



Preparing the State Development Report on Himachal Pradesh

The State Development Report (SDR) on Himachal Pradesh is different from the earlier report on Punjab, though both were prepared by the Centre for Research in Rural and Industrial Development (CRRID), Chandigarh. The report on Punjab has taken into account the history of 2000 years of the region and focuses on the past, the present and the future. The one on Himachal Pradesh has its focus primarily on the future.

The present of what constitutes Himachal Pradesh today can be best understood in the context of the socio-cultural and economic progress made by it in the process of its overall development during the last half-century. Members of the faculty of CRRID and a team of experts critically examined different sectors and sub-sectors of the socio-economic development of the state. What has emerged clearly is the success achieved in the social sector. The state of economic development, however, is a matter of concern. The weak financial health of the economy is reflected in the rising fiscal deficit. This condition has been analysed in depth to make a case for the Government of Himachal Pradesh to look for ways and means for fully exploiting its existing sources of revenue and tapping fresh resources, so as to improve the financial health of the state and minimise its fiscal deficit.

The Chief Minister of Himachal Pradesh, Hon'ble Shri Virbhadra Singh, shared his perspective, knowledge and understanding of the problems and prospects of the state in an open interactive session with members of the faculty and eminent advisers engaged in the preparation of the SDR. He expressed his confidence that notwithstanding the natural, constitutional and traditional constraints, the financial health of the state could be considerably improved and the pace of development accelerated. This would, however, require constitutional and institutional support to the state from the central agencies. Placed as it is, the state cannot be economically self-sufficient when compared with the neighbouring states of Punjab, Haryana, Rajasthan, and even Delhi. The distinctive environmental and geographical characteristics of the state need to be harnessed intensively and extensively to ensure a sustainable

pace of social development by uplifting and upgrading the human and technical resources which are available in abundance.

Highly commendable success has been achieved in some social sector parameters such as primary education, female literacy and health. But this is not adequately reflected in the state's economic progress. Obviously, much more needs to be done to enrich the social sectors, which require effective professionalism and a technological base. The World Human Development Reports have emphatically stressed that economic progress has strong linkages with social sector development. The agenda for it should be well conceived and implemented, taking into consideration local needs and aspirations of the people. A turn-around in the economy will then follow.

The social development of Himachal Pradesh is both a precondition and a component of economic progress and will have to be the primary focus of the next five-year plan for constructing a strong economic base. The state can neither emulate nor sustain the same pattern of industrial and urban development, as adopted by Punjab and Haryana or any other state, except those in the hilly regions of the country.

Another critical measure, which could help accelerate the pace of economic development, would be to develop long-term co-operation with other states in the region for a common programme of development so as to realise fully the potential of Himachal Pradesh. This report has, in this context, drawn particular attention to the possibilities that exist in such areas as forestry, hydel power and tourism sectors. Other areas calling for special attention include management of water resources, roads and markets. Himachal Pradesh could also take advantage of the advanced educational, technological and medical facilities of the neighbouring states, to upgrade further the quality of its technological and human resource base.

This, as would be evident from a perusal of this report, does not require much investment beyond the resources normally made available by the Central ministries and institutions.

Himachal Pradesh, as stated above and as spelt out through their analyses by the contributors to this report, cannot compromise on its environmental and ecological status. These have not only to be protected but also their development has to be so conceptualised and planned that it extends the benefits to the neighbouring states of the region as well. In this context, one might draw attention to the impact of the forests of Venezuela on the ecology of the USA. What needs to be emphasised is co-operation within the region for mutual benefit. Himachal Pradesh should not try to compete with the agriculturally and industrially developed states of the region. Nor should it allow itself to become the victim of competition from them. On the contrary, entrepreneurs and other stakeholders should look upon Himachal Pradesh as a source of energy. A long-term perspective of

interdependence, institutionalised through a Memorandum of Understanding among the neighbouring states, would strengthen the concept of mutual environmental and ecological planning for holistic development. Should they choose to initiate such a process of co-operative development, based on the sound and just principles of interdependence and interconnectivity, it would change the course of development not only in Himachal Pradesh but also in the neighboring states. In this context, the decisive role of the central agencies, particularly the Planning Commission, in initiating, encouraging, nurturing and regulating this process cannot be over-emphasised. This would help realise the full potential of every state in the region. This would also go a long way towards achieving the goal of improving not only the financial and administrative health of Himachal Pradesh but also the quality of life of the people of the entire region.

The newly constituted Planning Commission with Dr. Montek Singh Ahluwalia as its Chairman and his colleague Dr. (Smt.) Syeda Hameed, Chairperson, Core Committee of the State Development Report and their colleagues have spent considerable time in going through the Report and making some valuable suggestions which have been incorporated, as desired. In fact the idea of involving independent institutions, universities and research organisations in preparing such State Development Reports was initiated by none other than Dr. Montek Singh Ahluwalia as Member of the Planning Commission. These reports including the one prepared by Centre for Research in Rural and Industrial Development (CRRID) have been commissioned to focus objectively as well as constructively on the problems, prospects and development of state concerned and also to highlight the human, technological and scientific potentials, as well as those which have not been tapped, particularly pertaining to the social sector.

Finally, Himachal Pradesh has another distinctive feature worthy of special note. It is the political culture of the people of the state. The state has consistently supported national political parties. This pattern of behaviour is an evidence of their sagacity. It also indicates the existence of a social structure which can be protected and developed through its integration with, but not subservience to, economic development. Such a paradigm should surely invite the interest and concern of social scientists, planners, administrators, and politicians, in particular. Himachal Pradesh, as the Chief Minister emphasised during his valuable interactive session with members of the faculty on 26 June 2003, is committed to involving the community in the management of the state and society through the devolution of powers to the Panchayati Raj Institutions. These very institutions are going to reform the shape of events to come. They will mobilise the people for improving their own quality of life through a purposeful and effective relationship with the educational, technological, administrative and other institutions. These institutions, in turn, will have to be upgraded and made more efficient and effective so as to fulfil their

obligations to the people and also meet the competitive environment thrown up by the market economy.

The process of preparing the State Development Report began with the then Member, Planning Commission, Shri Kamaluddin Ahmed, who shared his deep insight and wide range of experience, while chairing the first meeting of the officials and member of the team. Thereafter, it was Dr. D N Tewari, Member, Planning Commission who replaced Shri Kamaluddin Ahmed as Chairperson of the Core Committee under whose advice the Report was finalised. A number of highly educative and meaningful interactive sessions followed with the senior officials of the Planning Commission headed by the then Principal Adviser, Shri S P Arya; Shri T P Biswas, Director and also by Shri M Ranjan, Principal Adviser and Shri J P Vijay, currently Deputy Adviser. The senior officials of the Government of Himachal Pradesh had actively participated in a number of interactive sessions taken place at Chandigarh as well as at Shimla. These were not only stimulating but also rewarding, particularly because of the meaningful response and unhesitating co-operation of the senior officials of the Himachal Pradesh Government extended to the members of the team of CRRID engaged in preparing of the State Development Report.

Subsequently, Dr. (Smt.) Syeda Hameed, Member, Planning Commission and Chairperson of the Core Committee took keen interest in pursuing the Report and sent some suggestions to the Planning Commission which have been incorporated.

Finally, a concluding interactive session with the then Chairman of the Governing Body of CRRID, Dr. Manmohan Singh, currently the Prime Minister of India and also member of the Governing Body some of whom had served as member of the Planning Commission and in senior positions in the Government of India was organised. They enriched our efforts with valuable inputs given in the form of their advice during these meetings.

May I avail of this opportunity to express my sincere thanks to the following members of the CRRID team, officials of the Planning Commission and the State Government of the Himachal Pradesh besides several well-known experts for their valuable contributions in preparing the State Development Report. Himachal Pradesh: A Profile, *Pawan Kumar Sharma*; Natural Resources, *Surya Kant, Sameer Lakhwara, Gurcharan Singh and Anil Sinha*; Natural Disaster Management, *Surya Kant, Sameer Lakhwara, Gurcharan Singh and Anil Sinha*; Forestry, *Sunil Bansal*; Population, *Aswini Kumar Nanda*; Fiscal and Financial Management, *J.P. Gupta*; Education, *Bindu Duggal*; Health, *Rajesh Kumar Aggarwal*; Nutrition, *Komila Parthi*; Gender Empowerment, *B.K. Pattanaik and Kulwinder Singh*; Agriculture, *R.K. Grover*; Livestock, *Krishna Mohan*; Rural Development, *Kesar Singh and Sukhwinder Singh*; People's Participation, *Kesar Singh and Sukhwinder Singh*; Public Distribution System, *B.K. Pattanaik*; Industry, *S.S. Agarwal*;

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– RASHPAL MALHOTRA

*Founder Director
CRRID*

