	Tap Water Supply	Electricity	LPG	Television	Telephone
Himachal Pradesh	64.5	84.1	94.8	28.1	53.3	16.6
Jammu & Kashmir	66.0	52.5	80.6	22.1	40.7	6.8
Uttaranchal	86.3	65.9	60.3	33.5	42.9	9.9
Sikkim	37.7	70.3	77.8	18.8	30.9	13.2
Arunachal Pradesh	20.4	67.8	54.7	20.2	26.7	9.2
Nagaland	16.3	42.0	63.6	9.5	18.1	5.2
Manipur	8.4	29.3	60.0	21.8	24.2	5.3
Mizoram	53.0	31.9	69.6	37.7	20.4	14.1
Tripura	9.9	24.6	41.8	12.9	23.7	5.2
Meghalaya	22.2	34.5	42.7	7.7	20.9	7.0
Assam	19.7	9.2	21.9	13.2	18.3	4.3
INDIA	51.8	36.7	55.9	17.5	31.7	9.1

Source: Census of India, 2001, Housing Tables.

Carriers of Development

Let us now review the factors, which have been favourable to the overall development of the State.

- By virtue of its status as a 'special category' state as also its earlier status as a 'union territory' till 1971, Himachal Pradesh has been beneficiary of relatively liberal devolution of funds from the Central Government. During 1990-2000, the average annual transfer of resources from the Centre to the state was Rs. 4717, on per capita basis. The figure for all the states put together was only Rs. 1520. Such a pattern has been consistent over the decades (Table 24.4).

- Credit is due also to 'quality of political leadership', to a considerable degree for the socio-economic transformation of the state. The contributions of Y.S. Parmar have been vital, in this respect. A scam-free functioning of administration, by and large, has also played a positive role. The social milieu, defined by interaction of the masses with the politico-administrative set-up, and the minimal strife based on caste, class or region have been no less favorable for the overall progress of the state. All this has added up to a comparatively high level of 'human development'. This is expected to serve as a solid foundation for the future economic development of the state.

TABLE 24.3
Himachal Pradesh and the Neighbouring States: Some Select Indicators of Quality of Living, 2001

State/India		Percentage of Households with the Facility of					
		Pucca House	Tap Water Supply	Electricity	LPG	Television	Telephone
Himachal Pradesh	Rural	61.8	82.9	94.5	21.8	50.4	13.9
	Total	64.5	84.1	94.8	28.1	53.3	16.5
Jammu & Kashmir	Rural	45.6	40.7	74.8	9.4	28.8	2.3
	Total	55.0	52.5	80.6	22.1	40.7	6.8
Uttaranchal	Rural	85.1	60.6	50.4	21.3	32.3	4.4
	Total	86.3	65.9	60.3	33.5	42.9	9.9
Punjab	Rural	83.3	15.8	89.5	18.1	61.3	11.9
	Total	86.1	33.6	91.9	33.7	67.7	18.9
Haryana	Rural	58.2	37.8	37.8	15.3	44.0	6.2
	Total	65.8	48.1	82.9	30.2	53.0	12.7
INDIA	Rural	41.1	24.3	43.5	5.7	18.9	3.8
	Total	51.8	36.7	55.9	17.5	31.6	9.1

Source: Census of India, 2001, India: Housing Tables

TABLE 24.4
Special Category States: Gross Transfer of Resources From the Centre: 1975:2000

State	Average Annual (Rs. in million)					
	1970-75	1975-80	1980-85	1985-90	1990-95	1995-2000
Himachal Pradesh	533 (154)	1108 (320)	2290 (535)	5463 (1276)	9983 (1931)	17895 (2786)
Jammu & Kashmir	1036 (224)	1926 (417)	3684 (615)	9303 (1554)	19326 (2504)	30182 (3165)
Uttaranchal*	—	—	—	—	—	—
Sikkim	—	190 (905)	451 (1427)	1070 (3386)	1801 (4436)	2626 (4964)
Arunachal Pradesh	—	—	—	2156 (3426)	4528 (5235)	8329 (7384)
Nagaland	343 (665)	650 (1260)	1350 (1742)	3253 (4197)	5848 (4833)	8392 (5275)
Manipur	248 (231)	586 (546)	1306 (919)	2825 (1988)	4959 (2700)	6805 (2853)
Mizoram	—	—	—	2309 (4674)	4280 (6203)	5665 (6287)
Tripura	260 (167)	513 (330)	1222 (595)	3324 (1619)	5617 (2037)	9031 (2521)
Meghalaya	218 (215)	437 (432)	977 (731)	2341 (1752)	4299 (2422)	5950 (2581)
Assam	1475 (97)	2248 (136)	5126 (272)	12619 (614)	21655 (923)	36302 (1416)
Special Category States	4113 (150)	7658 (266)	16406 (469)	44663 (1180)	73260 (1596)	131177 (2428)
All States	32459 (60)	60225 (111)	126748 (187)	270927 (401)	520843 (596)	897181 (924)

Source: Reserve Bank of India: *Monthly Bulletins, Various Issues, RBI, Mumbai*

- The relatively high ratio of the government public sector employees, that is four for every 100 persons or one in every four households, is generally seen as a heavy liability for the state exchequer. This fact cannot be denied. There is another side of this picture as well. The comparatively high proportion of government/public sector employees has been crucial to the formation of the middle class in the state. This segment of the population, ever eager to raise its standard of living, has adopted the small family norm, and attaches great importance to the education of children. A similar contribution has been made by the defence personnel from the state. Through their greater exposure to the external world, they were able to raise their families on progressive lines. On their retirement, they themselves constitute a disciplined and trained human resource. In the process, human development receives a great fillip.
- Himachal Pradesh has an impressive record on plan implementation. The state's outlay for the Ninth Plan was Rs. 5700 crore. The actual expenditure was of the order of Rs. 7900 crore. Expenditure exceeded outlay by 40 per cent. This is the evidence of the state having succeeded in securing additional resources from the Central Government under various development schemes.
- Above all, the development of the state is rooted in the variety of its natural resource base. It has enormous hydel-power potential; horticulture finds all variety of climatic range for its flowering; tourism sites exist in exquisite physical, religious and historical settings; and forest wealth is extensive and rich. If intelligently managed, Himachal Pradesh has all the ingredients of a bright future. A thrust on the high yielding sectors—power, industry, tourism and horticulture—is essential. It is also imperative to sustain and enhance the gains already made, especially in 'human development'.

Barriers to Development

Equally essential is to take a note of the constraints to which the development process in the state is subject. The most significant among these are discussed below:

- The per unit cost of development is high in Himachal Pradesh due to peculiarities of its physiography, population distribution and distance factor. This has particular reference to laying of infrastructure, such as transport, telecommunications, electrification and water supply. A straight line distance of one km here is actually two km, on an average, thereby giving the detour index of 2 for the state as a whole. This adversely affects access to health, educational, administrative and other services for the public.
- Climate, though highly conducive to the promotion of tourism, horticulture, and forestry, is not without some negative features affecting the daily life of the people. The tribal belt of Kinnaur and Lahaul & Spiti districts and Bharmour and Pangti subdivisions of Chamba district, remains cut off from rest of the state for about six months in a year. Natural disasters in the form of landslides, cloud bursts, and avalanches are frequent. Rainy and snowy spells of weather shorten the duration of working hours.
- Forests, a natural wealth of Himachal Pradesh, are no longer a source of non-tax revenue. This is the cost which the state has to bear for preserving the ecological health not only of its own but also of the neighbouring states. Likewise, the mineral wealth of the state, particularly limestone, can be harnessed only to a limited extent for reasons of ecology and transport.
- Himachal Pradesh is envied for its water resource as a source of power. This is not easy to exploit. Hydel-power generation makes a huge demand on investment, carries immense rehabilitation and ecological costs, and requires a long gestation period. The cost of generating one MW is estimated at Rs. 6 crore. If power generation is to be augmented by 1000 MW, it will entail an investment of about Rs. 6000 crore.
- The scattered pattern of population distribution invokes its own cost for provision of public

utilities and basic services, such as electricity, drinking water supply, telephones, LPG, school and dispensary. The state's population is distributed amongst as many as 20,118 villages and 57 towns. The problem is compounded by the fact that villages are mostly fragmented into a number of habitations. Even the towns are not compact physical entities, with localities separated by open spaces. For that reason, it is often not possible to ensure a threshold population for a given service to make it break even. A 'welfare state' has limited options and is obliged to bear such liabilities.

- Finally, Himachal Pradesh has a peripheral location on the map of India, placed at a considerable distance from the large and lucrative markets of the country. Shimla, the state capital, is situated at a rail distance of 1728 km., from Mumbai, 1781 km., from Kolkata, and 2534 km. from Chennai. This not only works as a disincentive to investment by any potential external source but also raises the cost of importing raw materials or exporting finished products. Added to this is the factor of state's own small internal market, and that too highly dispersed.

Core Concerns

Fully aware of its strengths and constraints, the state is earnest in giving a spurt to socio-economic development. At the initial stage, Himachal Pradesh defined its concerns more in the political domain in terms of ensuring its separate identity as a political entity; seeking integration of left-out areas which should have been its part on a linguistic-cultural basis; and attaining statehood. After acquiring the status of a state in 1971, Himachal Pradesh gave priority to transport and agriculture. With the passage of time, social sector, education and health by and large, also gained prominence. Alongside, power generation too started receiving an increasing attention. The scene became complex gradually. The state's fiscal position acquired several infirmities, and issues became diverse. The following could be listed as the core concerns of Himachal Pradesh, at present:

- Progressive rise in standard of living and quality of life of the people;
- Correction of fiscal imbalance;
- Acceleration in implementation of hydel-power generation projects;

- Diversification of subsistence agriculture towards horticulture, with enhanced productivity;
- Dispersal of horticulture to new areas;
- Promotion of tourism;
- Addressing the unemployment problem, especially of educated youth;
- Strengthening of grassroot institutions, public distribution system and quality of service provision; and
- Sustaining ecology.

Sectoral Perspectives

Economy

The most serious problem facing the state government could be succinctly put: How to correct the fiscal imbalance and accelerate the economic growth rate?

Available data are indeed staggering. These reveal that 71 per cent of the state's revenue receipts are in the form of financial transfers and grants from the Central Government; 110 per cent of the total revenue receipts go towards meeting the committed expenditure on salaries, pensions and interest payments, and revenue expenditure exceeds total revenue by 32 per cent. Loan liability is about Rs. 15000 crore. Most worrisome is the fact that the share of development expenditure to total expenditure declined from 82 per cent 1970-71 to 53 per cent in 2000-01.

The irony of the whole situation is that the potential sectors which could give a boost to the economy are low yielding at present. Agriculture demands maximum care as it absorbs around two-thirds of the working force but remains a low productivity case. Horticulture-based industry is crucial to the state's economy but it has not made the desired impact. Tourism is a lucrative proposition but its potential is yet to be fully harnessed. Power generation holds a big promise but its gestation period is long. Above all, there is no easy way to downsize or rightsize the bureaucracy.

The situation is not without some positive features. The ratio of plan expenditure to the gross state domestic product has risen from 14 per cent in the Eighth Plan to 16 per cent in the Ninth Plan. Further, the growth rate of the gross state domestic product by 6.7 per cent during 1993-94 to 1998-99 was higher than that of all the neighbouring states. The per capita income of the state is now higher than the national

average. District-wise disparities in per capita income have declined. Tribal areas absorb development funds three times of their share in the population.

The Planning Commission, New Delhi, has targeted an annual growth rate of 8.9 per cent for Himachal Pradesh during the Tenth Plan. The primary sector is expected to grow by 4.6 per cent, secondary sector by 12.5 per cent, and tertiary sector by 8.3 per cent. The State's Planning Department considers this growth rate as achievable. The recommended strategy is to double the area under high yielding variety of maize, and increase the area under vegetables by 1.5 times for realising the growth rate earmarked for the primary sector. The secondary sector is expected to grow rapidly through a big investment in industry in response to the new incentive package, completion of ongoing power projects, and a stimulus to construction activity. The tertiary sector would benefit from expansion of tourism, information technology, transport and financial services. All this is contingent upon a well thought-out strategy and earnest action by the government. In particular, the new industrial incentive package is to be marketed most effectively.

Agriculture

Engaging two-thirds of the workforce and contributing about one-fourth of the net state domestic product, agriculture is the staple economy of Himachal Pradesh. Almost two-thirds of the cultivators eke out their living from holdings of less than one hectare each. The stark reality is that an agricultural worker earns just one-third of what the workers in other sectors do. A clear message is that the economic well-being of a vast majority of the population in the state depends on the intensification and diversification of agriculture. A shift of the agricultural workforce to non-farm employment is essential for reducing the pressure on agricultural land, as nearly two-thirds of the landholdings in the state are smaller than one hectare each.

Trends in outlay/expenditure for agriculture under successive plans do not present an encouraging picture. Agriculture accounted for about one-fourth of the total expenditure under the Fourth Plan (1969-74); its share came down to only one-tenth in the Ninth Plan (1992-2002). The same could be said about irrigation for which expenditure dwindled to hardly 4 per cent in the Ninth Plan. Irrigation in the state can be ignored only at the peril of its agriculture economy, which is subject to the vagaries of the monsoons, subject to variability,

both in time and space. It is estimated that only one-third of the state's irrigation potential has been realised so far.

The crux of the matter lies primarily in raising agricultural productivity and adding value to agricultural produce through necessary processing. This is possible through extension of irrigation (which covers hardly one-fifth of the cultivated area), especially by following the strategy of watershed management; increase in area under high yielding varieties of major crops, especially maize; an accelerated shift from grain crops to horticulture; and forward linkage of horticulture with industry. The process will generate additional employment too. The per hectare human power requirement for vegetables is estimated as four times of that for rice.

A great challenge, which the state faces, is dispersal of horticulture to new areas so as to address the issue of spatial equity. The Ministry of Agriculture, Government of India, defines horticulture as raising of all types of fruits, vegetables, flowers, honey, nuts, spices and herbs (Government of Himachal Pradesh, 2002-03, p.68). The state can hope to realise rich revenue, estimated at around Rs. 5000 crore by the experts at the Planning Commission, through cultivation of medicinal and aromatic plants, particularly lavender, Indian barberry, *jatamansi*, *kutki*, and *sugandha-walla*.

Of the nearly one million hectares of land under agriculture in 2001-02, about 22 per cent was devoted to raising of fruits, and of this 42 per cent was under apple alone. As of today, three-fourths of the area under fruits is shared by only three districts of Shimla, Kullu and Kangra, and two-thirds of that under vegetables by three districts of Shimla, Mandi and Sirmaur. Four-fifths of the area under 'apple' is confined to Shimla, Kullu and Mandi districts. Spatial dispersal of pomiculture and vegetable cultivation has to be made a vital component of the agricultural development strategy of the state. The scope for organic farming is immense, as the use of fertilisers and pesticides is already low in the state. Since agricultural produce is highly perishable and its prices fluctuate widely from time to time, a chain of controlled/modified atmosphere cold storages, which can preserve the freshness of fruits like apples up to nine months, is a must for Himachal Pradesh. Equally essential here is to promote contract farming and marketing cooperatives. All this requires a package approach consisting of drip and sprinkle irrigation, appropriate technology, road transport and extension services.

Above all, promotion of livestock subsector is both a need and relief for Himachal Pradesh where agriculture is mainstay of livelihood for a large proportion of population, landholdings are inordinately small, and pasture lands are extensive. The primary task is to upgrade the quality and raise the productivity of the livestock. It is ironical that while the veterinary infrastructure has been laid on an impressive scale, there is acute shortage of personnel to manage it. Veterinary institutions must turn out trained persons in much larger number. Veterinary sector is the one which offers great employment opportunities, both direct and indirect.

Forestry

Himachal Pradesh forests are a wealth whose value lies primarily in preserving rather than utilising it for ensuring the ecological well-being of the entire north-west region. Among around 45 thousand plant species in the country, the state has over one-fifth. This represents the degree of biodiversity which Himachal Pradesh enjoys.

In 2001, 26 per cent of the geographical area of the state was under tree cover, a rise from 21 per cent in 1991. The World Bank's Integrated Watershed Development, Indo-German Changer, and U.K. assisted forestry projects contributed significantly to this increase. The state proposes to bring ultimately 50 per cent of the state's feasible area under tree cover by 2020. Going by an increase of 5 per cent points during 1991-2001 decade, it may take some longer time to achieve the target. Per hectare cost of afforestation is estimated at Rs. 1.2 lakh.

Under the Tenth Plan, the 'Forestry' sector received 4.5 per cent of the total outlay. Despite all the restrictions imposed, this sector contributed 4.7 per cent to the net state domestic product. A great scope exists for increasing this share through reform of the contracting out system for collection of minor forest produce, and by placing more emphasis on products for which a lucrative international market exists.

Some forest cover is inevitably lost, agricultural land gets submerged, and settlements are displaced wherever a power project is implemented. The existing practice is to compensate only the upstream inhabitants. This requires a policy change. The downstream displaced families also deserve to be compensated. Loss in their case is as huge, if not larger.

Quite worrisome is the estimated survival rate of saplings, estimated at 55 per cent. The reason adduced

is the lack of fencing. 'Sanjhi Van Yojna' has to be made more effective for meeting the situation. This will help in checking of forest fires also, which are quite a frequent menace.

Further, road construction inevitably depletes some forest cover. To minimise such damage, it is desirable to construct roads passing through a protected forest under the supervision of the Forest Department.

Finally, 'the watershed development' strategy has demonstrated itself as the most effective for the promotion of forestry. This needs to be adopted in all cases.

Rural Development

It goes to the credit of Himachal Pradesh that despite severe constraints imposed by terrain, land cover, and climate, its record of providing infrastructure in rural areas has been highly commendable: 95 per cent of rural households have domestic electricity connection as compared with 44 per cent in India; 83 per cent of rural households avail of tap water supply as compared with 16 per cent in Punjab; and one-half of the households have television as compared with one-third in Uttaranchal (Table 24.2). The relative proportion of rural households using LPG and having telephone connection is the highest in Himachal Pradesh as compared with all its neighbouring states (Table 24.3).

It is commendable that, over the years, Himachal Pradesh has consistently followed a sensible policy of locating service institutions, such as school, dispensary, veterinary centre, regulated agricultural market and fair price shop, at panchayat headquarters. This has led to a fairly equitable distribution of such basic services for the rural masses. The outcome is evident. Himachal Pradesh has acquired a pride of place in 'human development' among different states in the country.

This is not to say that all is well on the rural front. While the basic services and facilities have been made available to a great extent, the issue of ensuring the 'quality of services' still remains to be addressed. In 2001, among 45,367 rural habitations, 29 per cent were either not covered or partially covered by water supply (Government of Himachal Pradesh, 2001). The weak monsoons during 2001 and 2002 caused serious water scarcity in about 10 per cent of the rural habitations and a number of towns, including Shimla, Dharmshala and Solan. In Shimla and Kangra districts this proportion was about one-half. Several village roads are not all weather and are subject to frequent landslides.

Moreover, quite some villages, including panchayat headquarters, still remain without a connection to a metalled road. There are glaring gaps on the development map of Himachal Pradesh.

The scene may change with the devolution of functions, finances and functionaries to the *panchayats*. Already 15 out of 29 subjects have been transferred and more will follow. *Gram panchayats* have been empowered to monitor and report on the grassroots functionaries, such as *patwari*, constable, peon and forest guard. Now they can undertake development works up to Rs. 5 lakh. For this, it is most essential that the elected representatives are made aware of their obligations and are trained for the functions to be performed by them. This would be in the nature of 'capacity building' of those who are to manage development at the grassroot level.

There are, at present, 3037 *gram panchayats*, 75 *panchayat samitis* and 12 *zila parishads* in the state. These together have around 27 thousand representatives. To train them, about 600 workshops need to be organised, each covering 40 to 50 elected representatives. The estimated cost of such an exercise is about Rs. 4 crore. Indeed, training of this nature has to be a continuing affair since several new members will be elected every five years. This calls for establishment of training centres for the purpose, spread all over the state. The two existing training institutes at Mashobra and Baijnath are most inadequate to meet the need. One practical way of spreading awareness about the powers and obligations of panchayati raj institutions would be to incorporate a comprehensive chapter on this theme in the school syllabus at 10+2 level, for compulsory learning

A most missed item on the agenda of any State Development Report is the issue of 'sustaining the regional and local culture'. These reports, going by their terms of reference, have an inordinate emphasis on economic parameters of development. Needs of the soul are neglected at the expense of requirements of the body. Such a paradigm should be unacceptable to a state like Himachal Pradesh, whose each valley and ridge has its distinctiveness of folk culture. Though over 90 per cent of its population speaks 'western pahari', more than 30 dialects are specific to different parts of the state; such as Sirmauri in Sirmaur district, Keonthali in areas surrounding Shimla, Kochi in Rampur Bushahr, Kului in Kullu district, and Mandiali in Mandi district. There are as many as 124 communities based on caste, tribe and locality (Singh, 1996, p. xiii). It will be in the fitness of things to spare

some resources of the state for building a chain of mini-museums focusing on the display of artifacts of local culture. A pragmatic way of doing this would be to adopt a 'place of worship' as the repository of local art and culture too. Measures should also be taken to help the practitioners of the folk graphic and performing arts, economically viable in the modern socio-cultural context.

Industry

The share of the secondary sector (which includes the sub-sectors of manufacturing, construction, and electricity, gas and water supply) in the net state domestic product experienced a rise from 19 per cent in 1971-72 to 32 per cent in 2000-01. This increase was of the order of 5 per cent to 14 per cent in the case of the manufacturing sector. Manufacturing seems to have picked up. The data further reveal that most of this increase took place only during the nineties. This was a positive outcome of the three industrial policies announced by the state government in 1991, 1996 and 1999.

In 2003, the 194 large and medium scale industrial units in the state had a total investment of Rs. 2400 crore and employed nearly 30 thousand workers. By comparison, about 30 thousand small-scale units, with an investment of Rs. 710 crore, employed 130 thousand workers. As such, investment per worker was of the order of Rs. 8 lakh in the large and medium scale industry and Rs. 55 thousand in small-scale industry.

A notable feature of industrialisation in the state is the virtual concentration of the large and medium scale units, to the extent of 95 per cent, in the districts adjoining Punjab and Haryana, and predominance of the small scale units, to the extent of 60 per cent, in the inner districts. Only the two districts of Solan and Sirmaur account for almost 90 per cent of the large and medium scale units in the state. Industry in these periphery districts has grown in response to the special incentives announced by the government from time to time. Their proximity to Chandigarh did help. The difficult political situation in Punjab during the eighties also seems to have favoured Himachal Pradesh in deflecting some industry towards it.

On the whole, incentives have played a very critical role. Virtually all the entrepreneurs are from outside. Some of them have shown a tendency to exit on the expiry of the tenure of incentives. A question mark on sustainability of incentive-driven industry is justified. Ways and means have to be identified to prevent the flight of the beneficiary units when no longer entitled to special benefits.

There are four imperatives which have to be pondered over for ensuring the desired success of any industrial policy for the state. The first is to identify the industries which are cost effective and employment generative. Fruit processing in Sirmaur district, agricultural implements in Kangra district, shawl weaving in Kullu district, and wooden products in Mandi district are indicated as possible candidates. Cement industry, by reason of its capacity to generate both direct and indirect employment, cannot be ignored in the scheme of things for the state. At the same time, the cement plants must be made to adopt all pollution control measures, most strictly.

The second imperative is an identification of optimal locations for industrial parks/clusters for the promotion of small-scale industry, particularly in the inner districts. These clusters must offer training and marketing facilities, in addition to state-of-the-art infrastructure. Such an observation is based on a realisation that small-scale industry, including handicrafts, must be a priority for Himachal Pradesh and this goal can be best achieved if the quality of goods is constantly upgraded through a regular input of the latest technology, and new products are manufactured to meet the demands of both domestic and international markets.

The third imperative hinges on the issue of encouraging the local entrepreneur to invest in industry. The credit/deposit ratio of the state was hardly 30 per cent in 2002, signifying an outflow of a large proportion of its scarce resources to outside places for investment. Industry and technical education have to work together to generate native entrepreneurship. The effort on the part of the Himachal Pradesh Centre for Entrepreneurial Development to generate industrial awareness and cultivate human resource through training programmes is commendable. There is a need to assess their impact through evaluation studies.

The final imperative pertains to ensuring sustainability of the 'incentive-led' industry', attracted to the periphery districts. It must be seen that the beneficiary large and medium scale industrial units install the requisite physical infrastructure. They should set up or facilitate the establishment of ancillary units. Also, they must have in-house research, design and training cells, not only for themselves but also for the associated ancillary units.

It is beyond dispute that incentives to industry have to stay in the case of Himachal Pradesh. The impact of the new industrial package announced by the Central

Government for the State in January 2003 had an encouraging impact. During only nine months of January-October 2003, 138 large and medium scale industrial units with an investment exceeding Rs. 2000 crore, and 500 small scale industrial units with an investment of around Rs. 300 crore got themselves provisionally registered with the state's Department of Industries. This promises a bright future for industry in the state.

Urban Development

According to the 2001 Census, Himachal Pradesh is hardly 10 per cent urban, the lowest for any state in India. In March 2003, there were 53 urban local bodies, including Shimla Corporation, beside 7 cantonment boards in the state. Shimla, with a population of nearly 1.5 lakh is the only city here. It accounts for one-fourth of the state's total urban population.

This exceptionally low level of urbanisation is attributed mainly to a largely subsistence agricultural economy, the incipient stage of modern industrialisation, and the modest scale of transport development. Functional links of towns with their surrounding areas are weak. This is due partly to the limited scope for economic exchange and partly to mobility constraints associated with hilly/mountainous topography. Stimulus for growth of towns is weak. Inter-town interaction is feeble. The irony of the whole situation is that most of the functionally dynamic towns, such as Shimla, and fruit producing belts, such as Kullu Valley, and Kotgarh-Kotkhai tract, have more active links with places outside the state than within. A large part of the economic surplus generated in the process is not invested internally. This is detrimental to the urbanisation process.

There is another aspect of spatial organisation, which also needs to be understood. The frequency of rural service centres is quite high in Himachal Pradesh. For example, Sirmaur district has only three towns but is dotted with as many 30 rural service centres. These provide the essential services of retailing, high school education and medical facilities, among others. Such places perform some of the urban functions but fail to qualify as towns for not being in a position to acquire a statutory urban status from the state government or satisfy the demographic criteria as laid down by the Indian Census.

Above all, over one-third of Himachal Pradesh is virtually devoid of any habitation, not to speak of towns. This is due to physical constraints imposed by

high altitude, extremely cold climate, and snow cover. A sizeable part of the state just does not have any scope of urbanisation.

Hill towns are popularly perceived as ideal from the environmental angle. This is as it appears at a macro-level. The picture that emerges is different when examined at the micro-level or from within. The inner conditions of the hill towns present a contrast to their splendid outer environmental quality. Only six towns in the state have a sewerage system. Hardly four towns, namely Shimla, Kullu, Mandi and Solan have solid waste treatment plants. Most critical is the situation pertaining to water supply. Per capita daily supply of water in large towns, such as Shimla, Solan and Dharamsala, is hardly 50-80 litres. Summers are more acute scarcity time. Notably, most of the towns in the state depend on Irrigation and Public Health Department and the Housing Board for water supply. It is only in the case of Shimla, Solan and Palampur and, of course, the six cantonment towns that the urban local bodies come into picture. It is expected that the things will improve if the due function of water supply is devolved to the urban local bodies, along with necessary financial and technical support.

The infrastructure base of the hill towns in terms of water supply, sanitation, local transport, fire protection and other such services, is being made to bear far heavier load than that for which they were originally raised. Municipal bodies are starved of funds and staff. Estimates of investment required for augmenting the urban infrastructure are 2.5 times the total revenue (including grants) of the municipal bodies.

Of special concern is the haphazard physical expansion of the two major tourist centres – Shimla and Manali. The former is suffering severe water shortage and the latter from intolerable congestion of structures, including hotels and restaurants. A distant view of Shimla gives a picture of two concrete carpeted segments, with much of greenery lost. Manali has acquired a physical disposition which does not permit a convenient intra-city mobility. One wonders as to how it will be possible to sustain the tourism eminence of these two places in the long run.

No less worrisome is the extensive and unplanned ribbon development along the main highways, such as Kalka-Shimla, Shimla-Dharamsala and Kullu-Manali. A number of traffic bottlenecks have already started appearing on these routes. The scenic beauty around, itself a tourist attraction, is fast disappearing. It is high time that these developments were monitored and

appropriate action initiated. There is a need for a rigorous appraisal of any new construction activity before it is approved. If necessary, the relevant laws may be reformed.

Tourism

Informed opinion is in favour of adopting tourism as one of the lead sectors for both generating employment and strengthening economy. The cost of generating a job in tourism sector is just around Rs. 20,000, which is fairly comparable to that one in agriculture (Government of Himachal Pradesh, 2000, p.1). It is undisputedly a fast growing sector. The number of tourists to the state had doubled from 25 lakh in 1991 to 50 lakh in 2001. Foreign tourists multiplied six times from 15 thousand to one lakh during the same period. Tourism has, however, been receiving highly inadequate allocations under the plans. It is estimated as currently contributing about 2 per cent of the net state domestic product but the Tenth Plan outlay for this sector is merely Rs. 27 crore. This works out just a quarter of one per cent of the total plan outlay. Perceptions could not have been less unimaginative.

Recently, the state has formulated a 'new tourism policy', which seeks to promote a variety of tourisms: leisure, pilgrimage, business, heritage, health, and eco-adventure. There are plans to involve the private sector in a big way. The essential features of the strategy are to develop pilgrimage sites on priority, disperse tourism to new areas, and break the seasonality factor.

The state must take effective measures, to achieve the desired results. For instance, the pilgrimage places of Chintapurni, Jawalamukhi and Nainadevi should be developed on the pattern of the highly applauded Vaishnodevi model. Secondly, the tourists with Shimla as their destination are to be intelligently managed. A strategy of peoples' participation should be adopted in this case. Villages and towns along the Kalka-Shimla national highway and beyond should be surveyed to identify households who are willing to provide paying guest facility of requisite standard for the tourists. Credit facility should be made available to them, if required. Further, a private, professional agency can be invited to operationalise the scheme. It should function as a link between the client (tourist) and the service provider (household offering paying guest facility). The entire system must be efficient and dependable. Such an arrangement will achieve at least the following objectives: keep the tourists in close proximity to Shimla, without crowding the city and putting pressure on its infrastructure; distribute economic gains of

tourism over a wider populace; and generate avenues of self-employment. Thirdly, the areas/regions of origin of tourists at home and abroad should be identified and entrepreneurs from these very places be encouraged to invest in tourism. This will be an effective way of developing tourism on a sustainable basis. Professional marketing agencies can be hired for the purpose. Fourthly, Himachal Pradesh can be marketed as a health, ayurveda and meditation destination. Finally, what a delight it would be if the tops of the front ridges facing Kalka-Shimla highway were illuminated imaginatively and tastefully as a night display. This in itself could be a tourist attraction of a unique kind.

The management of tourism, as envisaged, will call for professional training of personnel interested in joining this sector. Further, tourism has to be promoted on a selective basis, in terms of both type and destination. It will be most effective to begin with the religious tourism to only three places of Chintpurni, Jwalamukhi and Naina devi. Meleodganj also requires improvement and strengthening of its infrastructure. Moreover, if the private sector is to be attracted for investment in this sector, the state's land policy has to be appropriately modified. Above all, if tourism is to make a dent as a key sector of economy, the selected projects have to be macro-enterprises for real effect. Scattered tourism sites will be low yielding.

Finally, the proposal to convert the Himachal Pradesh Tourism Development Corporation/Board into a Tourism Commission is worthy of consideration. The Commission will have representatives from all the stakeholders – the government, corporate sector, hoteliers, taxi-operators, and labour unions. They should work together on all issues pertaining to tourism sector. In particular, certification and rating procedures should be laid out and monitored regularly. This will build confidence amongst tourists and give them a sense of security.

Education

This sector has been a high priority for the state through all the plans. It has been outlayed 22 per cent per cent of the total provisions under the Tenth Plan. This level of allocation is the highest for any state in India. The state claims to be the first one in the country to provide free education to girls at all levels, from the time of enrolment in a primary school to the university education, including technical and professional courses. No wonder, Himachal Pradesh scores high on several parameters of education; its literacy rate at 77 per cent is higher by 12 per cent points than over the national average; primary

education is almost universal with a drop-out rate of barely 1 per cent; and accessibility to all types of educational institutions is fairly high for a hilly and mountainous state. What is in question is the quality of education: one-fourth of the primary school teachers are untrained ones and failure rate of students is 54 per cent at the high school level.

The situation in respect of infrastructure in schools leaves much to be desired. The Sixth All India Educational Survey 1999 revealed that one-third of the higher secondary schools functioned from a semi-*pucca* or *kutch* building, over one-third of high schools did not have toilets, and around one-third of the primary schools were without drinking water facility. One in every seven primary schools has less than 10 students each. A happy feature is that the state is aware of these gaps and is taking remedial measures.

The time has come when education as a sector has to be reinvented for addressing job opportunities that may emerge as a consequence of the growth of other sectors, such as industry, information technology, tourism and horticulture. There is a need to shift its thrust from formal learning to technical and professional training. The state does have one national institute of technology, two engineering colleges, 7 polytechnics and 57 I.T.I.s, fairly equitably distributed over space. The desired quality of education and training and their linkage with the relevant economic sectors must be ensured. Technical education is yet to be anchored to industry; education in tourism management is yet to find a niche in the promotion of this sector through private investment, and medical education has to be brought to a level which will spare patients from seeking treatment outside the state. All this is possible only when the best of faculty is appointed, latest equipment is installed, and new courses in environment, chemical, automobile and food processing are introduced. Likewise, professional courses in hotel and tourism management should receive a priority.

One has to figure out systemic constraints in every case. It is a pity that technical education gets only Rs. 50 crore or half of 1 per cent of the total outlay under the Tenth Plan. Where do we stand in respect of its desired upgradation?

In point of fact, 'quality education' can be an economic enterprise in itself. Himachal Pradesh is reputed for several of its residential schools, such as at Sanawar and Chail. As a seat of higher learning, St. Bede's College at Shimla has its own eminence. Can

the state extend this model and replicate the same for all kinds of educational institutions, particularly technical and professional? This calls for heavy investment in the best of faculty, state-of-the-art infrastructure, and innovative management. The state must facilitate the private sector entry into this sector. This may require some appropriate modification in land policy. Future development of Himachal Pradesh is to be worked largely through private investment. State funding is going to be more scarce, with passage of time. Setting up an Institute of Information Technology at Rachchiana in Solan district through Jai Prakash Seva Sansthan is a commendable step in this direction.

Health

The health sector offers substantially a better scope for setting up quality institutions. Himachal Pradesh provides an ideal natural setting for health resorts, sanatoria and spas. This asset can be capitalised through requisite investment in health infrastructure, research and education of excellence that would attract even foreign clients.

In other words, the state may think of raising world class institutions of health care. Even a single institution of international repute can go a long way in strengthening the economy of the state. Such ventures may be highly capital intensive in the initial stage but dividends are going to be compensatory and rich in the long run.

It is anomalous that despite clean environmental conditions, fairly laid out health care network of 50 civil hospitals, 66 community health centers, 152 dispensaries and 2067 sub-centres and relatively higher literacy rate, Himachal Pradesh is noted for a morbidity incidence which is 1.5 times that of India. Chronic ailments are far more prevalent. This is not the end of the story. The incidence of fatal bronchial and cough cases in Himachal Pradesh is reported to be almost double of that in India; and of diseases of the circulatory system and digestive disorder 1.5 times. The elderly, in Himachal Pradesh, are far more prone to problems of joints, cough, blood pressure and heart than in India. The frequency of deaths through accidents and injuries, at 8.2 per cent of the total, is frightening. Of special concern is the spread of HIV/AIDS. Of the 35,773 serum samples tested in 2003, as many as 531 were found HIV positive, among whom 143 were full blown cases of AIDS.

The encouraging news is that the incidence of tuberculosis at around 2.5 per 1000 persons is half of

that in India. The same holds good for leprosy at 0.5 per 1000 persons. Incidence of complete blindness at 4.6 per 1000 persons exceeds the national average of 4.2.

Available data suggest that 60 per cent of the patients availed of the public sector health facilities for non-hospitalised ailments. The figure is as high as 90 per cent in respect of hospitalised episodes. Child immunisation and emergency services remain the domain of public sector. Allopathy is the preferred mode of treatment, with 94 per cent of the patients opting for it. None the less, the number of ayurvedic dispensaries in the state is around half of the allopathic ones. Ayurvedic system, as a supplementary source, seems to be retaining its traditional popularity.

The state government has been responding to such a situation in a fairly satisfactory manner. Under the Tenth Plan, it has outlaid 8 per cent of the total for the health sector. This figure is one of the highest for any state in the country. About three-fifths of this outlay are assigned to allopathy (medical and public health), about one-fifth to ayurveda and other systems of medicine, and the remaining one-fifth to medical education and miscellaneous items. The public health delivery system has followed a sensible policy of locating the health services at the *panchayat* headquarters, by and large. Nearly one-fifth of such places, however, still remain without this facility, a gap which needs to be filled on priority basis.

All in all, government will have to continue playing a big role in the provision of health services. The private sector often tends to be selective of location and clientele, and is not enthused to take up emergency cases, particularly of accidents which are not infrequent in the state. None the less, the private sector is gradually making a headway especially in the form of clinics. The need here is to monitor their functioning through regular registration. The private sector can also be encouraged to come into diagnostic services, including within the premises of government hospitals and dispensaries.

Power

It is the 'power sector', which holds the most lucrative promise for the state economy. Himachal Pradesh generates today about 4000 MW of hydel-power while its potential exceeds, 20,300 MW. Under execution are several projects which will add over 6000 MW to the existing base by 2010.

To be more precise, of the 3967 MW generated in the state, only 332 MW or 8 per cent is generated by

the HPSEB. The rest comes from other public sector undertakings, namely BBMB, PSEB, NPHC and UPSEB, which are linked to the Central Government or other states. What comes as a surprise is that in terms of availability of power, Himachal Pradesh is a deficit state. In 2001-02, it sold power worth Rs. 188 crore in summer months and purchased power worth Rs. 361 crore during the winter.

The total availability of power to the state was 3984 MU in 2001-02. Around one-third of it was generated by the HPSEB, one-third received as free power and share, and the remaining one-third was purchased from outer sources. Situation is expected to improve by the end of the current year when an additional 500 MU will become available as its share from the new hydel projects.

Himachal Pradesh State Electricity Board, which looks after generation, transmission and distribution of power, employs around 31 thousand persons, that is one in every nine government/public sector employees in the state. It serves around 1.5 million consumers, of which 86.8 per cent are domestic, 10.6 per cent commercial, 2 per cent industrial and the remaining 0.4 per cent agricultural and others. Household coverage is the highest for any state in India. In terms of consumption, half of the power goes to industry, nearly one-third for domestic use, 1 per cent for agriculture and the rest for other uses.

Transmission and distribution losses are about 20 per cent level. The corresponding figure for Punjab is 26 per cent but under a situation in which one-third is being given free to the agriculturists, thereby hiding a sizeable component of the losses. Transmission and distribution losses of Haryana and Delhi are as high as 37 per cent and 47 per cent respectively. The acceptable norm is 16 per cent (12 per cent transmission and 4 per cent distribution).

Electricity tariffs in Himachal Pradesh are the lowest in the country. The state has achieved 100 per cent metering and is on the fast track to electronic metering. Such a situation is favourable for rationalisation of the tariffs to raise additional revenue for the state. It may also be advisable to follow a zonal pattern of levying tariffs in place of going in for a uniform rate.

Despite the low cost of power generation, its actual cost is high due primarily to excessive cost of distribution. Against a per unit revenue of Rs. 2.33, the expenditure is Rs. 2.70, representing a loss of Rs. 0.37 on every unit distributed. This is attributed to overstaffing of the Himachal Pradesh State Electricity

Board. The solution lies in immediate implementation of the Central Electricity Act, 2003. A desired way out is to reduce manpower cost rather than manpower. In other words, manpower efficiency is to be raised through additional power generation with the same number of employees and rationalisation of the distribution system. Voluntary Retirement Scheme can be promoted, and those opting for VRS can be invited to work with the panchayati raj institutions and urban local bodies for the distribution of power and maintenance of services.

Transport

This sector was accorded the top priority right in the First Plan of Himachal Pradesh. It can be compared with the ‘power sector’ which is receiving the highest attention at present. In the Tenth Plan, one-sixth of the total outlay has been earmarked for the transport sector. Almost 95 per cent of it will go towards the sub-sectors of roads and bridges. The remaining paltry 5 per cent is left for other means of transport, such as civil aviation, inland water ways, and ropeways.

About 27,737 km. of motorable roads snail their way on the ridges, across the spurs and along the valleys of the state. Over 90 per cent of these are the state highways and the remaining central roads, including national highways and border roads. The road density works out as about 50 kms. per 100 km² of area as compared with 75 in India.

To render connectivity to every village, the state requires around 40 thousand kms of metalled roads. On a rough estimate, the average cost of constructing one km. of road, along with bridges and drains, works out to about Rs. 40 lakh. To meet the additional target of 13,000 km. of metalled roads, an investment of no less than Rs. 5200 crore is required.

Apart from construction of new roads, straightening the curves of the existing ones is also necessary. This is said with special reference to the busy corridors, such as Shimla-Dharmasala, Bilaspur-Kullu, and Kalka-Shimla. This will reduce transport cost in a big way, in both time and fuel.

Though the railways play a small role in the state yet the existing rail-routes of Kalka-Shimla (96 km.) and Pathankot-Jogindernagar (113 km.) can be imaginatively developed for heritage tourism in collaboration with the Central government. The same could be said about Nangaldam-Una (16 km.) rail route. A feasible plan will give desired results in revenue earning.

Ropeways can be laid over more for carriage of goods than passengers. These have a special significance for areas specialising in horticulture. The effort should be geared towards bringing the produce from remote areas to convenient transit points on the main routes. A well designed multi-modal scheme, combining ropeways, road and rail transports can effectively serve both the economy and people of the state.

Telecommunications

With every sixth household enjoying the facility of a telephone, Himachal Pradesh scores high on this parameter. The corresponding figure for India as a whole is one telephone for every eleventh household. Teledensity of Himachal Pradesh is 8.4 telephones per 100 persons whereas the all-India figure is 5 only. This facility is certainly very critical to Himachal Pradesh where physical mobility is constrained by hilly and mountainous topography, population distribution is scattered, and extensive areas are not only remote but also remain cut off during winter. The facility is, however, highly unevenly distributed, with Mandi district having a great edge. Inter-district disparities need to be resolved.

Employment

One of the ways of looking at the planning process is to define its primary task as (hu) manpower budgeting. The basic question is: How to apportion the labourforce to various sectors and activities so that productivity is maximised, equity is ensured, poverty is ameliorated and every willing hand gets adequate and remunerative work. The task is extremely complex for it has to deal with both the stock and flow of those who are already in work and others who are looking for it. Equally imponderable is the growth behaviour of different sectors of the economy and their capacity to generate and provide employment. It is immensely difficult to preview the job preferences of the people.

The 2001 Census of India data show that nearly one-third (32.4 per cent) of the population in Himachal Pradesh are main workers and another one-sixth (16.9 per cent) marginal workers. The latter figure points to a high incidence of underemployment.

By comparison, National Sample Survey Organisation data for 1999-2000 shows that the work participation rate of males at around 50 per cent is virtually the same in both rural and urban areas of the state. Female participation rate in rural areas at 28 per cent is almost three times of that (10 per cent) in urban places. In the

rural segment of the state, nearly two-thirds are self-employed, one-sixth regular employees, and about one-fifth casual workers.

One is always on slippery ground when dealing with data on 'unemployment'. National Sample Survey Organisation data put the unemployment rate in the state at 3 per cent as compared with 7.3 per cent in India. It is also learnt that 8.5 per cent of the labour force is available for additional or alternative work. This means that the incidence of underemployment is almost three times that of unemployment.

'Employment Exchange' data are staggering. The number of persons registered with it was 9 lakh in December 2002, that is, one in every four in 18+ age-group. Among the registered, 78 per cent were at least matriculate and 5 per cent technically trained. Unemployment in Himachal Pradesh is essentially of educated youth, hence sensitive for they are looking for specific kinds of jobs in the organised sector which are not easy to create. For most of them, a government job is the only one worth chasing.

Data from the same source further reveal that during 2002 alone, there were 1.4 lakh registrations but notified vacancies were less than 2 thousand, and submissions exceeded 37 thousand. The scene is dismal. The state's government/public sector of the state is already over-saturated. It has 248 thousand employees, or about 4 for every 100 persons. The comparable all-India figure is 2. The organised private sector employs 48 thousand persons or 15 per cent of the labourforce in organised sector as a whole; all-India figure is 30 per cent. Opportunities in this sphere are also highly limited. Above all, the state's employment elasticity, that is the ratio between growth rate of economy and that of employment, is hardly 0.05 per cent as compared with 0.16 per cent in India. This means that direct jobs are to be generated in place of depending merely on an accelerated growth rate of economy for creating employment avenues.

For decades, out-migration to other parts of India for a job and recruitment in the army have been two regular responses to the chronic unemployment situation. The state has 1.2 lakh serving men, that is nearly 10 per cent of the Indian Army, while its share in total population of the country is hardly 0.6 per cent. But then the state is also left with 85 thousand ex-servicemen; most of whom retire at an early age of around 40. Many of them enter the job market and offer a kind of competition to the youth.

A perusal of the National Sample Survey Organisation data further reveals that tertiary sector activities of transport, hotel/restaurant and financial services, and secondary sector activities of construction, manufacturing and electricity have been growing fast during the nineties. The message is clear: the industry, transport, tourism and above all 'repair and maintenance' services hold the key to generation of additional employment in the state. Since employment elasticity of the economic growth rate is not much obliging, it is critical to promote entrepreneurship and create climate for self-employment among the youth who otherwise look only to a government job as ultimate-in-life.

Governance

It is indeed the quality of governance which determines the functional quality and development dynamics of any system. On a popular plane, Himachal Pradesh is credited for its relatively committed and efficient administration. Indicators include a relatively happy law and order situation, highly creditable performance of the state on the basic needs programme, and announcement of appropriate policy on practically every important sector. This is attributed to the close proximity which has evolved over the years between the people and their representatives and also the bureaucracy. This itself has roots in the political stability, for which Himachal Pradesh is reputed.

In the context of what has already been achieved, the pressure for hastening the pace of development is ever mounting, but the capacity of the administration to deliver the aspired level of goods and services is proving inadequate. It is necessary to reinvent the government. The critical question is: How? Which are the salient parameters of this desired change? How to ensure public-private sector partnership in management of affairs? In which proportion should this mix differ in various sectors? How can the unions of government employees, school teachers, truck operators and others be involved in governance as active stakeholders? How can the functioning of the panchayati raj institutions and urban local bodies be strengthened? How can their operational capacity be raised?

Answers to all these questions are imbedded in the dictum that governance has always to be efficient, just and effective. It must be oriented to technology, knowledge and development. The politico-administrative culture has to be responsive also to the issues of regional disparity and structural inequality. The poor

are to be rendered positive discrimination. A right kind of political will and a change in bureaucratic mindset can only bring the desired change.

The need to reinvent the governance has become all the more critical in the context of adoption of new economic policy, coupled with structural reforms, since 1991. Now the emphasis is upon liberalisation of the system from any unnecessary and restrictive government regulations; involvement of all stakeholders, including the private sector, community based organisations, grassroots institutions, households, and of course, the government itself; and opening of the economy to a competitive culture as a part of the globalisation process. As a strategy toward that end, the central government has earmarked 'Fiscal Incentive Fund' of over Rs. ten thousand crore for the Tenth Plan period, to facilitate monitorable fiscal reforms on the part of state governments. The intended reforms pertain to efficiency, transparency and accountability in governance; reduction in subsidies; invitation to private sector for investment; and participation of people in management and development activities at the local level. Himachal Pradesh is already in a pursuit of such reforms. The effort at present is, however, piecemeal. There is a need to have a holistic perspective and devise integrated measures. This process will be facilitated if an 'Economic, Fiscal and Administrative Reforms Division' is constituted by the state government for coordinating and monitoring the reforms.

Some specific tasks for governance in Himachal Pradesh include: elimination of any pilferage of development funds, especially in remote, inaccessible areas; capturing the surplus capital generated in the apple belt for investment within the State; managing the induction of the private sector in various sectors of economy, such as industry, tourism, information technology and health; and creating conditions wherein the activities of all kinds of unions promote rather than impede the functioning of the system. Above all, the mind-set of the youth has to be engineered towards self-employment by providing necessary facilities.

A reform of the administrative map of the state is also called for. Should Lahaul & Spiti district be bifurcated into two or retained as one? Is it possible to rationalise the highly unwieldy disposition of Shimla district? Can the territorial size of the exceptionally small district of Hamirpur be enlarged? Is there a case for retaining only districts and development blocks and doing away with sub-divisions/tehsils? If so, what is the optimal number of districts for the state?

Above all, what is the feasibility of relocating highly scattered populations in remote areas to some planned central habitations so as to economise on the provision of services and reduce the cost of development? Mizoram did so in the nature of progressive villages during the sixties. A 'Reorganisation Commission' may be set up to look into all these issues pertaining to the reform of spatial dimensions of development administration.

Interconnectivity with Neighbouring States

There is now a growing realisation that regional cooperation is basic to optimal utilisation of resources, cost-effective solution of problems, and unfettered functioning of the interdependent systems. In other words, the neighbouring states, in particular, have to work in a spirit of interconnectivity while charting out their own road maps of development. This is no less relevant for Himachal Pradesh.

At a macro-level, Himachal Pradesh is a 'watershed' for its neighbouring states of Punjab, Haryana, Jammu & Kashmir, and to a limited extent for Uttaranchal. The prominent rivers, namely Satluj, Beas, Chenab and Yamuna, either originating in or traversing through Himachal Pradesh, are a source of water and power to the states forming its 'command' areas. This fact deserves to be placed at the centre of any effort at harnessing and enhancing interconnectivity between the states involved. Himachal Pradesh deserves due recognition as a critical watershed for preserving and promoting the ecological health of its neighbours.

Himachal Pradesh bears a cost on this count. It loses scarce agricultural land to power and irrigation projects, has to make additional investment in natural resource management, and forgo possible benefits accruing from utilisation of forest wealth. The beneficiary neighbouring states must realise this and share the cost.

At the same time, Himachal Pradesh must take a note of certain situations while placing itself in the regional context. It has to be conscious of the fact that the state has to compete with Jammu & Kashmir in tourism, with Uttaranchal in horticulture, and with Punjab in attracting industrial investment. Meanwhile it has also to collaborate with Jammu & Kashmir in matters of internal security, with Uttaranchal in building of transport linkages, and with Punjab in generation and utilisation of hydel-power. The state must weigh its relative strengths and weaknesses in each case and devise appropriate strategies.

Parwanoo in Himachal Pradesh, Panchkula in Haryana, Mohali in Punjab and Chandigarh are emerging as dynamic centres of industry and services. Though located in different political territories, they have already developed considerable interconnectivity. This process can be carried forward by promoting their industrial, information technology and tourism base on a collaborative basis. The concerned states should make a collective effort at getting Chandigarh airport upgraded into an international airport. This will spur the economic activity of all.

Himachal Pradesh is not without some grievances against Punjab. It alleges to have suffered internal colonialism in relation to this state in exploitation of natural resources. It points out to the fertile agricultural land it lost under the Bhakra and Pong dam reservoirs, whose waters essentially irrigate the states constituting the command area. It also bemoans the treatment it met as a weaker brother at the time of Punjab's reorganisation in 1966. Himachal Pradesh got only 2.5 per cent of the power generated at Bhakra as its share against the due share of 7.19 per cent. In respect of the Beas-Satluj link, it got only 1.6 per cent of the power generated. It got no power from the Pong dam. Such grievances need to be looked into and perceptions corrected.

In any case, interconnectivity between Himachal Pradesh and its neighbouring states has to be strengthened to every one's benefit. The constitution of a North-West Council, on the pattern of the North-East Council, is most desired. Member states would include Himachal Pradesh, Jammu & Kashmir, Uttaranchal, Punjab and Haryana, and the union territory of Chandigarh. The Council could serve as a statutory forum for deliberating and designing development projects for member states in a co-ordinated manner. It has to adopt a wider perspective and prepare an integrated plan for the constituent states.

Salient Messages

The messages distilled from the foregoing discussion can be succinctly put as follows:

- Politico-administrative peculiarities of Himachal Pradesh demand a continuing big role for the State. At the same time, future investment in development is contingent largely upon the entry and vigour of the private sector. The state has to acquire a professional proficiency in managing private sector and privatisation.
- Factors of topography, scattered pattern of population and distance make the involvement of panchayati raj institutions indispensable for the development process to be effective and sustained. Simultaneously, the elected members need to be trained on regular basis for their capacity building.
- Bio-business, based on medicinal and aromatic plants, holds a highly lucrative market for Himachal Pradesh at the international level. Lavander, Indian barberry, *kutki*, *jatamansi*, and *sugandhwala* are among the plants, which can be rendered a priority.
- People have to grow into an enterprising society beyond the prevailing mindset of acquiring a government job as the goal of life.
- For attracting external investment, relaxation of the land policy is desired. Some appropriate steps have already been taken through amendments in 1999 of the Himachal Pradesh Ceiling and Land Reforms Act 1972, and of Himachal Pradesh Tenancy and Land Reforms Act 1975, in favour of industries, tourism and hydel projects.
- The watershed principle is most appropriate for organisation of space for administration and development. The boundaries of the districts and blocks should preferably coincide with those of watersheds.
- A sub-regional perspective internally and extra-regional perspective vis-à-vis neighbouring states are imperative for the state's integrated development.
- The role of science and technology is emerging as paramount. Preparation of watershed plans, identification of appropriate tourism sites and assessment of glacial retreat by employing remote sensing and geographic information systems, techniques; use of bio-fertilisers in horticulture, in particular; and promotion of interconnectivity between various localities, and government departments through telecommunication, are some of the illustrations.

In an overall assessment, Himachal Pradesh does display certain contrasting features. The State is high on social development but lags in economic development. While the economic health of the State is feeble its people are relatively well-off. Where it is sound on macro-level indicators, its micro-level realities leave much to be desired.

TABLE 24.5
Percentage Share of Different Sectors and Sub-sectors in Net State Domestic Product
1970-71 to 2000-01 (at 1993-94 prices)

<i>Sector/sub-sector</i>	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
Agriculture and animal husbandry	39.02	39.35	35.60	38.00	37.30	41.68	34.70	35.25	35.79	33.37
Forestry and logging	17.13	15.37	16.99	15.36	15.58	13.28	15.67	16.45	16.71	12.76
Fishing	0.06	0.06	0.06	0.07	0.07	0.07	0.08	0.13	0.15	0.17
Mining and quarrying	0.09	0.10	0.19	0.27	0.14	0.15	0.23	0.20	0.18	0.35
Primary Sector	56.29	54.88	52.84	53.69	53.09	55.19	50.68	52.04	52.83	46.65
Manufacturing	5.30	5.01	4.82	4.38	4.57	4.17	4.64	5.92	5.12	4.88
Registered	2.36	1.96	1.87	1.67	1.72	1.48	1.91	2.90	2.19	1.97
Unregistered	2.95	3.05	2.95	2.71	2.85	2.69	2.74	3.02	2.93	2.90
Construction	13.58	14.48	16.41	15.74	15.10	14.16	16.56	15.72	13.98	15.30
Electricity, gas and water supply	0.06	0.07	0.13	0.13	0.16	0.16	0.18	0.19	0.33	0.32
Secondary Sector	18.95	19.55	21.37	20.25	19.83	18.49	21.38	21.82	19.43	20.50
Transport, storage and communication	2.01	2.05	2.08	2.01	2.12	2.04	2.16	1.97	2.04	2.42
Railways	0.09	0.10	0.09	0.08	0.08	0.10	0.10	0.10	0.09	0.06
Transport by other means and storage	1.43	1.44	1.45	1.40	1.47	1.36	1.41	1.29	1.31	1.55
Communication	0.49	0.51	0.54	0.53	0.57	0.58	0.64	0.58	0.64	0.80
Trade, hotel and restaurants	3.11	3.10	3.08	3.13	1.99	3.90	4.42	4.59	5.48	6.55
Subtotal: Transport and Trade	5.12	5.15	5.16	5.15	5.45	5.94	6.57	6.56	7.52	8.98
Banking and insurance	0.62	0.80	0.85	0.90	0.93	0.91	1.09	1.19	1.51	1.74
Real estate and ownership of dwellings and business services	6.41	6.49	6.55	6.37	6.62	6.25	6.53	6.02	6.09	7.15
Subtotal: Finance and Real Estate	7.03	7.29	7.39	7.27	7.55	7.16	7.63	7.21	7.59	8.89
Public administration	4.89	5.20	5.43	5.72	5.81	5.62	5.98	5.19	5.46	6.61
Other services	7.72	7.92	7.81	7.91	8.28	7.60	7.76	7.17	7.17	8.37
Subtotal: Community and Personal Services	12.61	13.13	13.24	13.64	14.09	13.22	13.74	12.37	12.62	14.99
Tertiary Sector	24.76	25.56	25.79	26.05	27.09	26.32	27.94	26.14	27.74	32.85
Total	100.00									
<i>Sector/sub-sector</i>	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90
Agriculture and animal husbandry	34.95	35.52	31.92	35.76	34.96	34.97	35.81	30.16	28.99	33.98
Forestry and logging	12.11	12.72	11.30	10.64	7.47	6.90	6.37	5.46	6.53	5.66
Fishing	0.27	0.29	0.32	0.29	0.31	0.30	0.23	0.39	0.35	0.33
Mining and quarrying	0.76	0.72	0.83	0.91	1.07	1.38	1.47	1.98	2.02	2.02
Primary Sector	48.09	49.24	44.37	47.59	43.81	43.54	43.88	37.98	37.88	41.99
Manufacturing	2.26	2.97	3.22	3.37	4.16	3.99	0.41	4.54	6.39	5.82
Registered	1.05	1.71	1.90	2.00	2.72	2.54	2.57	3.13	5.06	4.38
Unregistered	1.21	1.27	1.32	1.37	1.44	1.45	1.43	1.41	1.32	1.44
Construction	18.23	16.15	14.00	12.02	11.99	15.29	13.42	16.20	15.46	10.60
Electricity, gas and water supply	-0.40	0.34	4.23	3.28	2.89	2.48	2.59	2.11	2.51	2.43
Secondary Sector	20.09	19.46	21.44	18.68	19.04	21.76	20.00	22.86	24.36	18.85
Transport, storage and communication	1.79	1.65	1.89	2.04	2.25	2.03	2.15	2.31	1.46	1.32
Railways	0.10	0.11	0.09	0.09	0.09	0.10	0.11	0.12	0.09	0.08
Transport by other means and storage	0.67	0.54	0.61	0.69	0.71	0.71	0.72	0.85	0.84	0.76
Communication	1.02	1.00	1.18	1.26	1.45	1.23	1.32	1.34	0.52	0.48
Trade, hotel and restaurants	7.66	8.17	8.32	8.78	8.62	8.29	8.85	8.41	8.97	8.54
Subtotal: Transport and Trade	9.45	9.82	10.20	10.82	10.86	10.32	11.01	10.72	10.43	9.86
Banking and insurance	1.43	1.68	2.05	2.14	2.44	2.41	3.27	3.61	2.84	4.02
Real estate and ownership of dwellings and business services	6.60	6.38	6.72	6.61	7.20	6.44	6.22	6.34	5.78	6.32
Subtotal: Finance and Real Estate	8.03	8.06	8.77	8.75	9.64	8.85	9.50	9.95	8.62	10.34
Public administration	5.90	5.46	6.79	6.02	7.10	6.87	6.96	8.40	8.41	8.64
Other services	8.43	7.96	8.42	8.15	9.54	8.65	8.66	10.09	10.31	10.33
Subtotal: Community and Personal Services	14.33	13.42	15.21	14.17	16.64	15.52	15.62	18.49	18.72	18.97
Tertiary Sector	31.82	31.30	34.19	33.74	37.14	34.69	36.12	39.16	37.76	39.17
Total	100.00									

Contd. ...

Contd. ...

**Percentage Share of Different Sectors and Sub-sectors in Net State Domestic Product
1970-71 to 2000-01 (at 1993-94 prices)**

<i>Sector/sub-sector</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1994-95</i>	<i>1995-96</i>	<i>1996-97</i>	<i>1997-98</i>	<i>1998-99</i>	<i>1999-00</i>	<i>2000-01</i>
Agriculture and animal husbandry	31.77	30.47	28.79	27.17	24.64	24.37	23.31	21.78	20.99	18.27	19.52
Forestry and logging	6.62	6.71	7.10	7.77	7.55	6.54	6.38	6.09	5.24	4.95	4.67
Fishing	0.36	0.42	0.40	0.39	0.27	0.30	0.29	0.28	0.24	0.22	0.21
Mining and quarrying	1.49	0.93	0.70	0.66	0.81	0.94	0.86	1.09	1.09	1.17	1.10
Primary Sector	40.24	38.53	36.99	35.99	33.27	32.14	30.84	29.23	27.57	24.61	25.50
Manufacturing	6.05	7.35	6.71	7.05	9.02	10.04	11.87	11.79	11.33	11.88	11.23
Registered	4.54	5.73	5.00	5.30	7.02	7.73	9.23	8.91	8.81	9.23	8.84
Unregistered	1.51	1.62	1.71	1.75	2.00	2.31	2.64	2.88	2.52	2.65	2.40
Construction	12.90	12.76	14.75	15.03	14.62	15.54	15.45	14.63	14.93	15.42	15.54
Electricity, gas and water supply	3.44	2.59	2.68	3.21	6.77	5.97	5.17	5.79	5.78	5.19	5.22
Secondary Sector	22.38	22.70	24.14	25.29	30.41	31.55	32.49	32.21	32.03	32.49	32.00
Transport, storage and communication	1.24	1.32	1.56	1.80	1.53	1.55	1.40	1.85	2.18	2.17	2.40
Railways	0.07	0.08	0.04	0.07	0.02	0.05	0.05	0.05	0.07	0.08	0.07
Transport by other means and storage	0.66	0.67	0.98	1.11	0.93	1.05	0.91	1.38	1.39	1.34	1.61
Communication	0.51	0.57	0.54	0.62	0.58	0.46	0.45	0.42	0.72	0.75	0.71
Trade, hotel and restaurants	8.83	9.47	9.44	9.00	9.15	8.99	9.15	9.18	9.40	8.92	8.76
Subtotal Transport and Trade	10.07	10.79	10.99	10.80	10.68	10.54	10.55	11.03	11.58	11.09	11.16
Banking and insurance	3.93	4.53	4.81	4.35	4.40	4.01	4.36	4.24	4.36	5.15	4.86
Real estate and ownership of dwellings and business services	5.51	5.69	5.57	5.52	5.18	5.08	5.02	4.85	4.46	4.35	4.22
Subtotal: Finance and Real Estate	9.44	10.22	10.38	9.87	9.59	9.09	9.38	9.09	8.82	9.50	9.09
Public administration	7.86	7.37	7.21	7.63	6.52	6.50	6.84	7.25	7.57	8.56	9.27
Other services	10.01	10.38	10.28	10.41	9.54	10.17	9.90	11.18	12.43	13.75	12.99
Subtotal: Community and Personal Services	17.87	17.75	17.49	18.05	16.05	16.67	16.74	18.43	20.00	22.32	22.26
Tertiary Sector	37.38	38.76	38.87	38.72	36.32	36.30	36.67	38.56	40.40	42.90	42.50
Total	100.00										

Source: Calculated from data provided by the Directorate of Economic and Statistics, Government of Himachal Pradesh, Shimla.

TABLE 24.6

**Percentage Distribution of Net State Domestic Product
by Major Sectors, 1970-71- 2000-01**

<i>Year</i>	<i>Percentage</i>		
	<i>Primary</i>	<i>Secondary</i>	<i>Tertiary</i>
1970-71	56.29	18.95	24.76
1971-72	54.88	19.55	25.56
1972-73	52.84	21.37	25.79
1973-74	53.69	20.25	26.05
1974-75	53.09	19.83	27.09
1975-76	55.19	18.49	26.32
1976-77	50.68	21.38	27.94
1977-78	52.04	21.82	26.14
1978-79	52.83	19.43	27.74
1979-80	46.65	20.50	32.85
1980-81	48.09	20.09	31.82
1981-82	49.24	19.46	31.30
1982-83	44.37	21.44	34.19
1983-84	47.59	18.68	33.74
1984-85	43.81	19.04	37.14

Contd. ...

Contd. ...

<i>Year</i>	<i>Percentage</i>		
	<i>Primary</i>	<i>Secondary</i>	<i>Tertiary</i>
1985-86	43.54	21.76	34.69
1986-87	43.88	20.00	36.12
1987-88	37.98	22.86	39.16
1988-89	37.88	24.36	37.76
1989-90	41.99	18.85	39.17
1990-91	40.24	22.38	37.38
1991-92	38.53	22.70	38.76
1992-93	36.99	24.14	38.87
1993-94	35.99	25.29	38.72
1994-95	33.27	30.41	36.32
1995-96	32.14	31.55	36.30
1996-97	30.84	32.49	36.67
1997-98	29.23	32.21	38.56
1998-99	27.57	32.03	40.40
1999-00	24.61	32.49	42.90
2000-01	25.50	32.00	42.50

Source: Calculated from Data provided by the Directorate of Economic and Statistics, Government of Himachal Pradesh, Shimla.

TABLE 24.7

**Percentage Share of Different Sectors in
Expenditure Under Five Year Plans**

<i>Five Year Plans</i>	<i>Expenditure (per cent)</i>
Fourth Five Year Plan: 1969-74	
Agricultural programme	24.12
Cooperative and community development	3.18
Water, irrigation and power	21.67
Industrial and mining	3.65
Transport and communication	29.08
Social services	18.01
Miscellaneous	0.29
Fifth Five Year Plan: 1974-78	
Agriculture and allied services	26.34
Cooperation	1.10
Water and power development	26.93
Industry and minerals	3.37
Transport and communication	23.02
Social and community services	16.92
Economic services	0.08
General services	2.24
Sixth Five Year Plan: 1980-85	
	15.81
Agriculture and allied services	4.66
Rural development	0.08
Special area programme	5.84
Irrigation and flood control	26.97
Energy	3.08
Industries and minerals	17.82
Transport	0.03
Scientific services and research	22.45
Social and community services	0.12
Economic services	3.15
General services	106.838
Seventh Five Year Plan: 1985-90	
Agriculture and allied services	19.63
Rural development	3.71
Special area programme	0.00
Irrigation and flood control	5.39
Energy	26.55
Industries and minerals	3.22
Transport and communication	14.78
Science and technology and environment	0.07
General economic services	1.80
Education sports art and culture	7.41
Health	3.28
Water supply, housing, urban development and sanitation	10.61
Information and publicity	0.25

Contd. ...

Contd. ...

**Percentage Share of Different Sectors in
Expenditure Under Five Year Plans**

<i>Five Year Plans</i>	<i>Expenditure (per cent)</i>
Welfare of SCs/STs/OBCs	0.42
Labour and Labour welfare	0.08
Social welfare	0.66
General services	2.13
Eighth Five Year Plan: 1992-97	
Agriculture and allied services	13.91
Rural development	3.34
Irrigation and flood control	4.24
Energy	18.89
Industry and minerals	2.47
Transport and communication	12.56
Science, technology and environment	0.14
General economic services	7.39
Education	13.00
Health	4.65
Water supply, sewerage, housing and urban development	14.91
Other social services	2.10
General services	2.40
Ninth Five Year Plan: 1997-2002	
Agriculture and allied services	11.34
Rural development	4.38
Irrigation and flood control	4.44
Energy	18.41
Industry and minerals	1.29
Transport and communication	14.36
Science, technology, environment	0.10
General economic services	2.90
Social services	41.28
General services	1.45
Tenth Five Year Plan	
Agriculture and allied services	9.60
Rural development	3.32
Irrigation and flood control	3.62
Energy	24.19
Industry and minerals	0.84
Transport and communication	16.14
Science, technology, environment	0.05
General economic services	2.41
Social services	39.00
General services	0.84

*Source: Government of Himachal Pradesh, Various Five Year Plans,
Shimla*

TABLE 24.8

Per Capita Income (at 1993-94 prices) of Himachal Pradesh, Neighbouring states and India 1970-71 to 2000-2001

Year	Himachal Pradesh	Haryana	Punjab	Jammu and Kashmir	India
1970-71	5659	6141	6591	5165	4967
1971-72	5676	6267	6677	5155	4920
1972-73	5584	5923	6764	5071	4739
1973-74	5784	5734	6819	5269	4873
1974-75	5659	5608	6899	5335	4849
1975-76	6160	6575	7343	5401	5186
1976-77	5726	6834	7644	5212	5100
1977-78	6085	6939	8131	5759	5438
1978-79	6193	7450	8550	6107	5618
1979-80	5392	6757	8408	5966	5202
1980-81	5792	7429	8501	6343	5469
1981-82	6035	7510	9032	6329	5650
1982-83	5707	7758	9183	6364	5643
1983-84	5864	7702	9145	6407	5972
1984-85	5516	7720	9749	6561	6083
1985-86	6042	8708	10172	6543	6214
1986-87	6362	8507	10283	6461	6311
1987-88	6202	8144	10571	5611	6408
1988-89	6553	9915	10880	6200	6972
1989-90	7420	10200	11787	6179	7237
1990-91	7280	10999	11794	6379	7455
1991-92	6986	10968	12087	6339	7297
1992-93	7734	10723	12422	6443	7512
1993-94	7870	11090	12710	6543	7690
1994-95	8489	11617	12784	6619	8070
1995-96	8966	11570	12989	6732	8498
1996-97	9140	12664	13705	6978	9007
1997-98	9625	12544	13812	7128	9242
1998-99	10131	13003	14279	7296	9647
1999-00	10514	13709	14698	7384	10067
2000-01	10942	14331	14916	7383	10306

Source: Calculated from different volumes of *Statistical Abstracts of Himachal Pradesh, Punjab and Haryana*.

Note: Provisional

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