PREFACE

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FOCUS

Are we prepared?

Despite warnings from the Indian Meteorological Department and the state Irrigation and Flood Control Department, Jammu and Kashmir went under water because it did not have a contingency plan, nor did it have a well-equipped state emergency operation centre (SEOC).

One might argue that when Mumbai was hit by flood in 2005, Surat in 2006 and Kolkata in 2007, each city had functional SEOCs, yet they failed to prevent the disaster. This is because the floods they faced in those particular years were quite different from the floods they had faced earlier.

Urban floods are a new challenge. Census 2011 showed that for the first time since 1921, the urban population in India was much more than the rural population. A 2008 study by the National Institute of Disaster Management showed that the annual economic losses from urban flooding are much higher than those incurred from other disasters.

The National Disaster Management Authority (NDMA) decided to deal with urban flooding separately. In 2008, it formed a committee on urban floods, which formulated the National Guidelines for Management of Urban Flooding. The guidelines were released in 2010.

WHAT THE GUIDELINES SAY

NDMA acknowledges the increasing frequency of urban flooding. It says that the causes of urban flooding are different for each city, which is why flood management strategies need to be customised. Policies for a coastal city, for example, would have to be different from a city located on the hills.

NDMA proposed an Urban Flooding Cell with a technical umbrella for forecasting and warning at the state level. It mooted a local network of automatic rainfall gauges for real-time monitoring. Local authorities were asked to go in for contour mapping, put the existing storm

water drainage network on geographic information system (GIS) and desilt all drains by March end every year. It also suggested that lakes should be freed from encroachment so that the natural drainage system of a city could be maintained.

GUIDELINES NOT BINDING

Most of the state governments have not been sincere in implementing NDMA's guidelines. "But are the guidelines binding?" asks A K Sarma of the Indian Institute of Technology (IIT), Guwahati, who was a member of the committee formed by NDMA. It is up to the states to implement the rules. The state governments are not "compelled" to follow the guidelines, so nothing ever happens, Sarma adds. He says there needs to be a holistic approach to address urban floods. "While preparing the guidelines, we had the diversity of India in mind and knew that the rainfall that Jaipur receives is not the same as what Shillong receives. So we tried to cater to all types of cities," he explains.

He adds that for proper implementation of the guidelines, various departments have to come together. For example, the problem of urbanisation is not only wrong town planning but also encroachment of wetlands and water channels, which reduces a city's natural capacity to handle floods. To correct this, municipal corporations have to work closely with the Irrigation and Flood Control Departments. But administrative differences make it difficult to handle a disaster like urban flood.

This is evident from what happened in Srinagar. Despite repeated warnings by the Irrigation and Flood Control Department about the encroachment of the drainage channels in the city, the Srinagar Municipal Corporation failed to clear these channels.

NDMA guidelines also stress on the need to make the planning process participatory. Following the hierarchical structure of administrative systems, flood control measures are planned without the participation of the affected communities. "In many cases, this results in unsustainable measures which don't meet the needs of relevant stakeholders," state the guidelines.

LESSONS LEARNT

While most cities in India are yet to wake up to the problem of urban flooding, Guwahati, which faces floods almost every year, is getting ready with an action plan. The Guwahati Metropolitan Development Authority (GMDA) has taken up a project in the city's Garbhanga hill for scientific management of rainwater that flows down the hill during monsoon, triggering landslides and choking drains with silt. Siltation in the drains by sediments carried by rainwater has been identified as one of the major causes of waterlogging in the city. GMDA also plans to clear encroachments along the drainage channels of Guwahati.

GMDA is being given technical support by IIT-Guwahati, and Shristie, a city-based civil engineering firm, which focuses on plantation in the hills, development of an efficient drainage system, putting up structures on the hill to check the speed of water and rainwater harvesting. The project is touted to be the first of its kind in India.

While some states have accepted that urban floods are becoming frequent, as are extreme weather events, and are taking steps to revive their natural drainage systems, others continue to be in denial. It is time the governments woke up to the crisis of urban floods and took adequate measures to preserve the ecological balance, while keeping contingency plans ready to deal with any unforeseen disaster.

DOWN TO EARTH,
OCTOBER 1-15, 2014.

The Reality of Special Category States

Govind Bhattacharjee

Eleven of the 29 states of India comprise what is collectively called the "Special Category States". These states are Arunachal Pradesh, Assam, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand. Eight of these states constitute the north-eastern part of India; the three that lie outside the region are Jammu and Kashmir, Himachal Pradesh, and Uttarakhand. By and large, these impoverished and mostly resource-starved states lay at the periphery of India's economic development. They were created at different points of time in the history of independent India to accommodate the socio-economic as well as the ethnocultural aspirations of their respective people who were handicapped in various ways. These handicaps arose not simply from the remoteness of their locations or the inaccessibility of their hilly terrains with sparsely populated habitation, nor due to their historical circumstances alone. They were caused also by the shortage of capital and natural resources within their boundaries, lack of any viable physical and social infrastructure for economic growth and development, high cost of production with low availability of resources and hence low economic base, coupled with high transport costs leading to high delivery cost of public services. Centuries of economic deprivation and neglect coupled with isolation from the mainstream of Indian states had resulted in widespread poverty, unemployment and economic backwardness of the people living within their territories. They have in fact been victims of the combined burden of history, geography, economics and governance. Even the resources that nature has endowed them with could not be harnessed and utilised for their development due to the pathetic state of their infrastructure and its continued neglect over decades.

India's economic achievements could hardly make any impact within these states that lay at the bottom of our economic ladder and disparity between these and the other states of India had

only continued to increase over the years. Even the economic reform process that benefited the other states could offer little to improve this situation. As pointed out by Ahluwalia (2000), interstate disparities in growth rates of gross state domestic product (GSDP) had in fact increased after the reforms of 1991 across the states in India. The reform process of course had given a much needed push to accelerate the growth of the country and propel its economy into a high growth economy. But as shown by various authors, the process of economic reforms has not promoted balanced regional development (Ahluwalia 2002). It had, instead, mostly benefited the already prosperous or well-governed states rather than the laggards and that the reform-orientated states had generally performed better than other states since the process was started in 1991 (Bajpai and Sachs 1999). The poorer states have always been ill-equipped to profit from the reforms because of various impediments like their "less attractive social, economic, and probably, political conditions" (Baddeley et al 2006). Kurian (2000) noticed widening regional disparities among the states in general and between the forward and the backward states in particular. The better-off states, by virtue of their higher income, better physical and social infrastructure, higher per capita transfers and private investments, were much better placed to take advantage of the globalisation and liberalisation process and moved ahead. As a result, richer states became even more richer compared to the poorer states. All these indicate that whenever the disparity level increases across the states, the special category states can be expected to be the worst sufferers in terms of economic growth and development. Sachs et al (2002) also found that there was marked divergence in the growth and income levels among the Indian states during the period 1980-98, as well as during both the pre-reform and post-reform sub-periods. This divergence was most noticeable within the poorer group of states. Ghosh and Dasgupta (2009) also asserted that economic liberalisation had accentuated the widening regional disparity rather than mitigating it and that "regional disparities have intensified not in spite of the country's development strategy, but largely because of it". Referring to the political implications of interstate disparity, they observed that "coalition politics while setting regional questions on the national agenda has not in itself been able to reverse the centralising aspect of the economic reforms paradigm of the union government".

Economic neglect and lack of development generally create inequality and disparity and these reach an unsustainable level when there is a failure of governance whose primary responsibility is to address the causes of such disparity. In the absence of governance, extreme inequality and disparity often lead to violence and militancy. Predictably, coupled with other deep-rooted issues arising from tribal or other ethno-cultural identity contestations, such development- disparity paradigm had stoked the sinister fire of insurgency in many of these states, leading to decades of political unrest and mindless violence and bloodshed. A few states like Himachal Pradesh, Sikkim and Uttarakhand were spared this sinister cycle of violence and disruption where visible economic

progress and other mitigating factors did not allow militancy and terror to raise their ugly heads. But most of the other special category states had during some or the other time during their history had to struggle against militancy and violence that had stubbornly kept their development at bay; some, like Tripura and Mizoram, were able to resolve these problems and marched ahead, while others still continue to struggle against an enemy that is largely invisible. Jammu and Kashmir is of course another story, perhaps more complex than the other states due to reasons associated with the history of its accession to India and due to the international dimensions involved.

Special Category Status

The special category status is granted to a state by the National Development Council (NDC) on the recommendation of the Planning Commission. The Planning Commission had laid down the criteria for this status according to which the special category status is granted to states characterised by certain common features that demand special considerations. A Planning Commission note details these criteria:

"These features include: (1) hilly and difficult terrain, (2) low population density and/or sizeable share of tribal population, (3) strategic location along borders with neighboring countries, (4) economic and infrastructural backwardness, and (5) non-viable nature of state finances. States under this category have a low resource base and are not in a position to mobilise resources for their developmental needs" irrespective of their per capita income. Many of these states were previously administered as small union territories (like Mizoram, Arunachal Pradesh and Himachal Pradesh which was earlier a part of erstwhile Punjab) or constituted from one or more districts of erstwhile states (like Nagaland, Meghalaya, Tripura carved out of Assam and Uttarakhand carved out of Uttar Pradesh); thus "necessarily involving creation of overheads and administrative infrastructure that was out of proportion to their resource base". The note further adds that "The decision in this regard is taken by the NDC which is the sole body competent to do so. This decision is based on the integrated consideration of all the factors listed above and the peculiar situation of the State and cannot be reduced into a mechanically applied formula".

It may be mentioned the special category status is not something that is given to a state according to any provision in the Indian Constitution, neither was there ever any attempt to amend the Constitution to this effect. Like the Planning Commission and the subsequent invention of non-lapsable funds for the states in the North East, this is an extra-constitutional arrangement.

For integration of the economic and social fabric of the country as a whole, it is essential to reduce disparities that exist between different regions in the country. Drivers of growth differ from state to state, though certain key drivers - like fiscal policy, credit availability, capital investments on physical infrastructure like roads and power plants and social infrastructure like education and health - can easily be identified. The constitutional mechanism of the Finance

Commission and the extra-constitutional mechanism of the Planning Commission, which was created by a resolution of the Government of India in March 1950, seek to address the problem of striking an equitable balance between the socio-economic growth of individual states and the disparity that exists between them. The Finance Commission strives to achieve this by transferring resources from the richer to the poorer states through the agency of the central government, while the Planning Commission seeks to do so by allocating central resources through its five-year plans to meet the needs of the individual states by ensuring higher per capita allocation to the poorer states.

Under Article 275 of the Constitution, every state is entitled to a share of all central taxes in the union list which are pooled together to form what is known as the divisible pool of central taxes. These are shared between the centre and the states as per recommendations of the Finance Commission constituted once in five years under Article 280 of the Constitution. Article 275 thus provides a mechanism for automatic devolution of resources of the centre to the states. The finance commissions also determine the inter se share of each individual state depending on a number of factors with the objective of removing inter-regional disparities and promoting better fiscal management. Currently, under recommendations of the Thirteenth Finance Commission, 32% of all sharable central taxes are transferred to the states and the shares of individual states are determined by a formula that gives appropriate weightages to the population and area of each state, differences in fiscal capacities between states and the discipline exercised by them in managing their finances.

Apart from a share in the central taxes, states also receive money by way of grants from the centre, given for both plan and non-plan purposes. Among the plan grants there are separate grants for the state's own plan schemes, central plan schemes and also for the centrally-sponsored schemes (CSSs). The non-plan grants are covered by recommendations of the finance commissions under Article 275 and include the statutory grants to finance the non-plan revenue deficit of the states, for modernisation of administration as well as for relief for natural calamities and other public purposes. Plan transfers do not have any such statutory authority and are often discretionary in nature, made under Article 282 of the Constitution which enables grants to be given for any public purpose. The final source of funds for the state is of course borrowing; states borrow from the market and financial institutions. They also can borrow from the centre, though such borrowings have of late been much reduced.

Special category states are special primarily as far as their plan assistance from the Government of India was concerned. The Constitution provides for uniform rule in all the states, but it allowed special provisions for the protection of distinct cultural identities, traditions and customs of certain ethnic groups and for accommodating the economic interests and political aspirations of the indigenous people. Special category states naturally come under these provisions. Most of these are inhabited by tribal people with their distinct social institutions, economic relations, languages, traditions and customs. The Constitution does not include any provision for creation

or categorisation of any state of India as a special category state. Yet recognising that certain regions in the country are historically more disadvantaged than the others in terms of socio-economic progress and therefore are in need of additional state support so as to remove the traces of any such historical disadvantage, the status was bestowed upon three states - Assam, Jammu and Kashmir and Nagaland - for the first time in 1969. The Fifth Finance Commission recommended a liberal dose of central assistance under the various five-year plans for these states.

Central Plan Assistance and Gadgil Formula

Expenditure of the states (or the union) is classified as plan and non-plan expenditure; plan expenditure pertains to expenditure allocated by the Planning Commission to meet the requirements of the states' annual plans and five-year plans which are supported by central assistance. States are entitled to get the following types of central assistance for their annual plans and five-year plans:

(a) normal plan assistance for central plans and state plans;

(b) additional plan assistance for implementation of externally assisted projects; and

(c) additional plan assistance for CSSs like Mahatma Gandhi National Rural Employment Guarantee Scheme, Sarva Shiksha Abhiyan, National Rural Health Mission, Integrated Child Development Services, Total Sanitation Campaign, Pradhan Mantri Gram Sadak Yojana, Indira Awaas Yojana, Mid-Day Meal Scheme, National Rural Drinking Water Mission, etc, which are operated throughout India.

The normal central plan assistance is given as per a formula which is known as Gadgil formula since 1969, after DR Gadgil, the then deputy chairman of the Planning Commission. Apparently the Gadgil formula was adopted to introduce into the discretionary nature of the plan assistance some semblance of rationality that effectively curbed the absolute discretion the centre enjoyed over such transfers. This formula has been revised from time to time and is now called the modified Gadgil formula or the Gadgil Mukherjee formula for determining the central assistance to a state (after Gadgil and Pranab Mukherjee, then deputy chairman of the Planning Commission). Under this formula adopted since 1991, the central plan assistance is given to the states based on a combination of criteria having different weightages that varied from plan to plan. The successive stages of evolution of the formula with the different weightages allotted to its different criteria are summarised below

Criteria and Weightage under Original Gadgil Formula, Modified Gadgil Formula and Formulae as Revised in October 1990 and in December 1991 for Allocation of Central Assistance for States' Plans

Criteria (Weightage %)	Original Gadgil Formula (1969)	Original Gadgil Formula (1980)	NDC Revised Formula (1990)	NDC Revised Formula (1991)
A. Special Category	30% share of 3 states excluding North Eastern Council	30% share of 8 states excluding North Eastern Council	30% share of 10 states excluding North Eastern Council	30% share of 11 states excluding North Eastern Council
B.Non Special Category States (17) (i) Population (1971)	60	60	55	60
(ii) Ongoing major irrigation and power projects	10	0	0	0
(iii) Percapita income of which	10	20	25	25
(a) According to the deviation method covering only the states with per capita income below the national average	10	20	20	20
(b)According to the distance method covering all the states	0	0	5	5
(iv) Performance of which	10	10	5	7.5
(a) Tax effort	10	10	0	2.5
(b) Fiscal management	0	0	5	2
(c) National objectives	0	0	0	3
1. Population control	0	0	0	1
2. Elimination of female illiteracy	0	0	0	1
3. On-time completion of externally-aided projects	0	0	0	0.5
4. Success in land reforms	0	0	0	0.5
(v) Special problems	10	10	15	7.5
Total	100	100	100	100

Origin of the Gadgil Formula

The origin of the formula can be traced back to 1965, when the need for a set of principles was emphasised by some chief ministers for allocation of central assistance to states for the Fourth Five-Year Plan. The minutes of the NDC meeting on December 1967 noted that though there was lack of unanimity among the chief ministers of various states about the criteria, yet "there was a general feeling that States like Assam, Jammu and Kashmir and Nagaland would, in any way, have to receive special treatment". It may be mentioned here that even Article 275(1A) of the Constitution recognised the need for special treatment to Assam and made provisions for separate grants to be given to that state. In the light of the views expressed by the NDC, the Planning Commission evolved the following guidelines:

(i) Every state should receive a quantum of 70% of the total amount to be distributed in proportion to its population.

(ii) The balance should again be distributed but after taking into account

(a) the special needs of Jammu and Kashmir, Assam and Nagaland to enable them to have a modest and reasonable Plan, (b) the special needs of some states which are required to contribute large amounts of expenditure on continuing schemes of irrigation and power of national importance, and (c) the need for accelerated development of certain backward regions like hill areas, etc.

It is interesting to note that the resources of all the states taken together at that time were estimated to be only Rs 826 crore against the proposed outlay of Rs 2,103 crore, thus leaving a gap of nearly Rs 1,280 crore to be financed by the centre during the Second Five-Year Plan (1956-61), against which the actual normal central assistance (NCA) given amounted to Rs 1,058 crore. Assam and Jammu and Kashmir Claimed only Rs 51 crore out of this, ie, 4.8% of the total share. Nagaland did not exist as yet and it would be created only in 1963. The share including that of Nagaland went up to 6.8% of total central assistance during the Third Plan (1961-66). During 1968-69, at the time of creation of the special category states, however, these three states together claimed a share of 9% of the total normal central plan assistance provided to all the states during that year. It was 19.3% during the entire Fourth Plan period. The share of the special category states in total central assistance thus was doubled immediately after their creation; this share would gradually rise further to one-third of the total normal central assistance for all states.

Till 1957, Naga Hills was a district of Assam. In response to the demands of the Naga Peoples Convention, the chief political party in Nagaland, in December 1957, the Naga Hills district was brought under the union administration as Naga Hills-Tuensang Area (NHTA) under the Ministry of External Affairs. The demand for its statehood gradually started getting stronger since then. Finally, by virtue of the 16-point agreement between the Naga Peoples Convention and the then prime minister of India in July 1960, the administration of Naga Hills was placed under an interim regional council under the Nagaland (Transitional Provision) Regulation 1961. This interim body was dissolved and Nagaland was formally declared as the 16th state of the Indian Union on 1 December 1963 (Upadhyay 2005). In the 16-point agreement, it was mentioned that to supplement the revenues of Nagaland, there will be a need for the Government of India to payout of the Consolidated Fund of India grants in aid as follows:

(1) Lump sums as may be necessary each year for the development programme in Nagaland;

(2) A fixed recurring sum (annual subvention) for meeting the cost of the administration of Nagaland.

Thus the plan transfer was not specifically mentioned in the agreement. But after formation of the state, it started receiving plan assistance along with Assam and Jammu and Kashmir. It was long recognised that such assistance was inadequate to address the problems of these states, and in response to such recognition, all three were accorded the special category status in 1969. Article 275(IA) of the Constitution also recognised the need for special assistance for these states.

In 1968, the Fifth Finance Commission was constituted by the Government of India to recommend the devolution of taxes and grants to the states for the period 1969-74. It submitted its report in 1969, where it noted huge disparities existing among the 17 Indian states. The richest state had a per capita income of Rs 619 and the poorest Rs 292 only; the largest had a population of nine crore and the smallest only four lakh. It expressed concern that the need for equalisation among the states demanded a more positive redistributive policy than simply dividing the grants on the basis of population - by taking the reality of the rich and poor states into account. In considering the Finance Commission transfers, it also, for the first time, considered the Planning Commission transfers to look at the totality of funds at the disposal of the states, and recommended much higher amounts of transfers to Assam, Jammu and Kashmir and Nagaland:

we wish to indicate that we have, in assessing the revenue receipts and expenditure of the states and applying the principles and general conditions explained in the preceding paragraphs, particularly kept in view the special problems of the states of Assam, Jammu and Kashmir and Nagaland. We have tried to treat their needs and requirements, with as much care and consideration as possible. The grants which we are recommending for these States are of a much larger magnitude

that would ordinarily be justified in case of other States of similar size or having similar resources. We hope that these three states also will, on their part, make efforts to increase their resources and exercise better fiscal management and proper economy consistent with efficiency and take steps to improve the returns on their investments so that their financial position may steadily improve and in course of time they may be enabled to have more adequate revenues to improve their social and administrative services.

Of the total Finance Commission grants of Rs 637.85 crore for the entire period between 1969 and 1974, these three states claimed a share of 39.75% of the total; Assam was allotted 101.97 crore, Jammu and Kashmir Rs 73.68 crore and Nagaland Rs 72.62 crore. Except Odisha, and to some extent West Bengal, no other state received as high a grant, Thus as far as non-plan grants were concerned, these three states became rather "special". The Planning Commission would soon follow suit. The 26th meeting of the National Development Council held in April 1969 noted:

... since the report of the Fifth Finance Commission was still awaited a clear picture of Centre's own liabilities was not available, but notwithstanding this, the Central Government had agreed, on the recommendation of the Planning Commission, to keep their contribution to the State Plans at Rs 3,500 crore.

The minutes of the same meeting further noted that the Deputy Chairman [Gadgil] referred to the principles for the distribution of Central assistance to States which had been evolved at the meeting of the NDC Committee of State Chief Ministers held in September 1968. It was agreed that the requirements of the States of Assam, Jammu and Kashmir and Nagaland be met through an ad hoc lump assignment out of the total Central assistance and that the balance should be distributed as follows: 60 per cent on the basis of population, 10 per cent on the basis of per capita income only to the States below the national average, 10 per cent on the basis of tax effort in relation to per capita income, 10 per cent on account of continuing major irrigation and power schemes and the remaining 10 per cent on consideration of the special problems of the States.

Thus the needs of these three states - Assam, Jammu and Kashmir and Nagaland - were given priority over the needs of other states by the Planning Commission as well. Both in respect to the plan as well as non-plan grants, they were receiving much higher amounts compared to the other Indian states and in that sense these states were treated as special. This, then, was the genesis of the Gadgil formula and of the special category status accorded to these three states in 1969. The major contribution of the Gadgil formula has been to bring in discipline, transparency and objectivity in the plan transfers that severely attempted to limit the arbitrary discretion the centre had hitherto enjoyed over these transfers. Of course the centre would devise another way of exercising its discretion through the mechanism of the so-called CSSs.

The Numbers Increase

Before the Gadgil formula was applied, the states used to get more resources from the centre as loans and less as grants, plan and non-plan combined, leading to increasing indebtedness of the states. This situation was substantially changed since the Fourth Plan onwards, after the central assistance started getting distributed as per the Gadgil formula When the Gadgil formula was applied for the first time in 1969, there were altogether 17 states, and only three among them were treated as special category states. During the Fifth Plan period, the total number of states increased to 22, and all but the original 14 were treated as special category states. As and when new states were created, by carving them out of Assam or by giving statehood to erstwhile union territories, except Goa, all were created as special category states. The reasons were obvious; all these states were small states, and had small populations. Therefore they will not enjoy the advantage a state with a large population would get from the higher weightage given to population in the Gadgil formula. This practice of adding the newly created states to the list of special category states continued till 2001, when only one state, Uttaranchal (now Uttarakhand) out of the three states created in 2000 was added to the list of special category states by a decision of the 49th meeting of the NDC on 1 September 2001, 18 months after its creation, but the other two, Jharkhand and Chhattisgarh, were treated only as general category states. The agenda note for meeting had detailed the case for Uttarakhand:

The predominantly hill districts account for about 90 per cent of the total area of the newly created State of Uttaranchal, while more than 2/3 of the population of the state resides in the hill areas. Almost 1/3 of the total area in Uttaranchal is either rocky/snow covered/glaciated or otherwise unproductive degraded land. About 3 per cent of the population of the state is tribal.

It further adds that Uttaranchal is a geo-politically sensitive area. While in the North the state has international borders with China, in the East the region is bound by Nepal. Uttaranchal is a difficult area in terms of geography, accessibility and sustainable growth rates. The mountain environment is fragile although it is rich in biodiversity. Unit expenditure of initially providing an average standard of services in such hill regions is higher, and unit cost of operation and maintenance is also very high. Uttaranchal region is vulnerable to many types of disasters. Special arrangements would be necessary to improve administrative, organisational and technical capabilities in the area of disaster preparedness and disaster management.

Examining the finances of the state, the agenda papers note that the state had a non-plan revenue deficit of Rs 1,738 crore in 2000-01 while its interest liability alone was Rs 450 crore. It lacked resources to meet its committed expenditure on account of salary, pension and interest payments and would require heavy investments to make it financially viable in the long run, as the benefits of such investments would flow only after a sufficiently long time interval.

Himachal Pradesh that was a union territory was accorded full statehood in 1971. Three more north-eastern states were carved out from Assam in 1972: Manipur, Meghalaya and Tripura. Sikkim became an Indian state in 1975. Mizoram and Arunachal Pradesh which hitherto were union territories were accorded full statehood in 1987 and Uttarakhand was carved out of Uttar Pradesh in 2000, and was made the 11th special category state in 2001.

It is to be mentioned that even though the number of special category states increased from only three in 1969 to 11 in 2001, its kitty of 30% of the central plan funds, after setting aside funds for externally aided projects and special area programmes in certain states, remained unchanged - there was no proportionate increase in resources set out for this category as new states were added on. As a result, the share of individual states within the category had to decline. Even when a decision was taken in 1969 to include Assam among one of the three initial states belonging to this category, it was given the benefit of 90% grants and 10% funding available to special category states only from 1 April 1990. From time to time, various states, including Odisha, Rajasthan, Punjab, Chhattisgarh and even Delhi has demanded to be included in this category, but with so many states sharing the same 30% of plan funds, addition of more states would defeat the purpose of creation of this category altogether.

Further, the above scheme has since been vitiated by the direct transfer of central plan grants to the executing agencies in the states under the various centrally-sponsored plan schemes, especially under the "flagship schemes" of the central government. Statutory transfers under Finance Commissions' recommendations constituted only one-third of the total transfers during the First Plan period, this proportion gradually increased to 53% during the Tenth and Eleventh Plan periods. Still about half of the total transfers take place through a non-statutory mechanism of the Planning Commission. The non-discretionary plan assistance to states (under the Gadgil formula and other transfers tied to specific projects) earlier used to dominate the total plan transfers, but the proportion of such transfers in the total transfers have declined progressively, with the result that now the discretionary transfers, most of which are extra budgetary, account for the bulk of such transfers.

As per the 2013-14 Budget, the total central assistance to states is Rs 1.3 lakh crore, of which the normal plan assistance is only Rs 27,636 crore, and about a third of this money would only go to the special category states. This is, however, minuscule compared to the total plan expenditure of Rs 4.2 lakh crore for central and centrally-sponsored plan schemes, of which Rs 1.4 lakh crore would be passed to states in respect of flagship welfare schemes of the centre, not through their budgets, but as direct transfers to the implementing agencies in districts. States have no control over this money; lying outside government accounts, these funds bypass most controls and lack transparency. This is another politically manoeuvred aberration in the Indian financial system and an assault on the principles of fiscal federalism enshrined in the Constitution by diluting and undermining the authority of the states. Over the years such extra-budget direct transfers have increased phenomenally, while the Gadgil transfers have shrunk. Their share in total plan

transfers has gradually fallen from 35% during Ninth Plan to only 10% during Eleventh Plan, while the share of direct transfers. has increased from 20% to 52% over this period. Consequently the plan transfers to special category states have also contracted. The plan funds routed through the state budgets now constitute less than 30% of the total transfers of states. The normal central assistance has progressively been rendered more and more meaningless in comparison to the direct transfers. Thus the special category status has already lost much of its sheen and if awarded to more states would cease to have any real benefits for anyone.

Scheme of Transfer of Resources

The scheme of central transfer to states by both the Finance Commission and the Planning Commission can be summarised thus:

i. First the state's balance from current revenues (BCR) (revenue receipts (RR) - non-plan revenue expenditure) is calculated. If BCR is negative, the Finance Commission recommends grants under Article 275 so as to make BCR =0;

ii. Revenue component of the state plan is financed by the BCR along with additional resource mobilisation (ARM) and central assistance (CA). The total plan revenue resources, PRR =BCR+ARM+CA. As the Gadgil formula allocates central assistance in the ratio of 70% and 30% respectively between loans and grants, for the revenue component of the plan, CA will be 30% of the assistance as per the Gadgil formula.

iii. No state should have a negative BCR after the Finance Commission devolutions. However, if the assumptions made by the commission do not turn out to be true due to subsequent deterioration of the state finances, then a part of ARM is used to cover the negative BCR reducing the PRR. If ARM cannot cover the negative BCR, then CA for the plan has to be diverted to finance non-plan expenditure, a situation that was prevailing in respect of the special category states. If the negative BCR exceeds the sum total of ARM and CA, then the capital (i e, loan) component of CA will go to finance non-plan revenue expenditure. This was also the case with quite a few states, both from general as well as special categories before the Twelfth Finance Commission.

The BCR projected by the finance commissions have often disappeared later as the financial situation behaved differently than projected and had to be reworked at the time of the annual plan resource meetings. Even these often disappeared later due to the continuous increases in non-plan expenditure on account of ever-increasing liabilities on salary, pension and interest payments. However, with the Fiscal Responsibility Legislations (Fiscal Responsibility and Budget Management Act or FRBMA) in place in all states by now, this situation has been rectified to some extent by forcing the states to contain their non- plan revenue expenditure within the limits imposed by the FRBMA.

Under the formula, during the Eleventh Plan, within the general category states, the individual state's share in total NCA varied between 0.49% for Goa and 19.48% for UP; Bihar (11.06%), West Bengal (8.81%), MP (6.92%) also received higher shares than the other states. Within the special category states, the share of individual states varied between 3.77% for Sikkim and 19.53% for Assam and 19.15% for Jammu and Kashmir, followed by 9.66% for Himachal Pradesh, 9.54% for Uttarakhand, 8.24% for Tripura, 7.93% for Arunachal Pradesh, 5.91% for Nagaland, 5.84% for Manipur and 4.85% for Meghalaya.

Central Assistance to States

The central plan assistance comes to the states in various forms: central assistance for state plans which includes, apart from NCA and additional central assistance (ACA) for externally aided projects (EAP), special central assistance (SCA) for hill and border areas, etc, for the Backward Regions Grant Fund (BRGF), grants under Members of Parliament Local Area Development Scheme, etc, and the additional central assistance for CSS. The NCA received by the special as well as the non-special category states for their plans during various plan periods is shown as below. Before the Gadgil formula was applied to determine the NCA, the existing states which would later become the special category states used to receive less than 10% of the total NCA for all the states. After the implementation of the formula, their share gradually increased over the successive plan periods to reach more than a third of the total NCA for all the states during the Eleventh Plan. Side by side their numbers also went on increasing, but in respect to NCA, the Gadgil formula did make a difference to special category states.

Table 2- Normal Central Plan Assistance (under Gadgil Formula) to States

	No. of Special Category States	Special Category States		Non Special Category States	
		NCA (Rs. Cr.)	As percentage of Total NCA	NCA (Rs. Cr.)	As percentage of Total NCA
1st plan (1951-56)	2	22	6.63	310	93.37
2nd plan (1956-61)	2	50	4.73	1,008	95.27
3rd plan (1961-66)	3	172	6.84	2,343	93.16
Annual plan (1966-69)	3	161	8.97	1,634	91.03
4th plan (1969-74)	7	682	19.29	2,853	80.71
5th plan (1974-78)	8	846	16.95	4,145	83.05
Annual plan (1978-80)	8	866	16.61	4,347	83.39
6th plan (1980-85)	8	3,547	19.44	14,702	80.56
7th plan (1985-90)	10	9,625	24.85	29,104	75.15
Annual plan(1990-92)	10	5,485	23.41	17,944	76.59
8th plan (1992-97)	10	21,705	23.31	71,419	76.69
9th plan (1997-2002)	11	36,738	48.29	39,355	51.71
10th plan (2002-07)	11	60,453	42.37	82,228	57.63
11th plan (2007-12) (Figures till 2009-10)	11	64,787	36.44	1,12,998	63.56

To put the things in proper perspective, we need to consider not only the NCA, but the total central assistance (TCA) which includes, besides assistance for the EAP which forms a small part of the TCA, the assistance for the CSS mentioned earlier. In Table 4, the TCA received by the special and non-special category of states have been shown along with the statutory transfers under Finance Commission recommendations.

Transfer from Finance Commission

The special category states received not only special consideration from the Planning Commission but also from the successive finance commissions which went on increasing their share of total devolution of resources as can be seen from Table 3.

Table. 3 Transfer of Resources by Finance Commission Recommendations

Finance Commission (FC)	Period	Transfers to Non-SCS (Rs. Crore)	Transfers to SCS (Rs. Crore)	% of Total Transfers to SCS	Statutory Transfers as % of Total Transfers
1st	1952-57	394	18	4.37	28.9
2nd	1957-62	979	70	6.67	31.6
3rd	1962-66	1,230	81	6.18	39.9
4th	1966-69	1,583	163	9.34	35.9
5th	1969-74	4,796	521	9.80	35.9
6th	1974-79	8,249	1,359	14.14	44.2
7th	1979-84	18,816	2,026	9.72	43.1
8th	1984-89	33,906	5,546	14.06	60.1
9th	1989-95	1,01,014	18,684	15.61	61.5
10th	1995-2000	1,91,648	34,995	15.44	68.6
11th	2000-05	3,76,263	58,642	13.48	69.4
12th	2005-10	6,46,773	1,08,978	14.42	68.0
13th	2010-15	14,93,689	2,12,988	12.42	NA

It is also seen that the share of special category states in TCA including non-plan grants recommended by the finance commissions has increased from a meager 3.52% to about 30% during the Eleventh Plan (Table 4).

Table.4 Share of Total Central Assistance under Different Plans to Special and Non-Special Category States

Plan Periods	TCA (Rs. Crore) Given to		Percentage of TCA Received by	
	Special Category States	Non-Special Category States	Special Category States	Non-Special Category States
1st plan (1951-56)	31	849	3.52	96.48
5th plan (1974-79)	1,005	5,532	15.37	84.63
Annual plan (1979-80)	924	5,679	13.99	86.01
6th plan (1980-85)	4,347	21,400	16.88	83.22
7th plan (1985-90)	11,577	42,731	21.31	78.69
Annual plan (1990-92)	6,461	27,216	19.19	80.81
8th plan (1992-97)	26,988	1,04,225	20.57	79.43
9th plan (1997-2002)	62,872	1,44,831	30.27	69.73
10th plan (2002-07)	1,23,568	2,51,368	32.96	67.04
11th plan (2007-12) (till 2009-10)	1,18,130	2,79,030	29.74	70.2]

As already stated, 30% of the centre's gross budgetary support for plan expenditure goes to the special category states. Earlier, plan assistance was given to the general category states by way of grants and loans in the ratio of 30% and 70% respectively. In the case of special category states, however, 90% of plan assistance was given as grants, and only 10% as loans. All the special category states are highly indebted, and their debt: GSDP ratios are far higher compared to the other states or to the national averages. The Twelfth Finance Commission rightly pointed out that the central plan assistance to states had a counterpart in the interest rate charged by the central government on the plan loans given to the states, which was much higher (by about 3%-4%) than the cost of funds to the centre, i e, the market rate of interest, and hence could become a source of funds to the centre at the cost of the states. It therefore recommended that the plan grants should be given as genuine grants and states should be encouraged to borrow directly from the market whenever they need additional resources,

subject to their repaying capacities, thus delinking grants from loans in plan assistance. The plan size of each state should also take into account its sustainable level of debt. In other words, the considerations for grants should be different from those of loans. This has bearings also on the fiscal deficit of the centre, since it borrows almost the entire funds needed for meeting the plan expenditure. It therefore recommended that the "Planning Commission should confine itself to extending plan grants to the states, and leave it to the states to decide how much they wish to borrow and from whom, ie, from the centre or from the open market."

This "dis-intermediation" of the centre in the borrowing process of the states has to a large extent restored the fiscal balances of the centre as well as of the states and has brought down their fiscal deficits. Now the centre only provides grants, and leaves it to the states to raise loans as they wanted. The 90% grants: 10% loans formula for special category states is now restricted only to CSSs and externally aided projects. For general category states, external aid is passed on in the exact mixture of loan and grants in which it is received at the centre.

Summary and Discussion

The special category status refers mainly to the plan assistance to these states given by the centre. The status is bestowed by the Planning Commission. There is no formal declaration, but it is made apparent by the pattern of assistance provided to the special category state so selected and neither is there any formal agreement with the state. Once the status is awarded, the specific assistance pattern follows to the state in perpetuity. There is no stipulation as to what is intended to be achieved by such a status, or the time period within which this is to be achieved. The status once bestowed upon a state carries only rewards but no obligation on the part of the state. Certainly these are not the ideal mechanisms for upliftment and empowerment of a state.

Apart from the plan grants, the special category status also entitles a state to preferential treatment in federal assistance and tax breaks by giving significant excise duty and income tax concessions to industries that would be set up within their territories. These states have been getting higher per capita central plan assistances than the non-special category states. During the Fifth Plan, the per capita transfer for special category states was Rs 415 crore compared to only Rs 84 crore for non-special category states. During the Tenth Plan period (2002-07), these states have received per capita central assistance of Rs 2,403.85 crore (Rs 2,574.98 crore for the north-east states) compared to all-India average of only Rs 683.94 crore; it was 9.65% of their GSDP compared to only 1.94% for the non-special category states in 2007.

Since 1969, the number of such states has increased to 11 and there have been demands from newly formed states as well as from Bihar, Rajasthan and Odisha for according them the special category status, claiming that the criteria devised by the Planning Commission were arbitrary. Such claims have started finding favour with the ruling dispensation in the era of coalition politics and wafer-thin majorities in Parliament.

Without a shadow of doubt, the criteria devised by the Planning Commission were indeed arbitrary. The Planning Commission ought not to have been vested with such extra- constitutional powers that have made it an authority without accountability for spending public funds on schemes whose socio-economic benefits have often been debatable, but which serves the interest of the ruling dispensation. It is through the Planning Commission that the ruling dispensation gets indirect access to public funds to be dispensed to the states under Article 282 which should be used to deal with extraordinary situations, unlike under Article 275.

A body created by an executive resolution like the Planning Commission should not have the authority to decide whether a state should or should not be a special category one - such decision should be left to only the elected representatives of people as befits a democratic system. Its power to channel public funds without accountability had led to arbitrary decisions being imposed upon the nation from time to time, and such arbitrariness and ad hocism have permeated our entire financial apparatus, creating aberrations all along. That the Planning Commission criteria for according the special category status to a state is of no real significance - something that can be easily junked when it comes to politics of convenience - has been amply demonstrated in recent past - in the case of Bihar and Seemandhra.

With an eye to forging an electoral alliance with Nitish Kumar who had made the special category status for Bihar conditional to any such alliance, the centre appointed the Raghuram Rajan Committee that worked out the criteria for backwardness according to which 10 states including Bihar were found "least developed" among the 28 states - and hence eligible for special assistance, besides Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Meghalaya, Odisha, Rajasthan and Uttar Pradesh. The report had generated widespread criticism and when that alliance failed to work out, the centre played the same card by proposing to grant a special status to Seemandhra, again with an eye on the impending Lok Sabha elections. Seemandhra, like Bihar or Odisha, does not fulfil the Planning Commission criteria for special category status. There is always more politics here than economics to play with taxpayers' money.

As reiterated by the Thirteenth Finance Commission, the definition of some states as special category states addresses their low resource base and the cost disabilities due to their physical geography, sparse terrain, remoteness and historical circumstances and high costs of providing similar levels of public goods and services as the non-special category states. But the problems of the states that are demanding this status today do not appear to stem from difficult terrain or cost disabilities due to adverse physical geography. On the contrary, both Bihar and Odisha are resource-rich in terms of minerals and have many geographical advantage rather than adversities. The high delivery cost of public services in these states is not because of any natural disadvantages in these states, but because of governance failure in the past.

For attracting industries into a state and thereby to generate employment and income, availability of power and infrastructure are much more powerful incentives than central assistance. Equally important are the availability of skill and an enabling climate of entrepreneurship. Bihar or Odisha have none of these, and more grants are not going to help the cause of their underdevelopment. As regards resources, they are not even able to spend whatever little resources they have even now. Their problem is not scarcity of resources, but lack of institutional capacity, infrastructure, developed market within the state, easy and affordable access to finances and markets and an enabling industrial climate. These are impediments not addressable in the short term. Besides, there remains the issue of direct transfers from the centre. During 2011-12, Rs 8,958 crore, or 90% of total central plan grants to Bihar - nearly one-fifth of its total revenue receipts - were given as direct transfers, over which the state had no control. If these are given as on-budget grants instead, the resource position of all states would improve substantially (Bhattacharjee 2013).

Over the years, the perception about the role of the government has also undergone a remarkable transformation. From being the controller of all economic activities, it has become a facilitator of those activities. Side by side, the principles of federalism in Indian democracy has taken stronger roots; with the concept of a single party with absolute majority at the centre becoming a thing of the past, the balance of power that was skewed earlier in favour of the centre has now shifted towards the states, increasing their bargaining power. This facilitated increasing resources to be transferred to the states, some of which have been able to leverage this to their advantage and grow fast. As the states thus started becoming more powerful, there were demands for creation of smaller states by breaking up of the larger and largely ungovernable states in response to the aspirations and agitations of people inhabiting areas within these states that hitherto were neglected for various reasons. From 1972 onwards, the creation of more special category states followed as a result of the increasing aspirations of these people. Some special category states thus created have indeed registered much higher rates of growth than were ever thought to be possible under their earlier dispensations and some may even attain levels of development comparable to the advanced states. The question is would they still be treated as special category, or should they make way for other backward states to be treated as special?

It is perhaps time to take a relook at the whole arrangement regarding the award of special category status to a state and its continuation in perpetuity. Given the emphasis that is being placed in good governance, accountability and transparency, equity and efficiency all over, it will serve the purposes of development much better if the status is reviewed and a target-based time-bound approach is adopted for assistance from the central plan funds. Once the targets are achieved, the assistance may continue for a further term and in the event of failure the assistance

can be diverted to another state that is in need of development. A target-oriented formula-based approach for assistance instils accountability, improves performance, removes complacency and helps a state move rapidly forward by providing incentives for better performance. It also makes the field more level for all players, with open entry and exit to the special status for all.

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SUSTAINABLE DEVELOPMENT GANDHIAN PERSPECTIVE

Vijaya Kumar S.P

INTRODUCTION

The standard of sustainable relationship between man and nature has long been incorporated in various cultures of the world, as the expression of the international doctrine is the only recent. The flow out of the ethical values from various cultures and religions are indeed some of the basic determinants that assist in a significant manner in arresting the process of destruction of our habitat and progeny. India is endowed by the cultural heritage with the concept of intergenerational equity and sustainable development. According to Indian philosophy human beings live a participatory life with the environment. They are created by the elements of environment and after their death disintegrated and dissolved in it. Influenced by the Indian way of value system, Gandhi wished to preserve them as he was convinced of their utility for mankind. He also believed that the blind use of machinery and technological development will destroy the value system and therefore, he consistently opposed the unlimited usage of machinery.

The scientific and technological development which led to massive and speedy industrialisation creates the problem of environmental hazard and degradation. The model of western growth is energy intensive and materialistic which is based on the usage of huge trail of natural resources, leaving in its wake a trail of toxins and highly transformed and degraded ecosystem. Today, it is that the developing countries are limiting their socio- economic development, which leads to poverty, inequality, pollution and ecological degradation. With limited exploitable resources for the developing countries, per capita availability of land, minerals, energy, housing and agricultural products are continued to sink.

The new century have a fast approaching to depict how humans have shaped destiny by developing many grandiose visions and based on the scenario involving with highly sophisticated breakthrough with the vast potentials-colonies in space, computers that match human intelligence and so on. The major question is that whether such technological and scientific advancements are based on a position where man and machine cooperate with each other or has machine over manpower? The unknown growth in world production and consumption is leading to environmental stress through impacts that are both global and local. Some kinds of environmental degradation are truly of global concern, such as global warming and depletion of the ozone layer. Others are more localised such as air and water pollution, soil degradation, and desertification and so on.

The inter relationship between environment and poverty has been recognised by the World Commission on Environment and Development Report as "poverty is a major cause and effect of global environmental problem".

The interrelationship between the exploitation and degradation of environment and natural resources, on the one hand, and development and poverty, on the other hand, is particularly relevant in the rural areas in the developing countries. The linkage between poverty and environment defines a particular characteristic of environmental disruption. In rural areas, these linkage materialise through the over exploitation of resources.

Global warming is one of the most serious of all the environmental challenges. It threatens to disrupt the remarkably stable climate the world has enjoyed since last 10,000 years. And in is likely to cause widespread economic, social and environmental destruction over the future centuries. By the estimates, the worlds harvest will be slightly reduced in future. A recent study predicts that harvest will decline by more than 30% in India and Pakistan. Rising seas may threaten the lives of millions in developing countries. A conservative estimate of environment damage in India puts the figure at more than $12 billion a year or 4.6% of GDP in 2013. That is, the urban air pollution costs India $1.3 billion a year. Water degradation leads to health costs amounting to $5.7 billion every year, nearly 3/5th of the total environmental costs. Soil erosion affects 83-163 million hectares of land every year.

It should be noted that renewable sources of energy, evils of large scale industrialisation and dangers of environmental pollution were recognised by Gandhiji eight decades ago, as he put more emphasis on non-violent upliftment of village economy and the utilisation of labour-intensive technique of production, he aimed at the moral upliftment, development and enrichment of human life rather than a higher standard of living is not very much respect for social and human values. Therefore his economic values have been dominated by the fundamental ethical values; so he

wanted to bring a higher spiritual plane from liberate modern economic philosophy from the quagmire of materialism (Gandhi Marg, 2004).

THE GANDHIAN MODEL OF SUSTAINABLE DEVELOPMENT:

Gandhian principles of Sarvodaya, Village development, trusteeship, development of small-scale and cottage industries can be successfully utilised in one way or the other for the prevention of environment.

Gandhi's ideas are relevant for protecting the environment and preserve the carrying capacity of Mother Earth. Gandhi emphasises three aspects: Economy, Society and Environment. He says the present materialistic lifestyle has to be changed for sustainable development. Gandhian economics guides us towards a sustainable lifestyle.

The Gandhian model suggests the following steps to attaining a sustainable lifestyle:

1. Sustainable agriculture: We should give up chemical fertilisers and pesticidesand substitute them with bio-manures and bio- pesticides. Vermin culture and vermin compost is a must for restoring the health of the soil.
2. Khadi and village industries are eco friendly. They create employment and alleviate poverty. So we should promote Khadi and product of village industries.
3. Appropriate technologies: We should adopt technologies which are simple and which our villages are able to comprehend and operate themselves. The use of electricity should be avoided or kept to the minimum.
4. Renewable energy sources: Coal and petroleum are non-renewable energy sources and are getting exhausted very fast. Solar energy is limitless and inexhaustible. We can harness solar energy for heating and lighting. Water and wind energies can also be harnessed for producing electricity.
5. Sylviculture (or tree plantation): Cutting trees for fuel and for the construction of houses is inevitable. Our policy should be to plant two trees for every two we cut. Trees as a source of energy are non-renewable if we only cut them and do not grow them.

According to Gandhi, trusteeship should have "responsibility for a bundle of assets instead of ownership of them". This is a neat description of how we all have to learn to live in this planet. The trustees should be responsible for the bundle of assets - air, sea and land - through which nature and our life evolved, and is sustained. These assets should not be selfishly fought over, bought, sold and pillaged. There is life beyond acquisition capitalist motivation; we have to hold the earth and its resources in trust for its entire people. We must encourage and educate people

to reduce their acquisitive spirit. No change of machinery or no amount of modernisation can solve our social malaise, which consists in the egotism and greed of human nature. According to Gandhian thought, under the democratic common ownership, "man's spirit can be freer so that he can become more creative, productive and responsible".

Gandhi was a practical idealist. He said that true economics stands for social justice and moral values. He never spoke in terms of economic logic or jargon. He advocated the dignity of man and the dignity of labour to redress the sufferings of the people. He advocated moral growth, not material development. He said we must replace apathy with sympathy, exploitation with benevolence, profit with welfare, and materialistic development with human development.

Gandhi was convinced that the salvation of the Indian economy depends on rural development. Rural development depends on agricultural development, which is the integration of both, the farm and non-farm activities of the village economy. He never accepted the inherent contradiction between economic development and human development. So he thought of integrating and establishing harmony between both the two, through Sarvodaya. Having set the goal, he worked out schemes for achieving it. For achieving the goal of non-violent socialism, Gandhi presented the Sarvodaya plan. The Sarvodaya plan provides the foundation, on which the economic organisation of a nation striving for the ideals of socialism is to be built.

Sarvodaya means all round well being of all. He argues for the combination of purity of ends and nobility of means. The objective of the Sarvodaya plan is the establishment of Sarvodaya social order on the principles of non-violence, truth, love and co-operation. The Sarvodaya plan includes:

- Economic equality and communal harmony
- Full attention to the cultivators and the labourers
- All cultivators organising their own committees
- All labourers forming their own unions
- Education for all (technical or basic)
- Hand spinning in every family

Gandhi's Sarvodaya is essentially a programme for the regeneration of the Indian village.

CONCLUSION:

Man's progress and the road to development have led to the deterioration of nature. In his quest for fulfilling his needs, he has exploited nature to its maximum. This is development that is ecologically not sustainable. In the western tradition man was an entity apart from the earth which he was encouraged to conquer, whereas in Indian tradition earth was his mother which he should hold in veneration. Gandhiji was very much influenced by our tradition and stressed on truth and non-violence. In the words of Gandhiji "man has no power to create life, therefore, he has no right to destroy life". Man has been endowed with higher faculties so that he can be compassionate to lower beings. If environment is to be saved from degradation we have to avoid or limit the use of machinery. That is where Gandhiji's promotion of Khadi and village industries has become more relevant today than during the freedom struggle.

Gandhian model of development has to be a sustainable one, which is able to satisfy the needs of the present generation without compromising the ability of future generation to meet their needs. So if we wish to move towards sustainable development, we need to follow Gandhi's advice of first seeking the kingdom of god and his righteousness, then we will have the necessary shift in our values and vision, and we would be able to redefine our concept of what real progress and real development means (Chowdhary, 2003).

The essence of the Gandhian approach to technological progress lies in treating nature as friend and benefactor. Nature is to be approached with reverence. This approach is opposite to what we have been practising so far in the name of technological and development. All decentralised technological systems which make use of natures-in-built processes can become the harbingers of progress leading to sustainable development with the help of eco-friendly technology.

Thus there is a need to follow Gandhian philosophy. Though many people have translated Gandhian postures into practice and made some advance in the field of environmental conservation nevertheless, there is a need to take the movement to the large numbers.

"The earth has enough resources for our need, but not for the greed".

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Socio-Economic and Health Status of Elderly in Kerala:
A Comparative Study of Inmates of the Old Age Homes and Family

By Abdul Salim A. and Azad P

Among the Indian states Kerala stands apart in terms of the rate of ageing and features of the elderly population. Of all the states, Kerala is reported to have the highest proportion of the elderly in India. As per the 2011 Census the aged form 12.6 percent of the total population of the state; whereas the corresponding percentage for all India is only 8.6 percent. The absolute number of the elderly in Kerala (33.35 lakh in 2001) accounts for 4.75 percent of the total elderly population of India, much, higher than the state's share in the total population of the country (3 percent).

The Frontline (2012) reported that the size of the population in the age group of 60 years and above in the State is expected to increase from 33 lakh in 2001 to 57 lakh in 2021 and to 120 lakh in 2061. By 2061, the proportion of the elderly would constitute 40 per cent of Kerala's total population. Of this, 6.7 percent would be in the age group 60-69 years; 23.8 percent in the age group 70-79 years; and 9.1 percent in the age group of 80 years and above. The sex ratio among the elderly of Kerala also differs from the all India pattern. There are more females than males among elderly in Kerala, while reverse is the case in the rest of the country.

Another aspect which makes the ageing phenomenon of Kerala different is related to migration. Migration affects not only the degree of ageing but also the demographic, economic and social status of the elderly. Kerala has been retaining the distinction of having sent the largest number of migrants abroad from India. Similarly Kerala has been providing the largest number of old age houses in the country. Almost 20 percent of old age homes in India are located in Kerala

(Nair,1995). These facts underline the need for carrying out a study on various socio economic and health aspects of ageing with particular reference to Kerala.

A survey of literature revealed that studies relating to the elderly staying in old age homes are not comprehensive. Studies which have attempted to compare the determinants of health status as well as the problems of the elderly staying in old age homes and those staying with family members have not yet been carried out in the context of Kerala. This paper is a humble attempt in this direction.

Objectives

1. The study aims to examine the determinants of health status of elderly in Kerala.

2. To analyse the socio economic and health conditions of the inmates of the old age homes and compare the same with the elderly persons staying with the family in Kerala

Methodology

The study uses both analytical and statistical methods. The study is based on secondary data, largely drawn from the Report on the Survey of Aged in Kerala carried out by the Department of Economics and Statistics in the year 2002-2003. In addition, various Population Census Reports, National Sample Survey Organisation (NSSO) 60th Round Survey on 'Morbidity, Health Care and the Conditions of the Aged' and other sources are made use of. Besides, simple statistical methods are also used to identify the determinants of health status of elderly.

Socio Economic and Health Conditions of Elderly Person

This section attempts to make a comparison between the socio economic and health conditions of elderly persons living with families and those staying in old age homes. Table-1 compares two groups of elderly according to their age and sex ratio. Of the elderly persons staying with the family, more than half belong to the age group of 60-70. But of those staying in the old age homes the percentage of 60-70 age group is much less (36 percent). Among the inmates of the old age homes the largest percentage belongs to 70-80 age groups. Table-1 reveals that it is the people aged over 70 years who prefer the old age homes. It is also found that sex ratio increases with the increase in the age, among both categories of elderly. Even though sex ratio is higher in both categories of elderly, sex ratio at all age groups is significantly higher among the elderly in the old age homes as compared to their family counterparts.

Table-1 - Distribution of the Elderly according to Age and Sex Ratio

Age Group	Percentage of the total		Sex ratio (females per thousand males)	
	With family	in old age home	With family	in old age home
60-70	58.63	35.95	1049	1577
70-80	30.55	40.36	1133	1651
80-90	9.41	20.16	1289	1723
Above 90	1.40	3.53	1438	1770
Total	100	100	1100	1654

The study finds that the percentage of unmarried elderly among the old age home inmates (17.7 percent) is perceptibly higher than the corresponding percentage among the elderly staying with the family (2.32 percent). Since the unmarried persons do not have children or spouses to care for them at home, they prefer to go to old age home where they may get some company. That is the reason why unmarried persons is higher in old age homes. Nearly one third of the old age home inmates are widows/ widowers. The corresponding figure in families is a little higher (41 percent). In both, the largest number is married persons. It is important to note that majority of the old age home inmates are married persons. It is an indication of lack of care and support in families even in the case of married persons. Relative percentages of the divorced and separated persons are also relatively higher in old age homes. The cited report does not provide information regarding the gender differential in marital status among the elderly. However some of the available studies show that there exist gender differences in marital status among elderly (Mini, 2008). According to these studies the percentage of widows is greater than widowers among the elderly. This is due to factors such as higher life expectancy among female, low marriage age for female, higher chance of remarriage among men and also higher accident rates among men as compared to women.

Table2- Distribution of the Elderly (In Families) According to Monthly Income

Income	Number of Elderly Persons	Percentage of Elderly
No Income	922087	33.09
Below 500	1039161	37.29
500-1000	297812	10.69
1000-2000	247358	8.88
2000-5000	235601	8.48
5000-10000	38940	1.39
Above 10000	5118	0.18
Total	2786077	100

The economic status of the elderly is, generally, the most important variable determining their health status. One third of the elderly staying with family members do not have any income. A little more than one third has only less than Rs. 500 per month (Table-2). Those having more than Rs. 5000 per month constitute only 1.5 percent. Seven percent were found to have an income of less than Rs. 500 per month. Thus vast majority of the elderly are constrained to pull on their life with meager income and it is the plight of this section of elderly which is miserable. A look at the educational status of the elderly indicates that 73 percent of them are literates; 48 percent of the literates have less than the primary education. Those having above S.S.L.C and above form 3.24 percent; 94 percent of them do not have any technical qualifications.

Gender difference exists in employment. Unemployment was more rampant among women as compared to men. Among women, unemployment rate is as high as 90.5 percent as against 60.5 percent among men. Around 24.3 percent of the aged persons staying with the family were self employed in agriculture and 28.47 percent of elderly were employed in government sector. Seven percent of the elderly persons remained unemployed in their young days too. As regards the previous employment status of old age home inmates, 29 percent were retired government employees, 2.6 were foreign returnees, 55 percent were self employed and 37 percent were unable to work even while they were young.

In terms of religious status, 60 percent belongs to the Christian, 37 percent to Hindu and 2 percent to Muslim community. Among those staying with family, 22.3 percent are Christians, 60.5 percent Hindus, and 16.5 percent Muslims. The larger percentage of Christian among the old age homes is due to the fact that the largest number of old age homes in the states are run by Christian religious organizations.

Table-3 throws light on the disease pattern among the elderly. The most prevalent disease among them is rheumatic arthritis. Thirty six percent old age home inmates and 29 percent family elders suffer from rheumatic arthritis. The next most prevalent disease among them are hyper tension and diabetics. Their respective percentages are almost similar in both categories. One striking difference in the incidence of disease in the two categories is that those suffering from psychological problem is very high among old age home inmates (14.28 percent) whereas the corresponding figure for the family elders is very low (0.56). One reason for high incidence of psychological disease among old age home inmates is their alienation from the near and dear. Urinary problems, stomach trouble and heart disease are also common among the elderly.

Table-3 - Morbidity among the Elderly

Decision	Living with Family		Living in Old Age Homes	
	Number	Percentage	Number	Percentage
Diabetics	459536	16.49	763	6.58
Hyper Tension	635186	22.79	1184	24.76
Rheumatic Arthritis	809255	29.05	1743	36.45
Asthma	259715	9.32	693	14.49
Abdominal Problems	116933	4.19	439	9.18
Urinary Problems	41764	14.99	178	3.72
Liver Problems	14771	0.53	64	1.34
Skin Diseases	32318	1.59	249	5.21
T.B	16298	0.58	49	1.02
Brain Disease	18580	0.67	102	2.13
Heart Disease	112662	4.04	270	5.65
Cancer	12827	0.46	74	1.55
Psychological Problems	15253	0.55	683	14.28
Paralysis	10953	0.39	151	3.15
Other	411351	14.76	1015	21.23

Source: Report On Survey of Aged (2002-03), Dept. of Economics & Statistics

Table-3 also shows that incidence of almost all diseases, except urinary problem, is higher among the elderly staying with families; urinary problems are reported to be less because vast majority of the old age home inmates are women. Further, men beyond 50 years of age are more vulnerable to urinary diseases than their female counterparts. Thus the hypothesis that health status of old age home inmates is worse than that of the elderly with the family members is found valid.

Determinants of Health Status of Elderly

An attempt is made for a quantitative analysis of the determinants of health status with a view to underlying the relative influence of each variable on health status. In the absence of district-wise data directly relating to health status, the study uses the number of elderly persons hospitalised at district level as a proxy variable for health status. In the regression equation given below, the dependent variable is the Number of Persons Hospitalised (NPH). The explanatory variables are Per capita District-wise Income (PCDI), Percentage of Married among elderly (PME), Number of SC/ST population (SC/ST), Number of Persons Below Poverty Line (PBPL), percentage of those with SSLC and above qualification (PSSLC), and Persons Living in Old Age Homes (PLOH).

Regression equation is of the form

$$NPH = \hat{a}_0 + \hat{a}_1 PCDI + \hat{a}_2 PME + \hat{a}_3 SC/ST + \hat{a}_4 PBPL + \hat{a}_5 PSSLC + \hat{a}_6 PLOH + u$$

Where u = Error term.

Table-4 - OLS Regression Results: Hospitalisation Function

Sl No.	Variables	Coefficients	t-Values
1	Constant	-116882.99	0.83
2.	PCDI	-38.38	(3.13)*
3.	PME	2748.24	1.13
4.	SC/ST	3.02	(2.26)**
5.	PBPL	1565.78	(2.29)**
7.	PSSLC	-551.64	0.30
8.	PLOH	88.46	(14.79)*
Adjusted R square F Value		0.954	3.20

Note : * Indicates significance at 1 percent level, ** Indicates significance at 5 percent level

The regression equation is a good fit (Table-4). The sign of the explanatory variables are as expected. The relation between the Per capita income and the dependent variable is negative and significant at 1 percent level. Since the elderly with high income have better standard of living they also have better health status, which results in relatively less hospitalisation. It is found that marital status does not significantly influence health status, as the corresponding coefficient is found to be statistically insignificant. The relation between the variable SC/ST population and the dependent variable are positive and significant implying greater hospitalisation due to social backwardness. This section of society is also educationally backward, and generally more prone to disease. The association between health status and the poverty is positive and significant. This indicates that people below the poverty line tend to be more affected by disease than the rest of the society.

Even though educational status (SSLC and above) is statistically insignificant, its sign is negative. This is contrary to expectations. This could be due to the fact that education and illness, particularly among the elderly need not be directly associated. The variable, persons in old age homes is also statistically significant and positively related with the dependent variable. This could be the result of certain psychological problems arising among the aged in old age homes, owing to their alienation from family members. The adjusted R square is 0.95 and F value is 43.20. Thus the regression results reveal that the most important determinants of health status of the elderly are socio economic factors.

Conclusion

It is found that the socio economic factors are the most important determinants of health status of the elderly in Kerala. Further the old and the older old prefer old age homes. Even though sex ratio is higher in both categories of elderly, sex ratio at all age groups, is significantly higher among the elderly in the old age homes as compared to their family counterparts. The percentage of unmarried elderly among the old age home inmates is perceptibly higher than the corresponding percentage among the elderly staying with the family. Since the unmarried persons do not have children or spouses to care for them at home they prefer to go to old age home where they may get some company.

One striking difference in the incidence of disease in the two categories is that those suffering from psychological problem are very high among old age home inmates whereas the corresponding figure for the family elders is very low. One reason for high incidence of psychological disease among old age home inmates is their alienation from the near and dear. Urinary problems, stomach

trouble and heart disease are also common among the elderly. The health status of old age home inmates is worse than that of elderly persons staying with family. It all points to the necessity of government measures to ensure the proper and regular availability of social security benefits to the elderly.

SOUTHERN ECONOMIST

OCTOBER 15, 2014.

Book Review

Understanding the Urban Challenge

SHANKAR ACHARYA

Compared to other areas of economic analysis and policy focus (such as economic growth, employment, poverty, foreign trade and payments, public finance, agriculture, industry, rural development and social sectors), issues of urban development have suffered relative neglect in India. Five-Year Plan documents paid scant attention to the field until the 1980s. It was not until 1992 that the 74th amendment to the Constitution empowered urban local bodies in the economic and social governance of the nation. And it was only in 2005 that the Jawaharlal Nehru National Urban Renewal Mission imparted a serious and long overdue national policy thrust to this area. Unsurprisingly, those who devoted time and attention to this field, including the editors and contributors to the volume under review, had to struggle with a pervasive lack of reliable data in the many dimensions of urban development in the country.

Of course, this relative neglect of urban issues in analytical and policy domains did not stop the normal process of economic development and structural change in the country under which the shift from rural to urban habitations is an intrinsic part of the process. As incomes rise, the relative role of agriculture shrinks, while that of industry and services rises. And, the world over, these non-agricultural activities prosper best in urban areas, which nurture the economies of scale, scope, connectedness and proximity (the so-called economies of agglomeration).

Thus, India's urban share in national population rose from 17% in 1951 to 31% in 2011 and is expected to reach 40% by 2031. In absolute terms, the country's urban population grew six fold from 62 million in 1951 to 377 million in 2011 (larger than the total population of any other country except China) and is expected to cross 600 million by 2031. Already, urban areas account for about two-thirds of national output and this share is expected to increase to three-quarters by 2031. Although these numbers may seem impressive, actually the level and pace of

India's urbanisation is significantly lower than other notable developing countries. India's 31% urban share in 2011 compares with around 50% in China, Indonesia and Nigeria, 61% in South Africa, 78% in Mexico and 87% in Brazil. India's low urbanisation rate reflects several reasons, including low average income, a relatively low share of industry in GDP and a remarkably high share (around half) of agriculture in total employment because the structural change in sectoral employment has lagged far behind that in output.

Congested Cities

Despite India's relatively low level and pace of urbanisation by international standards, most of her cities and large towns are congested and polluted, with poor municipal services. Slums abound (over 50% of Mumbai's inhabitants live in them). Roads are often pot-holed and pavements often non-existent. Although nearly two-thirds of urban dwellers have access to piped water (of low quality), no urban community (barring a couple of small towns in Maharashtra) has continuous piped water. In most of them well over half of sewage is untreated before discharge into rivers, lakes and the sea (in Delhi it is barely half). Garbage "land hills" are much more common than sanitary landfills. Predictably, diseases like dengue, malaria, typhoid, diarrhoea and respiratory ailments are on the rise. Out of 8,000 cities and towns (census definition) only about 500 have a public bus system.

In a nutshell, both the current and foreseeable urban challenge in India is massive and multifaceted, with weaknesses in municipal governance/planning/administration capacities and resources lying at the heart of most problems. It is against this background that the present volume on India's urbanisation is particularly timely and welcome. It offers 10 papers over a wide spectrum of urban issues, beginning with an introductory overview and including essays on urban infrastructure, planning and markets, sustainability, municipal finance, fiscal federalism, governance, experience with public-private partnerships (PPPs), slum redevelopment and affordable housing. In general, every paper is both analytical and practical, some, of course, more so than others. All are worth reading. For anybody with an interest or responsibility in India's urban affairs (and that includes a large number of officials in central, state and municipal governments) the book has a great deal to offer. It would be beyond the scope of this review (and the competence of this reviewer) to offer detailed assessments of each chapter. Instead, I will comment selectively on a few chapters before ending with a few thoughts on a couple of neglected topics.

Salient Features

The introductory chapter by the editors, Isher Ahluwalia, Ravi Kanbur and P K Mohanty (henceforth AKM), begins by outlining some salients features of India's urbanisation: its low level by international standards (for the reasons noted above) but with a massive challenge ahead; the

long history, until recently, of policy and analytical neglect; and "the largely unplanned manner" of urbanisation to date, resulting in the woefully inadequate state of urban infrastructure and services, confronted by rapidly growing needs. They rightly warn that "for India to realise its medium term growth potential, an essential prerequisite is to manage and facilitate the process of urbanisation which is an inevitable consequence of rapid growth and structural transformation".

AKM go on to outline the prevailing basic model of agglomeration externalities, which emphasises the self-reinforcing dynamics of agglomeration and the "wedges between the private calculus of moving to urban areas and the social benefit-cost of urbanisation." In this framework the challenge for public policy is to bring private incentives in line with social cost-benefit. While this analytical framework is plausible enough, it does not seem to generate a practical guidebook for urban policy in India. Indeed, in the chapters that follow, the various authors make little use of this overarching template. AKM's summary of the ensuing nine chapters is excellent and provides the reader with a very good overview of the book.

They end their chapter by drawing out three big messages from the volume: first, "although the investments necessary to provide adequate urban infrastructure are large, they are less than what the central government currently spends on fuel and fertiliser subsidies"; second, "that addressing the challenges of urbanisation in India is above all a question of reforming institutions and governance"; and third, "the crucial importance of building capacity of local government bodies to analyse, assess, manage and implement" across the entire spectrum of urban reforms and interventions.

Investment Requirements

The chapter "Urban Infrastructure and Service Delivery" by Isher Judge Ahluwalia (henceforth IJA) distills the highlights of the report of the High Powered Expert Committee (HPEC) on Urban Infrastructure and Services that she chaired (available at http://www.niua.org/projects/hpec/FinalReport.hpec pdf). The committee estimated total investment requirements (excluding cost of land) for urban infrastructure (water, sewerage, urban roads, solid waste management, traffic support, etc) at nearly Rs 40 lakh crore at 2009-10 prices for the 20-year period 2012-32. Although the number looks daunting, it reflects an investment to GDP ratio of 0.7% of GDP in 2011-12, rising to 1.14% of GDP in 2021-22 and staying constant thereafter. This compares with current central government subsidies for fuel and fertiliser at around 2% of GDP. Of course, the requisite political will and capacity has to be there at all levels of government to make such investments happen. There is also the knotty question of land prices and costs, not to mention acquisition challenges, which are omitted from the calculations. However, by undertaking the exercise, IJA/HPEC have done the service of bringing the unimaginable within the realms of feasibility.

IJA/HPEC also highlight the critical importance of governance. Specifically, she recommends merging the disparate departments dealing with urban issues at central and state government levels into a single department at each level; the appointment of empowered mayors in Indian cities and towns; the establishment of state-level Municipal Service Regulators; the creation of a Municipal Cadre in each state; and a sustained ramping up of e-governance in state and municipal governance. These recommendations for institutional reform are far-reaching and their feasibility and adoption will depend mainly on the political will and wisdom of individual states.

The paper by Montek Ahluwalia and Ajay Mathur provides a lucid and informative account of the challenges and possible solutions to enhance sustainable urban living in four key areas: the reduction of fossil-fuel based electricity in buildings and appliances; reduction of energy used in urban transportation; meeting the urban demand for usable water; and coping with the challenge of solid waste management.

Fossil fuel-based electricity use in buildings has to be contained by making mandatory the extant Energy Conservation Building Code (note that 70% of commercial buildings that will exist by 2030 were yet to be built in 2010), promoting energy efficient appliances (notably through switching to compact fluorescent lighting (CFL) and more energy-efficient air conditioners) and ramping up the adoption of rooftop solar electricity. Fossil-based energy used in urban transportation can be reduced through sensible land-use planning (to reduce commute distances and encourage cycling and walking), encouraging public transport (mainly efficiently run bus systems) and improving fuel efficiency of private and public vehicles as well as encouraging efficient and affordable electric vehicles. Rising water demand can be met through cutting down on enormous wastages in existing municipal water systems, encouraging water-harvesting, shifring to rational pricing of water, treatment and recycling of water, and, of course, treatment of sewage. Urban India produces about 65-70 million tonnes of solid waste annually; little of which is dealt with according to the solid waste management and handling rules promulgated by the Ministry of Environment and Forests in 2000. Finding resources and ways to improve compliance with these broadly sensible rules will be a major challenge for state and municipal governments. Their financial health, institutional capacities and political will are going to be crucial not only in this area but every other dimension of efficient, growth-promoting urbanisation.

Municipal Finances

In his interesting paper, "A Municipal Financing Framework", P K Mohanty points out that "Indian municipalities are among the weakest in the world in terms of access to resources, financial autonomy, and revenue-raising capability". Thus India's municipal revenues to GDP ratio is estimated at less than 1% of GDP in 2007-08, compared to 6% for South Africa and 7.4% for Brazil. The property tax ratio of 0.25% of GDP is much below the developing country average of

0.6%. The total per capita municipal expenditure of Rs 1,513 in 2007-08 is far below the requirement of Rs 6,030 per year estimated by McKinsey over the period 2010 to 2030.

Based on a Musgravian tripartite distinction between "essentially municipal", "agency" and "shared" functions, Mohanty argues that part of this enormous "fiscal gap" may be attributable to excessive expenditure responsibilities assigned to urban locals bodies under the Twelfth Schedule of the 74th Constitutional amendment. However, a good part of the gap is also because of very weak performance by municipalities in raising traditional property taxes as well as in failing to implement more innovative methods of capturing some of the"betterment increment" implicit in soaring urban land values in India. Both he and IJA (in her earlier paper) rightly recommend much more aggressive municipal revenue mobilisation through property and other land-based taxes as well as user charges for municipal services. (As an example of potential, I note that by one estimate, annual property taxes according to the prevailing area-based formula amount to a paltry 0.01-0.02% of current market value of many south Delhi flats). Even after all this, substantial revenue devolutions will be required from the state level if India's cities and towns are going to be able to finance and maintain their massive infrastructure needs in the coming decades.

Missing Dimensions

Let me now turn to a couple of missing dimensions in the book. First, none of the chapters provide information and analysis on how India's 400 million urban dwellers are currently distributed by size of city and town. What proportion are in "metros" (however defined), other cities, large towns and small towns? Are the key urban policy problems and deficiencies addressed in this volume significantly different across varying city sizes? And if so, why? Intuitively, one might expect the institutional, policy and investment priorities of small, "young" towns to be different from those of "mature" metros. A paper exploring such issues would have added good value to this volume.

Second, and this is linked to the point above, it would have been helpful to have some light shed on the dynamics of urbanisation in India. Has the size distribution of urban habitations in India changed markedly over time? Has the role of different non-agricultural sectors driving urbanisation (say manufacturing versus services) altered significantly over time and space in India? For example, as a matter of casual empiricism, one guesses that the rapid growth of the information technology sector since 1990 has played an important role in the pace and character of urbanisation in Bangalore, Hyderabad and Gurgaon, just as the growth of automobile manufacturing has influenced the expansion of Pune and Chennai. Basically, a chapter focusing

on the two-way linkages between urbanisation and lead sectors of economic activity could have provided valuable insights. It might have shed light on the big new issue of whether the future national policy thrust in urbanisation should favour "100 new smart cities" or, instead, perhaps focus on making the top 100 current cities (by size) more liveable and better-functioning. It could be argued that if manufacturing is going to be the lead sector of India's future growth (as most people argue it should be) then there is a sizeable role for new (or newish) cities and towns, even if not a hundred of them. On the other hand, if services continue to be the dominant growth engine, then a more general effort to strengthen urban institutions, investments and policies is called for.

Perhaps such thoughts will provoke the editors and authors to compile a follow-up edition with a couple of additional papers. In the meantime let us welcome this book as a very valuable contribution to the current discourse on strengthening urban institutions and policy in India.

ECONOMIC & POLITICAL WEEKLY
OCTOBER 18, 2014.

BIHAR LEGISLATIVE ASSEMBLY

RESUME OF WORK TRANSACTED BY THE BIHAR LEGISLATIVE ASSEMBLY FROM 27TH JULY, 2014 TO 01ST AUGUST, 2014

Opening Address by Hon'ble Speaker

The session commenced with the address by Hon'ble Speaker. Hon'ble Speaker welcomed the members and apprised them of the business to be transacted during the session. He underlined the growing parliamentary democratic system and its consensual approach despite having many inherent contradictions in our society. He opined that we need to have an ideology which can curb and eliminate the forces of castism and religious fundamentalism as well as other destructive obstacles. He emphasized that in order to achieve this goal, the participation of female should be encouraged in policy making institutions and special attention should be paid for the development of SCs, STs and economically weaker people. He was of this view that secularism should be accepted as our democratic commitment and political ideal. The positive role of the Treasury Benches and constructive role of the opposition in the House is essential for the betterment of all, especially vulnerable sections of the society.

Hon'ble Speaker also apprised the House that 50 boys and girls per day would again be able to watch the proceedings of the House. He was deeply anguished at the death of more than 100 children due to encephalitis in the state.

He also informed the House regarding the facilities of direct and deferred broadcasting and telecasting of the proceedings of the House through A.I.R. and Doordarshan as well as web cast service (webcast.gov.in/biharvs). He encouraged the Hon'ble members to have online information as to their questions and their answers through internet (http:blaqrms.bih.nic.in).

Hon'ble Speaker concluded his address with the hope & faith for positive co-operation of the members in conducting the House.

Assent to Bills

A statement concerning the assent of HE the Governor of Bihar to Six (6) Bills passed during the 12th session was stated by the Assembly Secretary-in-charge.

Financial Business

The general discussion on Budget presented in previous session was held on 30th June and 1st July, 2014. Demands for grants for the financial year 2014-15 were discussed for 14 days. All the Cut Motions received were rejected and all demands for grants were passed by voice vote. Rest of demands for grants was passed by Guillotine and concerned Appropriation Bill was passed on 22nd July, 2014.

The 1st supplementary demands for grants for the year 2014-15 were presented before the house on 22nd July, 2014. Discussion and voting on the supplementary demands for grants was held on 24th July, 2014 and passed by voice vote and the concerned Appropriation Bill was passed the same day.

Papers Laid on the Table

During the Session, the following Reports, Rules & Notifications were laid on the table of the House by the concerned Minister-in-charge:-

i. The Annual Report of State Information Commission for the year 2012-13 U/S- 25 (4) of Right to Information Act 2005.

ii. The Special Report of Bihar Commission for Protection of Child Right for the Year 2010-13 U/S- 16(2) of the Bihar Commission for Protection of Child Right Act, 2005 & U/S- 21(3) of the Bihar Commission for Protection of Child Right Rules, 2010.

iii. The Annual Report of Patna University for the year 2012-13 U/S- 44 of the Patna University Act, 1976.

iv. A copy of the Bihar Engineering Education Service Rules, 2014 & Bihar Polytechnic Education Service Rules, 201

v. The Report of the CAG on General, Social and Financial for the year ended on 31st March, 2013 U/A-151 (2) of the Indian Constitution.

vi. The Report of the CAG on Public Undertakings for the year ended on 31st March, 2013 U/A-151 (2) of the Indian Constitution.

vii. The Annual Report of Bihar Public Service Commission for the year 2013-14 U/A-323(2) of the Indian Constitution.

viii. Notification No.- 5.0.-06 and 5.0.-08, dated 22.01.2014 under the provision of Section-9(4) of the Bihar Tax on Entry of Goods in Local Area for Consumption, Use on Sale Act, 1993.

ix. Notification No.- 5.0.-10, dated 22.01.2014 under the provision of Section-99 of the Bihar Value Added Tax Act, 2005.

x. The Annual Report of Bihar Police Construction Corporation U/s- 619(A) of the Company Act, 1956 for the year 2000-01, 2001-2002, 2002-2003, 2003-2004 and 2004-05.

xi. A copy of 4th quarterly for the financial year 2013-14 and 1st quarterly for the financial year 2014-15 of result of trend of receipts & expenditure U/S-11 of the Bihar Fiscal Responsibilities and Finance Management Act, 2006.

xii. A copy of each Parliamentary Affairs department's Notification No.- 74, dated 16.01.2013 and Notification No.- 431, dated 03.04.2013 U/S- 8(3) of Bihar Legislature (Members' Pay, Allowances and Pension) Act, 2006

xiii. A copy of the Bihar Commission for Protection of Child Right Rules, 2010 U/S-36(3) of the Bihar Commission for Protection of Child Right Act, 2005.

xiv. The Annual Report of the Examiner of Local Accounts U/s- 31(4) of the Bihar Panchayat Raj Act, 2006 and Bihar Panchat Raj (Amendment) Act, 2011 for the year ended on 31st March, 2011.

xv. A copy of Achievement Report for the financial year 2013-2014 and the PARINAM Budget and the Gender Budget for the financial year 2014-15.

xvi. The Report (Part I & II) of Koshi Judicial Inquiry Commission regarding breach of Eastern Koshi afflux bund U/S- 3(4) of Inquiry Commission Act, 1952 and its Action Taken Report.

Legislative Business

During the session, following Bills were introduced, considered and passed by the House:-

1) THE BIHAR APPROPRIATION (No.-2) BILL, 2014

2) THE PANCHAYAT RAJ (AMENDMENT) BILL, 2014

3) THE BIHAR MEDICAL SERVICE INSTITUTION AND PERSON PROTECTION (AMENDMENT) BILL,2014

4) THE BIHAR APPROPRIATION (NO.-3) BILL, 2014

5) THE BIHAR TECHNICAL STAFF SELECTION COMMISSION BILL, 2014

6) THE BIHAR FINANCE BILL, 2014

Petitions

During the session 121 petitions were received out of which 91 were accepted and presented in the House. Out of 91 petitions 30 were rejected.

Nivedan

In this session 513 Nivedans were received out of which 480 were admitted and sent to the concerned departments for reply and rest 33 were rejected.

Questions

During the session, altogether 3569 notice of questions were received, out of which 2158 were admitted. Out or said admitted questions, 37 were short notice questions, 1705 were starred questions and 416 were unstarred questions. 222 questions were answered on the floor of the House. Answers to 488 questions were placed on the table of the House. Answers of 19 questions were not asked due to the absence of the member concerned and 1406 questions were not asked due to paucity of time.

Calling Attention Motions

323 notices for Calling Attention Motions were received out of which 42 were accepted for oral replies and 243 notices were sent to the concerned departments for written replies. Out of 323 notices 38 notices were rejected.

Zero Hour

Several issues of Public Interest were raised by the Members in the House during Zero Hour.

Private Member Resolutions

During the session, 291 notices of Private Member Resolutions were received out of which 263 were accepted and 28 were rejected. Out of accepted notices, 98 were withdrawn and 02 were accepted in the House, 09 were not taken due to the absence of members concerned in the

House and 01 were rejected by the House. 153 notices were sent to the concerned departments for necessary action.

Special Debates/Discussion

i. On 18th July, 2014 a half of an hour special debate on the subject "Police firing incident in AKBARPUR of ROHTAS district".

ii. On 23rd July, 2014 a half of an hour discussion on the subject "Construction of Latrines".

iii. On 25th July, 2014 an hour special debate on the subject "Consequences of drought in the State".

Obituary Reference

During this session the House mourned the death of the following dignitaries :-

1. Late Gopi Nath Mundey, M.P & M.L.A. of Maharashtra
2. Late Tarakant Jha, Ex. Chairman of B.L.C.
3. Late Virkeshwar Prasad Singh, M.L.C.
4. Late Yamuna Yadav, Ex. M.L.A.
5. Late Kali Ram, Ex. M.L.A.
6. Late Mahavir Choudhary, Ex. M.L.A.
7. Late Sita Ram Prasad, Ex. M.L.A.
8. Late Uttam Kumar Yadav, Ex. M.L.A.
9. Late Umadhar Prasad Singh, Ex. M.L.A.

Valedictory Speech

On 01st August, 2014 at the conclusion of the Business of the Session, the Hon'ble Speaker made a Valedictory Speech before adjourning the House sine-die. In his speech, he offered his gratitude to the members of both the Treasury and Opposition Benches for their kind co-operation in conducting the Business of the House smoothly. He also thanked all other concerned including officers & staff of the Assembly Secretariat, Officers of different departments, Police personnel,

News Agencies, Representatives of local Newspapers, Doordarshan and AIR for their co-operation during the session.

Prorogation

The 14th session of the 15th Bihar Legislative Assembly was prorogued w.e.f. 01st August, 2014 vide Notification No.- P.A.-l/V.M.(Session)-01-01/2013-859, Patna, dated 25th August, 2014.

TRIPURA LEGISLATIVE ASSEMBLY

RESUME OF WORK TRANSACTED BY THE TRIPURA LEGISLATIVE ASSEMBLY FROM 29TH AUGUST, 2014 TO 03RD SEPTEMBER, 2014

OBITUARY REFERENCES

On 29th August, 2014, the Hon'ble Speaker made References to the passing away of Gopinath Munde, Union Minister for Rural Development who was also the Former Dy. Chief Minister of Maharasthra, Manindra Deb Barma, former Member of Tripura Legislative Assembly and Sushil Kumar Chakma, former Member of Tripura Legislative Assembly. The House paid tribute to the memory of those distinguished persons and stood in silence for two minutes as a mark of respect to the departed souls.

CONGRATULATORY MOTION

On 29th August, 2014 the House observed congratulatory motion and expressed pride on the success of Miss Dipa Karmakar who won Bronze medal for the Nation on the Commonwealth games - 2014 held at Scotland recently.

LAYING OF PAPERS ON THE TABLE OF THE HOUSE

During the Session period, i.e on 1/9/14,2/9/14 and 3/9/14 the following Rules, Reports and Notification etc. were laid on the Table of the House by the Ministers-in-Charge of the concerned Departments, namely:-

i. The Tripura Prevention and Control of Infectious and Contagious Diseases in Animals (Check Post and Quarantine Camp, Manner of Inspection etc.) Rules, 2014.

ii. The Tripura State Legal Services Authority (8th Amendment) Regulations, 2013.

iii. Tripura Panchayats (Election of Office Bearers) (Second Amendment) Rules, 2014.

iv. The Annual Reports and statements of Audited Accounts of Tripura Handloom & Handicrafts Development Corporation Ltd. for the year 2012-2013.

v. The Report (Report No.1 of 2014) of the Comptroller and Auditor General of India for the year 2012-2013.

vi. The Report of the Comptroller & Auditor General of India on State Finances for the year 2012-2013.

vii. Anuual Report of the Tripura Industrial Development Corporation Ltd. for the year 2012-2013.

viii. The Annual Report of the Tripura Jute Mills Ltd. for the year ended 31st March, 2013.

ix. The Tripura Battery operated Rickshaws Rules, 2014

x. The Code of Criminal Procedure (Tripura Eighth Amendment) Act, 2009.

LEGISLATIVE BUSINESS

During the Session, only 13(thirteen) Bills, as stated below, were introduced, considered and passed by the House, namely:-

i. The Tripura Rickshaw Regulation Bill, 2014 (The Tripura Bill No-17 of 2014)

ii. The Tripura Entertainment Tax (Amendment) Bill, 2014 (Tripura Bill No-16 of 2014).

iii. The Tripura Appropriation (No.3) Bill, 2014 (Tripura Bill No.4 of 2014).

iv. The Tripura Appropriation (No.4) Bill, 2014 (Tripura Bill No.5 of 2014).

v. The Tripura Appropriation (No.5) Bill, 2014 (Tripura Bill No.6 of 2014).

vi. The Tripura Appropriation (No.6) Bill, 2014 (Tripura Bill No.7 of 2014).

vii. The Tripura Appropriation (No.7) Bill, 2014 (Tripura Bill No.8 of 2014).

viiii. The Tripura Appropriation (No.8) Bill, 2014 (Tripura Bill No.9 of 2014).

ix. The Tripura Appropriation (No.9) Bill, 2014 (Tripura Bill No.10 of 2014).

x. The Tripura Appropriation (No.1 0) Bill, 2014 (Tripura Bill No.l1 of 20 14).

xii. The Tripura Appropriation (No.12) Bill, 2014 (Tripura Bill No. 13 of 20 14).

xi. The TripuraAppropriation (No.11) Bill, 2014 (Tripura Bill No.12 of2014).

xiii The TripuraAppropriation (No.13) Bill, 2014 (Tripura Bill No.14 of2014).

QUESTIONS

Notices of 487 Nos. of Starred, 432 Nos. of Un-starred Question and 3 (three) Nos. Short Notice respectively had been received. Out of these,244 Nos.& 447 Nos Notices were admitted as Starred and Un-starred question and 1 Short Notice respectively. However, 105 Nos .Starred, 348 Nos. Un-starred questions and 1 Short Notice were enlisted during the Session in the list of question for answering in the House by the Ministers concerned of which only 33 (thirty three) Starred Questions were answered orally on the floor of the House. Written replies to the remaining Starred and Un-starred questions were laid on the table of the House by the concerned Minister.

PRIVATE MEMBERS RESOLUTIONS

During the Session, on 29th August, 2014 (Friday) was alloted for taking up Private Member's Resolutions. Altogether 3 (three) Resolutions were admitted. All of these were discussed and 1 (one) Resolution was adopted unanimously, namely:- "Tripura Govt to immediately take proper attempt for formation of 'State Human Rights Commission' in the State".

REFERENCE PERIOD

10 (ten) Notices on matters of urgent Public Importance had been received. Out of these, 6(six) Notices were admitted and enlisted in the list of Business. The Ministers concerned made statements in the House on all of them or laid Written Statements on the Table of the House on those matters. The remaining 4 (four) Notices were not admitted

CALLINGATTENTION

9(nine) Calling Attention Notices on the matters of urgent Public Importance had been received from the Members during the Session of which 6(six) Notices were admitted The Ministers concerned made statements in the House or laid written statements on the Table of the House on those matters.

LAYING OF PETITIONS

On 1st & 3rd September, 2014, the Secretary of the. Tripura Legislative Assembly laid on the Table of the House 3 (three) Petitions which were countersigned by Shri Samir Deb Sarkar & Shri Pabitra Kar, MLA relating to the demands of the people of their respective constituencies for development and welfare works. The Hon'ble Speaker referred the Petitions to the Committee on Petitions of the Tripura Legislative Assembly for examination and Report to the House.

COMMITTEE REPORT

During the Session, apart from 1(one) Report of the Business Advisory Committee, 1(one) Report of the Public Accounts Committee, 2 (Two) Reports of the Committee on Government Assurances were presented to the House.

SHORT DURATION

During the Session 2 (two) Notices for raising discussion on Short Duration on matter of Urgent Public Importance had been received from the Members. The Notices were admitted and discussed in the House. The Ministers of the concerned Departments replied to the debate in the matters at the end of each of the discussions.

VALEDICTORY SPEECH

On 3rd September, 2014 at the conclusion of the Business of the Session, the Hon'ble Speaker made a valedictory Speech before adjourning the House sine-die. In his speech, he offered his gratitude to the Members of both the Treasury and the Opposition Benches for their co-operation in conducting the Business of the House smoothly. He also thanked all other concerned including Officers and Staff of the Assembly Secretariat, Officers of different Departments, Police personnel, News agencies & Electronic media, Doordarshan and AIR etc. for their co-operation during the Session.

THE LEGISLATIVE BODIES IN SESSION DURING THE MONTH OF OCTOBER 2014

Sl No.	Name of Assembly/Council	Duration
1.	Andra Pradesh Legislative Assembly	26.10.2014
2.	Andra Pradesh Legislative Council	26.10.2014

Site Address of Legislative Bodies in India

Sl.No	Name of Assembly/Council	Site Address
1.	Loksabha	loksabha.nic.in
2.	Rajyasabha	rajyasabha.nic.in
3.	Andhra Pradesh Legislative Council	aplegislature.org
4.	Andhra Pradesh Legislative Assembly	aplegislature.org
5.	Arunachal Pradesh Legislative Assembly	arunachalassembly.gov.in
6.	Assam Legislative Assembly	assamassembly.nic.in
7.	Bihar Legislative Assembly	vidhansabha.bih.nic.in
8.	Bihar Legislative Council	biharvidhanparishad.gov.in
9.	Chhattisgarh Legislative Assembly	cgvidhansabha.gov.in
10.	Delhi Legislative Assembly	delhiassembly.nic.in
11.	Goa Legislative Assembly	goavidhansabha.gov.in
12.	Gujarat Legislative Assembly	gujaratassembly.gov.in
13.	Harayana Legislative Assembly	haryanaassembly.gov.in
14.	Himachal Pradesh Legislative Assembly	hpvidhansabha.nic.in
15.	Jammu and Kashmir Legislative Assembly	jklegislativeassembly.nic.in
16.	Jammu and Kashmir Legislative Council	jklegislativecouncil.nic.in
17.	Jharkhand Legislative Assembly	jharkhandvidhansabha.nic.in
18.	Karnataka Legislative Assembly	kar.nic.in/kla/assembly
19.	Karnataka Legislative Council	kar.nic.in/kla/council/council
20.	Madhya Pradesh Legislative Assembly	mpvidhansabha.nic.in
21.	Maharashtra Legislative Assembly	mls.org.in/Assembly
22.	Maharashtra Legislative Council	mls.org.in/Council

23.	Manipur Legislative Assembly	manipurasembly.nic.in/
24.	Meghalaya Legislative Assembly	megassembly.gov.in/
25.	Mizoram Legislative Assembly	mizoramassembly.in
26.	Nagaland Legislative Assembly	http:/nagaland.nic.in
27.	Odisha Legislative Assembly	
28.	Puducherry Legislative Assembly	
29.	Punjab Legislative Assembly	punjabassembly.nic.in
30.	Rajasthan Legislative Assembly	rajassembly.nic.in/
31.	Sikkim Legislative Assembly	
32.	Tamil Nadu Legislative Assembly	assembly.in.gov.in
33.	Tripura Legislative Assembly	tripuraassembly.nic.in/
34.	Uttar Pradesh Legislative Assembly	uplegassembly.nic.in
35.	Uttar Pradesh Legislative Council	upvidhanparishad.nic.in
36.	Uttarakhand Legislative Assembly	
37.	West Bengal Legislative Assembly	wbassembly.gov.in/
38.	Telengana Legislative Assembly	telenganalegislature.org.in