

# **Himachal Pradesh**

## **Financial Allocation and Human Development**



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## Preface

For Human Development, one of the determinants is Financial Allocations by Government. Himachal Pradesh has diversity of population and area. In view of this diversity, allocations of funds are made in such a proportion that the impact of each programme and scheme reaches upto each section of the society. It has been the endeavor of the State as well as Central Government to address the needs of all by launching new schemes after evaluating the ongoing schemes and programmes and enriching the existing. The Government has always been prompt to uplift the vulnerable sections of the society.

In the present study, an attempt has been made to collect and analyze the financial allocations made by the government under Plan and Non-Plan, Revenue and Capital besides other components of the economy to get an insight about the resource allocations in Himachal Pradesh. It has been analyzed as to which sector priority is given by government and how much increase on year to year basis is ensured.

On the basis of analysis of data, keeping in view the objectives of the study, conclusions have been drawn and recommendations have been made on economic growth and development, fiscal management and sectoral decentralized planning, and human development status. These conclusions and recommendations are not derived opinion of Planning Department, H.P., but are based on the findings of the study.

The team of the Planning Department has got this done from Datamation Consultants Pvt. Ltd., which collect and analyze the data besides report writing. United Nations Development Programme, New Delhi has provided financial and technical assistance under “Human Development for Bridging Inequalities Project”. The comments and suggestions of Prof. Balkrishan Bali have been incorporated, who has done review of draft report, for improving quality of the study.

This study will help policy makers, academicians, departments, other agencies and civil society in understanding the financial allocations of government for human development. This will also prove beneficial to those who have direct concern with public finance.

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## Executive Summary

Himachal Pradesh being located in the lap of Himalayan mountain ranges is predominantly an agrarian economy as more than 60% of population depends on agricultural and allied activities (horticulture, livestock rearing and forestry). Although the state possesses resources conducive for hydro-power development and other manufacturing activities but due to poor road connectivity and difficult terrain conditions for development of railway network, the state has is least accessible for development of manufacturing and service sector.

As per the survey conducted by Government of Himachal Pradesh a significant proportion of Scheduled Castes and Scheduled Tribes population are still living below poverty line (24 percent of state population in 2007).

### **Economic Growth and Development**

The economic growth and development of Himachal Pradesh has been extra-ordinary as compared to its neighbouring states with similar physical, topographical and socio-economic conditions. The state took advantage of being 'Special Category State' status for transfer of funds from the tax collections of Central government. The state receiving special funds and grants under different Central Government schemes, converting their weakness into strengths by developing agricultural and horticulture activities, the main resource of the economy. The state also focused on the development agenda for weaker sections dwelling in the far- flung regions by utilizing the funds effectively through balance regional development and good governance measures.

From the Seventh Plan period (1985- 90), the state recorded higher economic growth rate as compared to the national average. This growth rate has been mainly achieved through commercialization of agricultural and allied activities. The maintaining of high annual economic growth rate in Himachal Pradesh is in sync with the national average. After 2000, the economy has shifted from agriculture sector to industries and services. The Gross State Domestic Product and Net State Domestic Product growth rate at factor cost at current prices increased at a much faster rate as compared to the national average.

The contribution of transport and communication, trade and financial and real estate sectors increased significantly in the State's Domestic and Net Product. The per capita Net Domestic Product for Himachal Pradesh was much higher than the per capita Net Domestic Product for its neighbouring states as well as for the national average. The per capita Net Domestic Product annual growth rate was impressive (between 9-17%) during 2006-2010 period as compared to the national average. Such an impressive growth rate can be attributed to adopting of planned balanced development policies especially targeting the marginal communities across different geographical regions. Development expenditure for social sector and for capital outlay in Himachal Pradesh was much higher than the national average during last one decade especially during last 4 years.

Overall investment and per capita investment increased substantially in the state due to the creation of income generation activities especially in horticulture, cultivation of fresh vegetable seeds and tourism related activities. This was made possible due to budgetary provisions for the development of transport and communication activities under five year plans and annual plans. This also increased employment opportunities in the real estate services. Several Centrally sponsored programmes were implemented for developing processes of human development especially higher investments in sanitation, housing and education. Fortunately, most of other investments were spent on development programmes related to improving the dominant agricultural and allied activities especially fruit cultivation. The annual investment from 2007-08 onwards depicts substantial increase which also resulted in the significant

increase in the per capita annual investment.

### **Fiscal Management and Decentralized Sectoral Planning**

One of the major challenges faced by Himachal Pradesh state is the fiscal management and creation of financial capital for the developmental activities. The state requires to generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development. The government is conscious of the precarious financial situation and thus all steps are being taken to reduce unproductive expenditures, generate new resources, impose financial discipline and accelerate development through promotion of tourism and horticulture and also enhance the incomes of the state through sale of hydro-power, for which power projects have been executed expeditiously.

Although there is significant increase in the revenue receipts during last five years, however a significant proportion of these revenue receipts are from 'Grants from Central Government' and other Centrally Sponsored Programmes. The proportion of per capita expenditures under capital heads, indicate the potential for developing investments for the processes of human development. The proportion of per capita expenditures under revenue head hovers around 88-90 percent, while only 10-12 percent of this expenditure is spent under capital expenditure head. Thus the state requires to improve the financial management and generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development. Thus to improve the investments, the state requires to improve the financial management and generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development.

Himachal Pradesh has formulated decentralized planning by engaging the District Planning Cells for the preparation of schemes at the micro level ( Zila Panchayat and Panchayat Samitis level ) . Aim is to monitor the process of the implementation of all the plan schemes being run by various departments soon after the approval of the budget. These schemes include, Sectoral Decentralized Planning, Vikas Mein Jan Sahyog , Vidhayak Kshetra Vikas Nidhi Yojna,, Mukhya Mantri Gram Path Yojna and the, Backward Area Sub-Plan, Tribal Area Sub-Plan., Scheduled Caste Sub Plan, MPLAD Scheme, 20-Point Programmes and special grants under 13<sup>th</sup> and 14<sup>th</sup> Finance Commission.

Several efforts have been made under the UNDP- Planning Commission programme to create essential environment at the state level to specify annual budgets that could contribute development of human quality and also provided all necessary infrastructural support to transform the quality of human development. In this direction state planning departments were sensitized to allocate funds judiciously for balanced regional development, covering various social and economic sub sectors across all regions. A decentralized planning approach was adopted, where Panchayats (Lowest tier of administration) had the power to identify the development activities which were in sync with their requirement and adequate fund allocations were provided for such development programmes.

There has been substantial increase in the actual expenditures under Five-year plans and annual plans from 2007 onwards for sub-sectors under the economic sector, social sector and other general sector contributing towards the processes of human development. The actual expenditure increased substantially for transport and communication, energy, sanitation and housing, education and health and family welfare. This created conducive infrastructure for improving human development processes. About 40-45 percent expenditures were made under the social development sector (Sanitation and housing, education and health and family welfare) during 9<sup>th</sup> and 10<sup>th</sup> Five-year plan period. Growth rate of expenditures was impressive depicting more attention given to developing infrastructure for human development processes. Although actual expenditures under for Social development sector increased during 11<sup>th</sup> and 12<sup>th</sup> Five-year plan but the percent to total expenditures for the social development sector decreased to 32-34% of

the total expenditures incurred for all sectors.

Strengthening economic based like investments in transport and communication, development of small scale industry for employment generation especially small scale industries was visualized as prime requirement to consolidate the human development processes in the 11<sup>th</sup> and 12<sup>th</sup> Five-year plan. Thus the plan laid emphasis for investing the transport and communication sector, industries, energy sector and rural development activities in addition to the Social development sector especially sanitation, housing and education sub- sector.

### **Human Development Status**

Himachal Pradesh scores reasonably high on the indices of Human Development in comparison to other neighbouring states of the country. The demographic indicators like growth rate or population and average size of households were exceptionally good for Himachal Pradesh. Thus economic growth and development parameters are essentially reflected through declining population growth by decreasing both births and death rate. This reflects advanced stage of demographic transition model. A satisfying picture indicates that all the districts have achieved lower decennial population growth rate as compared to the national average. The decrease in the population growth rate has also translated into less household size population of 4.63 persons per household, which is one of the ideal conditions for promoting growth generative policies for the population.

Himachal Pradesh has constantly recorded more balanced sex ratio since 1981, where as the national average of sex ratio has been declining constantly, depicting Himachal Pradesh as one of the most developed state in terms of gender justice and women's empowerment. However unfortunately, Himachal Pradesh has recorded lower sex ratio for (0-6 years) as compared to national average, which itself has very low sex ratio. Keeping significance of increase in child sex ratio, 12<sup>th</sup> Five-year plan has fixed target to increase the child sex ratio.

The educational achievements in terms of overall literacy rate, female literacy rate, gross and net enrolment rates and drop-out rates at primary, middle and high/ higher secondary levels are impressive compared to the national average and other neighbouring states.

The healthcare indicators like infant mortality rate, crude death rates, expectation of life at birth recorded impressive improvement and these indicators were exceptionally good as compared to the national average. The state has already reached replacement levels in terms of births as Total and General fertility rates were below national level at both rural and urban places. Though institutional deliveries have improved in the state, yet some far-flung regions require these services. Quality of health services especially human resources availability of specialized staff in the state requires attention.

Women's empowerment and participation in the state is impressive. In addition to the women being elected in the reserved seats, even women have been elected for un-reserved seat in the Gram Panchayats and women members outnumber men in the Gram Panchayats. Thus women have achieved empowerment in real sense in Himachal Pradesh in governance issues. These results have clearly influenced gender justice and favorable healthcare and educational indicators.

Himachal Pradesh was declared "Open Defecation Free" (ODF) state the country the second state, after Sikkim to get this status. All the households in the state have toilet facility. Among bigger states, Himachal Pradesh is the first state to become ODF. All 12 districts of the state have been covered as ODF districts.

Food security in a hilly state with limited accessibility is essential to maintain the supplies of essential food items during connectivity disruptions. The supplies are ensured through public distribution system for providing basic food requirement like; rice, wheat, sugar supply. All these basic food requirements are

provided by “Fair Price Shops”.

Natural Resource Management Himachal Pradesh is one of the ecologically sensitive State with 66.52 percent square kilometer of forest area. This is most preserved carbon free state of the country. The state has used all possible abilities and prudence in managing the natural resources. Several measures have been taken by government and people to maintain the pristine natural Himachal Pradesh has been the first State in the country to have put a blanket ban the felling of green trees in the State. Alternative arrangements have been provided to people to use LPG gas, electricity and other non pollution based energy for cooking and lighting purposes.

The field surveys conducted among the selected Gram Panchayats, indicate that financial allocations were directly made to the Gram Panchayats under several state and central government schemes. The respondents indicated that several infrastructure development works were accomplished through these developmental projects, which directly contributed towards human welfare measures.

The State has set 12<sup>th</sup> Five-year plan and subsequent annual plans targets to improve the processes of human development especially for improving demographic indicators, educational services, healthcare facilities and other infrastructure for improving overall quality of life. Majority of the set targets are in sync with the requirements and are progressing well.

The study points out

- That special effort has been made to build capacity of State Planners for devising strategies to prepare priorities for the economic and social sectors leading to overall human development. In fact, separate fund allocations and actual expenditures stipulated under these sectors have been operationalized during 10<sup>th</sup>, 11<sup>th</sup>, 12th Five- Year Plan and subsequent Annual Plans till 2018-19. This strategy has definitely increased actual financial expenditure for the prioritized economic and social sub sectors especially transport, energy, sanitation and housing, education and health care. These actual expenditures have significantly contributed towards improving indicators of human development in Himachal Pradesh.
- The capacity build among the state planners should have led to the availability of district level disaggregated data on budget allocations and actual expenditures. This data would have helped to measure the district wise outcomes of such allocations and actual expenditures on the human development indicators. But unfortunately the state planners have not yet internalized the process of providing district wise allocations and actual expenditures, hence measuring the impact of financial expenditures on human development at district level is not possible. Thus the objective of building capacities in making available disaggregated District level data has not been accomplished
- Effective human development actions in terms of improving demographic, social and economic characteristics have been accomplished through financial allocations and actual expenditures on human development sub-sectors. (like education sector, health sector, road connectivity, energy and power sector, natural resource regeneration and women’s empowerment through Panchayati Raj. These financial allocations and actual expenditures have reflected in decreased population growth rate, reduction in average household population size, decline in death rates ( both crude and infant), increase in expectation of life at birth (both men and women), reduction in General and Total fertility rate, presence of overall balanced sex ratio, better literacy rates ( both men and women), higher gross and net enrolment rates at all levels ( primary, middle, higher secondary and higher education levels).

## Chapter-I: Introduction, Context and Objectives

### I.1 Introduction

“Human development is a process of enlarging people’s choices—as they acquire more capabilities and enjoy more opportunities to use those capabilities. But human development is also the objective, so it is both a process and an outcome. Human development implies that people must use the process that shapes their lives. In all this, economic growth is an important means to human development, but not the goal”.<sup>1</sup>

In ancient Greece, Aristotle said: “Wealth is evidently not the good we are seeking, for it is merely useful for the sake of something else.”

The development trajectories have witnessed several phases of alternative approaches. During late 60s-early70s, more emphasis was laid on social development rather than capital accumulation and growth. Efforts were made to initiate and provide the ‘basic needs’ like access to basic education, basic health services, food, nutrition, water and sanitation to people dwelling in different regions. Fulfilment of these basic needs was seen as a prerequisite for Human Development and Economic Growth. During the 80’s the global development agenda largely focused on expanding growth, through various liberalisation measures. The general perception was that liberalisation would generate economic growth, through the power of market forces, which in turn would benefit the poorer sections of society through the “trickle-down effect”.

Structural Adjustment Programmes (SAPs) were carried out in order to streamline and “adjust” developing economies into the liberalisation agenda, but the approach to a large extent failed to tackle the issue of poverty and inequalities, instead inequalities sharpened further in the developing countries. India also adopted economic reforms like other developing countries during 8<sup>th</sup> Five-Year plan period (1992-97). This was done based on the lessons learnt and experiences of the other nations during last four decades.<sup>2</sup> Evidence demonstrated that the assumed “trickle-down effect” did not take place, and the human costs of the SAP, became apparent. In addition, social ills such as crime, weakening of social fabric, HIV/AIDS and pollution continued to spread despite high growth rates.<sup>3</sup>

Addressing human development in India is of vital importance since a significant proportion of population is still living below the poverty line, and income inequalities are rising by the day. It is estimated that more than 800 million Indians live on less than Rs. 20 per day.<sup>4</sup> Disparities in income exist across States, along rural/ urban lines and across social groups. “More than 60 percent of women are chronically poor. The percentage of poor among Scheduled Tribes and Scheduled Castes remains high. Many people are excluded from access to basic services. More than 296 million people are illiterate and

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<sup>1</sup> United Nations Development Report (UNDP) : “ Human Development Report 2015, Work for Human Development, United Nations Development Programme 1 UN Plaza, New York, NY 10017, USA.

<sup>2</sup> GOI, Planning Commission (1992-1997), 8th Five Year Plan, Vol. I.

<sup>3</sup> Ibid, Section 1.1.6

<sup>4</sup> Sen Gupta, A. (2007), Conditions of Work and Promo on of Livelihood in the Unorganized Sector, National Commission for Enterprises in the Unorganized Sector, GOI.

233 million are suffering from malnutrition. Workforce participation for women is half of that for men, and almost 96 percent of women work in the informal sector”.<sup>5</sup>

Since the adoption of Structural Adjustment Programme (SAP) for economic liberalization in early nineties, Economic Growth (EG) in India has increased significantly. The average annual GDP growth rate increased from 5.57 percent during 1991- 2000 to 7.59 percent during 2001-10 (calculations based on World Development Indicator database). However, a corresponding enhancement in the Human Development (HD) situation at the macro level has not been witnessed. It is observed from the UNDP annual publication Human Development Report (HDR) for various years that India remained in the low HD category throughout nineties, and managed to graduate to medium HD category only in 2002. In 2012 it secured a composite HDI score of 0.554, as compared to the corresponding figure of 0.439 in 1990. India’s global HDI rank has also fallen from 132 in 1999 to 136 in 2012, although the number of countries covered for HD assessment increased during this period (UNDP, 2014 Report). It again rose to 0.40 in 2017 and moved to 129<sup>th</sup> place in the global ranking (UNDP, 2018 Statistical Update).

The Mid-Term Statistical Appraisal of the MDGs showed that India lagged behind MDG achievement in several targets relating to hunger, child and maternal mortality and reversal of malaria and other major diseases.<sup>6</sup> “The Eleventh Plan began in very favourable circumstances with the economy having grown at the rate of 7.7% per year in the Tenth Plan period. However, far too many people also lack the basic requirements for a decent living in terms of nutrition standards, basic health, access to education and, to other public services such as water supply and sewerage. Disadvantaged groups, especially the Scheduled Castes and Scheduled Tribes and the minorities have benefited the least. Studies have depicted that regional imbalances have emerged across and even within States.”<sup>7</sup>

Several studies have depicted a positive relationship between human development (HD) and economic growth (EG) that exists in a mutually benefiting form, implying that while higher growth path augments HD formation in a country, the latter also contributes positively in propelling the former. (Srinivasan, 1994; Mukherjee; Ghosh, 2006 and Chakraborty, 2011). Many European and other developed countries have experienced a situation of high Economic Growth (EG) and high Human Development (HD) conditions and alternatively other under-developed countries like African states, Mexico and some South Asian countries experienced low (EG) and low (HD) settings. (Ranis, 2004; Ranis et al., 2000; Mayer-Foulkes, 2007).

One of the basic conditions for Human Development (HD) is development of the people through building human capabilities of the people by improving their living conditions and increasing their active participation in the processes that shape their lives. It encompasses a broader and multifaceted approach that includes; the human resource development through appropriate and effectively monitored financing, along with the basic needs for developing human skills as well as creating conducive conditions for human welfare approach.<sup>8</sup>

Several factors influence the two-way causality between EG and HD depending upon, region’s resources and their utilization, developing human capabilities and governance issues. The study of (Ramirez et al., 1998) has depicted that public expenditure on social services and female education strengthen the relationship between HD and EG, similarly investment rate and income distribution augment the relationship between EG and HD. Other influencing factors for EG-HD relationship are existing

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5 UNDP (2007), UNDP Country Programme for India 2008-2012; UNDP (2006), India UNDAF 2008-2012.

6 GOI (2010), Millennium Development Goals – India Country Report 2009, Mid Term Statistical Appraisal.

7 GOI, Planning Commission (2007-2012), 11th Five Year Plan, Vol. I, Preface.

<sup>8</sup> Ibid;

governance mechanism and quality of institutions (Amin, undated). Some studies show significant influence of Governance on HD (Joshi, 2007). There are several instances that depict higher initial level of HD also augment governance mechanisms (e.g. lesser corruption) and indirectly fuel EG (Costantini and Salvatore, 2008). Finally, in addition to direct effects of EG, social capital formation through developmental efforts has augmented HD in European countries (Christoforou, 2006).

Appropriate and monitored financing for processes contributing to human development is a very critical aspect of ensuring that public policies become concrete realities and that the deprived and other vulnerable sub-populations are supported by the state, enabling them to become empowered beings, capable of realising their inherent potential in a participatory and democratic context. The best strategy for human development is to ensure, through strong policies, accelerated generation and better distribution of primary incomes. In addition, delivery of government services related to social infrastructure (school, health clinic, nutrition and food subsidies) as well as physical infrastructure (roads, electricity and housing) can help the poor to bridge the gap resulted from meagre incomes.

However, despite planned policies of state governments, adequate funds are not provided for the social and infrastructure development sectors. There are several instances that allocated budgets for social and infrastructure sectors are not even spent and appropriately used. Even sometimes, when budgets are adequate, they may not target the core sectors of human development (e.g. primary healthcare, elementary education and livelihood upliftment) and instead focus, on other areas which do not necessarily convert into growth as well as development stimulus. Improving the human development indicators of the state requires considerable augmentation of investment, monitoring of investments in both physical and human capital as well as improvement in the productivity of the capital invested through good governance. Any analysis of the task of financing human development and the options for enhancing the investment to desirable levels must take into account the condition of the State's finances and the constraints that they impose on financing human development.

## **I.2 Planning Commission and UNDP Initiatives for Strengthening State Plans for Human Development**

In view of the above, strengthening of state plans for human development has attained significance, since 2004. To formalise this approach, the then Planning Commission and United Nations Development Programme (UNDP) project (2004-09) aimed beyond the mere preparation on of Human Development Reports (HDRs) for the States to concentrate developing capacities of States to operationalise (HD) and make it an integral tool in the state and district planning processes. Under this project, State planning processes and dialogue were intended to be strengthened to focus more on human development concerns. The project follows-up on the previous State HDR project by incorporating some of the key concerns raised in the State Human Development Reports (HDRs)

The issue has gained importance for a number of reasons.

- First, the fiscal health of the State had posed serious difficulties in releasing resources for investment in human capital.
- Second, compression of expenditures as a part of the fiscal adjustment strategy, and competing claims on fiscal resources at the State level, have underlined the need for prioritising expenditures in favour of human development.
- Third, the Millennium Development Goals (MDGs), which, in some sense, were reflected in the targets set for the 12th Five-Year Plan, could not be achieved due to the failure to augment social sector expenditures appreciably. The State also could not achieve a significant increase in the

productivity of social sector spending by improving the delivery systems and by harnessing private investments to complement public spending.

- Finally, significant inter-district variations in human development and the skewed distribution of historically given expenditures, in favour of districts with higher human development indicators, makes it necessary to introduce strategic changes in resource allocation. At the same time, poor efficiency of expenditure in districts with a low human development index necessitates institutional changes to improve the delivery systems to achieve the SDGs by focusing on districts with significant shortfalls in HDIs.

In view of the above, decentralized budget allocations and monitoring of actual performance of financial budgeting provided, through both state and centrally sponsored programmes has gained importance for a number of reasons. The importance of public expenditure in the process of human development is well recognised. The extent of public expenditure on human development has been measured in two ways. First, based on UNDP's Human Development Reports for States of India, which report the ratios, to indicate the priority assigned by States to expenditure on human development. Major results from these reports depict;

- Public expenditure ratio defined as the total budgetary expenditure as proportion of GDP
- Social Allocation Ratio (SAR), defined as the share of budgetary expenditure on the social sector in the total budgetary expenditure
- Social Priority Ratio (SPR), defined as the proportion of social sector expenditure that is spent on human priority areas, and
- Human expenditure ratio (HER), which is a product of the first three ratios and measures the budgetary expenditures in human priority areas as a proportion of GDP.

In addition to these ratios, studies have also used trends in per capita expenditure on social and human priority sectors to measure public spending for human development. It is important to examine trends in per capita expenditure along with the UNDP ratios as the UNDP ratios measures the human development expenditure in relation to income and do not indicate the absolute level of expenditure on human development in any state.

The Planning Commission- UNDP project for strengthening State Plans for Human Development started with eight partner States, which had already prepared State HDRs (Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Sikkim, Tamil Nadu and West Bengal). The project focussed the following three main components:

- Deepening of human development analysis through strengthening statistical systems and capacity building of State planners for human development, including building capacities in disaggregated District level data collection and analysis.
- Strengthening advocacy through dissemination and outreach of SHDRs to ensure that their messages are internalized by planners and implementers of development programmes, and;
- Effective human development action by contributing to informed decision and selection of high impact human development strategy, by identification of issues and options for financing HD in States.

The progress made by the states supported by Planning Commission-UNDP project had been uneven and varied.<sup>9</sup> However most important outcome of the initiative has been Institutionalizing of Human

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<sup>9</sup> UNDP and Planning Commission-GOI, October 2010, Human Development in India : Analysis to Action: Publication based on reports from partner State governments; compiled and edited by Pia Lindstrom.



Development oriented planning and analysis of financial linkages with human development parameters at state and district levels. All the Project States have included a chapter on human development in their annual plans and policy documents such as Annual Economic Surveys.<sup>10</sup>

“District level HDRs as a tool for district planning were prepared for some districts by the partner States. The State also prepared HDRs for three districts viz; Kangra, Mandi and Shimla. Gender budgeting was introduced in specific departments in some of the partner State Governments, and human development indicators are being used to decide social sector allocation”.<sup>11</sup>

Even mainstreaming of human development in plans and policies has been made possible through the core strategy of developing capacities of State and district planners as well as other officials from the State Governments at the individual, institutional and enabling environment level.<sup>12</sup>

### **I.3 Study Area Context**

Himachal Pradesh scores reasonably high on the indices of Human Development in comparison to other hilly and developed states of the country. The educational achievements, in particular, are impressive; health indicators are generally better than those for the country as a whole and the State has been able to reduce the poverty levels substantially. The efforts on the front of promotion of gender equity have met a considerable success in Himachal Pradesh. One of the factors which have contributed to the achievements made in the field of human development in Himachal Pradesh has been consistently high public expenditure on human development during the last two and a half decades.

The available information indicates that the State’s development is almost entirely driven by the public sector investment. Without going into the issue of desirability of greater private sector involvement and contribution to development in Himachal Pradesh, it can safely be inferred that the health of State’s finances has considerable influence on the path of development of the State. Himachal Pradesh by virtue of being a Special Category State,<sup>13</sup> has to consistently rely on the Central transfers to keep its finances stable and enabling it to meet the resource requirement for achieving higher levels of human development

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<sup>10</sup> Ibid.

<sup>11</sup> Ibid, pp 11 of the Report.

<sup>12</sup> Ibid, pp 11 of the report.

<sup>13</sup> The Constitution does not include any provision for categorisation of any State in India as a Special Category Status (SCS) State. But, recognising that some regions in the country were historically disadvantaged in contrast to others, Central plan assistance to SCS States has been granted in the past by the erstwhile Planning Commission body, National Development Council (NDC). The NDC granted this status based on a number of features of the States which included: hilly and difficult terrain, low population density or the presence of sizeable tribal population, strategic location along international borders, economic and infrastructural backwardness and non-viable nature of State finances. The SCS States used to receive block grants based on the Gadgil-Mukherjee formula, which effectively allowed for nearly 30 per cent of the Total Central Assistance to be transferred to SCS States as late as 2009-10. Following the constitution of the NITI Aayog (after the dissolution of the Planning Commission) and the recommendations of the Fourteenth Finance Commission (FFC), Central plan assistance to SCS States has been subsumed in an increased devolution of the divisible pool to all States (from 32% in the 13th FC recommendations to 42%) and do not any longer appear in plan expenditure. The FFC also recommended variables such as “forest cover” to be included in devolution, with a weightage of 7.5 in the criteria and which could benefit north-eastern States that were previously given SCS assistance. Besides, assistance to Centrally Sponsored Schemes for SCS States was given with 90% Central share and 10% State share.

in the State. Achieving the targets set in the SDGs framework for Himachal Pradesh, of which a large number of indicators can be termed as those directly pertaining to human development is the real challenge with the State Government besides maintaining the level of achievements already made by the States in the field of human development. The study is one of the steps in meeting the objectives of Human Development for Inclusive and Sustainable Green Growth in Himachal Pradesh.

The present study attempts to analyse the relationship between financial allocations, actual expenditures and their management with the outcomes of processes of human development in Himachal Pradesh. Himachal Pradesh is one of the most dynamic northern hill States of India, situated in the Himalayan mountain ranges. After the planned development initiatives, the State scores significantly high on the indicators of human development. The State possesses tremendous resources in terms of forests, fruits, minerals, tourism potential and scope for hydro-power development.

#### **I.4 Aims and Objectives**

- To undertake analysis of financial allocations and expenditure by various Government Departments directly engaged in the process of Human Development in Himachal Pradesh.
- To examine if the expenditure incurred by the Departments has actually translated into the desired outcomes contributing to further the process of human development in Himachal Pradesh.
- To make projections on the financial requirements during the next five years for meeting the human development targets under the SDGs framework to be achieved by 2030.

#### **I.5 Research Questions**

- Whether Capacity building of State Planners for human development, including building capacities in making available disaggregated District level data has been accomplished?
- Whether advocacy through dissemination and outreach of SHDRs is ensured to internalize public expenditure for human development and social priority sectors by planners and implementers for identified development programmes.
- Whether allocations and expenditures by various government departments associated with human development has actually translated into desired outcomes contributing to accelerate the process of human development.
- Whether effective human development actions through informed decisions and human development strategies have been incorporated in the financing framework in Himachal Pradesh

#### **I.6 Framework of Study**

- The study has undertaken an in-depth analysis of the expenditure incurred by the major Government Departments of Himachal Pradesh directly responsible for implementing the programmes aimed at enhancing the levels of human development in relation to the budgetary outlays during the last twenty five years.
- It has also examined how public expenditure has translated into the desired outcomes responsible for achieving high levels of human development in the Himachal Pradesh during the reference period.
- An assessment has been made to find the extent of presence of externally Aided Projects in the provision of services in Himachal Pradesh for improving the quality of life.
- The study also attempts to make recommendation for achieving the targets related to various human development indices set during the Twelfth Five Year Plan of Himachal Pradesh

#### **I.7 Methodology**

Data related to economic development status, expenditures incurred under Five-year Plans and extend of decentralized planning programmes in the state of Himachal Pradesh have been collected from secondary

sources of information. The raw data collected from the secondary sources were tabulated after using several statistical techniques to analyze the raw data. The methods applied include

- Growth Rates
- Percentage distribution
- Standard Deviation and Co-efficient of Variations

## **I.8 Data Sources**

The following sources of secondary data were collected

- NITI AYOOG, Government of India, New Delhi
- Planning Department, Government of Himachal Pradesh, the following reports were exhaustively used for raw data and literature review.
  - Brief Fact 2018
  - Budget Document 2014-15, 2015-16 and 2016-17
  - Economic Indicators – 2014
  - Gender Statistics- 2014
  - Himachal Pradesh Figures 2014
  - Statistical Abstract 2014-15
  - 6<sup>th</sup> Economic Census 2014
  - Budget 2019-20
  - Man/ Woman Himachal Pradesh 2015
  - Finance Commission Documents
  - Socio-Economic Indicators 2014-15
  - Gender Statistics 2012
  - Census of India, Government of India
  - Various Annual Plan Documents, Himachal Pradesh
  - Various Demands for Grants, Himachal Pradesh

## **I.9 Primary Survey of Focused Groups**

In addition to the secondary data collected from the above sources, an in-depth primary survey was conducted, across selected districts to seek information from the FGDs. The methodology adopted for the selection of districts/ blocks/gram panchayats for the FGDs as follows.

### **Sample Survey Size**

The details of sample survey are given in Chapter-V

Districts: Six (6)

Gram Panchayats: 36 (6 from each District)

Focused Groups: 144 (4 from each Gram Panchayat)

### **Selection of Districts**

- 2 Districts with high Actual Expenditures (Average of 2013- 2015) on Human Development Sectors – Education, Health, Infrastructure, Community Participation, Marginal Community Budget expenses (SC/ ST/ Backward)
- 2 Districts with Medium Actual Expenditures (Average of 2013- 2015) on Human Development Sectors – Education, Health, Infrastructure, Community Participation, Marginal Community Budget expenses (SC/ ST/ Backward)

- 2 Districts with Medium Actual Expenditures (Average of 2013- 2015) on Human Development Sectors – Education, Health, Infrastructure, Community Participation, Marginal Community Budget expenses (SC/ ST/ Backward)

#### **Selection of Gram Panchayats from each District**

- 1 Gram Panchayats randomly selected having high accessibility
- 1 Gram Panchayats randomly selected having medium accessibility
- 1 Gram Panchayats randomly selected having Low accessibility
- 1 Gram Panchayats randomly selected having high General Population
- 1 Gram Panchayats randomly selected having high SC Population
- 1 Gram Panchayats randomly selected having high ST Population

#### **Selection of Focused Groups from Each Gram Panchayat**

- Women aged 18-54 years ( 10-12 members ) to be selected randomly
- Adults (Male) aged 18-65 ( 10-12 Members ) to be selected randomly
- Children (both boys 6 and girls 6) to be selected randomly
- All members of Panchayat (including males/ female, General/ SC/ ST/ OBC) 10-12 members

Information was collected from the following four different Focused Groups from the selected Gram Panchayats.

- Panchayat Members ( both men and women members) ( Refer Annexure I)
- Women aged 18-54 Years (Refer Annexure-II)
- Adults respondents from the Gram Panchayat aged 18-65 (Refer Annexure-III)
- Children aged (6-18 years both boys and girls) (Refer Annexure-III)

## **Chapter-II: Regional Profile, Economic Growth and Financial Allocations**

### **II.1 Himachal Pradesh – A Brief Profile**

Himachal Pradesh state is located between Latitude 30° 22'40" N to 33° 12'40" N and Longitude 75° 45'55" E to 79° 04'20" E. It is a mountainous region with altitudes ranging from 350 metres to 6,975 metres above the mean sea level.<sup>14</sup> Wide differences in physical topography and considerable variations in climate are found among different sub-regions of the state. Himachal Pradesh is physiographically, part of Himalayan mountain ranges and from south to north the state can be divided into three topographical zones with significant variations in altitude levels, slope gradients and climatic conditions.

- The Shivaliks or Outer Himalayas – It consists of lower hills of Kangra, Hamirpur, Una, Bilaspur and the lower parts of Mandi, Solan and Sirmour districts. The region is in close proximity with the plains of India, thus having better communication and accessibility as compared to other regions of Himachal Pradesh. The altitude of this region varies from 350-1500 metres above mean sea level. The region is made of consolidated deposits, which experiences regular deforestation due to high rate of soil erosion. The region is suitable for cultivation of maize, wheat, ginger, sugarcane, paddy, citrus fruits and table potatoes.
- Inner Himalayas or Mid-mountains- The region consists of some parts of Sirmour, Mandi, Shimla, Kullu and Chamba districts. The altitude of this region varies from 1500 metres to 4500 metres. The area is suitable for temperate fruits and the region has tremendous potential for tourism development. Several hydro-power projects have been developed in this region. The region has difficult terrain, hence it has poor communication and accessibility.
- Alpine zone or Greater Himalayas consist of Chamba, Kinnaur, Kullu, Lahaul-Spiti and parts of Shimla districts with higher altitude ranges. The region has remote location, with difficult terrain and severe winter. The region lacks accessibility and other infrastructure services. Other constraints associated are short growing and less productive season and extreme winter conditions.

Himachal Pradesh with an area of 55,673 sq. km. is one of the smaller states of India. Its area accounts for 1.69 per cent of the total area of the country. The State recorded a population of 6,864,602 in 2011, constituting 0.57 per cent population of the country. It ranked 17<sup>th</sup> in terms of area and 21<sup>st</sup> in terms of population among the States and Union Territories of India. The State being located in the lap of Himalayas has recorded one of the lowest density of population located in the North-West Himalayas (123 persons per square kilometre as compared to 382 for the country as per 2011 Census)

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<sup>14</sup> Human Development Report 2001, Himachal Pradesh

Map No.II.1



Himachal Pradesh has recorded positive basic demographic indicators during last two decades, depicting social and economic development in the state. The state recorded lowest decennial population growth rate during last three decades (1981-2011) as compared to national average. Himachal Pradesh State recorded decadal population growth rate of 12.90 per cent during 2001-2011 which was lowest among all the other States of India except for Kerala, Goa, Andhra Pradesh and Nagaland. The lowest population growth rate is recorded alongwith lowest mortality and fertility rates. This depicts general improvement of social-economic conditions in the state, leading to achieving 4<sup>th</sup> stage of demographic transition model. (Refer Table No II. 1.)

Sex ratio, another significant indicator of social development also far better in Himachal Pradesh as the State recorded higher sex ratio as compared to many Northern States of India as well as compared to national average. This trend has been significant in Himachal Pradesh as several other adjacent states like Punjab and Haryana have recorded declining sex ratio during last two decades.

Himachal Pradesh is predominantly agricultural society, as more than 60 per cent population depends on

agriculture and allied activities (horticulture, forestry and livestock) for their livelihood. The topography being mostly hilly, the type of cultivation is terraced and close to 80 percent of all holdings fall in the category of small and marginal farmers.<sup>15</sup> There is a preponderance of small land holdings in the state. According to 2010-11 Agricultural Census, the holdings of less than one hectare accounted for 69.8 per cent of the total holdings. Only 75 per cent of the total reporting area is available for cultivation. Out of this area, 'net area sown' and 'current fallows' account for only 13 per cent. Agriculture is beset with the disadvantage of small holdings, as there is hardly any scope for mechanized farming due to preponderance of small holdings and terraced fields.

However due to ideal climate for fruit cultivation, horticulture and vegetable growing (seasonal as well as off-season), a well- diversified farm economy has been developed rapidly during the past three decades of planned development initiatives. The farmers of Himachal Pradesh are constantly endeavouring to exploit fully the agricultural potential of the State to increase food production and also to supplement the income by producing quality cash crops. Wheat, barley, paddy and maize are the important cereal crops under cultivation. Seed potato, ginger and off-season vegetables are the other important cash crops. There is potential for the development of crops like hops, mushrooms, olives, saffron and zeera in the state. Horticulture has developed over the years and apple is the main horticulture crop, which has tremendous market in rest of India. Bunks of apples are produced in the districts of Shimla, Kullu, Mandi, Kinnaur and Chamba.

Himachal Pradesh has a vast hydro electric potential which is estimated at 23,000 MW.<sup>16</sup> However, the possibility of utilizing this potential depends primarily on the development of other infrastructure and better accessibility. It is not possible to provide appreciable length of railways in these hilly and mountainous areas, due to difficult topography and steep slope gradients. Thus, the road network constitutes to be the very life line of Himachal's economy.

Himachal Pradesh has made significant achievements in the field of industrialization especially small scale handicraft and manufacturing activities. The process of industrialization in the State started during the eighties and gained momentum during the last one decade. Up to March, 2016, there were 505 medium and large scale industries and about 40,150 small scale industries with a total investment of 19,043.51 crore in the State. These industries provide employment to about 2.86 lakh people.<sup>17</sup>

However due to poor accessibility and least conducive conditions for developing large scale manufacturing activities the state recorded the lowest urbanization rate as compared to the national average (only 10.03 per cent urban population exists in the State) and the State continues to be predominantly dependent on agricultural and allied activities. Only few urban centres are found in the State. Urbanization rate is more or less same during last two decades. Shimla is the only class I town in the State. The districts of Lahaul-Spiti and Kinnaur located in the higher Himalayas belt have no urban centres due to extremely poor accessibility. Although there is good scope for developing service sector especially In IT Sector, yet, not many development projects have been initiated.

The state has significant proportion of Scheduled Castes population (25.19 percent in 2011 as compared to 16.60 percent for the country) and also has concentrated Scheduled Tribes population in few regions, which require special attention for their social and economic development and upliftment.

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<sup>15</sup> Himachal Pradesh, Planning Department, Draft 12<sup>th</sup> Five Year Plan 2012-17

<sup>16</sup> Himachal Pradesh, Planning Department, Draft 12<sup>th</sup> Five Year Plan 2012-17

<sup>17</sup> Himachal Pradesh, Planning Department, Draft 12<sup>th</sup> Five Year Plan 2012-17

A survey was conducted by the state government during 2002-07 among 1,182,926 families across all districts. The survey identified 282, 370 families as below poverty line families based on the identified indicators selected for the identification of such families. These identified poor families account for 23.87 per cent of total surveyed families. Chamba, Lahaul-Spiti and Shimla districts recorded high percentage of the identified poor families in the state. (Refer Table II.2)

These marginalised groups of population require specific and targeted programmes for their upliftment, which the state government has been enduring during last two decades of planned development.



**Table No II.1**  
**Himachal Pradesh: Some Demographic Indicators**

<b>Indicator</b>	<b>Himachal Pradesh</b>	<b>India</b>
Area in Square Kilometres (2011)	55,673	3,287,469
Population (Both Males and Females)	6,864,602	1,210,854,977
Males	3,481,873	623,270,258
Females	3,382,729	587,584,719
Density of Population ( Per Sq. Kms)		
1971	62	177
1981	77	216
1991	93	
2001	109	325
2011	123	382
<b>Population Growth Rate</b>		
1971-1981	23.71	24.66
1981-1991	20.79	23.87
1991-2001	17.54	21.54
2001-2011	12.90	17.70
<b>Sex Ratio</b>		
<b>1971</b>	958	930
<b>1981</b>	973	934
<b>1991</b>	976	927
<b>2001</b>	968	933
<b>2011</b>	972	940
<b>Percent Urban Population</b>		
<b>1971</b>	6.99	
<b>1981</b>	7.61	
<b>1991</b>	8.69	
<b>2001</b>	9.80	27.82
<b>2011</b>	10.03	31.16
<b>Percent Scheduled Caste Population</b>		
<b>1971</b>	22.24	
<b>1981</b>	24.62	
<b>1991</b>	25.34	
<b>2001</b>	24.72	16.20
<b>2011</b>	25.19	16.60
<b>Percent Scheduled Tribe Population</b>		
<b>1971</b>	4.09	
<b>1981</b>	4.61	
<b>1991</b>	4.22	
<b>2001</b>	4.02	8.20
<b>2011</b>	5.71	8.60

**Source:** Census of Himachal Pradesh reports 1971-2011

**Table No II.2**  
**Himachal Pradesh: Scheduled Castes, Scheduled Tribes and Population, Below Poverty Line**

<b>District</b>	<b>Per Cent S.C. Population</b>	<b>Per Cent S.T. Population</b>	<b>Survey of Poor Families 2002-07</b>	<b>Families below Poverty Line</b>	<b>Per Cent Families below poverty line</b>
Bilaspur	25.92	2.80	75,051	17,337	23.10
Chamba	21.52	26.10	85,676	46,393	54.15
Hamirpur	24.02	0.67	95,795	19,514	20.37
Kangra	21.15	5.60	289,185	63,250	21.87
Kinnaur	17.53	57.95	13,255	2,824	21.31
Kullu	28.01	3.84	69,388	11,267	16.24
Lahaul & Spiti	7.08	81.44	5,517	2,400	43.50
Mandi	29.38	1.28	206,096	41,339	20.06
Shimla	26.51	1.08	108,999	31,682	29.07
Sirmaur	30.34	2.13	70,439	13,695	19.44
Solan	28.35	4.42	73,733	17,478	23.70
Una	22.16	1.65	89,792	15,191	16.92
<b>H.P.</b>	<b>25.19</b>	<b>5.71</b>	<b>1,182,926</b>	<b>282,370</b>	<b>23.87</b>

**Source:** Census of India SC/ ST Tables and Himachal Pradesh, Rural Development Department

## **II.2 Himachal Pradesh – Economy and Economic Development**

This section explains the economic development trajectories of the State as depicted by indicators, such as income-growth, and structural composition of State's gross and net domestic product and the priorities of plan outlays under different economic and social sectors during last the two decades of planned development. Himachal Pradesh being located in the lap of Himalayas is completely dependent on Central funds for development purposes. The State had been designated as Special Category State right after its creation in 1971 for receiving extra grants from the central government. The Fourteenth Finance Commission has also recommended to continue the grant based funding mechanisms to the Himalayan States of the Country. The State started its economic growth and development journey with weak and disadvantaged economy, under developed human resource skills and weak institutional base. Major obstacles were poor communication network and inadequate road and railway accessibility.

Himachal's surfaced road-length per one lakh population was only (8.5 Km.) in 1950-51 which was the lowest in India. Similarly per capita consumption of electricity in 1948 was 0.99 kwh as against the national average of 17.8 kwh<sup>18</sup>. Human resources were exceptionally poor due to less accessible education system and poor health services. The formation of Himachal Pradesh as integral part of India after 1947 ushered a new era of development for improving their economic and social conditions.<sup>19</sup>

<sup>18</sup> Sharma, L.R. (1987), *The Economy of Himachal Pradesh: Growth and Structure (A Study in Development Performance)*, Mittal Publication, Delhi.

<sup>19</sup> Singh, M.G. (1985), *Social Cultural Economic Survey of Himachal Pradesh*, Minerva Book House, Shimla

Himachal Pradesh took advantage of being Special Category State for receiving special funds and grants under different Central Government schemes and the State aimed at converting their weakness into strengths by developing agricultural and horticulture activities, the main resource of the economy. The economy of Himachal Pradesh is dependent upon the agriculture and horticulture and any fluctuation in the production impacts the economy at large. Owing to such situation, the State of Himachal Pradesh has not only emerged as a model of development among the hill areas in the country, but has also emerged as a pioneer in various fields of development. The competence and value systems with civilization heritage, trade liberalisation and other measures to increase the competitive environment in the economy has lead to robust performance of the State. The economy of the State has achieved a growth rate of 7.3 percent in the financial year 2018-19.

The state also focussed on the development agenda for weaker sections dwelling in the far-flung regions by utilizing the funds effectively through balanced regional development and good governance measures. The growth of the State's economy has been extra-ordinary as compared to other neighbouring states with similar physical, topographical, social and economic conditions. (Refer Table No II.3) During the First Five Year Plan (1951-56), the state grew at an annual growth rate of 1.6 per cent as compared to the national average of 3.6 per cent. Up to the Third Plan, period, the growth rate was slightly higher for Himachal Pradesh as compared to the national average. However, from Fourth Plan period to Sixth Plan period (1969-1985), Himachal Pradesh was lagging behind in the economic growth rate as compared to the national average, because the state required heavy investments in infrastructure during this period, which could not be converted into growth, due to time lag for trickling down the benefits at grassroots level. The growth rate till the Sixth Plan period was half as compared to the national average. From the Seventh Plan period (1985-90), the State had recorded higher economic growth rate as compared to the national average and the state has maintained the growth rate in spite of its weakness in the development of manufacturing sector due to geographical disadvantages, difficult topography and inaccessibility in major areas of Himachal Pradesh. This growth rate has been mainly achieved through commercialization of agricultural and allied activities, which is highly commendable as, in case of other States agriculture has been the weakest in terms of growth scenario during last one and a half decade. The maintaining of high annual economic growth rate in Himachal Pradesh is in sync with the national average. This has been made possible due to effective balanced planning policies pursued by the State Government and attending the development requirements of isolated and inaccessible ethnic and cultural groups dwelling in human settlement located in far flung regions through targeted development approach.

**Table No.II.3**  
**Comparative Growth Rate of H.P. and National Economy recorded during Five Year and Annual Plan Periods**

Plan Period	Average Annual Growth Rate of Economy At Constant Prices	
	Himachal Pradesh	All India
1.	2.	3.
First Plan (1951-56)	(+) 1.6	(+) 3.6
Second Plan (1956-61)	(+) 4.4	(+) 4.1
Third Plan (1961-66)	(+) 3.0	(+) 2.4
Fourth Plan (1969-74)	(+) 3.0	(+) 3.4
Fifth Plan (1974-78)	(+) 4.6	(+) 5.2
Annual Plans (1978-79) to (1979-80)	(-) 3.6	(+) 0.2
Sixth Plan (1980-85)	(+) 3.0	(+) 5.3
Seventh Plan (1985-90)	(+) 8.8	(+) 6.0
Eighth Plan (1992-97)	(+) 6.3	(+) 6.2
Ninth Plan (1997-02)	(+) 6.4	(+) 5.6
Tenth Plan (2002-07)	(+) 7.6	(+) 7.8
Annual Plan (2007-08)	(+) 8.5	(+) 9.3
Annual Plan (2008-09)	(+) 7.4	(+) 6.7
Annual Plan (2009-10)	(+) 8.1	(+) 8.6
Annual Plan (2010-11)	(+) 8.8	(+) 8.9
Annual Plan (2011-12)	(+) 7.6	(+)6.7
Annual Plan (2012-13)	(+) 6.4	(+)5.5
Annual Plan (2013-14)	(+) 7.1	(+)6.4
Annual Plan (2014-15)	(+) 7.5	(+)7.4
Annual Plan (2015-16)	(+)8.1	(+)8.2
Annual Plan (2016-17)	(+)7.0	(+)7.1
Annual Plan (2017-18)	(+)6.5	(+)6.5
Annual Plan (2018-19)	(+)7.3	(+)6.8

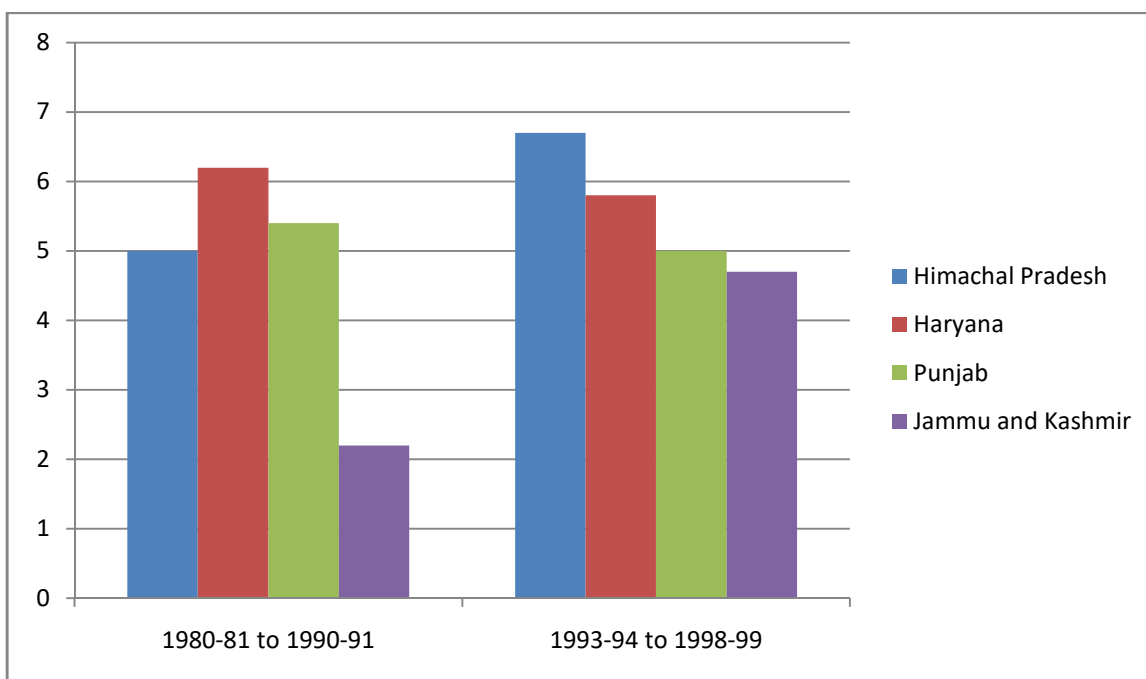
**Source:** Planning Department, Himachal Pradesh

A comparison of the economic growth during the earlier years of the neighbouring States with similar geographical conditions like for Jammu & Kashmir and even with better conducive geographical conditions of Punjab and Haryana indicated that Himachal Pradesh economy grew relatively at must faster pace during the decade of 90s. (Refer Table II. 4)

**Table No. II. 4**  
**Trends in the Growth in Gross Domestic Product in Surrounding States of Himachal Pradesh**

States	1980-81 to 1990-91	1993-94 to 1998- 99
Himachal Pradesh	5.0	6.7
Haryana	6.2	5.8
Punjab	5.4	5.0
Jammu & Kashmir	2.2	4.7
India	5.6	6.8

Source: Tenth Five Year Plan, Planning Commission, GoI, New Delhi



### II.3 Sector wise Contribution to Economy

As already stated that the economic activities in the State are predominantly governed by Primary Sector (agriculture, horticulture and its allied activities). This was also reflected by the significant contribution of primary sector in the economy during 1970-80s. However, after 2000, the economy has shown a shift from agriculture sector to industries and services as the percentage contribution of agriculture and allied sectors in total State Domestic Product (SDP) has declined from 58.56 percent in 1970-71 to 15.39 percent in 2017-18. On the other hand, the contribution of secondary sector to SDP has increased from 16.73 per cent in 1970-71 to 40.09 per cent in 2017-18. Service sector has also increased significantly during the same period from 24.71 per cent in 1970-71 to 44.52 percent in 2017-18. (Refer Table No. II. 5)

**Table No. II. 5**  
**Percentage Contribution of Sectoral State Domestic Product at Current Prices**

Sl. No	Sectors	1970-71	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1	Primary	58.56	23.15	23.22	20.05	19.02	19.15	17.16	17.04	17.08	15.68	16.21	16.01	15.39	13.44
2	Secondary	16.73	39.95	39.77	43.02	42.91	42.19	43.81	43.01	43.02	42.76	42.28	39.96	40.09	43.60
3	Tertiary	24.71	36.90	37.01	36.93	38.07	38.66	39.03	39.95	39.90	41.56	41.51	44.03	44.52	42.97

**Source:** Government of Himachal Pradesh, Economics & Statistics Department

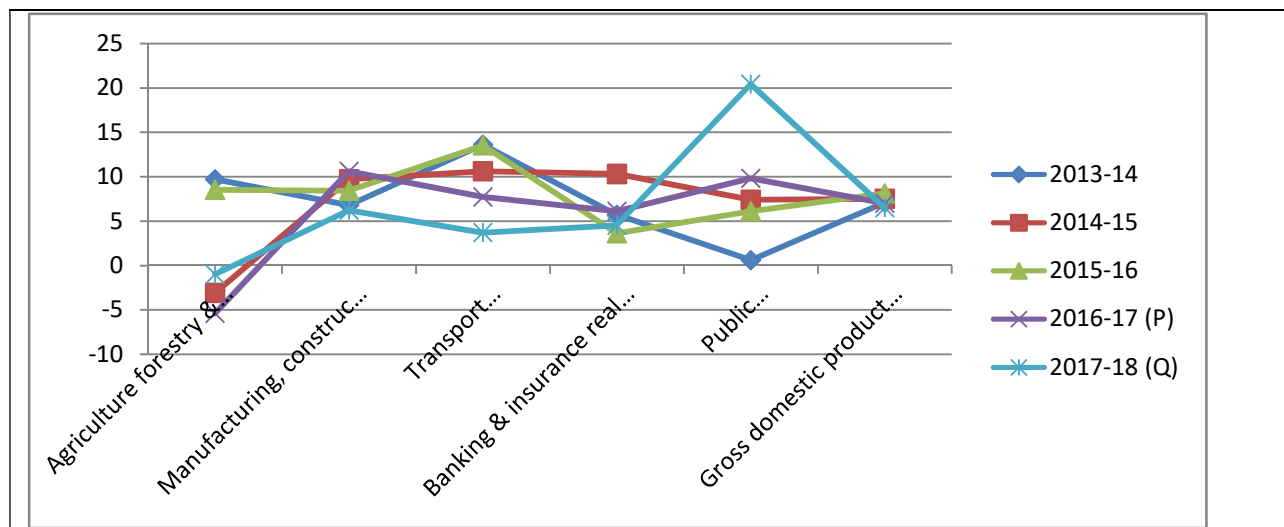
#### **II.4 Sectoral Annual Growth Rate**

The State maintained high annual growth rate of 7-8 per cent, in spite of significant variations in the growth pattern in the agricultural sector- the main strength of Himachal Pradesh state. In fact, agricultural sector recorded negative growth during 2008-10 and in 2011-12 due to poor monsoon and prevailing drought conditions. In spite of this negative growth of agricultural sector for these specified periods, economy of Himachal Pradesh grew in sync with national economy. This was made possible through diversification of the economy, especially developing service sector as well as industrial sector focusing on small scale handicraft and manufacturing activities. (Refer Table No. II.6)

**Table No. II. 6**  
**ANNUAL GROWTH RATE OF GROSS DOMESTIC PRODUCT (At Constant Prices)**  
**(Percent)**

Year	Agriculture forestry & logging fishing, mining & quarrying	Manufacturing , construction, electricity, gas & water supply	Transport Communication & Trade	Banking & insurance real estate & owner- ship of dwelling business services	Public administration , defence & services	Gross domestic product at factor cost
1	2	3	4	5	6	7
1999-2000	-	-	-	-	-	-
2000-01	15.6	5.3	10.5	-2.6	-1.5	6.3
2001-02	8.5	4.7	8.3	6.7	-1.5	5.2
2002-03	2.2	8.1	5.1	2.5	4.2	5.1
2003-04	11.6	6.4	7.8	15.5	3.0	8.1
2004-05	-	-	-	-	-	-
2005-06	6.1	8.5	10.2	10.8	9.3	8.4
2006-07	-0.6	13.6	6.8	15.9	12.9	9.1
2007-08	8.9	9.3	10.1	10.7	3.4	8.5
2009-10	-10.2	13.6	11.2	15.8	11.9	8.1
2010-11	18.2	3.9	4.2	17.7	11.6	8.8
2011-12	-	-	-	-	-	-
2012-13	6.8	5.4	6.1	10.1	8.4	6.4
2013-14	9.7	6.8	13.6	5.7	0.6	7.1
2014-15	-3.1	9.7	10.6	10.3	7.4	7.5
2015-16	8.5	8.4	13.5	3.6	6.1	8.1
2016-17 (P)	-5.4	10.6	7.7	6.1	9.8	7.0
2017-18 (Q)	-1.0	6.2	3.7	4.5	20.4	6.5

**Source:** Government of Himachal Pradesh, Economics & Statistics Department, Based on 2011-12 Series.



## II.5 State Gross Domestic Product and Net Domestic Product

The growth pattern of State's Domestic Product (both Gross<sup>20</sup> and Net<sup>21</sup>) is considered the single most important indicator of economic development. The State Gross Domestic Product (SGDP) for Himachal Pradesh at market prices, at constant prices, was estimated at Rs.1, 09,747 crore in 2017-18 (Base 2011-12 Series) as against Rs.14,112 crore in 1999-2000 (Base 1999-2000 Series), while Net State Domestic Product(NSDP) at market prices, at constant prices, was estimated at Rs.91,207 crore in 2017-18 (Base 2011-12 Series) as against Rs.12,467 crore in 1999-2000 (Base 1999-2000 Series). This depicts an impressive annual growth rate ranging from a minimum of 5.1 percent during 2001-02 to 2002-03 and maximum of 9.1 percent during 2005-06 to 2006-07 for SGDP. Similarly, The State Gross Domestic Product (SGDP) for Himachal Pradesh at factor cost, at current prices, was estimated at Rs.1, 36,542 crore in 2017-18 (Base 2011-12 Series) as against Rs.14,112 crore in 1999-2000 (Base 1999-2000 Series), while Net State Domestic Product(NSDP) at market prices, at current prices, was estimated at Rs.1,17,191 crore in 2017-18 (Base 2011-12 Series) as against Rs.12,467 crore in 1999-2000 (Base 1999-2000 Series).. (Refer Table No II.6 and II.7)

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<sup>20</sup> Gross State Domestic Product (GSDP) is defined as a measure, in monetary terms, of the volume of all goods and services produced within the boundaries of the State during a given period of time, accounted without duplication.

<sup>21</sup> Net State Domestic Product (NSDP) is defined as a measure, in monetary terms, of the **volume** of all goods and services produced within the boundaries of the State during a given period of time after deducting the wear and tear or depreciation, accounted without duplication.



**Table No. II.7**  
**GROSS AND NET STATE DOMESTIC PRODUCT**

Year	GSDP at Market Prices (Rs. Crore)		NSDP at Market Prices (Rs. Crore)		Per Capita Net State Domestic Product/ Per Capita Income(Rs.)	
	At Current Prices	At Constant Prices	At Current Prices	At Constant Prices	At Current Prices	At Constant Prices
1	2	3	4	5	6	7
1999-2000	14112	14112	12467	12467	20806	20806
2000-01	15661	15004	13853	13262	22795	21824
2001-02	17148	15786	15215	13938	24608	22543
2002-03	18905	16585	16751	14617	26627	23234
2003-04	20721	17925	18127	15596	28333	24377
2004-05	24077	24077	24489	21189	33348	33348
2005-06	27127	26107	23743	23009	36949	35806
2006-07	30281	28483	26247	24819	40393	38195
2007-08	33963	30917	28873	26362	43966	40143
2009-10	48189	35897	39141	29149	58402	43492
2010-11	56980	39054	46216	31590	68297	46682
2011-12	72720	72720	60536	60536	87721	87721
2012-13	82820	77384	69432	64519	99730	92672
2013-14	94764	82847	80129	69398	114095	98816
2014-15	103772	89060	87345	74553	123299	105241
2015-16	114239	96274	96850	80563	135512	112723
2016-17 (P)	125122	103038	107585	85826	149028	118888
2017-18 (Q)	136542	109747	117191	91207	160711	125078

## **II. 6 Sectoral Contribution of State Gross Domestic Product**

Sectoral contribution of SGDP during 2012-13 to 2017-18, showed a significant contribution in secondary activities followed by Banking & insurance, real estate & owner-ship of dwelling business services as well as from Public administration defence & services. During 2013-14 to 2014-15 period, the increase in total SGDP is mainly attributed to high annual growth rates in all the sectors whereas the growth rate for Primary sector was negative. (Refer Table No. II 6, II.8 & II.9).

**Table No II. II.8**  
**GROSS STATE DOMESTIC PRODUCT (At Current Prices)**

(Rs. in crore)

<b>Year</b>	<b>Agriculture forestry &amp; logging, fishing, mining &amp; quarrying</b>	<b>Manufacturing, construction, electricity, gas &amp; water supply</b>	<b>Transport communication &amp; trade</b>	<b>Banking &amp; insurance real estate &amp; ownership of dwelling business services</b>	<b>Public administration, defence &amp; services</b>	<b>Gross Value Added at Basic Prices</b>	<b>Plus Product Taxes less Subsidies</b>	<b>Gross domestic product at factor cost</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
1999-2000	3265	5162	1737	1286	2662	-	-	14112
2000-01	3954	5602	2056	1365	2684	-	-	15661
2001-02	4442	6095	2305	1552	2754	-	-	17148
2002-03	4657	6867	2742	1678	2961	-	-	18905
2003-04	5194	7468	2888	2042	3129	-	-	20721
2004-05	6197	9176	3468	1767	3469	-	-	24077
2005-06	6858	10373	4007	1918	3971	-	-	27127
2006-07	7010	12101	4235	2177	4758	-	-	30281
2007-08	7887	13507	5027	2405	5137	-	-	33963
2009-10	9166	20679	7471	3268	7605	-	-	48189
2010-11	10914	24040	8347	3672	10007	-	-	56980
2011-12	11913	30405	7576	9622	9887	69403	3317	72720
2012-13	13443	33935	8660	11346	11524	78908	3912	82820
2013-14	15262	38440	10285	13002	12369	89358	5406	94764
2014-15	15265	41617	11764	14724	13961	97331	6441	103772
2015-16	17393	45652	13141	15936	15135	107257	6982	114239
2016-17 (P)	18190	50596	14173	17315	17158	117431	7691	125122
2017-18 (Q)	17560	54993	14905	19008	21394	127860	8682	136542

**Source:** Government of Himachal Pradesh, Economics & Statistics Department, Based on 1999-2000, 2004-05 and 2011-12 Series.

**Table No II.9**  
**GROSS STATE DOMESTIC PRODUCT (At Constant Prices)**

(Rs. in crore)

Year	Agriculture forestry & logging, fishing, mining & quarrying	Manufacturing, construction, electricity, gas & water supply	Transport communication & trade	Banking & insurance real estate & ownership of dwelling business services	Public administration, defence & services	Gross Value Added at Basic Prices	Plus Product Taxes less Subsidies	Gross domestic product at factor cost
1	2	3	4	5	6	7	8	9
1999-2000	3265	5162	1737	1286	2662	-	-	14112
2000-01	3773	5437	1920	1252	2622	-	-	15004
2001-02	4093	5694	2080	1336	2583	-	-	15786
2002-03	4184	6153	2186	1370	2692	-	-	16585
2003-04	4671	6544	2356	1582	2772	-	-	17925
2004-05	6197	9176	3468	1767	3469	-	-	24077
2005-06	6578	9960	3820	1958	3791	-	-	26107
2006-07	6539	11315	4078	2270	4282	-	-	28484
2007-08	7118	12371	4488	2513	4427	-	-	30917
2009-10	6340	15390	5757	3040	5370	-	-	35897
2010-11	7496	15987	5999	3578	5994	-	-	39054
2011-12	11913	30405	7576	9622	9887	69403	3317	72720
2012-13	12725	32049	8040	10598	10714	74126	3258	77384
2013-14	13954	34223	9134	11203	10775	79289	3558	82847
2014-15	13525	37551	10099	12354	11573	85102	3958	89060
2015-16	14674	40724	11459	12793	12274	91926	4348	96274
2016-17 (P)	13879	45021	12342	13579	13480	98301	4737	103038
2017-18 (Q)	13738	47819	12800	14185	16235	104777	4970	109747

**Source:** Government of Himachal Pradesh, Economics & Statistics Department, Based on 1999-2000, 2004-05 and 2011-12 Series.

## **II. 7 Development Expenditure of State Gross Domestic Product**

The contribution of Revenue Expenditure and Capital Expenditure is an important indicator to reflect human development priorities of the State. During 2012-2018, the contribution of revenue expenditure hovered around 78-83%, while it was around 16-21% for capital expenditure to total expenditure in Himachal Pradesh (Refer Table No. II.10)

**Table No. II. 10**  
**Revenue and Capital Expenditure**  
**(Rs. in Crore)**

<b>Year</b>	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
2012-13	16174(78.08%)	4540(21.92%)	20714
2013-14	17352(80.92%)	3919(19.08%)	21443
2014-15	19787(81.73%)	4424(18.27%)	24211
2015-16	22303(78.51%)	6106(21.49%)	28409
2016-17	25344(73.66%)	9061(26.34%)	34405
2017-18	27053(78.62 %)	7358(21.38%)	34411
2018-19(BE)	30400(79.43%)	7872(20.57%)	38272

**Source:** Demand for Grants and Appropriations Statement of Budget Document (Finance Department)

### **II.8 Allocation and Actual Expenditures under Five Year Plans**

The state recorded insignificant investments in terms of actual expenditures during First to Fifth Five Year Plan period. However, from Seventh Five Year Plan period (1985-90) onwards till the end of Eighth Five Year Plan period, the investment for development activities increased substantially. This substantial increase in the investments also reflected substantial increase in the per capita investment in the state. This could be attributed to the creation of income generation activities especially in horticulture, cultivation of fresh vegetable seeds and tourism related activities. This was made possible due to development of transport and communication activities as a significant proportion of investment under five year plans and annual plans were made for this economic sub-sector. This also increased employment opportunities in the real estate services. Several Centrally sponsored programmes were implemented for developing processes of human development especially higher investments in sanitation, housing and education. Fortunately, most of other investments were spent on development programmes related to improving the dominant agricultural and allied activities especially fruit cultivation. The annual investment from 2012-13 onwards depicts marginal increase. (Refer Table No II. 11). Percent actual expenditures to the stipulated outlays indicate efficiency of government machinery to utilize the annual allocated funds. The state has performed exceeding well as percent expenditures exceeding to the allocations during majority of Five Year Plan periods as well as for Annual Plan periods. However, expenditures were poor during Fifth Five Year Plan (1974-78) and marginally less during Tenth Five Year Plan. (Refer Table No. II.11)

**Table No. II.11**  
**Himachal Pradesh**  
**Actual Expenditure under Five Years Plans and Annual Plans**

Plan	Allocations	Actual Expenditures	Growth Rate Actual Expenditures	Percent Expenditures to Allocations
First Plan (1951-56)	5.64	5.27		93.43
Second Plan (1956-61)	14.72	16.03	204.17	108.89
Third Plan (1961-66)	27.93	33.84	111.10	121.16
Annual Plans (1966-67) to (1968-69)	40.65	39.78	17.55	97.85
Fourth Plan (1969-74)	101.40	113.43	185.14	102.70
Fifth Plan (1974-78)	283.95	162.14	42.94	57.24
Seventh Plan (1985-90)	1178.00	1324.76	797.78	112.39
Eighth Plan (1992-97)	2502.00	3480.72	783.86	139.08
Ninth Plan (1997-2002)	7488.00	7899.67	126.96	105.48
Tenth Plan (2002-2007)	10300.00	8880.31	5.75	86.21
Eleventh Plan (2007-12)	13778.00	14056.57	58.28	102.01
Twelfth Plan (2012-17)	22800.00			
Annual Plan (2012-13)	3700.00	3756.92		101.02
Annual Plan (2013-14)	4100.00	4185.45	11.42	101.01
Annual Plan (2014-15)	4400.00	4806.55	14.83	101.02
Annual Plan (2015-16)	4800.00	4651.55	-3.22	96.91
Annual Plan (2016-17)	5200.00	4707.93	1.21	90.54
Annual Plan (2017-18)	5700.00*	5700.00	21.07	100
Annual Plan (2017-18)	6300.00*	6300.00	10.53	100

\*Audited Expenditure figures are awaited.

**Source:** Statistical Abstract of Himachal Pradesh: 2014-15, Department of Economics and Statistics, Government of Himachal Pradesh and Planning Department, H.P.

## II.9 Himachal Pradesh Fiscal Management

Himachal Pradesh state being a ‘Special Category State’ ever since its formation in 1971 is financially dependent on Central Government funds. One of the major challenges faced by Himachal Pradesh state is the fiscal management and creation of financial capital for the developmental activities. The state requires to generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development. The government is conscious of the precarious financial situation and thus all steps are being taken to reduce unproductive expenditures, generate new resources, impose financial discipline and accelerate development through promotion of tourism and horticulture and also enhance the incomes of the state through sale of hydro-power, for which power projects have been executed expeditiously. The overall financial position of the state is depicted in Table No. II.18.

The total revenue receipts<sup>22</sup> in 2013-14 were of Rs. 15711 crore which increased to Rs.26264 crore in 2016-17 and the budget estimates of revenue receipts for 2017-18 were fixed at Rs. 30400 crore. However, a significant proportion of this revenue receipts were from Grant-in-Aid as direct transfers from the Central Government under ‘Special Category Status’. The grant-in-aid accounted 11% of the total revenue receipts in 2017-18. The data depicts that the dependence from Central Government was reduced during this period as more revenue was generated under the tax and non-tax revenue heads.

The capital receipts<sup>23</sup> also increased from Rs. 4326 crore in 2013-14 to Rs.6667 crore in 2017-18, estimated revenue receipts for 2018-19 are Rs.7765 crore. Considering inflation this seems to be marginal increase, during the period thus government adopted fiscal restraint which seems a positive step in the long run.

The revenue expenditures<sup>24</sup> were Rs. 17353 crore in 2013-14, which increased to Rs. 27053 crore in 2017-18. Thus, major revenue expenditures were to maintain the existing services created under different development programmes.

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<sup>22</sup> Revenue Receipts: Government receipts which neither (i) create liabilities nor (ii) reduce assets are called revenue receipts. These are proceeds of taxes, interest and dividend on government investment, cess and other receipts for services rendered by the government. These are current income receipts of the government from all sources. Government revenue is the means for government expenditure. In the same way as production is means for consumption. Revenue receipts are further classified Into Tax Revenue and Nontax Revenue. Tax revenue includes Share of Central Tax – Union Excise Duty, Tax on Income and Corporation Tax, Others, States Own Tax – Land Revenue, Thus the Other Tax Revenue, State Excise Duty, Sales Tax and Other Service Taxes. Non Tax Revenue ‘includes General Services, Social and community services, Economic services Interests, Receipts, Dividends and Profits

<sup>23</sup> Capital Receipts: Government receipts which either (i) create liabilities (e.g. borrowing) or (ii) reduce assets (e.g. disinvestment) are called capital receipts. Thus when govt. raises funds either by incurring a liability or by disposing off its assets, it is called a capital receipt.

<sup>24</sup> Revenue Expenditure are, an expenditure which neither creates assets nor reduces liability is called Revenue Expenditure, e.g., salaries of employees, interest payment on past debt, subsidies, pension, etc. These are financed out of revenue receipts. Broadly, any expenditure which does not lead to any creation of assets or reduction in liability is treated as revenue expenditure.

Capital expenditure<sup>25</sup> was Rs. 3919 crore in 2013-14 which increased to Rs. 7358 crore in 2017-18. Capital expenditure stands at Rs. 9061 crore in 2016-17, depicted strengthening of investments. The decline in capital expenditures for the 2017-18 will definitely impact the development of investments for social and development projects.

There was a fiscal deficit of Rs. 4012 crore in 2013-14, which is estimated to increase Rs.7821 crore in 2018-19, but there was surplus of Rs.1739 crore in 2015-16.

Around 70-80% expenditure continues to be non-plan expenditure, where as only 20-30% is plan expenditure, thus generation of growth potential for capital investments to improve the processes of human development indicators have been substantially reduced in 2017-18. (Refer Table No.II.12)

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<sup>25</sup> An expenditure which either creates an asset (e.g., school building) or reduces liability (e.g., repayment of loan) is called capital expenditure.

**Table No. II. 12**  
**Overall Financial Position of the State of Himachal Pradesh ( Rs. in Crore)**

<b>A.</b>	<b>REVENUE RECEIPTS</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19 (BE)</b>
	(i) State's Own	6903	8017	8525	8756	9472	10229
	(ii) Central Transfers (including Taxes)	8181	8117	12616	14096	14966	15880
	(iii) CSS Grants (excluding CSS loans)	627	1710	2299	3412	2930	4291
	<b>TOTAL REVENUE RECEIPTS</b>	<b>15711</b>	<b>17844</b>	<b>23440</b>	<b>26264</b>	<b>27368</b>	<b>30400</b>
<b>B.</b>	<b>REVENUE EXPENDITURE</b>						
	(i) Non-Plan	14809	16572	18655	20722	23206	28303
	(ii) Plan	1965	1765	1818	1853	1858	2189
	(iii) CSS	579	1450	1830	2768	1989	3076
	<b>TOTAL REVENUE EXPENDITURE</b>	<b>17353</b>	<b>19787</b>	<b>22303</b>	<b>25344</b>	<b>27053</b>	<b>33568</b>
	<b>NET(Revenue Deficit/ Surplus)</b>	<b>-1641</b>	<b>-1944</b>	<b>1138</b>	<b>920</b>	<b>314</b>	<b>-3168</b>
<b>C.</b>	<b>CAPITAL RECEIPTS</b>						
	(i) Total Borrowings (excluding W&M/ overdraft but includes net PF receipts)	4309	5202	5963	8137	6592	7730
	(ii) Recovery of Loans	17	41	26	30	40	35
	(iii) Misc. Capital Receipts	0	650	0	0	35	0
	<b>TOTAL CAPITAL RECEIPTS</b>	<b>4326</b>	<b>5892</b>	<b>5989</b>	<b>8167</b>	<b>6667</b>	<b>7765</b>
<b>D.</b>	<b>CAPITAL EXPENDITURE</b>						
	(i) Repayment of loans(excluding W&M)	1532	1477	2779	2272	3100	3184
	(ii) Non-Plan Capital Exp.	60	63	564	513	468	476
	(iii) Plan Capital Exp.	2264	2405	2362	5463	2843	2997
	(iv) CSS	64	479	402	812	948	1215
	<b>TOTAL CAPITAL EXPENDITURE</b>	<b>3919</b>	<b>4424</b>	<b>6106</b>	<b>9061</b>	<b>7358</b>	<b>7872</b>
<b>E.</b>	<b>Fiscal Surplus/ Deficit</b>	<b>-4012</b>	<b>-4200</b>	<b>+1739</b>	<b>-5839</b>	<b>-3870</b>	<b>-7821</b>
<b>F.</b>	<b>Plan Exp.</b>	<b>4714</b>	<b>6088</b>	<b>6257</b>	<b>10795</b>	<b>7563</b>	<b>9469</b>
	<b>Non-Plan Exp.</b>	<b>16729</b>	<b>24906</b>	<b>23322</b>	<b>25280</b>	<b>27249</b>	<b>31971</b>
	<b>Total</b>	<b>21443</b>	<b>30994</b>	<b>29579</b>	<b>36075</b>	<b>34812</b>	<b>41440</b>

BE: Budget Estimates Revenue Receipts include State's Own tax, Central Transfers (including Taxes), CSS Grants (excluding CSS loans) Capital Receipts includes Total Borrowings (excluding W&M/ overdraft but includes net PF receipts), Recovery of Loans, Misc. Capital Receipts



## II.10 Per Capita Revenue and Expenditure

The per capita revenue by the state depicts, significant increase from Rupees 6228 in 2003-04 to Rupees 40,824 in 2017-18 R.E budget. The per capita revenue expenditure also increased from Rupees 9970 in 2003-04 to Rupees 44,651 in 2017-18 R.E. budget. Thus the gap between per capita revenue and expenditures is increasing. Although it shows significant investments in the developmental programmes especially for social sector and human development programmes, but at the same time revenues need to be enhanced to reduce the revenue-expenditure gap.

The proportion of per capita expenditures for under capital heads, indicate the potential for developing investments for the processes of human development. The proportion of per capita expenditures under revenue head hovers around 70-90 percent, while only 10-30 percent of this expenditure is spent under capital expenditure head. Insignificant variations have been recorded in the expenditures under revenue and capital heads during 2003-04 to 2017-18 R.E Thus to improve the investments, the state requires to improve the financial management and generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development. (Refer Table No. II. 13)

**Table No. II. 13**  
**Himachal Pradesh**  
**Per Capita Revenue and Expenditure (Indian Rupees)**

Year	Per Capita Revenue Receipts	Per Capita Revenue Expenditure	Percent Revenue and Capital Expenditure	
			Revenue	Capital
1	2	3		
2003-04	6,228	9970	88	12
2004-05	7,126	9913	90	10
2005-06	9,903	11002	89	12
2006-07	11,622	12984	87	13
2007-08	13,322	14146	85	15
2008-09	13,406	16588	82	12
2009-10	14,728	18639	85	15
2010-11	18,537	21927	88	12
2011-12	20,946	22624	88	12
2012-13	22,178	25777	89	11
2013-14	22,057	26966	90	10
2014-15	26,068	31673	89	11
2015-16	34146	32490	75	25
2016-17	38260	36920	70	30
2017-18	40824	44651	79	21

R.E: Revised Estimates, B.E: Budget Estimates Source: -Finance Department, Himachal Pradesh.

## **II.11 Major Conclusions and Findings**

The state of Himachal Pradesh has depicted significant progress in the economy as annual growth rate of economy (both during the Five Year Plans and annual Plans) has increased significantly as compared to the national average especially after Ninth Five Year plan (1997-02). Trends in the growth rate of Gross Domestic Product were higher as compared to the neighbouring States.

The contribution of Domestic Product has significantly increased for secondary and tertiary sectors during the last two decades, signifying changes in the employment opportunities in these sectors and a corresponding increase in the average incomes and investment rates.

Fiscal management has also improved as actual revenue and per capita revenue has increased due to development in infrastructure sector.

## **Chapter-III: Sectoral and Departmental Expenditures and Decentralized Planning**

### **III.1 Introduction to Sectoral Planning**

As already stated the actual financial expenditures under Five plans and Annual plans, can lead to the substantial changes in the processes of human development formation. Several efforts were made under the UNDP- Planning Commission programme to create essential environment at the state level to specify annual budgets that could contribute development of human quality and also provided all necessary infrastructural support to transform the quality of human development. In this direction state planning departments were sensitized to allocate funds judiciously for balanced regional development, covering various social and economic sub sectors across all regions. A decentralised planning approach has already been adopted by the Government of Himachal Pradesh, where local administration had the power to identify the development activities which were in sync with their requirement and adequate fund allocations were provided for such development programmes.

The expenditures have been categorised under Economic Sector, Social Development sector and Other General Services. Although all the three sectors contribute towards the human development directly or indirectly, yet the contribution of some of the subsectors from Economic sector like rural development, Special area development, Energy development, Transport and Communication and Science and technology are essentially significant. Similarly, the expenditure on all the sub sectors of Social Development like; Education & sports, Health & Family welfare, Sanitation, Housing and Urban development, Welfare of SCs, STs and other Backward groups, Labour welfare and Women, Child and Nutrition department directly translate into creation of conducive conditions for human resources development especially improving quality of population. An analysis of actual expenditures for these sub-sectors under Five Year Plans and Annual Plans depicts the following major features. (Refer Table No III.1 and III.2)

A substantial increase in the actual expenditures under Five Year Plans (7<sup>th</sup> Plan to 11<sup>th</sup> Plan, 1992-2012) has been recorded. The actual expenditures increased from Rs.1325 crore in Seventh Five Year Plan (1985-90) to Rs.140,57 crore in Eleventh Five Year Plan (2007-12) period. The financial outlay for 12<sup>th</sup> Five-year plan (2012-17) has been further increased to Rs.22,800 crore. There has been consistent increase in outlays in subsequent annual plans.

Out of the total expenditure of Rs.1325 crore during Seventh Plan period, 75% amount was utilised for Economic sector, 23% for Social sector. Major expenditures under Economic sector for the processes of human development were for Energy sector (27%), Agricultural and Allied activities (20%) and Transport and Communication Sector (15%). Actual expenditure on Social sector was 23% of the total expenditures. A significant proportion of this amount was spent on Sanitation, Housing and Urban development (11%), Education sector (7%) and Health & Family Welfare (3%). Eighth Plan expenditure was Rs. 3499 crore out of which 62% was utilized under Economic sector, 35% for Social development and 2.42% for other General Services. Major actual expenditures under Economic sector for the processes of human development were for Energy sector (19%), followed by Agriculture (14%) and transport and communication (13%). This depicts the shift of expenditures from Economic sector to Social sector owing to the priorities for creating conducive conditions for human development processes.

The 9<sup>th</sup> and 10<sup>th</sup> plan period recorded, a substantial increase in the total expenditures as well as a shift in the priority towards the higher actual expenditures in social development and economic sub sectors of

transport and communication and rural development. This created conducive infrastructure for improving human development processes. 10<sup>th</sup> Five-year plan further enhanced the expenditures for Social development especially for sanitation, housing, education and health sub-sectors as 45% of the expenditure in this plan was actually spent under Social development.

Strengthening economic base like investments in transport and communication, development of small scale industry for employment generation especially small scale industries was visualised as prime requirement to consolidate the human development processes in the 11<sup>th</sup> Five-year plan. Thus the plan laid emphasis for investing in the transport and communication sector, industries, energy sector and rural development activities in addition to the Social development sector especially sanitation, housing and education sub-sector.

12<sup>th</sup> Plan (2012-17) outlays increased substantially to Rs.22,800 crore from Rs.14056 crore in the 11<sup>th</sup> Five Year Plan. The plan further suggests strengthening of transport and communication sub-sector, followed by energy and rural development. 34% funds have been stipulated for Social development in the 12<sup>th</sup> Five-Year Plan period and education and sanitation sectors continue to be the priority areas. The annual plan actual expenditures of 2017-18 to 2018-19 again depict priority of transport and communication, energy and education sector.

**Table No III.1**  
**Actual Expenditure / Sub-sector Expenditures Under Five Years Plans**  
**(Rs. in Crore)**

<b>Sector</b>	<b>7<sup>th</sup> Plan 1985- 90</b>	<b>8<sup>th</sup> Plan 1992- 97</b>	<b>9<sup>th</sup> Plan 1997- 2002</b>	<b>10<sup>th</sup> Plan 2002- 07</b>	<b>11<sup>th</sup> Plan 2007-12</b>	<b>12<sup>th</sup> Plan 2012-17</b>	<b>2017-18 (AE)</b>	<b>2018-19 (AE)</b>
<b>All Expenditures</b>	<b>1325</b>	<b>3499</b>	<b>7897</b>	<b>8880</b>	<b>14057</b>	<b>22800</b>	<b>5700</b>	<b>6300</b>
Agricultural and Allied	260	487	918	874	1791	2859	714	844
Rural Development	49	117	309	288	642	1256	114	128
Special Area Programme			20	39	69	153	28	28
Irrigation & Flood Control	71	149	318	641	1687	1940	371	431
Energy	352	662	1266	943	1493	2761	683	683
Industry and Mineral	43	87	116	70	119	221	119	114
Transport and Communication	196	440	1113	1311	2660	4635	1074	1095
Science & Tech	0.91	5	7	42	76	102	17	17
General Economic Services	24	258	488	341	495	586	267	285
<b>ECONOMIC SECTOR</b>	<b>996</b>	<b>2202</b>	<b>4545</b>	<b>4583</b>	<b>9221</b>	<b>14751</b>	<b>3387</b>	<b>3625</b>
Education & Sports	98			1173	1535	2823	803	917
Health & Family Welfare	43			919	751	1370	334	401
Sanitation, Housing and Urban Dev	140			932	1432	2095	543	616
Information and Publicity	3			19	3	5	0.50	0.53
Welfare of SC/ST and Other Backwards	6			75	493	828	186	203
Labour Welfare	1			4	1	5	1	2
Women & Child Social & Nutrition	9			244	231	429	345	408
<b>SOCIAL DEVELOPMENT</b>	<b>301</b>	<b>1213</b>	<b>3212</b>	<b>3993</b>	<b>4539</b>	<b>7681</b>	<b>2213</b>	<b>2548</b>
<b>OTHER GENERAL SERVICES</b>	<b>28</b>	<b>84</b>	<b>128</b>	<b>215</b>	<b>288</b>	<b>367</b>	<b>100</b>	<b>127</b>

**Includes budget stipulated under** BASP (Backward Area Special Plan), SCSP (Scheduled Castes Sub Plan) and TSP (Tribal Sub Plan). AE (Anticipated Expenditure)

**Source:** Statistical Abstract of Himachal Pradesh: 2014-15, Department of Economics & Statistics and Planning Department, Himachal Pradesh

**Table No. III.2**  
**Per Cent Actual Expenditure/ Sub-sector Expenditures Under Five Years Plans and Annual Plans**  
**(2017-18 and 2018-19)**

<b>Sector</b>	<b>7<sup>th</sup> Plan 1985- 90</b>	<b>8<sup>th</sup> Plan 1992- 97</b>	<b>9<sup>th</sup> Plan 1997- 2002</b>	<b>10<sup>th</sup> Plan 2002- 07</b>	<b>11<sup>th</sup> Plan 2007- 12</b>	<b>12<sup>th</sup> Plan 2012- 17</b>	<b>2017- 18 (AE)</b>	<b>2018- 19 (AE)</b>
<b>All Expenditures (Rs Crore)</b>	<b>1325</b>	<b>3499</b>	<b>7896</b>	<b>8880</b>	<b>14056</b>	<b>22800</b>	<b>5700</b>	<b>6300</b>
Agricultural and Allied	19.62	13.90	11.62	9.84	12.74	12.54	12.53	13.40
Rural Development	3.69	3.34	3.91	3.24	4.57	5.51	2.00	2.03
Special Area Programme		0.00	0.25	0.44	0.49	0.67	0.49	0.44
Irrigation & Flood Control	5.35	4.22	4.02	7.22	12.00	8.51	6.51	6.84
Energy	26.56	18.89	16.03	10.63	10.62	12.11	11.98	10.84
Industry and Mineral	3.24	2.48	1.47	0.79	0.85	0.97	2.09	1.81
Transport and Communication	14.79	12.56	14.09	14.77	18.92	20.33	18.84	17.38
Science & Tech	0.07	0.13	.08	0.48	0.54	0.45	0.30	0.27
General Economic Services	1.81	2.40	6.18	3.85	3.52	2.57	4.68	4.52
<b>ECONOMIC SECTOR</b>	<b>75.16</b>	<b>62.90</b>	<b>57.65</b>	<b>51.61</b>	<b>65.60</b>	<b>64.70</b>	<b>59.42</b>	<b>57.54</b>
Education & Sports	<b>7.39</b>			13.21	10.92	12.38	14.09	14.56
Health & Family Welfare	3.42			10.36	5.34	6.01	5.86	6.37
Sanitation, Housing and Urban Development	10.56			16.49	10.19	9.19	9.53	9.78
Information and Publicity	0.02			0.21	0.02	0.02	0.01	0.01
Welfare of SC/ST and Other Backwards	0.45			0.85	3.51	3.63	3.26	3.22
Labour Welfare	0.07			0.04	0.01	0.02	0.02	0.03
Women & Child Social & Nutrition	0.67			2.75	1.64	1.88	6.05	6.48
<b>SOCIAL DEVELOPMENT</b>	<b>22.71</b>	<b>34.66</b>	<b>40.68</b>	<b>44.97</b>	<b>32.29</b>	<b>33.69</b>	<b>38.82</b>	<b>40.44</b>
<b>OTHER GENERAL SERVICES</b>	<b>2.11</b>	<b>2.40</b>	<b>1.63</b>	<b>2.42</b>	<b>2.05</b>	<b>1.61</b>	<b>1.75</b>	<b>2.02</b>

**Includes budget stipulated under** BASP (Backward Area Special Plan), SCSP (Scheduled Castes Sub Plan) and TSP (Tribal Sub Plan)

**Source:** Statistical Abstract of Himachal Pradesh: 2014-15 of Department of Economics & Statistics and Data from Planning Department, Himachal Pradesh.

### III.2 Sectoral and Departmental Actual Expenditures during 12<sup>th</sup> Five Year Annual Plans

The first three years of Annual Plan expenditures depict consolidation of Economic sector as nearly 57-65% of the total annual expenditure for the years (2012-13 2018-19) was incurred on this sector. However, annual expenditure 2018-19 increased for Social sector substantially from 38% in the previous year to 40%. The annual plan actual expenditures of 2012-13 to 2018-19 again depict priority of transport and communication, energy and education sector.

**Table No III.3**  
**Per Cent Actual Expenditure/ Sub-sector Expenditures under Annual Plans and 12<sup>th</sup> Five Year Plan**

<b>Sector</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>12<sup>th</sup> Plan Proposed Outlay*</b>	<b>2017-18 (AE)</b>	<b>2018-19 (AE)</b>
<b>All Expenditures (Rs Crore)</b>	<b>3700</b>	<b>4100</b>	<b>4400</b>	<b>22800</b>	<b>5700</b>	<b>6300</b>
Agricultural and Allied	12.98	12.80	11.78	12.54	12.53	13.40
Rural Development	4.64	4.09	4.90	5.51	2.00	2.03
Special Area Programme	0.67	0.63	0.84	0.67	0.49	0.44
Irrigation & Flood Control	7.39	7.26	7.00	8.51	6.51	6.84
Energy	15.72	15.02	13.48	12.11	11.98	10.84
Industry and Mineral	0.99	1.18	1.83	0.97	2.09	1.81
Transport and Communication	20.93	20.87	17.45	20.33	18.84	17.38
Science & Tech	0.41	0.38	0.56	0.45	0.30	0.27
General Economic Services	2.53	2.37	2.64	2.57	4.68	4.52
<b>ECONOMIC SECTOR</b>	<b>65.26</b>	<b>65.35</b>	<b>59.81</b>	<b>64.70</b>	<b>59.42</b>	<b>57.54</b>
Education & Sports	12.80	12.73		12.38	14.09	14.56
Health & Family Welfare	5.78	6.33		6.01	5.86	6.37
Sanitation, Housing and Urban Dev	8.75	8.71		9.19	9.53	9.78
Information and Publicity	0.2	0.02		0.02	0.01	0.01
Welfare of SC/ST and Other Backwards	2.94	3.42		3.63	3.26	3.22
Labour Welfare	0.01	0.02		0.02	0.02	0.03
Women & Child Social & Nutrition	1.82	1.84		1.88	6.05	6.48
<b>SOCIAL DEVELOPMENT</b>	<b>32.6</b>	<b>33.48</b>	<b>38.38</b>	<b>33.69</b>	<b>38.82</b>	<b>40.44</b>
<b>OTHER GENERAL SERVICES</b>	<b>2.38</b>	<b>1.17</b>	<b>1.81</b>	<b>1.61</b>	<b>1.75</b>	<b>2.02</b>

**Source:** Statistical Abstract of Himachal Pradesh: 2014-15 of Department of Economics & Statistics and Data from Planning Department, Himachal Pradesh.

### **III.3 Growth Rate Sectoral and Departmental Actual Expenditures during Five-Year Plans and Annual Plans**

The actual expenditures under the Five-Year plans showed 164% increase during 7<sup>th</sup> to 8<sup>th</sup> Plan period, 125% increase during 8<sup>th</sup> to 9<sup>th</sup> Plan period, 12.46 % increase during 9<sup>th</sup> to 10<sup>th</sup> Plan period, 58.28% increase during 10<sup>th</sup> to 11<sup>th</sup> plan period, 62.20% increase during 11<sup>th</sup> to 12<sup>th</sup> Plan period, and 10.53% during 2017-18 to 2018-19. Thus a substantial increase has been made in the actual expenditures under Five-year Plans. Sector and sub-sector growth rate of the actual expenditures depict constant significant increase under all Five-year Plans for transport and communication, Special Area programme, science and technology, Welfare of SC/ ST and Backward Classes and Education sectors. The actual annual plan expenditure during the 12<sup>th</sup> Five-year Plan also reflects higher growth for Social development sector. (Refer Table No. III.4 and III.5)



**Table No III.4**  
**Per Cent Growth Rate, Actual Expenditure / Sub-sector Expenditure Under Five Years Plans**

<b>Sector</b>	<b>7th Plan 8<sup>th</sup> Plan</b>	<b>8<sup>th</sup> Plan- 9<sup>th</sup> Plan</b>	<b>9<sup>th</sup> Plan-10<sup>th</sup> Plan</b>	<b>10<sup>th</sup> Plan - 11<sup>th</sup> Plan</b>	<b>11<sup>th</sup> Plan 12<sup>th</sup> Plan</b>	<b>2017-18 to 2018-19</b>
<b>All Expenditures (Rs Crore)</b>	<b>164.07</b>	<b>124.89</b>	<b>12.46</b>	<b>58.28</b>	<b>62.20</b>	<b>10.53</b>
Agricultural and Allied	87.30	88.69	-2.28	103.74	59.00	18.21
Rural Development	138.77	164.79	-4.50	122.12	94.61	12.28
Special Area Programme			103.67	72.37	123.27	0.00
Irrigation & Flood Control	109.85	114.35	107.41	161.48	14.49	16.17
Energy	88.06	91.55	-23.44	57.23	84.05	0.00
Industry and Mineral	102.32	34.23	-37.82	69.06	83.79	-4.20
Transport and Communication	124.89	153.26	21.01	101.60	73.43	1.96
Science & Tech	400.00	48.84	520.03	78.85	34.41	0.00
General Economic Services	975.00	88.87	-28.09	43.77	18.21	6.74
<b>ECONOMIC SECTOR</b>	<b>121.10</b>	<b>106.95</b>	<b>2.62</b>	<b>97.24</b>	<b>59.95</b>	<b>7.03</b>
Education & Sports				30.13	82.97	14.20
Health & Family Welfare				-18.96	81.82	20.06
Sanitation, Housing and Urban Dev				-2.73	45.62	13.44
Information and Publicity				-85.45	37.72	6.00
Welfare of SC/ST and Other Backwards				547.95	67.06	9.14
Labour Welfare				-33.23	82.33	100.00
Women & Child Social & Nutrition				-5.93	84.28	18.26
<b>SOCIAL DEVELOPMENT</b>	<b>302.99</b>	<b>164.79</b>	<b>24.65</b>	<b>13.38</b>	<b>69.0</b>	<b>15.14</b>
<b>OTHER GENERAL SERVICES</b>	<b>200.00</b>	<b>52.38</b>	<b>71.87</b>	<b>33.63</b>	<b>26.53</b>	<b>27.00</b>

**Source:** Statistical Abstract of Himachal Pradesh: 2014-15 of Department of Economics & Statistics and Data from Planning Department, Himachal Pradesh.

### **III.4 Plan/ Non-Plan<sup>26</sup> Expenditures for Social Development Sub-Sectors**

The expenditures for three important sub –sectors of Social development (education, sports, arts and culture, health and family welfare and Social security and welfare) during 2001-02 to 2018-19 B.E. depicts substantial proportion of the actual funds were spent under non-plan expenditure, while a small proportion of funds were actually spent under the plan expenditures for education, sports and health and family welfare. Nearly half of the expenditure under Sarva Shiksha Abhiyan (SSA) for education sector in 2001-2003 was incurred on plan expenditure as per the requirements of Central Government. Similarly, nearly half of the funds under health and family welfare were also spent under plan expenditure till 2007-08, as they were specifically meant for investment in creating health services by the central Governments. However, after exhausting the Central government funds under SSA and health programme, majority of the expenditure was spent under the non-plan expenditure by the state government.

A substantial proportion of expenditure on Social Security and Welfare was incurred from 2001-02 to 2018-19 under the Plan. Thus, creation of new infrastructure and new projects for the processes of human development needs strengthening in future plans. A substantial finance needs to be generated by the State for this purpose. (Refer Table No. III.5)

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<sup>26</sup> The plan expenditures are estimated after discussions between each of the ministries concerned and the Planning Commission for new investments and developmental projects. Non-plan revenue expenditure is accounted for by interest payments, subsidies (mainly on food and fertilizers), wage and salary payments to government employees, grants to States and Union Territories governments, pensions, police, economic services in various sectors, other general services such as tax collection, social services, and grants to foreign governments. Non-plan capital expenditure mainly includes defence, loans to public enterprises, loans to States, Union Territories and foreign governments

**Table No III.5**  
**Health and Social Security and Welfare Services**

(Rs. in Lakh)

Year	Education, Sports, Art and Culture			Health and Family Welfare			Social Security and Welfare		
	Plan	Non-Plan	% Plan	Plan	Non-Plan	% Plan	Plan	Non-Plan	% Plan
2001-02	40397	47356	46.03	13442	12509	51.80	4025	2810	58.89
2002-03	43966	49773	46.90	14625	13140	52.67	5191	2793	65.02
2003-04	8876	88022	9.16	13919	15651	47.07	3837	6062	38.76
2004-05	11057	92655	10.66	17312	13803	55.64	6657	4696	58.64
2005-06	17546	99718	14.96	19270	15215	55.88	8720	2534	77.48
2006-07	22337	110112	16.86	22526	17220	56.67	10663	3160	77.14
2007-08	14003	134411	9.44	23266	20505	53.15	12646	3304	79.28
2008-09	11103	161115	6.45	4121	44125	8.54	11397	11234	50.36
2009-10	17204	189985	8.30	4761	56207	7.81	15329	10659	58.98
2011-12	43498	255517	14.55	13326	66404	16.71	136114	441222	23.58
2012-13	53742	290200	15.63	16059	79110	16.87	158928	512040	23.69
2013-14	61081	300588	16.89	17053	83076	17.03	176026	555051	24.08
2014-15	84050	343432	19.66	40818	89127	31.41	33094	24550	57.41
2015-16	10285	40289	20.34	57006	84734	40.22	34633	30104	53.50
2016-17	120336	403755	22.96	33265	105420	23.99	39125	36690	51.61
2017-18(RE)	138870	465196	22.99	79655	120928	39.71	41124	47106	46.61
2018-19(BE)	128765	490991	20.78	90061	134030	40.19	45572	60237	43.07

**Source:** Annual Financial Statements (Budget) Finance Department, H.P.

### **III.5 Decentralized Planning in Himachal Pradesh**

The aim of balanced regional planning is to identify a process of development, which will raise quality of population and living standards and open out to the people new opportunities for a more prosperous life which in sync with their environment requirements. The concept of decentralized planning is as old as the Gandhian economic thought itself. It envisages developing village economy in sync with the grassroots realities of the area, where active participation of people for their own development and the ideology of self sustaining village economy is prime concern.

The basic objective is ensuring equitable growth and development processes so that human development and improvement of quality of population is ensured. The purpose is to create necessary opportunities for inclusiveness, and sustainability at the grassroots level. The concept of decentralized planning was accepted in principle since the beginning of planning era in the country but the major step towards the decentralization was taken during the Fifth Five Year Plan, so as to tackle the problems of poverty, unemployment, inequality, infrastructure backwardness more directly and effectively. The Decentralized Planning process was initiated in a phased manner and the steps taken in this direction to ensure adequate involvement of people and their representatives in the decision making process.

Implementation of third tier of administration – the Panchayati Raj institution made this possible after the promulgation of 73<sup>rd</sup> and 74<sup>th</sup> amendment of the constitution.

In case of Himachal Pradesh, the decentralised planning is formulated by engaging the District Planning Cells for the preparation of schemes at the micro level ( Zila Panchayat and Panchayat Samitis level ) . Aim is to monitor the process of the implementation of all the plan schemes being run by various departments soon after the approval of the budget. In addition to the schemes already in progress by the respective departments, some schemes are specifically implemented through decentralized planning programme. The district planning cell play a pivotal role in reviewing the implementation of all these Decentralized Planning Programmes.

These schemes include:

- Sectoral Decentralized Planning,
- Vikas Mein Jan Sahyog ,
- Vidhayak Keshetra Vikas Nidhi Yojna,
- Mukhya Mantri Gram Path Yojna and the
- Backward Area Sub-Plan
- Tribal Area Sub-Plan.
- Scheduled Caste Sub Plan
- MPLAND Schemes
- 20-Point Programmes

### **III.6 Unit of Decentralized Planning in Himachal Pradesh**

Himachal Pradesh – mostly a hill state consists of 12 districts. Two districts of Lahaul – Spiti and Kinnaur fall in the Greater Himalayan ranges and are surrounded in the east with China border. These two districts have a significant proportion of tribal population which requires special attention due to their inaccessibility and difficult terrain and climatic variations. As per Census 2011 information, the state has recorded population of 6,864,602 dwelling in 20,690 villages and 59 towns. The state has been divided into 80 Development Blocks and each Block has Panchayat Samiti. The State has 3226 Gram Panchayats- the lowest level of planning units for decentralised planning. (Refer Table No III.6 ).

**Table No III.6**  
**Himachal Pradesh- 2019**  
**Units of Decentralized Planning**

<b>District</b>	<b>Population 2011 Census</b>	<b>Number of Villages (Inhabited + Uninhabited) 2011 Census</b>	<b>Number of Towns 2011 Census</b>	<b>Number of Blocks</b>	<b>Number of Panchayat Samitis</b>	<b>Number of Gram Panchayats</b>
Bilaspur	3,81,956	1061	4	4	4	151
Chamba	5,19,080	1591	5	7	7	283
Hamirpur	4,54,768	1725	4	6	6	229
Kangra	15,10,075	3869	9	15	15	748
Kinnaur	84,121	660	-	3	3	65
Kullu	4,37,903	326	5	5	5	204
Lahaul & Spiti	31,564	521	-	2	2	41
Mandi	9,99,777	3338	5	11	11	469
Shimla	8,14,010	3231	11	11	11	363
Sirmaur	5,29,855	976	3	6	6	228
Solan	5,80,320	2544	8	5	5	211
Una	5,21,173	848	5	5	5	234
<b>H.P.</b>	<b>68,64,602</b>	<b>20690</b>	<b>59</b>	<b>80</b>	<b>80</b>	<b>3226</b>

### **III.7 Sectoral Decentralized Planning Programmes (SDP) in Himachal Pradesh**

This programme was introduced in ten Non- Tribal Districts of the State during the year 1993-94. For the tribal districts the component of SDP is taken care of under the Tribal Sub-Plan (TSP). In addition to the Five-Year plan and annual plan funds, under this programme, funds are allocated to the 10 districts of non-tribal areas, on a formula of 60% on the basis of population and 40% on the basis of geographical area. The schemes of local importance and missing links in budget are identified by the local planners. The District Commissioner (DC) concerned is, required to get the works approved from the District Planning, Development and 20-Point Programme Review Committee. The earmarked funds are utilized for the identified programmes as per the development requirements of the people. The development programmes should be approved technically and budget approval by competent authority.<sup>27</sup> Repairs and renovation of public assets like schools, health institutions, veterinary institutions, water supply works, irrigation and road construction are some of the development projects undertaken under this programme.

#### **III.7.1 Vikas Mein Jan Sahyog (VMJS)**

In order to have effective people's participation in the development of the respective areas, some funds are being provided for developmental works, where people can identify the development project and can be effective partner by contributing 30% cost of the expenses and the rest 70% is being provided under this scheme. Currently people's contribution has been reduced to 25% of the cost. Initially the scheme was introduced in 1991-92 as "Gaon Bhi Apna, Kam Bhi Apna", which has been now rechristened as "Vikas Main Jan Sahyog". In case of urban areas 50% funds are required from people and the other 50%

<sup>27</sup> Planning Department, Government of Himachal Pradesh.

is provided through this scheme. The maximum limit of the project cost has been revised and authority to approve the limit vests with several authorities. (Refer Table No. III.7)

**Table No III.7**  
**Vikas Mein Jan Sahyog (VMJS)**  
**Sanctioning Authority and Limit of Funds**

<b>Sr. No.</b>	<b>Authorized Offices/ Department</b>	<b>Limit for Financial Sanction (Rs. in lakh)</b>
1.	Deputy Commissioner	40.00
2.	Adviser, Planning Department	70.00
3.	Addl. Chief Secretary/ Pr. Secretary/ Secretary (Planning)	100.00
4.	Finance Department	Above 100.00

**Source:** Planning Department, Government of Himachal Pradesh

### **III.7.2 Mukhya Mantri Gram Path Yojana (MMGPY)**

The scheme was reintroduced to strengthen decentralized planning process through ensuring accessibility and communication with the inaccessible villages. DCs are empowered to sanction works under this scheme. A provision of Rupees 4.00 crores per year for the 10 non-tribal districts have been stipulated under this scheme in 2013-14, which enhanced to Rupees 5.00 crores in 2014-15 and further enhanced to Rupees 5.50 crores in 2015-16 till 2018-19. The funds are allotted on the basis of total rural population and total number of inhabited villages in the district on 50:50 ratios as per 1991 census. The provisions under the scheme stipulate construction of pucca paths / link roads in the Scheduled Castes concentrated population villages. The road alignment should be got approved from the PWD, so that the jeepable roads later on could be upgraded to normal bus roads, as per the PWD norms. Monitoring of all the above projects should be done by the competent authorities regularly

A total of Rs.39.36 crore, Rs.10.00 crore, Rs.32.66 crore and Rs.4.00 crore were utilized by the 10 districts respectively under the SDP, VMJS, VKVNY and MMGPY programmes in 2013-14, which have enhanced to Rs.59.04 crore, Rs.21.58 crore, Rs.71.85 crore and Rs.5.50 crore in 2017-18 and 2018-19. The district wise performance of the funds utilized under these four programmes varied as Kangra, Mandi and Shimla district were major beneficiaries of SDP, VMJS and MMGPY programmes. (Refer Table No. III. 8A to D).

**Table No. III.8A**  
**Himachal Pradesh Funds Utilized under**  
**Decentralized Planning and other Direct Expenditure**  
**For Non-Tribal Districts- (Rs. in lakh)**

District	Sectoral Decentralized Planning (SDP)					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Bilaspur</b>	198.22	172.55	252.00	286.01	277.52	350.80
<b>Chamba</b>	258.31	238.64	385.80	416.00	424.92	468.20
<b>Hamirpur</b>	288.98	185.31	299.56	323.01	404.92	363.52
<b>Kangra</b>	760.81	682.22	1102.88	1304.16	1289.97	1392.58
<b>Kullu</b>	392.82	338.84	567.02	607.53	651.98	627.48
<b>Mandi</b>	535.35	441.48	713.67	783.84	788.54	1476.15
<b>Shimla</b>	662.31	530.02	851.84	744.78	815.72	856.24
<b>Sirmaur</b>	287.28	263.39	428.82	459.35	439.28	646.51
<b>Solan</b>	291.94	227.32	340.56	381.51	400.07	418.28
<b>Una</b>	260.29	218.31	326.00	365.81	411.58	395.64
<b>H.P.</b>	<b>3936.31</b>	<b>3298.10</b>	<b>5268.15</b>	<b>5672.00</b>	<b>5904.50</b>	<b>6995.40</b>

**Table No. III.8B**  
**Himachal Pradesh Funds Utilized under**  
**Decentralized Planning and other Direct Expenditure**  
**For Non-Tribal Districts- (Rs. in lakh)**

District	Vikas Main Jan Sahyog (VMJS)					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Bilaspur</b>	43.91	41.55	87.94	88.85	94.38	102.13
<b>Chamba</b>	67.22	63.61	134.62	136.03	144.47	156.39
<b>Hamirpur</b>	52.19	49.39	104.54	105.63	112.20	121.42
<b>Kangra</b>	202.76	227.39	375.44	379.36	403.01	436.09
<b>Kullu</b>	99.76	195.20	180.43	194.92	253.52	258.58
<b>Mandi</b>	140.32	176.00	249.05	350.00	267.33	313.20
<b>Shimla</b>	208.23	521.20	259.18	334.36	330.33	317.38
<b>Sirmaur</b>	69.48	65.76	139.19	140.64	149.41	161.66
<b>Solan</b>	59.33	106.15	317.06	233.50	281.02	160.00
<b>Una</b>	56.80	53.75	113.77	114.96	122.13	132.14
<b>H.P.</b>	<b>1000.00</b>	<b>1500.00</b>	<b>1961.22</b>	<b>2078.25</b>	<b>2157.80</b>	<b>2159.00</b>

**Table No. III.8C**  
**Himachal Pradesh Funds Utilized under**  
**Decentralized Planning and other Direct Expenditure**  
**For Non-Tribal Districts- (Rs. in lakh)**

District	Vidhayak Kshetra Vikas Nidhi Yojana (VKVNY)					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Bilaspur</b>	200.00	200.00	300.00	400.00	440.00	500.00
<b>Chamba</b>	216.18	216.00	324.00	432.00	475.20	540.00
<b>Hamirpur</b>	250.00	250.00	375.00	500.0	550.00	625.00
<b>Kangra</b>	750.00	750.00	1125.00	1500.00	1650.00	1875.00
<b>Kullu</b>	200.00	200.00	300.00	400.00	440.00	500.00
<b>Mandi</b>	500.00	500.00	750.00	1002.75	1100.00	1250.00
<b>Shimla</b>	400.00	400.00	600.00	800.00	880.00	1000.00
<b>Sirmaur</b>	250.00	250.00	375.00	500.00	550.00	625.00
<b>Solan</b>	250.00	250.00	375.00	500.00	550.00	625.00
<b>Una</b>	250.00	250.00	375.00	500.00	550.00	625.00
<b>H.P.</b>	<b>3266.18</b>	<b>3266.00</b>	<b>4899.00</b>	<b>6534.75</b>	<b>7185.20</b>	<b>8165.00</b>

**Table No. III.8D**  
**Himachal Pradesh Funds Utilized under**  
**Decentralized Planning and other Direct Expenditure**  
**For Non-Tribal Districts- (Rs. In lakh)**

District	Mukhya Mantri Gram Path Yojana (MMGPY)					
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Bilaspur</b>	23.18	28.97	31.87	31.87	31.87	31.87
<b>Chamba</b>	29.38	36.74	40.40	40.40	40.40	40.40
<b>Hamirpur</b>	34.16	42.71	46.99	46.99	46.99	46.99
<b>Kangra</b>	90.22	112.77	124.01	124.01	124.01	124.01
<b>Kullu</b>	14.02	17.52	19.28	19.28	19.28	19.28
<b>Mandi</b>	64.80	81.00	89.11	89.11	89.11	89.11
<b>Shimla</b>	52.38	65.48	72.03	72.03	72.03	72.03
<b>Sirmaur</b>	26.68	33.35	36.70	36.70	36.70	36.70
<b>Solan</b>	43.56	54.44	59.88	59.88	59.88	59.88
<b>Una</b>	21.62	27.02	29.73	29.73	29.73	29.73
<b>H.P.</b>	<b>400.00</b>	<b>500.00</b>	<b>550.00</b>	<b>550.00</b>	<b>550.00</b>	<b>550.00</b>

**Source:** Planning Department, Government of Himachal Pradesh



### III.7.3 Backward Area Sub Plan

In order to bring backward areas in the mainstream of development for removing economic disparities, the identification of backward areas was taken up in Fourth Five Year plan (1969-74) period. Efforts were made to identify backward areas which were neglected due to their remoteness and inaccessibility. Indicators for identifying these backward areas were remoteness, inaccessibility, socio-economic development and infrastructural backwardness. The process formulated Sub Plan for the identified backward areas for specific development.

The government declared 321 Panchayats as backward, vide notification No. PLG-FC (F)3-55/82 dated 10-1-1986. As a result of reorganization of Panchayats a total of 551 Panchayats out of 3243 Panchayats have been identified as backward areas in 2006. The scheme is operationalised in 10 non-tribal districts

For the overall development of backward areas, the Government of Himachal Pradesh framed a comprehensive policy during the year 1995-96. A separate Sub Plan for the development of Backward Areas in the State came into existence. Sectoral outlays under the Economic and Social Development Sub-Sectors are earmarked. The Sub-Sectors identified include; agriculture, Soil Conservation (Agriculture), Horticulture, Minor Irrigation, Animal Husbandry, Forestry, Village and Small Scale Industries, Rural Roads & Bridges, Elementary Education, General Education, Rural Health (Allopathy), Ayurveda and Rural Water Supply.

A total of Rs. 20650.00 lakh were stipulated under Backward Areas Sub Plan during 12<sup>th</sup> Five- Year Plan, out of which Rs. 20575.67 lakh were actually spent under BASP. In 2017-18 and 2018-19, Rs. 5447.00 lakh and Rs. 5945.00 lakh respectively have been earmarked for the Backward Areas Sub Plan. Funds of Rs. 5411.28 lakh and Rs.5939.81 lakh were actually spent under this programme during annual plan 2017-18 and 2018-19 respectively. (Refer Table No. III.9)

**Table No. III.9**  
**Himachal Pradesh**  
**BASP Outlay and Actual Expenditure under 12<sup>th</sup> Five Year Plan and 2012-13 to 2018-19**  
**(Rs. in lakh)**

Year	Outlay	Expenditure
12 <sup>th</sup> Plan	20650.00	20575.67
2017-18	5447.00	5411.28
2018-19	5945.00	5939.81

**Source:** Department of Planning, Government of Himachal Pradesh.

### III.7.4 Tribal Area Sub Plan

Himachal Pradesh has tribal population living in Scheduled Areas as well as in the other areas. Districts of Lahaul-Spiti, Kinnaur and Chamba have high concentration of Scheduled Tribe (ST) population. Total ST Population constitutes 5.7 per cent as per 2011 Census.

The concept of tribal sub plan was adopted in the state, as elsewhere, from the beginning of the 5<sup>th</sup> Five Year Plan, i.e. 1974-75. As per State planning policy of the Government 9% of the total State Plan outlay is earmarked for Tribal Sub Plan every year. The State Planning Department communicates 9% ceiling of State Plan outlays to the Tribal Development Department

For budgetary provision, a single consolidated demand has been adopted in the State since 1981-82. Such an arrangement is very helpful in diverting funds from one scheme to another in the same major head and from one major head to another. Such a single demand also ensures non-divertibility of Tribal Sub-Plan

funds outside the tribal area.

12<sup>th</sup> Five year plan period (2012-2017) has envisaged Rupees 2052 crore , out of which 61 % have been stipulated for Economic sector, 34% for Social development and the rest 5% for General services. An amount of Rupees 369 crore was actually spent under the TSP during 2013-14, out of which 28% funds were spent on energy sector, 17% on transport and communication and 12% for education sector. (Refer Table No III.10)

### **III.7.5 Scheduled Caste Area Sub Plan**

A Special Component Plan (SCP) was formulated in 1979-80, which has been now renamed as Scheduled Castes Sub Plan (SCSP). Himachal Pradesh has a quarter of population (25.19%) as Scheduled Castes dwelling in all districts. In order to specifically provide support to SC population, SCSP was incorporated in 5<sup>th</sup> Five Year Plan. The Scheduled Caste Sub Plan is specifically designed to channelize the flow of benefits and outlays from the general sector in the state plan and from the union ministry of Social Justice and Empowerment for the development of Scheduled Caste in physical as well as financial terms. The Scheduled Caste Sub Plan is designed to help poor Scheduled Caste families through composite income generating programmes. The Sub-Plan directly benefits the individuals/families and infrastructural facilities in the habitation where Scheduled Caste concentration is 40% or more.

An actual expenditure of rupees 3377.75 crore were spent under SCSP plan in Himachal Pradesh, which was more than the outlay of Rupees 2500 crore during the 11<sup>th</sup> Five-year plan. A significant proportion of the actual expenditure was spent on Social development (62%). The 12<sup>th</sup> Five-Year Plan (2012-17) has made an outlay of Rs.5636 crore, out of which 40% funds have been stipulated for social development, giving priority for education and sanitation sector. A total of 60% funds have been allocated for economic development sector out of which agricultural development and transport sector have been given priority. An amount of Rs.1586.97 Crore was spent under SCSP during 2018-19, out of which 55.57%, 43.25% and 1.18% funds were spent on Economic Sector, Social Development Sector and Other General Services Sector respectively. (Refer Table III.10)

**Table No III.10**  
**Himachal Pradesh**  
**Percent Actual Expenditure under 12<sup>th</sup> Five-Year Plan and Annual Plan 2013-14**  
**For Backward Area, Scheduled Castes and Scheduled Tribes**  
**Sector Wise (Percentage)**

Sector	12 <sup>th</sup> Five Year Plan (2012-17) Percent Outlay			Annual Plan 2017-18 Percent Actual Expenditure			Annual Plan 2018-19 Percent Actual Expenditure		
	BASP	SCSP	TSP	BASP	SCSP	TSP	BASP	SCSP	TSP
Agricultural and Allied	7.30	11.86	8.99	6.93	12.06	11.98	7.08	12.89	12.60
Rural Development	0.00	8.27	6.17	0.00	2.08	2.73	0.00	1.83	2.62
Special Area Programme	0.00	0.00	7.59	0.00	0.00	5.42	0.00	0.00	4.90
Irrigation & Flood Control	0.35	11.98	6.54	0.43	6.31	5.70	0.46	6.21	5.79
Energy	0.00	8.73	9.40	0.00	11.00	22.35	0.00	9.95	20.22
Industry and Mineral	0.85	0.12	0.60	0.50	0.27	0.08	0.53	1.90	0.66
Transport and Communication	24.75	17.83	20.89	36.34	22.34	12.90	37.06	21.31	12.21
Science & Tech	0.00	0.37	0.05	0.00	0.17	0.05	0.00	0.19	0.11
General Economic Services	0.00	0.53	0.44	0.00	1.51	0.13	0.00	1.29	0.17
<b>ECONOMIC SECTOR</b>	<b>33.24</b>	<b>59.68</b>	<b>60.71</b>	<b>44.20</b>	<b>57.57</b>	<b>62.01</b>	<b>45.14</b>	<b>55.57</b>	<b>59.30</b>
Education & Sports	24.75	11.22	16.83	33.97	13.32	14.62	32.63	13.87	15.40
Health & Family Welfare	20.99	5.25	8.28	8.00	4.22	5.72	8.14	4.57	6.72
Sanitation, Housing and Urban Dev	21.01	11.55	5.52	13.83	11.12	3.43	14.10	11.04	3.59
Information and Publicity	0.00	0.03	0.03	0.00	0.01	0.03	0.00	0.01	0.03
Welfare of SC/ST and Other Backwards	0.00	10.47	2.05	0.00	7.99	3.01	0.00	7.68	2.93
Labour Welfare	0.00	0.00	0.02	0.00	0.00	0.03	0.00	0.00	0.02
Women & Child Social & Nutrition	0.00	1.58	1.46	0.00	5.45	5.18	0.00	6.08	5.87
<b>SOCIAL DEVELOPMENT</b>	<b>66.76</b>	<b>40.09</b>	<b>34.19</b>	<b>55.80</b>	<b>42.11</b>	<b>32.02</b>	<b>54.86</b>	<b>43.25</b>	<b>34.56</b>
<b>OTHER GENERAL SERVICES</b>	<b>0.00</b>	<b>0.23</b>	<b>5.10</b>	<b>0.00</b>	<b>0.32</b>	<b>5.97</b>	<b>0.00</b>	<b>1.18</b>	<b>6.14</b>
<b>All Expenditures (Rs Crore)</b>	<b>135.0</b>	<b>5636</b>	<b>2052</b>	<b>70.00</b>	<b>1435.83</b>	<b>513.00</b>	<b>75.55</b>	<b>1586.97</b>	<b>567.00</b>

BASP(Backward Area Sub- Plan), SCSP( Scheduled Caste Sub-Plan), TSP(Tribal Area Sub-Plan)

**Source:** Department of Planning, Government of Himachal Pradesh.

### III.7.6 Programme Covered under Rural Infrastructure Development Fund (RIDF)

The RIDF was set up by the Government in 1995-96 for financing ongoing rural Infrastructure projects. The Fund is maintained by the National Bank for Agriculture and Rural Development (NABARD). Domestic commercial banks contribute to the Fund to the extent of their shortfall in stipulated priority sector lending to agriculture. The main objective of the Fund is to provide loans to State Governments and State-owned corporations to enable them to complete ongoing rural infrastructure projects.<sup>28</sup> It is a major component of Annual Plan 2018-19 for building infrastructure to supplement growth in productivity. In the Annual Plan 2018-19 an outlay of Rupees 650.00 crore has been proposed which constitutes 10.32% of the total plan outlay. (Refer Table III.11)

**Table No III.11**  
**Component wise RIDF provisions for Annual Plan -2018-19**

Sr. No.	Component	Proposed Outlay Rupees Crore
1.	Soil Conservation (Agriculture)	38.00
2.	Minor Irrigation/FPW	114.00
3.	Roads & Bridges	368.00
4.	Rural Water Supply	130.00
	<b>Total</b>	<b>650.00</b>

**Source:** Department of Planning, Government of Himachal Pradesh.

### III.7.7 Finance Commission Award

Finance Commission Grants to Himachal Pradesh from 12<sup>th</sup> Finance Commission to 14<sup>th</sup> Finance Commission are main source for rejuvenation of finance of the State (Refer Table No. III.12).

**Table III.12**  
**Award of 12<sup>th</sup> to 14<sup>th</sup> Finance Commissions**

Head	12 <sup>th</sup> FC Grants	13 <sup>th</sup> FC Grants	14 <sup>th</sup> FC Grants
Revenue Deficit Grants	10202.00	7889.00	40624.00
Share in Central Taxes	3203.00	11327.00	28225.00
Rural Local Bodies	147.00	560.00	1810.00
Urban Local Bodies	8.00	82.00	202.00
State Disaster Response Fund	401.00	670.00	1173.00
Others	489.00	1164.00	0.00
	<b>14450.00</b>	<b>21692.00</b>	<b>72034.00</b>

**Source:** Finance Department of Planning, Himachal Pradesh.

### III.7.8 Externally Aided Projects (EAPs)

Externally Aided Projects play an important role in the economy of a Special Category State like Himachal Pradesh to supplement the State resources. The Special Category States get 90% grant and 10% loan under the Externally Aided Projects. The State Government has given a very high priority for the Externally Aided Projects (EAPs) in the resource mobilization strategy of the state. The State

Government is implementing Externally Aided Projects (EAPs) in the sectors of Forestry, Power, Tourism, Horticulture, Skill, Urban Development, Agriculture etc. The implementation of these projects would help in achieving the objectives of increasing productivity and raising the quality of life especially of the rural masses and is expected to provide impetus for human development. An amount of Rupees 561.15 crore have been spent in the annual plan 2018-19 under the EAP project (Refer Table III.13)

**Table No III.13**  
**Himachal Pradesh**  
**Components Wise Externally Aided Project**  
**Total Outlay and Actual Expenditure Annual Plan 2013-14**

Sector Wise Project	Revised Cost Rs. Crore	Sharing Pattern		Annual Plan 2018-19	Donor Agency
		EAP	State		
Power / Energy	2845.00	77.00	23.00	365.00	ADB
Forest	308.45	85.00	15.00	17.86	KfW
Forest	800.00	80.00	20.00	0.00	JICA
Tourism	685.00	70.00	30.00	100.00	ADB
Agriculture	321.00	85.00	15.00	25.62	JICA
Horticulture	1135.67	80.00	20.00	49.23	World Bank
Urban Development	280.01	100.00	0.00	0.00	World Bank
Skill Development	650.00	80.00	20.00	15.40	ADB
<b>Grand Total</b>	<b>7025.13</b>			<b>573.11</b>	

**Source:** Department of Planning, Government of Himachal Pradesh.

### III.8 Research Questions Evaluated

Whether advocacy through dissemination and outreach of SHDRs is ensured to internalize public expenditure for human development and social priority sectors by planners and implementers for identified development programmes.

- Special efforts have been made to build capacity of state planners for devising strategies to prepare priorities for the economic and social sectors leading to overall human development. In fact separate fund allocations and actual expenditures stipulated under these sectors have been operationalized during 10<sup>th</sup>, 11<sup>th</sup> and Annual plans under 12<sup>th</sup> Five year Plan. This strategy has definitely increased actual financial expenditures for the prioritized economic and social sub sectors especially transport, energy, sanitation and housing, education and health care.

Whether Capacity building of State Planners for human development, including building capacities in making available disaggregated District level data has been accomplished

The capacity build among the state planners should have led to the availability of district level disaggregated data on budget allocations and actual expenditures. This data would have helped to measure the district wise outcomes of such allocations and actual expenditures on the human development indicators. But unfortunately the state planners have not yet internalized the process

of providing district wise allocations and actual expenditures; hence measuring the impact of financial expenditures on human development at district level is not possible. Thus the objective of building capacities in making available disaggregated District level data has not been accomplished.

## **Chapter-IV: Status of Human Development**

### **IV.1 Human Development in Himachal Pradesh**

Human resource development is the key to utilize the resources optimally in any society. Positive contribution of public expenditure on provisions of processes of human development like; health, education, employment, energy, transport, communication and special programmes for Scheduled Castes, Scheduled Tribes and other backward population largely determine the outcomes of the human development processes. In view of the above, decentralized budget allocations and monitoring of actual performance of financial budgeting provided through both state and centrally sponsored programmes has gained importance. The importance of public expenditure in the process of human development is well recognised and has gained tremendous significance after Eighth Five Year Plan.

As already stated in the previous chapters, Himachal Pradesh has embarked on decentralized planning approach under Five-Year Plans. The analysis of the actual expenditures under the Five Years plans reflected several positive steps for strengthening the processes of human development. The present section attempts to analyze the impact of such public provisioning of funds on the indicators of human development.

Following indicators have been selected to measure the outcomes of human development in Himachal Pradesh. These indicators have been measures at district level in order to examine the regional variations.

- Demographic Characteristics
- Education Development Characteristics
- Health related Indicators
- Women's participation
- Sanitation, Safe Drinking Water and other Public Services
- Natural Resource Management
- Infrastructure: Connectivity and Road Network.

### **IV.2 Demographic Characteristics**

Among the demographic indicators, growth rate of population, average size of households, percent urban population, sex ratio of all ages, sex ratio below 6 years have been selected. Temporal variation of decennial growth rate of population in Himachal Pradesh depicts significant decrease from 23.71 percent in 1981 to 12.94 percent in 2001-2011 as compared to the national average. (Refer Table No.IV.1).

The decrease in the population growth rate has been achieved in spite of declining death rates and insignificant out- migration from the state. Thus economic growth and development parameters are essentially reflected through declining population growth by decreasing both births and death rate. This reflects advanced stage of demographic transition model. A satisfying picture indicates that all the districts have achieved lower decennial population growth rate as compared to the national average. The decrease in the population growth rate has also translated into less household size population of 4.63 persons per household, which is one of the ideal condition for promoting growth generative policies for the population. Except for Chamba district all the districts have around 4.60 household population size. (Refer Table No.IV.2)

Percent urban population to total population shows insignificant changes in Himachal Pradesh since last two decades. This is due to strong agriculture and horticulture base of the state. Urbanization although considered as a requirement for development but it may not be construed as a negative indicator in case of

Himachal Pradesh owing to its location in Himalayas, where concentration of population at specific nodes are not feasible. In fact, less urbanization in Himachal Pradesh is more positive to maintain the ecological balance in this fragile eco-system.

**Table No IV.1**  
**Himachal Pradesh**  
**Temporal Variation of Some Demographic Indicators**

Year	Himachal Pradesh	India	Himachal Pradesh	India	Percentage of rural/urban population to total population	
					Rural	Urban
1981	23.71	24.66	973	934	92.39	7.61
1991	20.79	23.87	976	927	91.31	8.69
2001	17.54	21.54	968	933	90.20	9.80
<b>2011</b>	<b>12.94</b>	<b>17.7</b>	<b>972</b>	<b>940</b>	<b>89.97</b>	<b>10.03</b>

**Source:** (i) Census of India 1991, 2001, Primary Census Abstract.

(ii) Census of India - 2011.

**Table No IV.2**  
**Himachal Pradesh- 2011**

District	Population 2011	Population Growth Rate 2001-11	Average Size of Households	Per Cent Urban Population
Bilaspur	3,81,956	12.05	4.75	6.58
Chamba	5,19,080	12.63	5.07	6.96
Hamirpur	4,54,768	10.19	4.31	6.91
Kangra	15,10,075	12.77	4.46	5.71
Kinnaur	84,121	7.39	4.21	-
Kullu	4,37,903	14.76	4.62	9.45
Lahaul Spiti	31,564	-5.00	4.73	-
Mandi	9,99,777	10.92	4.56	6.27
Shimla	8,14,010	12.67	4.42	24.74
Sirmaur	5,29,855	15.54	5.40	10.79
Solan	5,80,320	15.93	4.74	17.60
Una	5,21,173	16.26	4.72	8.62
<b>H.P.</b>	<b>68,64,602</b>	<b>12.94</b>	<b>4.63</b>	<b>10.03</b>

**Source:** (i) Census of India 1991, 2001, Primary Census Abstract.

(ii) Census of India - 2011.

### IV.3 Sex Ratio

Sex ratio is considered as one of the powerful indicators to measure the social development and attitude of the society towards gender justice and women status. Himachal Pradesh has constantly recorded more balanced sex ratio since 1981, where as the national average of sex ratio has been declining constantly, depicting Himachal Pradesh as one of the most developed state in terms of gender justice and women's



empowerment. (Refer Table No. 1) District wise variations in the sex ratio of Himachal Pradesh have been recorded. Kinnaur, Lahaul-Spiti, Shimla and Sirmour recorded lower sex ratio both in 2001 and 2011. Low sex ratio in these districts as compared to the state average can perhaps be associated with variations in the sex selective mortality rates as these districts are located in far flung regions with least accessibility and sex selective healthcare is still being promoted, which is also reflected by low sex ratio for 0-6 years in these districts. Unfortunately, Himachal Pradesh has recorded lower sex ratio for (0-6 years) as compared to national average, which itself has very low sex ratio. Creating awareness among the population to increase sex ratio below 6 years of age should be one of the major target during the 12<sup>th</sup> Five- Year Plan. (Refer Table No. IV.3)

**Table No IV.3**  
**Himachal Pradesh**  
**Sex Ratio**

District	Sex Ratio All Ages		Sex Ratio 0-6 Age Group		
	2001	2011	1991	2001	2011
Bilaspur	990	981	923	882	900
Chamba	959	986	965	955	953
Hamirpur	1099	1095	938	850	887
Kangra	1025	1012	939	836	876
Kinnaur	857	819	958	979	963
Kullu	927	942	966	960	962
Lahaul Spiti	802	903	951	961	1033
Mandi	1012	1007	968	918	916
Shimla	896	915	958	929	925
Sirmaur	901	918	973	934	928
Solan	852	880	951	900	899
Una	997	976	923	837	875
<b>H.P.</b>	<b>968</b>	<b>972</b>	<b>951</b>	<b>896</b>	<b>909</b>
<b>India</b>	<b>933</b>	<b>940</b>	<b>945</b>	<b>927</b>	<b>914</b>

**Source:** (i) Census of India 1991, 2001, Primary Census Abstract.

(ii) Census of India - 2011

#### **IV.4 Levels of Education Development**

The role of education to meet basic learning needs of every person- child, youth and adult in shaping human development have been emphasized through several cross cultural studies. Development economists have shown that more educated and literate educated parents have healthier lives, reduced fertility and less disease prone children. There has been significant positive impact of the quantity of primary and secondary education (measured as enrolment ratios or average years of schooling) on aggregate economic growth. The education needs comprise of both essential learning tools (such as literacy, oral expression, numeracy, and problem solving) and the basic learning content (such as knowledge, skills, values, and attitudes) which are required by human beings to be able to survive, to develop their full capacities, to live and work in dignity, to participate fully in development, to improve the quality of their lives, to make informed decisions, and to continue learning. The scope of basic learning needs and how they should be met varies with individual countries and cultures, and inevitably,

changes with the passage of time. Refer: (Chabbott and Ramirez, 2000)<sup>29</sup>; (Topel, 1999)<sup>30</sup>, (Weiner, 1991)<sup>31</sup> (Hannum and Buchmann, 2004)<sup>32</sup>, Walter, 2000)<sup>33</sup>, (Stash and Hannum, 2001)<sup>34</sup>. (UNESCO, 2008)<sup>35</sup>, (Zutshi, 2006)<sup>36</sup>

#### **IV.4.1 Educational Institution Access and Availability**

The school education structure in India constitutes the primary stage (Class I-V), elementary/upper primary stage (Class VI-VIII) and high and higher secondary stage (Class IX-XII). The Census of India 2011 reveals that despite a host of schemes and programmes, only 74 per cent of the Indian people were literate (82 per cent men and 65 per cent women). However, Himachal Pradesh recorded better literacy rate as compared to the national average. Access and availability are the two major constraints in universalizing the education in India. Efforts have been made to open new schools in far flung areas so that educational institution are made easily available within short distances. In a hilly state like Himachal Pradesh access is challenging task as people live in small size hamlets which are far away from each other due to terrain constraints. As per education department information the State had 15,368 primary, middle, high and higher secondary educational institutes in 2017-18 under Education Department, whereas under All Management, these Institutes are 18212. In Education Department, it translates to nearly 2.04 educational institutes per '000' population. A significant variation was recorded in the availability of schools per '000' population among the districts. In case of districts falling in plain areas the distribution was lower as population tend to cluster in few nodes, while it was high for districts falling within difficult

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<sup>29</sup> Chabbott, C. and Ramirez, F. O. 2000. Development and education. Hallinan, M. (ed.), Handbook of the Sociology of Education. New York, Kluwer Academic, pp. 163–88.

<sup>30</sup> Topel, R. 1999. Labour markets and economic growth. Ashenfelt, O. and Card, D. (eds), Handbook of Labor Economics, Vol. 3C. Amsterdam, North Holland, pp. 2943–84

<sup>31</sup> Weiner, Myron; (1991): The Child and the State In India, Child Labour and the Education Policy in Comparative Perspective. Princeton University Press, Princeton.

<sup>32</sup> Hannum, E. and Buchmann, C. 2004. Global educational expansion and socio-economic development: an assessment of findings from the social sciences. World Development, Vol. 33, No. 3, pp. 1–22.

<sup>33</sup> Walters, P. B. 2000. The limits of growth: expansion and school reform in historical perspective.

<sup>34</sup> Schultz, P. T. 2002. Why governments should invest more to educate girls. World Development, Vol. 30, No. 2, pp. 207–25.

<sup>35</sup> UNESCO, EFA Monitoring Report 2008.

<sup>36</sup> Zutshi, B. 2006, India Country Report – 2006, Global March against Child Labour and International Centre on Child Labor and Education

terrain as people dwell in sparsely distributed hamlets. Thus government has taken due care to provide more schools in difficult terrain districts to provide easy access to the population.

Another indicator of access and availability of educational institutes under Education Department was worked out, which was number of schools per '00' settlements (both rural and urban settlements). The data indicates that 86 schools were available per '00' settlements, which shows that government have made all possible efforts to provide easy access and availability of education institutes to the people. Kullu district has much higher availability of schools, while Hamirpur and Solan recorded lower schools per '00; settlements. (Refer Table No IV. 4)

**Table No.IV.4**  
**Himachal Pradesh**  
**Schools Information 2018-19**

<b>District</b>	<b>Number of Schools* (Education Department)</b>	<b>Number of Schools* (All Management)</b>	<b>Schools per '000' Population (2019)</b>	<b>Schools per '00' Settlements (2011 Census)</b>
Bilaspur	847	1028	2.00	88.51
Chamba	1660	1835	2.87	148.88
Hamirpur	754	976	1.51	45.01
Kangra	2515	3148	1.49	69.36
Kinnaur	264	311	2.95	109.54
Kullu	1035	1221	2.07	324.45
Lahaul Spiti	251	259	7.85	89.64
Mandi	2448	2854	2.20	85.74
Shimla	2278	2663	2.61	83.87
Sirmaur	1456	1630	2.51	149.95
Solan	1094	1370	1.76	45.75
Una	766	917	1.41	96.35
<b>H.P.</b>	<b>15368</b>	<b>18212</b>	<b>2.04</b>	<b>85.66</b>

\* Primary, Middle, High and Higher Secondary Schools

**Source:** SSA, Himachal Pradesh

#### **IV.4.2 Teacher/ Pupil Ratio in Educational Institutions**

Himachal Pradesh has also performed better in providing adequate number of teacher to pupil over a period of time. Teacher/Pupil ratio has improved significantly in primary/ junior basic schools since 2003-04. The teacher /pupil ratio in primary schools has gone down to 1:11 in the schools in 2018-19. Similarly, the ratio has also improved for middle/ senior schools. However insignificant changes are recorded since 2003-04 in the teacher/ pupil ratio for high/ higher secondary schools and for colleges. This may be attributed to large number of students enrolling in these institutions for higher education. But the ratio in these higher education schools/ colleges seems to be within the norms. (Refer Table No. IV.5)

**Table No. IV. 5**  
**Himachal Pradesh Teacher/ Pupil Ratio**

Year	Teacher/ Pupil Ratio			
	Primary / Junior Basic	Middle/ Senior Basic	High/ Higher Secondary	Colleges
2003-04	1:22	1:46	1:14	1:48
2004-05	1:22	1:20	1:13	1:43
2005-06	1:21	1:19	-	-
2006-07	1:20	1:16	1:16	1:43
2007-08	1:19	1:12	1:16	1:40
2008-09	1:16	1:14	1:15	1:48
2009-10	1:16	1:15	1:14	1:42
2010-11	1:16	1:14	1:16	1:43
2011-12	1:16	1:13	1:19	1:46
2012-13	1:15	1:29	1:14	1:38
2013-14	1:14	1:28	1:13	1:46
2014-15	1:13	1:31	1:12	1:55
2015-16	1:13	1:32	1:11	1:59
2016-17	1:12	1:34	1:10	1:60
2017-18	1:11	1:32	1:05	1:59

**Source:** Economics & Statistics Department, H.P.

#### **IV.4.3 General Literacy Rate**

Literacy rate in Himachal Pradesh has recorded better results as compared to the national average for both males and females. In fact, right from 1991 onwards Himachal Pradesh has improved literacy levels for both men and women and as per 2011 Census data Himachal Pradesh has 90% literacy rate for men and 76% for women as compared to 82% for men and 65% for women for India. All districts of Himachal Pradesh have recorded impressive literacy rates for both men and women as compared to the national average. Even the far flung and inaccessible districts of Chamba, Kinnaur and Lahaul–Spiti have performed better and improved the literacy levels continuously from 1991. The public finance expenditures on education programmes under SSA and other state budgets seem to have played important role in making the education accessible and enrolling students for education. (Refer Table No IV.6)

**Table No IV.6**  
**Himachal Pradesh General Literacy Rate**

District	1991			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Bilaspur	77.97	56.55	67.17	86.0	69.5	77.8	91.2	78.0	84.59
Chamba	59.96	28.57	44.70	76.4	48.8	62.9	82.6	61.7	72.17
Hamirpur	85.11	65.90	74.88	90.2	75.7	82.5	94.4	82.6	88.15
Kangra	80.12	61.39	70.57	87.5	73.0	80.1	91.5	80.0	85.67
Kinnaur	72.04	42.04	58.36	84.3	64.4	75.2	87.3	71.0	80.00
Kullu	69.64	38.53	54.82	84.0	60.9	72.9	87.4	70.9	79.40
Lahaul & Spiti	71.78	38.05	56.82	82.8	60.7	73.1	85.7	66.8	76.81
Mandi	76.65	49.12	62.74	85.9	64.8	75.2	89.6	73.7	81.53
Shimla	75.96	51.75	64.61	87.2	70.1	79.1	89.6	77.1	83.64
Sirmaur	63.20	38.45	51.62	79.4	60.4	70.4	85.6	71.4	78.80
Solan	74.67	50.69	63.30	84.8	66.9	76.6	89.6	77.0	83.68
Una	81.15	61.01	70.91	87.7	73.2	80.4	91.9	81.1	86.53
<b>H.P.</b>	<b>75.36</b>	<b>52.13</b>	<b>63.75</b>	<b>85.3</b>	<b>67.4</b>	<b>76.48</b>	<b>89.53</b>	<b>75.9</b>	<b>82.80</b>
<b>India</b>	<b>64.13</b>	<b>39.23</b>	<b>52.21</b>	<b>75.26</b>	<b>53.67</b>	<b>64.84</b>	<b>82.14</b>	<b>65.46</b>	<b>74.04</b>

**Source:** (i) Census of India 1991, 2001, Primary Census Abstract.

(ii) Census of India – 2011

#### **IV.4.4 Levels of Education**

Levels of education among the literates is a powerful indicator to measure the transition and retention rate of the educated population continuing the higher levels of education. About 25% population have education up to higher education and above levels, which includes 9% having education up to graduation and above graduation levels. However technical education is very low as only 1% of the population have technical diploma. Although the picture is better than the national average, still H.P is lagging in technical education. Districts-wise education levels do not depict any significant variations from the state averages. Thus, the benefits of extension of higher education have spread across all areas and sections of population. (Refer Table No. IV.7)

**Table No IV. 7**  
**Himachal Pradesh**  
**Education Levels 2011**

District	Literate Population	Per Cent Education Levels								
		Below Pri.	Primary	Middle	Matric/ Sec	Hr. Sec	Non-Tech	Tec Dip.	Graduate & above	Un-Specified
Bilaspur	284733	9.90	22.91	17.30	24.12	14.22	0.23	1.35	9.84	0.13
Chamba	313304	17.14	31.45	15.91	18.81	10.29	0.15	0.80	5.22	0.22
Hamirpur	349658	9.47	21.01	17.57	25.17	14.73	0.17	1.23	10.52	0.13
Kangra	1116992	10.27	22.90	17.20	24.89	14.77	0.16	1.14	8.54	0.14
Kinnaur	59182	17.57	24.27	15.88	19.09	12.83	0.06	0.80	8.55	0.96
Kullu	297038	16.87	27.14	17.04	18.47	11.68	0.08	0.59	7.95	0.17
Lahaul & Spiti	21020	17.53	22.73	13.92	17.23	15.92	0.14	0.97	10.82	0.75
Mandi	705148	12.42	23.47	15.94	23.88	14.57	0.22	1.34	7.89	0.27
Shimla	600648	12.43	19.70	15.11	22.93	14.51	0.17	0.74	14.14	0.27
Sirmaur	356740	16.58	29.09	18.02	18.13	9.91	0.16	0.73	7.24	0.14
Solan	416417	12.05	22.29	18.13	22.99	12.66	0.21	1.37	10.07	0.22
Una	388833	11.84	23.09	17.51	25.22	12.75	0.19	1.39	7.92	0.09
H.P	4909710	12.45	23.69	16.84	22.97	13.49	0.17	1.09	9.10	0.20

Source: Census of India, Himachal Pradesh

#### IV.4.5 Gross and Net Enrolment Ratio at Primary, Middle, High and Higher Secondary Levels

Gross and Net enrolment ratio are a powerful indicator to measure the extent of enrollments at different level, which also highlights the extent of dropout and retention rates. The role of educational access, availability, community awareness, quality of education provided in the schools that motivates the parents to enroll their wards in the schools and educational governance are reflected through these two indicators. Gross and Net enrolment rates have been worked separately for primary, upper primary, secondary and higher secondary levels on the basis of 2017-18 school records and projections of number of population in the school going ages.

The results point out that the target of Gross enrolment rates have been achieved in all districts for both boys and girls for the primary and upper primary levels. The Net enrolment rates are slightly behind in some districts but are very close to the targets of 100% requirement.

Gross enrolment rates at secondary level are showing better results both for boys and girls across all the districts which indicated that students from higher ages are now pursuing their education at these levels. The efforts of the education department in making these students agree to enroll at secondary level even if they are at higher ages are laudable. However, Net enrolment rate at secondary level is still lower at around 60-65 percent. The far flung and inaccessible districts of Lahaul-Spiti and Kinnaur have lower GER as compared to other districts for both boys and girls.

The picture of GER at higher secondary is varied among the districts. Districts located in the plains with better road network and accessibility have higher GER as compared to the districts with difficult terrain. The NER at higher secondary level is much less than the targets among all the districts, especially for Kullu and Lahaul-Spiti districts. NER at higher secondary level requires further improvement. (Refer Table No IV. 8-IV.11)

**Table No. IV.8**  
**GROSS and NET ENROLEMENT RATES 2018-19 Primary Level**

District	GER			NER		
	Boys	Girls	Total	Boys	Girls	Total
1.	2.	3.	4.	5.	6.	7.
1. Bilaspur	101.15	100.68	100.93	99.54	99.44	99.49
2. Chamba	101.47	101.26	101.37	99.73	99.67	99.70
3. Hamirpur	101.71	101.59	101.66	99.74	99.79	99.76
4. Kangra	102.87	102.56	102.72	99.83	99.82	99.83
5. Kinnaur	102.15	101.51	101.84	99.87	99.90	99.88
6. Kullu	102.50	101.85	102.18	99.71	99.59	99.65
7. Lahaul-Spiti	100.30	101.43	100.84	97.67	99.67	98.63
8. Mandi	101.34	101.18	101.26	99.83	99.89	99.86
9. Shimla	104.68	103.90	104.30	99.91	99.92	99.91
10. Sirmour	103.62	103.29	103.46	99.89	99.94	99.92
11. Solan	104.85	104.03	104.47	99.93	98.87	98.90
12. Una	101.67	101.85	101.75	98.40	99.15	98.75
<b>Total</b>	<b>102.76</b>	<b>102.37</b>	<b>102.58</b>	<b>99.58</b>	<b>99.65</b>	<b>99.62</b>

**Table No. IV.9**  
**GROSS and NET ENROLEMENT RATES 2018-19 Upper Primary Level**

District	GER			NER		
	Boys	Girls	Total	Boys	Girls	Total
1.	2.	3.	4.	5.	6.	7.
1. Bilaspur	102.53	103.23	102.86	98.57	98.95	98.75
2. Chamba	103.71	103.08	103.40	97.68	97.59	97.63
3. Hamirpur	104.46	104.36	104.41	98.43	98.39	98.41
4. Kangra	103.16	103.18	103.17	96.74	96.95	96.84
5. Kinnaur	103.11	103.12	103.12	96.49	96.48	96.49
6. Kullu	103.20	103.67	103.43	96.80	97.53	97.16
7. Lahaul-Spiti	91.32	101.75	96.45	84.72	93.37	88.97
8. Mandi	103.90	104.30	104.09	98.91	99.14	99.02
9. Shimla	101.25	100.70	100.99	93.07	93.74	93.39
10. Sirmour	103.43	103.02	103.23	95.07	95.43	95.24
11. Solan	101.41	100.47	100.98	91.83	92.52	92.15
12. Una	103.40	103.59	103.49	95.52	95.86	95.68
<b>Total</b>	<b>102.95</b>	<b>102.87</b>	<b>102.91</b>	<b>96.07</b>	<b>96.47</b>	<b>96.26</b>

**Table No. IV.10**  
**GROSS and NET ENROLEMENT RATES 2018-19 Secondary Level**

District	GER			NER		
	Boys	Girls	Total	Boys	Girls	Total
1.	2.	3.	4.	5.	6.	7.
1. Bilaspur	104.83	104.73	104.79	97.15	96.96	97.06
2. Chamba	109.11	108.15	108.65	93.89	94.44	94.15
3. Hamirpur	107.76	107.01	107.42	96.59	96.47	96.53
4. Kangra	109.29	109.68	109.47	94.54	94.93	94.72
5. Kinnaur	108.56	109.03	108.79	91.73	93.28	92.50
6. Kullu	109.31	109.16	109.24	93.04	93.80	93.41
7. Lahaul-Spiti	105.90	109.14	107.63	91.15	92.00	91.60
8. Mandi	106.65	105.62	106.15	96.56	96.73	96.64
9. Shimla	107.11	105.87	106.51	90.34	91.63	90.96
10. Sirmour	110.26	109.77	110.02	90.60	91.53	91.05
11. Solan	104.88	104.58	104.74	89.18	91.89	90.44
12. Una	109.76	108.47	109.17	93.74	93.79	93.76
<b>Total</b>	<b>107.99</b>	<b>107.47</b>	<b>107.74</b>	<b>93.51</b>	<b>94.19</b>	<b>93.83</b>

**Table No. IV.11**  
**GROSS and NET ENROLEMENT RATES 2018-19 Hr. Secondary Level**

District	GER			NER		
	Boys	Girls	Total	Boys	Girls	Total
1.	2.	3.	4.	5.	6.	7.
1. Bilaspur	83.72	86.83	85.21	77.62	80.28	78.89
2. Chamba	78.59	79.69	79.12	64.45	95.81	65.11
3. Hamirpur	89.68	90.44	90.03	80.55	81.37	80.93
4. Kangra	90.00	92.27	91.05	75.40	76.89	76.09
5. Kinnaur	80.17	81.41	80.81	67.95	70.71	69.37
6. Kullu	80.08	81.86	80.97	64.48	68.20	66.35
7. Lahaul-Spiti	89.29	85.10	87.00	62.30	64.90	63.72
8. Mandi	85.18	85.48	85.33	75.16	76.68	75.92
9. Shimla	81.17	80.92	81.05	67.28	69.28	68.27
10. Sirmour	76.71	78.12	77.41	60.89	62.87	61.87
11. Solan	82.35	83.20	82.76	69.60	72.31	70.89
12. Una	87.88	92.38	89.95	74.09	77.71	75.75
<b>Total</b>	<b>84.42</b>	<b>85.63</b>	<b>85.00</b>	<b>71.50</b>	<b>73.31</b>	<b>72.37</b>

**Source:** SSA, Himachal Pradesh



## **IV.5 Health Care and Family Welfare**

Health should be viewed as not merely the absence of disease but as a state of complete physical, mental and social well-being<sup>37</sup>. The determinants of good health are: access to various types of health services and an individual's choice and liberty to reproductive health system and lifestyle choices, personal, family and social relationships. Quality health care is one of the most fundamental requisite for building individual capabilities. Himachal Pradesh has a vast health infrastructure which is one of the best in the country in terms of the availability of per capita health infrastructure. The Twelfth Plan envisages strengthening the already existing infrastructure to ensure delivery of quality health service at the desired time and place.

Health is one of the most important component of attaining quality human resource as health component is directly associated with economic growth, development and productivity. Health quality is directly related to health institutions access and availability, quality of health professional staff and modern technology used in providing care for patients. Health care quality can be measured by the following indicators.

- Distribution of health services measured through access and availability of health institutions
- Crude death rates, infant mortality rates and life expectation at birth
- Crude birth rates, Age specific fertility rates, total fertility rates
- Reproductive Healthcare and Anti-Natal care

### **IV.5.1 Health Care Institutions Access and Availability**

The district wise distribution of the medical institutes\* and hospital beds shows variations among the districts. Lahaul- Spiti and Kinnaur being located in difficult terrain and as a border district has sparse population dwelling in small size hamlets. These all hamlets have been provided with basic health sub-center facility. Number of medical beds again depicts variations among the districts. Una district recorded the lowest hospital bed/ population ratio as compared to the State average. (Refer Table No. IV.12)

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<sup>37</sup> Twelfth Five-Year Plan Document, Planning Commission, GoI.

**Table No IV.12**  
**Himachal Pradesh Access and Availability of Medical Institutes 2018-19**

<b>District</b>	<b>Medical Institutes*</b>	<b>Hospital Beds</b>	<b>Medical Institutes Per 000 Sq. Kms</b>	<b>Medical Institutes Per Lakh Population (2019)</b>	<b>Hospital Beds Per Lakh Population (2011)</b>
Bilaspur	50	621	42.84	11.81	146.71
Chamba	57	1236	8.74	9.86	213.86
Hamirpur	40	720	35.78	8.00	144.01
Kangra	125	3327	21.78	7.39	196.74
Kinnaur	30	271	4.69	33.53	302.90
Kullu	38	806	6.91	7.62	161.55
Lahaul & Spiti	21	204	1.52	65.67	637.96
Mandi	113	2178	28.61	10.16	195.75
Shimla	155	3029	30.21	17.78	347.52
Sirmour	59	786	20.88	10.19	135.75
Solan	61	931	31.51	9.80	149.58
Una	41	594	26.62	7.54	109.20
<b>H.P</b>	<b>790</b>	<b>14703</b>	<b>14.19</b>	<b>10.47</b>	<b>194.94</b>

\*Hospital, Dispensaries, CHC/RH, PHCs (It does not include Sub Centres)

**Source:** Economics & Statistics Department, H.P.

Himachal Pradesh recorded 59.56 medical institutes per lakh population, which showed decline in the availability of medical institutes as compared to 2001. The decline can be attributed to recorded increase in population as per Census 2011 data. The medical institutes have increased from 3791 in 2001 to 4084 in 2018, but population increase during 2001-11 has outpaced the increase in medical institutes. The data reflects that fewer medical intuitions have been increased from 2001 to 2018 and has not kept pace with increasing population. However, number of medical institutes per '000' square kilometer and number of beds per '000' population have increased from 2001 to 2018. The data clearly reflects that capital investment in terms of making more medical institutes and hospital beds available has not been accomplished. In spite of this, the availability of medical institutions and hospital beds is in conformity with the appropriate norms and even better than the national average. (Refer Table No IV.13)

**Table No IV.13**  
**Himachal Pradesh Access and Availability of Medical Institutes**

<b>Year</b>	<b>Medical Institutes *per lakh Population**</b>	<b>Medical Institutes per '000' Square Kms. Area</b>	<b>Number of Hospital Beds per '000' Population**</b>
2001	62.37	68.09	1.62
2002	62.47	68.20	1.66
2003	62.44	68.17	1.66
2004	62.52	68.26	1.66
2005	62.54	68.27	1.65
2006	62.36	68.08	1.62
2007	62.55	68.29	1.60
2008	62.80	68.56	1.68
2009	62.77	68.53	1.51
2010	62.77	68.53	1.51
2011**	55.63	68.60	1.34
2012**	55.75	68.74	1.41
2013**	55.84	68.85	1.41
2014**	56.23	69.33	1.44
2015**	56.45	69.60	1.46
2016**	57.15	70.39	1.68
2017**	58.44	71.97	1.71
2018**	59.56	73.36	1.92

**Source:** Economics & Statistics Department, H.P./ Health & Family Welfare Department, H.P.

\*Medical Institutes includes Allopathic, Ayurveda, Primary Health Centers, Community Health Centers, Sub Centers, All Dispensaries- Allopathic, Ayurveda, Homeopathic \*\* As per Population of 2011 Census.

#### **IV.6 Health Care Indicators**

Healthcare indicators reflect the productive, sexual and health related characteristics of population. Some of the indicators selected to measure the health of population are;

- Crude Death Rate, Infant Mortality Rate and Expectation of Life at Birth.
- Birth Rates and Fertility Rates.
- Total Fertility Rate
- Reproductive Health

##### **IV.6.1 Crude Death Rate, Infant Mortality Rate**

Crude death rate and infant mortality rates are important indicators to depict the health care services of any region. Himachal Pradesh has performed better in case of both these indicators as compared to the national average. The State has achieved the target fixed for both crude death rate and infant mortality rate. Crude death rate was 6.6 per '000' population in Himachal Pradesh as compared to 6.3 for India in 2017. Infant mortality rate in Himachal Pradesh has shown significant decline from 50 per '000' live births in 2006 to 22 per '000' live birth in 2017. (Refer Table No IV. 14)

**Table No. IV. 14**  
**Himachal Pradesh**  
**Crude Death rates and Infant Mortality Rates (Per '000' Live births)**

Year	Death Rate Per '000' Population		Infant Mortality Rate	
	H.P	India	Himachal Pradesh	India
1990	8.5	9.7	69	
1991	8.9		75	80
1992	8.8		67	
1993	8.6		63	
1994	8.6		67	
1995	8.7		61	
1996	8.0		62	
1997	8.1		63	
1998	7.7		64	
1999	7.3		62	
2000	7.2	9.0	60	
2001	7.1	8.7	54	66
2002	7.5	8.6	52	
2003	7.1	8.4	49	
2004	6.8	8.3	51	
2005	6.9	8.2	49	
2006	6.8	8.1	50	57
2007	7.1		47	55
2008	7.4		44	53
2009	7.2		45	50
2010	6.9	8.0	40	47
2011	6.7	7.4	38	44
2012	6.7	7.4	36	42
2013	6.7	7.0	35	40
2014				
2015	6.6	6.5	28	37
2016	6.8	6.4	25	34
2017	6.6	6.3	22	33

**Source:** SRS Bulletin, Registrar General of India.

#### **IV.6.2 Expectation of Life at Birth**

Expectation of life at birth again depicts better performance for Himachal Pradesh state as compared to the national average. Female expectation of life at birth has depicted significant improvement which is in sync with any developed society. (Refer Table No IV. 15).

**Table No IV.15**  
**Himachal Pradesh Expectation of life at Birth**

Period	All India		Himachal Pradesh	
	Male	Female	Male	Female
1.	2.	3.	4.	5.
1976-80	52.2	52.1	58.1	54.9
1981-85	55.9	55.9	58.5	62.9
1986-90	57.7	58.1	62.4	62.8
1993-97	60.4	61.8	64.6	65.2
1995-99	60.8	62.5	65.1	65.8
1997-01	61.3	63.0	65.5	66.1
1998-02	61.6	63.3	65.7	66.3
1999-03	61.8	63.5	65.8	66.6
2000-04	62.1	63.7	66.1	66.8
2001-05	62.3	63.9	66.3	67.1
2002-2006	62.6	64.2	66.5	67.3
2006-2010	64.6	67.7	67.7	72.4
2009-2013	65.8	69.3	69.9	73.1
2010-2014	66.4	69.6	69.3	74.1
2011-2015	66.9	70.0	69.1	75.2
2012-2016	69.4	75.5	67.4	70.2

**Source:** Economics & Statistics Department, H.P./ Health & Family Welfare Department, H.P.

#### **IV.6.3 Birth Rate and Fertility Rate**

Crude Birth rates and fertility rates are also important indicators to measure the health status of society especially for women. Fertility rates indicate social development in terms of women's empowerment to determine their marital age and productivity behaviour. In the process of social and economic development both birth rates and fertility rates show decline as was observed from the developed societies. Crude birth rate for Himachal Pradesh was 15.8 per '000' population in 2017 as compared to 20.2 per '000' population for India. Thus the state has achieved the target in reducing the crude birth rate effectively and the decline in the birth rate has been continuous since 2000 onwards. (Refer Table No IV.16)

**Table No. IV. 16**  
**Himachal Pradesh**  
**Crude Birth Rate (Births per '000' population)**

Year	Birth Rate per '000' Population	
	Himachal Pradesh	India
1990	27.4	
1991	28.5	
1992	28.1	
1993	26.7	
1994	26.3	
1995	25.2	
1996	23.0	
1997	22.6	
1998	22.6	
1999	23.8	
2000	22.1	24.7
2001	21.2	24.2
2002	20.7	23.7
2003	20.6	23.2
2004	19.2	22.8
2005	20.0	22.3
2006	18.8	22.0
2007	17.4	22.6
2008	17.7	22.2
2009	17.2	22.5
2010	16.9	22.1
2011	16.5	21.8
2012	16.2	21.6
2013	16.0	21.4
2014		
2015	16.3	20.8
2016	16.0	20.4
2017	15.8	20.2

**Source:** SRS Bulletin, Registrar General of India.

#### **IV.6.4 Total Fertility Rate**

Total fertility rates of 2.1 indicate the replacement rates have been achieved in any society. The Himachal Pradesh State has attained a TRF of 1.7 for combined areas, where as it was 1.2 for urban areas and 1.7 for rural areas in 2012. The TFR for India was 2.4 for combined areas, 1.8 for urban areas and 2.6 for rural areas in 2012. As per NFHS-4, The Himachal Pradesh State has attained a TRF of 1.9 for combined areas, where as it was 1.4 for urban areas and 1.9 for rural areas in 2016. The TFR for India was 2.2 for combined areas, 1.8 for urban areas and 2.4 for rural areas in 2016. The figures clearly indicate that Himachal Pradesh has already achieved below replacement rates, which is higher than the targeted and expected rates. (Refer Table IV.17)

**Table No. IV.17**  
**Total Fertility Rates of H.P. and India (since 1988 SRS)**

Year	Himachal Pradesh			India		
	Rural	Urban	Combined	Rural	Urban	Combined
1988	3.7	2.5	3.7	4.3	3.1	4.0
1989	3.3	2.3	3.2	4.2	2.8	3.9
1990	N.A.	N.A.	N.A.	4.1	2.8	3.8
1991	3.2	2.0	3.2	3.9	2.7	3.6
1992	3.1	2.2	3.1	3.9	2.6	3.6
1993	2.9	2.2	2.8	3.8	2.8	3.5
1994	3.0	2.0	2.9	3.8	2.7	3.5
1995	2.8	1.9	2.7	3.9	2.6	3.5
1996	2.5	1.8	2.4	3.7	2.4	3.4
1997	2.4	1.8	2.4	3.6	2.4	3.3
1998	2.4	1.8	2.4	3.5	2.4	3.2
1999	2.5	1.8	2.4	3.5	2.3	3.2
2000	2.3	1.8	2.3	3.5	2.3	3.2
2001	2.2	1.8	2.2	3.4	2.3	3.1
2002	2.1	1.8	2.1	3.3	2.2	3.0
2003	2.1	1.7	2.1	3.2	2.2	3.0
2004	2.2	1.4	2.1	3.3	2.1	2.9
2005	2.2	1.5	2.2	3.2	2.1	2.9
2006	2.1	1.4	2.0	3.1	2.0	2.8
2007	1.9	1.4	1.9	3.0	2.0	2.7
2008	2.0	1.4	1.9	2.9	2.0	2.6
2009	1.9	1.3	1.9	2.9	2.0	2.6
2010	1.9	1.3	1.8	2.8	1.9	2.5
2011	1.8	1.2	1.8	2.7	1.9	2.4
2012	1.7	1.2	1.7	2.6	1.8	2.4
2016*	1.9	1.4	1.9	2.4	1.8	2.2

**Source:** (i) SRS Bulletin, Registrar General of India. Health & Family Welfare Department, H.P.  
(ii) \*NFHS-4(2015-16)

#### **IV.7 Reproductive Health and Ante Natal Care**

Reproductive health was undertaken as a major component in the National Health Mission – Government of Health and Family Welfare Programme across all states of India. Under this programme the following activities were undertaken in the State of Himachal Pradesh.

- **Janani Suraksha Yojana** : To reduce maternal and infant mortality, institutional deliveries are being promoted by providing cash assistance to pregnant women under Janani Suraksha Yojana (JSY). Though institutional deliveries have increased in rural (39.7 to 68 per cent) and urban areas (79 per cent to 85 per cent) over the 2005–09 period. Himachal Pradesh has performed well in terms of providing institutional mechanism of safe delivery system and Ante-Natal care.
- **Maternal and Child Care:** The programme envisages for ensuring health reproductive health for women by providing free treatment for pregnant women and infants upto 1 year of age especially complete immunization drive for (DPT, Polio, BCG and measles) for new born children. More than one hundred thousand children are being immunized annually with 100% coverage. (Refer Table No. 18)

- **Accredited Social Health Activist – ASHA**

One of the key components of the National Rural Health Mission is to provide every village in the country with a trained female community health activist ASHA or Accredited Social Health Activist. ASHA is usually selected from the village itself and is accountable take care of the reproductive health of mothers and children. ASHA worker is fully trained to work as an interface between the community and the public health system. To further enhance the skill of ASHAs, they are also being trained on Home Based New Born Care and have been provided HBNC kits. This is to improve new born care practices at the community level and early detection and referral of sick new born babies in first 42 days of life. The state has strong ASHA support across all villages, which has clearly brought down maternal mortality rates (MMR) as well as infant mortality rates.

- **Other Programmes**

Other programmes include nutrition mission for lactating mothers and infants through Anganwadi's by providing nutrition meals for "Anaemia Free Himachal". Under this programme weekly free iron folic supplements are given to lactating mothers. In addition, a number of programmes relating to children, women, old, infirm and handicapped are being implemented.

**Table No. IV.18**  
**Immunization in Himachal Pradesh**

Year	Number of Children Immunized			
	DPT	OPV(Polio)	BCG	Measles
1.	2.	3.	4.	5.
2000-01	138294	138243	142716	131434
2001-02	135246	135089	140786	133451
2002-03	134296	134397	144019	133908
2003-04	136347	136367	141459	130748
2004-05	133505	133499	136114	131098
2005-06	131548	131288	134050	128306
2006-07	129173	129140	133212	126284
2007-08	127471	127475	129882	125056
2008-09	130842	130839	134334	122206
2009-10	127350	127358	131262	123899
2010-11	121582	121330	128046	116789
2011-12	113040	113559	119455	112573
2012-13	113566	113642	120481	110370
2013-14	112212	112300	115335	108719
2014-15	108419	108515	108406	106932

**Source:** National Rural Health Mission, H.P./ Health and Family Welfare Department, Himachal Pradesh

#### **IV.8 Women's Empowerment and Participation**

One of the major outcomes of human development is changing attitude to women and gender justice, showing equal respect to both gender groups. Participation of women in governance issues especially identifying their courses of development and choosing their paths for health, education and sustenance of economic opportunities has been the major hallmark of developed societies. Indian constitution took a



vital step towards providing equal opportunities to both gender groups in governance by adopting 73<sup>rd</sup> and 74<sup>th</sup> constitutional amendment. The amendment empowers people at Gram Panchayat level to identify their development issues and specific financial allocations were made so that they can oversee and monitor these developmental activities. Special provisions were made for women, by reserving specific seats in these Gram Panchayats, Panchayat Samiti's and Zila Panchayat. Himachal Pradesh has reserved 50% seats in all these three tiers of administration levels for women to have equal participation in identifying development projects related to the processes of human development and also having close monitoring of these developmental projects. Himachal Pradesh election results for 2016-20 term, demonstrated that a significant number of women were even elected on non-reserved position in all the three tiers of lower level of administration set up. In fact, at all the three levels the proportion of elected women candidates- Panchayat members as well as Pradhan/ Up-Pradhan/ Chairperson are higher as compared to their men counterpart. Thus women have achieved empowerment in real sense in Himachal Pradesh in governance issues. These results have clearly influenced gender justice and favorable healthcare and educational development for women (Refer Table No IV.19 and IV. 20).

**Table No. IV. 19**  
**Himachal Pradesh- 2016-2020 Term Members of Rural Local Bodies**

District	Gram Panchayat		Panchayat Samiti		Zila Parishad	
	Total Posts	Reserved for Women	Total Posts	Reserved for Women	Total Posts	Reserved for Women
Bilaspur	1081	616	97	50	14	7
Chamba	1697	990	136	70	18	9
Hamirpur	1377	803	125	65	18	9
Kangra	4682	2705	363	186	55	28
Kinnaur	355	332	45	15	10	5
Kullu	1310	757	103	63	14	7
Lahaul & Spiti	207	0	30	15	10	5
Mandi	3003	1738	241	118	36	18
Shimla	2159	1264	181	94	24	12
Sirmour	1504	865	120	62	17	8
Solan	1443	826	118	61	17	9
Una	1541	881	114	58	17	9
<b>H.P.</b>	<b>20359</b>	<b>11777</b>	<b>1673</b>	<b>857</b>	<b>250</b>	<b>126</b>

**Table No IV. 20**  
**Himachal Pradesh- 2016-2020 Term Panchayat Pradhan**

District	Gram Panchayat	
	Total Posts	Reserved for Women
Bilaspur	151	77
Chamba	283	144
Hamirpur	229	116
Kangra	748	378
Kinnaur	65	33
Kullu	204	102
Lahaul & Spiti	41	21
Mandi	469	237
Shimla	363	183
Sirmaur	228	115
Solan	211	107
Una	234	118
<b>H.P.</b>	<b>3226</b>	<b>1631</b>

**Source:** H.P. State Election Commission.

#### **IV.9 Women Employment**

The status of women participation and employment in economic activities is comparatively much higher in case of Himachal Pradesh. Female participation rate was 44.81 percent for Himachal Pradesh, as compared to 58.68 percent for men. However, if we compare the rates at all India level than Himachal Pradesh has better participation rates for women. This could be attributed, as major economic activities are related to agriculture, horticulture and forestry and livestock rearing activities, where women work in large numbers. Work participation rate did not show any significant variations among the districts of Himachal Pradesh. (Refer Table No. IV. 21)

**Table No. IV.21**  
**Himachal Pradesh- 2011**

District	Per Cent Workers to Population		Per Cent Workers			
	Male	Female	Cultivators	Agriculture Labourers	HH Industry	Others
Bilaspur	57.87	49.86	61.77	2.01	1.24	34.97
Chamba	60.76	52.47	66.88	3.13	1.54	28.45
Hamirpur	54.69	51.83	60.80	3.65	1.38	34.17
Kangra	53.79	35.74	44.88	8.12	2.32	44.68
Kinnaur	73.22	59.17	58.63	4.51	1.68	35.18
Kullu	66.01	56.60	73.26	4.60	1.01	21.13
Lahaul & Spiti	64.88	56.97	58.19	2.96	0.87	37.98
Mandi	59.72	54.85	67.74	2.76	1.25	28.25
Shimla	60.85	44.30	57.96	6.06	1.85	34.13
Sirmaur	61.31	43.65	65.32	3.83	1.90	28.95
Solan	61.54	40.04	47.29	3.44	1.66	47.61
Una	53.70	28.64	39.38	9.10	1.59	49.93
<b>H.P.</b>	<b>58.68</b>	<b>44.81</b>	<b>57.93</b>	<b>4.92</b>	<b>1.65</b>	<b>35.50</b>

**Source:** Census of India

#### **IV.10 Women Participation in Mahatma Gandhi National Rural Employment Guarantee Act.**

Government of India sponsored a centrally financed scheme to provide job opportunities in the rural area for the unemployed workers. The scheme is fully funded by the Central government, but the role of Gram Panchayat is significant to identify the unemployed person and also provide the nature of work to be undertaken. A minimum of 100 days' work is guaranteed under this scheme. The appraisal of the scheme across the country shows variations in performance depending upon the active participation of the elected member for the scheme. The performance of MGNREGA is good in case of Himachal Pradesh. This is probably due to active participation of elected members at Gram Panchayat level, supported by the district administration. The performance in terms of generating works 'Mandays' have been exceptionally good, however variation was found in terms of generation of 'Mandays' among the districts. Better performance districts were Mandi, Chamba and Kullu, whereas Lahaul-Spiti and Kinnaur were poor performed districts. (Refer Table No 22)

In spite of the variation in the performance of generating 'Mandays' the participation of women has been strong across all districts. More women than men were provided jobs under this scheme. This could be attributed to more women being elected in the Gram Panchayats. Thus women's empowerment and participation has been exceptionally good in Himachal Pradesh, which directly reflects better human development in the state. (Refer Table IV.22)

**Table No. IV.22**  
**Himachal Pradesh MGNREGA Performance for Women**

District	2015-16		2016-17		2017-18		2018-19	
	Mandays Generated (In Lakh)	Mandays Generated by Women (In lakh)	Mandays Generated (In Lakh)	Mandays Generated by Women (In lakh)	Mandays Generated (In Lakh)	Mandays Generated by Women (In lakh)	Mandays Generated (In Lakh)	Mandays Generated by Women (In lakh)
Bilaspur	8.55	4.84	12.43	7.16	10.29	6.17	11.84	7.45
Chamba	24.72	12.42	37.14	17.95	34.87	17.61	47.98	24.49
Hamirpur	7.24	5.44	10.05	7.63	8.99	6.95	11.12	8.71
Kangra	29.82	21.45	37.68	26.78	37.20	26.41	47.94	35.55
Kinnaur	4.26	2.80	4.10	2.80	3.44	2.33	7.04	4.85
Kullu	12.73	7.05	17.32	9.41	18.32	9.96	20.49	11.57
Lahaul & Spiti	1.71	1.14	1.38	0.94	0.97	0.65	1.06	0.71
Mandi	53.01	39.22	65.67	48.44	56.04	40.63	72.25	53.42
Shimla	14.87	7.53	18.38	9.59	19.01	9.82	20.51	10.81
Sirmaur	9.17	3.88	15.62	6.03	14.74	5.71	21.78	8.81
Solan	5.11	2.21	7.10	3.10	7.55	3.32	9.80	4.57
Una	6.49	4.22	9.72	6.39	8.62	5.95	13.38	9.48
	177.68	112.20 (63.15%)	236.59	146.22 (61.80%)	220.04	135.51 (61.84%)	285.19	180.42 (63.26%)

**Source:** Ministry of Rural Development, GoI.

#### **IV.11 Status of Infrastructure Development**

Infrastructure development is closely linked to outlays and actual expenditures under Five Year Plan. The infrastructural development provides necessary impetus for human development. Some of the important infrastructure developments related to human development are:

- Connectivity and Road Network
- Sanitation, Safe Drinking Water and Public Services

##### **IV.11.1 Connectivity and Road Network**

The economic growth needs support of a reliable and efficient transport system. Himachal Pradesh being in the lap of Himalayas with mountainous and difficult terrain is mainly served by road transport with more or less absent rail and air transport services. Any rapid growth in the economy and transformation of resources into economic and human wealth requires connectivity and communication services. Road Transport plays pivotal role in the development of economy. Road network length was 37,586 kilometre as per 2017-18 data as compared to 34,647 kilometres in 2012-13. Right from 11th Five-Year Plan strong emphasis has been made for road network development. Himachal Pradesh has recorded 65.78 kilometres of road length per '00' square kilometres in 2016-17. District-wise variation was observed in the availability of road network length per '00' settlements, and per lakh population. Bilaspur, Hamirpur, Solan and Sirmour were better connected districts in terms of these indicators. Poor connected districts were Chamba, Kullu, Shimla and Lahaul-Spiti. (Refer Table IV.23)

**Table No.IV. 23**  
**Himachal Pradesh Road Network and Connectivity Indicators 2016-17**

<b>District</b>	<b>Road Length* (In Kms)</b>	<b>Road Length per '00' Settlements</b>	<b>Road Length per '00' Sq. Kms</b>	<b>Road Length per Lakh Population (2019)</b>	<b>Villages/ Settlements 2011 Census</b>
Bilaspur	1731	180.88	148.33	408.95	953
Chamba	3299	295.87	50.58	570.81	1110
Hamirpur	1914	114.27	171.20	382.84	1671
Kangra	6030	166.30	105.07	356.57	3617
Kinnaur	1098	455.60	17.15	1227.27	241
Kullu	1937	607.21	35.20	388.25	314
Lahaul Spiti	1262	450.71	9.12	3946.59	280
Mandi	5740	201.05	145.32	515.89	2850
Shimla	5519	203.20	107.56	633.21	2705
Sirmaur	3110	320.29	110.09	537.11	968
Solan	3006	125.72	155.27	482.97	2383
Una	1977	248.68	128.38	363.44	790
<b>H.P</b>	<b>36623</b>	<b>204.13</b>	<b>65.78</b>	<b>485.57</b>	<b>17882</b>

\* Road Length includes Motorable, Jeepable and Less than Jeepable

**Source:** Economics & Statistics Department, H.P.

#### **IV.11.2 Sanitation, Safe Drinking Water and Other Public Services**

Sanitation, safe drinking water, electricity supply complement each other and contribute to a sound state of health for population and are inter-related with human services. Better sanitation and hygiene and treated safe drinking water supply creates conditions for improved health leading to higher productivity and efficiency. The Twelfth Plan had envisaged to achieve the status of the state being 100% open defecation free State and shifting focus to other aspects of sanitation requirement. Himachal Pradesh was declared 'Open Defecation Free' (ODF), the country's second state, after Sikkim to get this status. All the households in the state have toilet facility. Among bigger states, Himachal Pradesh is the first state to become ODF. All 12 districts of the state have been covered as ODF districts.

In case of drinking water service within the house premises, nearly 56 % households had this facility. Variations in the service of drinking water facility at house premises were found. In case of Himachal Pradesh many dwelling and villages are located in the difficult terrain. They get drinking water from streams and the quality of this water is good because they are directly fed by glaciers without having any pollution up to the household premises. Thus 55% coverage is considered better in case of Himachal Pradesh. The State Government also envisages provision of drinking water at the rate of 70 LPCD in all the rural areas of the State against the national norm of 55 LPCD as mentioned in the Twelfth Five Year Plan document. It would also be the endeavour of the State Government to provide drinking water supply to all the 53,201 habitations of the State by the end of the Twelfth Five Year Plan. There were 10,725 habitations in the State at the beginning of 12th Five-Year plan period that were without the provision of drinking water.

As per 2011 Census information, 96.8% households had electricity facility in Himachal Pradesh. All districts except, Lahaul-Spiti have more than 95% households with electricity facility. In 2017-18, all 17882 inhabited villages have been electrified i.e. 100% electrification.

Food security in a hilly state with limited accessibility is essential to maintain the supplies of essential food items during connectivity disruptions. The supplies are ensured through public distribution system for providing basic food requirement like; rice, wheat, sugar supply. All these basic food requirements are provided by 'Fair Price Shops'. In 2017-18, total 'Fair Price Shops' were 4932. The distribution of 'Fair Price Shops' per settlement as per data of Census 2011 of settlements was 27.49 per '00' settlements. Kullu has recorded higher number of 'Fair price shops' per '00' settlements, where as Solan, Shimla, Lahaul-Spiti and Kinnaur recorded lesser number of these shops. (Refer Table No. IV.24)

**Table No. IV. 24**

**Himachal Pradesh Public Service Infrastructure**

<b>District</b>	<b>Fair Price Shops (2017-18)</b>	<b>Fair Price Shops per '00' Settlements (2011 Census)</b>
Bilaspur	235	24.56
Chamba	490	43.95
Hamirpur	294	17.55
Kangra	1065	29.37
Kinnaur	61	25.31
Kullu	443	138.87
Lahaul &Spiti	65	23.21
Mandi	782	27.39
Shimla	568	20.91
Sirmaur	338	34.81
Solan	302	12.63
Una	289	36.35
<b>H.P</b>	<b>4932</b>	<b>27.49</b>

**IV.12 Natural Resource Management**

Himachal Pradesh is one of the ecologically sensitive State with 66.52 percent square kilometre of forest area. This is most preserved carbon free state of the country. The state has used all possible abilities and prudence in managing the natural resources. Several measures have been taken by government and people to maintain the pristine natural ecological balance. Several forest areas have been declared as National and preserved natural parks to reduce the human intervention and exploitation in these national parks. The State's previous plans have perpetually strived to enhance forest and other natural resources through increasing forest cover and conserving the already existing resources. Himachal Pradesh has the distinction of being one of the first States in the country to have taken decisions in the direction of conserving its environment. Himachal Pradesh has been the first State in the country to have put a blanket ban the felling of green trees in the State. District wise distribution of forest covers indicates

Chamba, Kinnaur, Lahaul-Spiti, Shimla, Kullu, Sirmour have more than 50% area under forests and the areas under forests in these districts has been maintained during last one decade. In fact the forest cover has increased in these districts.

The Twelfth Plan period envisages to see a comprehensive review of the State's forest policy. The forest policy needs a reorientation to ensure that excessive emphasis on the conservation of forest resources does not adversely affect the livelihood options of the rural and tribal communities. It would also seek to ensure that the growth and expansion of tourism, as an industry do not take place at the cost of environment.

Alternative arrangements have been provided to people to use LPG gas, electricity and other non pollution based energy for cooking and lighting purposes. kerosene and LPG cylinders are essential requirements for the state to reduce the exploitation of green cover in the state. This has indirectly increased the quality of health of people which is also reflected by high expectation of life at birth in Himachal Pradesh. As already discussed the public distribution system in terms of 'Fair price shops' per '00' villages was as high as 23 for the state. LPG gas and kerosene is being distributed to households through the network of these 'Fair Price Shops'.

LPG consumers were more than 100% indicating, more than one consumer per household in the state. This indicates that conscious efforts were made to provide supply of LPG gas to households, so that forest and other green cover is not used for cooking purpose. Similarly, electricity connections have been provided to 96.8 per cent households. The distribution of electricity to households was found distributed across all districts. (Refer Table No. IV.25)

**Table No. IV.25**  
**Himachal Pradesh Natural Resource Management Indicators**

<b>District</b>	<b>Forest Area In Kilometres 2017-18</b>	<b>Per Cent Forest Areas to total Area 2017-18</b>	<b>LPG Consumers 2017-18 (In lakh)</b>	<b>Per Cent HH With Electricity 2011 Census.</b>	<b>Per Cent HH With Electricity 2017-18</b>
Bilaspur	428	36.68	0.73	98.4	100
Chamba	5,030	77.12	0.82	94.2	100
Hamirpur	219	19.59	1.21	99.1	100
Kangra	2,842	49.52	4.00	98.1	100
Kinnaur	5,093	79.57	0.36	91.5	100
Kullu	4,952	89.99	1.17	95.6	100
Lahaul& Spiti	10,133	73.21	0.10	83.9	100
Mandi	1,860	47.09	1.89	97.5	100
Shimla	3,418	66.61	2.24	95.6	100
Sirmaur	1,843	65.24	0.86	94.3	100
Solan	728	37.60	1.50	97.2	100
Una	487	31.62	1.16	96.6	100
<b>H.P.</b>	<b>37,033</b>	<b>66.52</b>	<b>16.04</b>	<b>96.8</b>	<b>100</b>

#### **IV.13 Research Questions Evaluated**

Whether effective human development actions through informed decisions and human development strategies have been incorporated in the financing framework in Himachal Pradesh

- Effective human development actions in terms of improving demographic, social and economic characteristics have been accomplished through financial allocations and actual expenditures on human development sub-sectors. (like education sector, health sector, road connectivity, energy and power sector, natural resource regeneration and women's empowerment through Panchayati Raj. These financial allocations and actual expenditures have reflected in decreased population growth rate, reduction in average household population size, decline in death rates ( both crude and infant), increase in expectation of life at birth (both men and women), reduction in General and Total fertility rate, presence of overall balanced sex ratio, better literacy rates ( both men and women), higher gross and net enrolment rates at all levels ( primary, middle, higher secondary and higher education levels).



## Chapter V: Focused Group Discussion Findings

### V.1 Focused Group Discussion Sample Size and Its Characteristics.

Five districts, 18 Gram Panchayats and 72 Focused Groups (four from each Gram Panchayat) were selected for detailed FDGs survey. Criterion selected for districts were actual expenditure incurred in education, health, transport and energy sub-sectors. Within the districts selected accessibility level and proportion of Schedules Castes and Scheduled Tribe population were considered for selection of Gram Panchayats. Four Focused Groups selected from each selected Gram Panchayats were

#### Selection of Focused Groups from Each Gram Panchayat

- Women aged 18-54 years (10-12 members) selected randomly
- Adults (Male) aged 18-65 (10-12 Members) selected randomly
- Children (both boys 6 and girls 6) selected randomly
- All members of Panchayat (including males/ female, General/ SC/ ST/ OBC) 10-12 members

The FGDs were conducted in the districts of Bilaspur, Shimla, Solan, Hamirpur and Mandi. These districts represent the different relief and socio-economic condition and actual financial expenditures incurred for various human development sectors in the state. These districts also cover multiple and complex socio-economic conditions of the state population dwelling in different geographical locations in terms of topography and physical conditions. Six blocks namely Jhandutta, Narkanda, Basantpur, Solan, Sujanpur and Sandhol were selected for the FGDs surveys. These blocks represent different physical, cultural and social characteristics that represent the whole state. Eighteen Gram Panchayats (GP) were selected for the detail FGDs. Four GPs from Bilaspur, ten GPs from Shimla, two GPs from Mandi and one GP each from Solan and Hamirpur were selected for detailed survey. In all 72 Focused Groups (FGs) were selected, four from each GPs. From each of the selected GPs, four Focused Groups (FGs) were selected for detailed survey. The selected FGs were

- Gram Panchayat members
- Women members
- Adult members
- Children members

A total of 184 Panchayat members (101 males and 83 females) participated in the detailed survey from all GPs. Similarly, 175 women, 205 men, 123 boys and 107 girls participated in the detailed survey. (Refer Table No. V.1).

A detailed questionnaire was prepared for all FGDs to initiate the discussion among the selected groups, but all the FGDs members were free to share any other information, which they felt were important (Refer Focused Groups Discussion Pointers /questionnaire Annexure I-IV).

The questionnaires were just pointers to initiate the discussion, as other aspects from the respondents were also covered in the survey. Both men and women investigators were given appropriate training and capacity building strategies before conducting the FGDs. Efforts were made to create good rapport with the Panchayat members and other elected members in the selected Gram Panchayats so that people feel free to participate in the discussions. Appropriate knowledge of ethical values was shared with the

investigators before conducting the survey. All participants were informed about the aims and objectives of the survey and they were requested to participate voluntarily without any force or coercion.

**Table No.V. 1**  
**Selected Sample Size for Focused Group Discussion**

District	Block	Gram Panchayat	Focused Groups									
			GP			WG		AG		CG		
			No	Members		No	Members	No	Members	No	Members	
				M	F						B	G
Bilaspur	Jhandutta	Galiyan	1	7	3	1	8	1	9	1	5	4
		Kalol	1	6	4	1	7	1	12	1	6	4
		Gadhavi	1	5	4	1	9	1	13	1	7	5
		Kulzayar	1	4	5	1	8	1	9	1	6	5
		Koseria	1	5	4	1	12	1	10	1	7	4
Shimla	Narkanda	Kumarsain	1	7	3	1	11	1	11	1	6	7
		Sihal Narkand	1	6	4	1	10	1	9	1	5	6
	Basantpur	Basantpur	1	6	5	1	9	1	8	1	5	6
		Mandholghat	1	6	4	1	8	1	11	1	6	7
		Neen	1	5	5	1	9	1	16	1	6	5
		Shakrori	1	7	5	1	10	1	15	1	7	6
		Baldeyan	1	6	4	1	11	1	14	1	8	7
		Ghaini	1	4	6	1	9	1	12	1	7	8
		Mashobra	1	5	5	1	12	1	13	1	8	6
Solan	Solan	Solan	1	5	6	1	10	1	10	1	9	7
Hamirpur	Sujanpur	Jangal	1	7	5	1	11	1	9	1	8	6
Mandi	Sandol	Sandhol	1	6	5	1	12	1	11	1	9	7
		Datwar	1	4	6	1	9	1	13	1	8	7
ALL			18	101	83	18	175	18	205	18	123	107

**Source:** Field Survey Conducted in Himachal Pradesh

## V.2 Field Survey Information on Fund Allocation, Expenditure and Utilization

The field survey conducted among the selected Gram Panchayats indicate that financial allocations were directly made to the Gram Panchayats under MGNREGA, Indira Awas, Rajiv Awas, Haryali, Financial Commissions, NBA, Relief Grant, Guru Ravidas Yojana, Mukhayamantri Aadarsh Gram Yojana, SDP, BKBNY, Sampurna Awas Yojana, Scheduled Castes Yojana, Zila Parishad Yojana, 14<sup>th</sup> Financial Commission and Sampurna Swachhata Abhiyan programmes. Majority of the funds above Rs.50 lakh were allocated and spent under the MGNREGA by all the selected Gram Panchayats. Two Gram Panchayats has spent between Rupees 25-50 rupees under Zila Parashad Funds; One Gram Panchayat had spent up to Rs.15 lakh for 'Haryali' Programme and all other Gram Panchayats has spent below Rupees 10 lakh for the above stated programmes. All Gram Panchayats were happy with the release of funds without any difficulty and they stated that the funds were released within one-week period. (Refer Table V. 2)

**Table No. V.2**  
**Abstract of Information from Gram Panchayats**  
**Financial Allocations Provided for Gram Panchayats**

Names of Scheme	Actual Allocations Spent during last three years				Time period taken to release funds(in weeks)			
	Above 50 Lakh	25-50 Lakh	10-15 Lakh	Below 10 Lakh	Below one week	1-3 weeks	3-6 weeks	Above 6 weeks
MGNREGA	18				1			
Indira Awas				18	1			
Rajiv Awas				18	1			
Haryali			1	3	1			
13 <sup>th</sup> Financial Aayog				18	1			
NBA				18	1			
Relief				3	1			
TSC				1	1			
Guru Ravidas Yojana				2	1			
Mukhayamantri Aadarsh Gram Yojana				1	1			
SDP				18	1			
CDPO				1	1			
BKBNY				2	1			
Sampurn Awas Yojana				1	1			
Scheduled Caste Yojana				1				
Zila Parishad		2			1			
14 <sup>th</sup> Financial				18	1			
Sampuran Swachhata Abhiyan				1	1			

The respondents indicated that several infrastructure development works were accomplished through these developmental projects, which directly contributed towards human welfare measures. The developmental works completed included land Improvement, road improvement, digging of well, pond construction, Kurli construction, goat grazing area fencing, rain harvesting tank, school boundary wall construction, sport stadium construction, Construction of Mahila Mandal Bhawan, installation of computer with furniture at Gram Panchayats, renovation of boundary wall, cattle fencing, repairing of PHC, crematorium sheds, house construction, toilet construction, construction of community halls, solar energy development. (Refer Table No V.3)

**Table No. V.3**  
**Abstract of Information from Gram Panchayats**  
**Financial Allocations Provided for Gram Panchayats**

Names of Scheme	Major Activities undertaken under each Schemes	Major hurdles/ problems faced while implementing the Scheme
MGNREGA	Land Improvement, Route improvement, Digging of well, pond Construction, Kurli Construction, Goat Fencing, Rain Harvesting Tank, Boundary Wall, Sport stadium, Mahila Mandal Bhawan, Installation of Computer with furniture, Renovation of Boundary Wall, Cattle fencing, Repairing of PHC, Crimination Shed	<ul style="list-style-type: none"> <li>• Irresponsibility of departmental Employee</li> <li>• No hurdle</li> <li>• Main Issue of NOC problem related to Land</li> <li>• Filtration of Drinking water</li> <li>• Insufficient Fund</li> <li>• Maintenance of Road Problem</li> </ul>
Indira Awas	Home Construction, (SC category)	
Rajiv Awas	Home Construction-General and BPL Family Benefits	
Haryali	Check dam, well digging, Pound, Plantation etc.(SHG Group)	
13 <sup>th</sup> Finance Commission	Well, Pound etc. construction	
NBA	Toilet Construction for all Category	
Sampurna Awas Yojana	Community Hall	
Relief	Security for Soil reform, House construction	
TSC	Toilets construction for school	
Guru Ravidas Yojana	Construction of Route, drainage system	
Mukhayamantri Aadarsh Gram Yojana	Linkage of road and construction	
SDP	Construction of Bhawan, Community centre, Repairing of PHC	
CDPO	Construction of Boundary wall of school	Majority of respondents and stakeholders were satisfied with the work.
VKBNY(Vikas Pay jan Sahayog)	Route for general Public	Several routes in the mountainous regions have been developed satisfactorily
Scheduled Caste Up Yojana	Community Hall	Satisfactory but demand for more such community centers.
Zila Parishad	Repairing of PHC and Road maintenance	Stakeholders were happy as it helped to reduce the time for such repairs
14th Finance Commission	Pound construction, Solar Energy light	Satisfactory

### **V.3 Gram Panchayat Initiatives for Infrastructure Development**

A discussion with the FDGs of Panchayat members, Women's group and Adult men groups indicated that Gram Panchayat elections have been regularly held with transparency and people's participation in the election process has been highly satisfactory. The women reservation of 50% members in the Gram Panchayats and Zila Panchayats has been appreciated. Women have been elected even from non reserved quota in many of these Gram Panchayats indicating women's participation level in the governance system. Participation level in the Gram Panchayat meetings has been satisfactory. Several infrastructure developments have been identified by the members after seeking views from the community. Funds allocated to the Gram Panchayats have been effectively utilized by a majority of Gram Panchayats. Members expressed high level of satisfaction for the timely release of funds from respective departments. Infrastructure at the Panchayat offices was satisfactory. Developmental works related to road connectivity, construction of drains, sanitation works and waste collection were taken as priority works in most of the Gram Panchayats. MGNREGA has been major activity of the Gram Panchayats for poverty alleviation. This scheme was appreciated by majority of Gram Panchayats. However, some difficulty was also expressed especially shortage of raw material and labour. Members felt department should look into these issues regularly. Job opportunity for women has been created in many Gram Panchayats especially small scale handicraft development programmes. (Refer Table No. V.4 to V.14)

### **V.4 Education Levels**

Discussion with FDGs(Panchayat Members, Women's Group, Adult Group and Children Group) among the selected Gram Panchayats indicate that Himachal Pradesh has achieved good results in developing school and college education infrastructure. Education access and enrolments for both gender groups were appreciated by all respondents. All children in the school going ages have been enrolled in the schools. Drop-out rates are insignificant. However, availability of education institutes in inaccessible areas was also stated by the respondents in very few cases. Respondents expressed high levels of satisfaction for education services including availability of qualified teachers. Children respondents also appreciated the level of infrastructure available in the schools especially toilets, drinking water facility, quality of mid-day meals, healthcare services in schools, play fields.

Some of the suggestions for improving quality of education were as follows.

- More rooms is required because of shortage of rooms in some school were observed as at presents separate classrooms for each class were not found in few schools.
- Shortage of teachers was also found in high and higher secondary schools.
- Some students do not attend schools during rainy season due to poor road connectivity. Even bus facility for students is not easily available.
- Healthcare services, medicines and play ground facilities are not available among many schools.
- Paucity of science labs were found in may high and higher secondary schools.
- Students also expressed that books are not available in time.
- Short-age of medicine.

### **V.5 Healthcare Services**

Although health indicators like infant mortality rate, crude death rate and expectation of life at birth have shown significant improvement in Himachal Pradesh, but respondents were not happy with the quantity and quality of the health services. Respondents stated that only basic health services are available, but

specialized healthcare is poor. Infrastructure at the health centres, hospitals and health institutes are not adequate. Availability of doctors both basic services and for specialized services were very poor. There is severe shortage of lady doctors. Medicines were not easily available and people had to travel long distances to purchase even basic medicines.

Reproductive health services were appreciated by the women groups, especially the work and dedication of ASHA workers. Institutional delivery system has strengthened yet there is a scope for its improvement in difficult terrain regions. (Refer Table No 4-14)

#### **V.6 Village Infrastructure**

Respondents were satisfied with the basic infrastructure development through several developmental funds made available by Gram Panchayats. (Refer Table No 4-14)

**Table No. V.4**  
**Abstract of Information from Gram Panchayats Perception of FGD**

Names of Scheme	Percent Respondent FGDs		
	Yes	No	General Remarks
Education	100%	0	Yes
<ul style="list-style-type: none"> <li>Whether all people get its benefit</li> </ul>	100%	0	Yes
<ul style="list-style-type: none"> <li>Whether all children enrolled in schools</li> </ul>	100%	0	Generally yes but in few cases it needs support
<ul style="list-style-type: none"> <li>Whether education services available near by</li> </ul>	0	100%	Shortage of Teachers
<ul style="list-style-type: none"> <li>Whether sufficient teachers in school</li> </ul>	100%		Generally Yes
<ul style="list-style-type: none"> <li>State quality of teaching – Good</li> </ul>	100%		Yes
<ul style="list-style-type: none"> <li>Are you satisfied with level of education?</li> </ul>			
Health	50%	50%	
<ul style="list-style-type: none"> <li>Whether all people getting health services</li> </ul>	0	100%	No, very far
<ul style="list-style-type: none"> <li>Whether education services available nearby</li> </ul>	0	100%-No	Shortage of Doctors specially Lady doctor
<ul style="list-style-type: none"> <li>Sufficient doctors/ staff in health institution</li> </ul>	0	100%No	Shortage of PHC and Medicine
<ul style="list-style-type: none"> <li>Available facilities in hospitals</li> </ul>			
Gram Panchayat Manpower/ Infrastructure	Gram Panchayat Manpower/ Infrastructure		
Whether members selected as per norms of reservation			
Peoples Participation Level	20%-yes		80%-No
Good	Peoples Participation Level		
Satisfactory	50%-50%		
Poor	0%		
Panchayat Infrastructure	0%		
Good	Panchayat Infrastructure		
Satisfactory	80%, No facility of Drinking water		
Poor	0%		
Village infrastructure	0%		
Roads	Village infrastructure		
Drains	60%	40%	
Sanitation/ waste Collection	75%	25% less	
Electricity	75%	25% less	
Health	100%	Problem in winter season	
	20%	80% shortage of staff	

**Table No. V.5**  
**Abstract of Information from Women FGDs**

Major Development Projects undertaken by Govt./ NGOs/ Gram Panchayats	Major Activities undertaken under each Schemes	Major hurdles/ problems faced while implementing the Scheme
JSY( janani Surakshya Yojana)	Caring of women	<ul style="list-style-type: none"> <li>• Irresponsibility of departmental Employee</li> <li>• Shortage of teachers in schools</li> <li>• Shortage of staff at PHC</li> <li>• Main Issue of NOC problem related to Land</li> </ul>
MGNREGA	Land Improvement, Route improvement, Digging of well, pound Construction, Kurli Construction, Goat Fencing, Rain Harvesting Tank, Sport stadium, Mahila Mandal Bhawan, Installation of Computer with furniture, Renovation of Boundary Wall, Cattle fencing, Repairing of PHC, Crimination Shed	
Matriya Shakti Yojana	Sewing Centre, Training, Centre, Mahila Mandal	Satisfactory. Women were appreciative of this Yojana.
Beti Ho Anmol	Safety of female child	Satisfactory Results
ASHA Workers	Health activity	Good Initiatives, supported by all
PM Sadak Yojana	Road connectivity to gram panchayat	This Yojana has provided access with many remote villages.
SSA	Mid-Day meal is provided	Satisfactory



**Table No V. 6**  
**Abstract of Information from Women FGDs**  
**Schemes/ Activities Undertaken for Women in Gram Panchayat**

Major Development Projects undertaken by Govt./ NGOs/ Gram Panchayats for women	Major Activities undertaken under each Schemes	Major hurdles/ problems/ Positive Aspects faced while implementing the Scheme
Education Access Enrollment	100%	<ul style="list-style-type: none"> <li>• Irresponsibility of departmental Employee</li> <li>• Shortage of staff at Hospital and doctors</li> <li>• Shortage of Teachers in some school</li> <li>• Forest Land NOC Problem</li> <li>• FC &amp; FRA Rule are not Good, Fund Problem</li> <li>• Toilets Problem</li> </ul>
Healthcare Services	Caring of Women under ASHA and Benefit Rs 700/- under JSY	
Poverty Alleviation	Ration, benefit to BPL family and Awas is provided, Employment under MGNERGA	
Employment Opportunities-	MGNERGA Project and Sewing Centre, Goat fencing and Training Centre	
Other Activities of Infrastructure development <ul style="list-style-type: none"> <li>• Road Construction</li> <li>• School Construction</li> <li>• Housing under Indira Awas</li> <li>• Latrine / Toilet</li> <li>• Drinking Water</li> </ul>	<ul style="list-style-type: none"> <li>• Road construction</li> <li>• Indira Awas construction</li> <li>• Construction of school</li> <li>• Toilets construction</li> </ul>	

**Table No V. 7**  
**Abstract of Information from Women FGDs**  
**Perception of FGD**

Names of Scheme	Percent Respondent FGDs		
	Yes	No	General Remarks
<b>Education</b> <ul style="list-style-type: none"> <li>Whether all people get its benefit</li> <li>Whether all children enrolled in schools</li> <li>Whether education services available near by</li> <li>Whether sufficient teachers in school</li> <li>State quality of teaching – Good</li> <li>Are you satisfied with level of education?</li> </ul>	<b>Education</b> 100% 100% 100% No 100% Good 100% satisfaction		Yes, Women stakeholders were satisfied with education services and quality of education provided in these schools. Teachers were responsive to the needs of students.
<b>Health</b> <ul style="list-style-type: none"> <li>Whether all people getting health services</li> <li>Whether Health services available nearby</li> <li>Sufficient doctors/ staff in health institution</li> <li>Available facilities in hospitals</li> </ul>	<b>Health</b> 100%		
		20% less	
		50% less	
		80% less	
<b>Gram Panchayat Manpower/ Infrastructure</b> Whether members selected as per norms of reservation <b>Peoples Participation Level</b> <ul style="list-style-type: none"> <li>Good</li> <li>Satisfactory</li> <li>Poor</li> </ul> <b>Panchayat Infrastructure</b> <ul style="list-style-type: none"> <li>Good</li> <li>Satisfactory</li> <li>Poor</li> </ul> <b>Village infrastructure</b> <ul style="list-style-type: none"> <li>Roads</li> <li>Drains</li> <li>Sanitation/ waste Collection</li> <li>Electricity</li> </ul>	<b>Gram Panchayat Manpower/ Infrastructure</b> 100%, Open sitting, motivation by GP, Administrative by People <b>Peoples Participation Level</b> 100%  <b>Panchayat Infrastructure</b> 100% - - <b>Village infrastructure</b> 100% 100%  100% 100%		

**Table No V.8**  
**Abstract of Information from Women FGDs Perception**

Perception Related to	General Remarks
Marriage Age <ul style="list-style-type: none"> <li>Men</li> <li>Women</li> </ul>	Marriage Age
	21
	18 or up 20
Children <ul style="list-style-type: none"> <li>Average Children</li> <li>Spacing of Children</li> <li>Sex Preference</li> </ul>	Children
	1 or 2
	2 years ,3-5 years
	None
<ul style="list-style-type: none"> <li>Whether facilities available for Nutrition for Lactating Mothers</li> <li>Delivery of Children in Health Institutes</li> <li>Inoculation / Vaccination</li> </ul>	<ul style="list-style-type: none"> <li>No Balance and Nutrition diet is provided and it should be imposed.</li> <li>No facility of delivery of children</li> <li>Yes and done proper in time</li> </ul>
Facilities at Health Centers/ Hospitals <ul style="list-style-type: none"> <li>Maternity related Issues</li> <li>Child birth</li> <li>Other healthcare in hospitals</li> </ul>	Facilities at Health Centers/ Hospitals
	<ul style="list-style-type: none"> <li>Security of the pregnant lady and Delivery facility should be at Panchayat level, A lady doctor is also there and After delivery an amt. of Rs.10000/- should be provided to mothers.</li> </ul>
	<ul style="list-style-type: none"> <li>Child caring should be done carefully</li> </ul>
	<ul style="list-style-type: none"> <li>Free treatment for economic poor section people and good doctors.</li> </ul>
Governance and Participation <ul style="list-style-type: none"> <li>Women's Participation in Gram Panchayat</li> <li>Violence and Cruelty against women</li> <li>Work Participation under different programmes</li> <li>Any Issues raised by Women</li> </ul>	Governance and Participation
	100%
	Strict action should be taken.
	100% Participation
	At least one PHC should be at Panchayat level with all facility in it, Schools are very far away and therefore there should be fear from Tiger and bear, Individual Hospital for Gram Panchayat

**Table No V.9**  
**Abstract of Information from Men FGDs**

Major Development Projects undertaken by Govt/ NGOs/ Gram Panchayats	Major Activities undertaken under each Schemes	Major hurdles/ problems faced while implementing the Scheme
Indira Awas	Home Construction	Satisfied with the work but community were unhappy with the criterion selected for identification. It should be more transparent.
Rajiv Awas	Home Construction	
NBA	Toilet Construction	
Sarv Siksha Abhiyan	Imparting education to all children under aged(6-14), Mid-Day meal is provided	
JSY( Janani Surakshya Yojana)	Caring of women	
MGNREGA	Land Improvement, Route improvement, Digging of well, pound Construction, Kurli Construction, Goat Fencing, Rain Harvesting Tank, Sport stadium, Mahila Mandal Bhawan, Installation of Computer with furniture, Renovation of Boundary Wall, Cattle fencing, Repairing of PHC, Crimination Shed	<ul style="list-style-type: none"> <li>• Irresponsibility of departmental Employee</li> <li>• Shortage of Material and labour in MGNERGA</li> <li>• Main Issue of Forest land NOC problem</li> <li>• Insufficient Fund</li> <li>• Problem of Drinking water and Drainage problem</li> </ul>
Matri Shakti Yojana	Sewing Centre, Training, Centre, Mahila Mandal	Satisfied
Beti Hai Anmol	Safety of female child	Highly Satisfied
ASHA Workers	Health activity	Good Initiative community highly supportive.
PM Sadak Yojana	Road connectivity to gram panchayat	Good initiative. Many remote villages have been connected.

**Table No. V. 10**  
**Abstract of Information from Men FGDs**  
**Schemes/ Activities Undertaken for Men in Gram Panchayat**

Major Development Projects undertaken by Govt/ NGOs/ Gram Panchayats for women	Major Activities undertaken under each Schemes	Major hurdles/ problems/ Positive Aspects faced while implementing the Scheme
Education Access Enrollment	100%	<ul style="list-style-type: none"><li>• Irresponsibility of departmental Employee</li><li>• Shortage of Material and labour in MGNERGA</li><li>• Shortage of teachers in school</li><li>• Shortage of Doctors.</li></ul>
Healthcare Services	Caring of Women under ASHA and Benefit Rs 700/-under JSY	
Poverty Alleviation	Ration, benefit to BPL family and Awas is provided, Employment under MGNERGA MGNERGA Project and Sewing Centre, Goat fencing and Training Centre	
Employment Opportunities-		
Other Activities of Infrastructure development <ul style="list-style-type: none"><li>• Road Construction</li><li>• School Construction</li><li>• Housing under Indira Awas</li><li>• Latrine / Toilet</li><li>• Drinking Water</li></ul>	<ul style="list-style-type: none"><li>• Road construction</li><li>• Awas construction</li><li>• Construction of school</li><li>• Toilets construction</li></ul>	

**Table No. V. 11**  
**Abstract of Information from Men FGDs**  
**Perception of FGD**

Names of Scheme	Percent Respondent FGDs		
	Yes	No	General Remarks
<b>Education</b> <ul style="list-style-type: none"> <li>Whether all people get its benefit</li> <li>Whether all children enrolled in schools</li> <li>Whether education services available near by</li> <li>Whether sufficient teachers in school</li> <li>State quality of teaching – Good</li> <li>Are you satisfied with level of education</li> </ul>	<b>Education</b> 100% 100% No No 100% Good 100% satisfaction		Yes, stakeholders were satisfied with education services and quality of education provided in these schools. Teachers were responsive to the needs of students
<b>Health</b> <ul style="list-style-type: none"> <li>Whether all people getting health services</li> <li>Whether Health services available nearby</li> <li>Sufficient doctors/ staff in health institution</li> <li>Available facilities in hospitals</li> </ul>	<b>Health</b> 50% yes No 50% less   	 50% less 80% less	<ul style="list-style-type: none"> <li>No Facility at all, One PHC should be there</li> <li>Medicine should be provided at home for Cancer/TB Patients</li> </ul>
<b>Gram Panchayat Manpower/ Infrastructure</b> Whether members selected as per norms of reservation Peoples Participation Level Good Satisfactory Poor Panchayat Infrastructure  Good Satisfactory Poor  Village infrastructure <ul style="list-style-type: none"> <li>Roads</li> <li>Drains</li> <li>Sanitation/ waste Collection</li> <li>Electricity</li> </ul>	<b>Gram Panchayat Manpower/ Infrastructure</b> 100%, Open sitting, motivation by GP, Administrative by People Peoples Participation Level 100%  Panchayat Infrastructure 100%   Village infrastructure 100% 100% 100% 100%		

**Table No. V. 12**  
**Abstract of Information from Men FGDs**  
**Perception**

Perception Related to	General Remarks
Marriage Age	Marriage Age
Men	21-25
Women	18 or upto 20
Children	Children
Average Children	2
Spacing of Children	3-5 years
Sex Preference	Not provided
<ul style="list-style-type: none"> <li>Whether facilities available for Nutrition for Lactating Mothers</li> </ul>	Balanced diet should be provided and Vitamins on behalf of Govt., Awareness to the pregnant women
<ul style="list-style-type: none"> <li>Delivery of Children in Health Institutes</li> </ul>	No, it should be and qualified lady doctors should also be there
<ul style="list-style-type: none"> <li>Inoculation / Vaccination</li> </ul>	Done in proper time
Facilities at Health Centers/ Hospitals	Facilities at Health Centers/ Hospitals
<ul style="list-style-type: none"> <li>Maternity related Issues</li> </ul>	It should be there. Need of lady doctors and delivery facility at gram panchayat level. Caring should be better and proper
<ul style="list-style-type: none"> <li>Child birth</li> </ul>	Not better
<ul style="list-style-type: none"> <li>Other healthcare in hospitals</li> </ul>	
Governance and Participation	Governance and Participation
<ul style="list-style-type: none"> <li>Men's Participation in Gram Panchayat</li> </ul>	100% Contribution
<ul style="list-style-type: none"> <li>Violence and Cruelty against women</li> </ul>	There should be law and strict action should be taken
<ul style="list-style-type: none"> <li>Work Participation under different programmes</li> </ul>	100% contributions in work participation
<ul style="list-style-type: none"> <li>Any Issues raised by Men</li> </ul>	Lack of medicine and requirement of lady Doctor and no facility at all related to health. Delay in progress from Govt. side and Destroy of harvest from Animals, Maintenance of Link Road

**Table No 13**  
**Abstract of Information from Children (6-18 years) FGDs**

Information	Yes	No	If Yes Whether		Major Reasons / Remarks
			Boys	Girls	
Whether Children Out-of-School		No			A few(one of two) because of no earning of their parents
School Education Facility in G. Panchayat	School Education Facility in G. Panchayat				
<ul style="list-style-type: none"><li>Access to Schools</li></ul> Infrastructure in Schools Building -Very Good/Satisfactory/Poor <ul style="list-style-type: none"><li>Toilet</li><li>Drinking Water</li><li>Black Boards</li><li>Books</li><li>Play field</li><li>Sufficient Teacher</li><li>Mid-day meals</li><li>Quality of mid-day meals</li><li>Health service if falls sick in schools</li></ul>	100% and better				
	Infrastructure in Schools Building				
	Very Good				
	Very Good				
	Very Good				
	Very Good				
	Very Good				
	Satisfactory		Shortage of teachers		
	Very Good				
	Very Good				
	Good				
	<ul style="list-style-type: none"><li>Whether any children drops outs</li></ul>	No		Sometime 1-2 children	
<ul style="list-style-type: none"><li>Quality of teaching</li></ul>	Very Good				
<ul style="list-style-type: none"><li>Gram Panchayats Role for Education</li><li>State Development Activities for School</li><li>Building of Schools</li><li>Extension of Rooms</li><li>Building of Toilets</li><li>Drinking water facilities</li><li>Any Other Specify</li></ul>	Very Good				
	Very Good -Playground for Basket ball and Badminton games, Science Lab, Library				
	Very Good				
	Satisfactory				
	Very Good				
	Good				
	More rooms is required because of shortage of rooms in school. Shortage of Teachers. Road should be pucca and Treatment facility should be there in school. Enlarge the playground. Science lab should be there. Books are not available in time, shortage of medicine. There should be school bus facility from govt. side, There should be a separate English medium school. Separate classes for Boys and Girls above 5th class, shortage of laboratory and sports facility, There is demand of ITI, Demand of Cricket Stadium, free treatment of children in Pvt. Hospitals, Construction of old drinking Yojana, Furniture Problem, Schools are very far away due to this there should be terror/fear from Animals like tiger, bear etc.				



**Table No. V.14**  
**Abstract of Information from Children FGDs Information**

Information	Yes	Remarks
Does Schools have PTA, VEC	Yes	Satisfactory. Community participates in such meetings
Do teacher come to schools regularly	Yes	Majority of children stated teachers were responsive to their requirements
Quality of teaching	Very Good	Satisfactory

## **Chapter VI: Linkages and Outcomes of Expenditures on Human Development**

### **VI.1 Context and Significance**

The present chapter examines linkages and relationship between financial allocations, actual expenditures and appropriate management like; good governance with the outcomes of processes of human development in Himachal Pradesh. It has been observed the planned development initiatives, decentralised planning and higher expenditures on economic sectors like transport and communication, energy have significantly contributed towards achieving high scores on the indicators of human development.

As already stated one of the basic conditions for Human Development (HD) is development of the people through building human capabilities of the people by improving their living conditions and increasing their active participation in the processes that shape their lives. It encompasses broader and multifaceted approaches that includes; the human resource development through appropriate and effectively monitored financing, along with the basic needs for developing human skills as well as creating conducive conditions for human welfare approach.<sup>38</sup>

Appropriate and monitored financing for processes contributing to human development is a very critical aspect for ensuring that public policies become concrete realities and that the poor and other vulnerable sub-populations are supported by the state, enabling them to become empowered beings, capable of realising their inherent potential in a participatory and democratic context. In view of the above, strengthening of state plans for human development has attained significance, since 8<sup>th</sup> Five-Year Plan period. To formalise this approach, the Planning Commission and United Nations Development Programme (UNDP) project (2004-09) aimed beyond the mere preparation on of Human Development Reports (HDRs) for the states to concentrate developing capacities of States to operationalize (HD) and make it an integral tool in the state and district planning processes. Under this project, state plan processes and dialogue were intended to be strengthened to focus more on human development concerns.

In view of the above, decentralized budget allocations and monitoring of actual performance of financial budgeting provided, through both state and centrally sponsored programmes has gained importance for a number of reasons. The importance of public expenditure in the process of human development is well recognised.

As discussed in the Chapter-II of this report, the state of Himachal Pradesh has depicted significant progress in the economy as annual growth rate of economy (both during the Five Year Plans and annual Plans) has increased significantly as compared to the national average especially after Ninth Five Year plan (1997-02). Trends in the growth rate of Gross Domestic Product were higher as compared to the neighbouring States. The contribution of Domestic Product has significantly increased for secondary and tertiary sectors during the last two decades, signifying changes in the employment opportunities in these sectors and a corresponding increase in the average income and investment rates.

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<sup>38</sup> UNDP and Planning Commission-GOI, October 2010, Human Development in India : Analysis to Action: Publication based on reports from partner State governments; compiled and edited by Pia Lindstrom.

Himachal Pradesh State being a 'Special Category State' ever since its formation in 1971 is financially dependent on Central Government funds. One of the major challenges faced by Himachal Pradesh state is the fiscal management and creation of financial capital for the developmental activities. The state requires to generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development. The government is conscious of the precarious financial situation and thus all steps are being taken to reduce unproductive expenditures, generate new resources, impose financial discipline and accelerate development through promotion of tourism and horticulture and also enhance the incomes of the state through sale of hydro-power, for which power projects have been executed expeditiously. Fiscal management has also improved as actual revenue and per capita revenue has increased due to development in infrastructure sector.

## **VI.2 State Economy and Decentralization Planning**

The growth of the State's economy has been extra-ordinary as compared to other neighbouring states with similar physical, topographical, social and economic conditions. The growth rate till the Sixth Plan period was half as compared to the national average. From the Seventh Plan period (1985-90), the state has depicted higher economic growth rate as compared to the national average and the state has maintained the growth rate in spite of its weakness in the development of manufacturing sector due to geographical location, difficult topography and inaccessibility in major areas of Himachal Pradesh. After 2000, the economy has shown a shift from agriculture sector to industries and services as the percentage contribution of agriculture and allied sectors in total State Domestic Product (SDP) has declined from 58.56 percent in 1970-71 to 13.44 percent in 2018-19. On the other hand, the contribution of secondary sector to SDP has increased from 16.73 per cent in 1970-71 to 43.60 per cent in 2018-19.

Several efforts were made under the UNDP- Planning Commission programme to create essential environment at the state level to specify annual budgets that could contribute development of human quality and also provided all necessary infrastructural support to transform the quality of human development. In this direction state planning departments were sensitized to allocate funds judiciously for balanced regional development, covering various social and economic sub sectors across all regions. A decentralised planning approach was adopted, where Panchayats (Lowest tier of administration) had the power to identify the development activities which were in sync with their requirement and adequate fund allocations were provided for such development programmes.

The state also focussed on the development agenda for weaker sections dwelling in the far-flung regions by utilizing the funds effectively through balance regional development and good governance measures. The basic objective is ensuring equitable growth and development processes so that human development and improvement of quality of population is ensured. The purpose is to create necessary opportunities for inclusiveness, and sustainability at the grassroots level. The Decentralized Planning process was initiated in a phased manner and the steps taken in this direction to ensure adequate involvement of people and their representatives in the decision making process. Implementation of third tier of administration – the Panchayati Raj institution made this possible after the promulgation of 73<sup>rd</sup> and 74<sup>th</sup> amendment of the constitution. In addition to the schemes already in progress by the respective departments, some schemes are specifically implemented through decentralized planning programme. The district planning cell plays a pivotal role in reviewing the implementation of all these Decentralized Planning Programmes.

Special efforts have been made to build capacity of state planners for devising strategies to prepare priorities for the economic and social sectors leading to overall human development. In fact separate fund allocations and actual expenditures stipulated under these sectors have been operationalized during 10<sup>th</sup>, 11<sup>th</sup>, 12<sup>th</sup> Five Year Plans and subsequent Annual Plans. This strategy has definitely increased actual

financial expenditures for the prioritized economic and social sub sectors especially transport energy, sanitation and housing, education and health care services.

### **VI.3 Focused Group Discussion Findings**

The field survey conducted among the selected Gram Panchayats indicate that financial allocations were directly made to the Gram Panchayats under MGNREGA, Indira Awas, Rajiv Awas, Haryali, 13<sup>th</sup> Finance Commission, NBA, Relief Grant, Guru Ravidas Yojana, Mukhayamantri Aadarsh Gram Yojana, SDP, BKBNY, Sampurna Awas Yojana, 14<sup>th</sup> Finance Commission and Sampurna Swachhata Abhiyan programmes.

The respondents indicated that several infrastructure development works were accomplished through these developmental projects, which directly contributed towards human welfare measures. The developmental works completed included land Improvement, road improvement, digging of well, pond construction, Kurli construction, goat grazing area fencing, rain harvesting tank, school boundary wall construction, sport stadium construction, Construction of Mahila Mandal Bhawan, installation of computer with furniture at Gram Panchayats, renovation of boundary wall, cattle fencing, repairing of PHC, crematorium sheds, house construction, toilet construction, construction of community halls, solar energy development.

### **VI.4 Human Development Linkages and outcomes**

Chapter-IV of the report indicates that the state has achieved fourth stage of demographic transition, where both fertility rates and mortality rates especially neo-natal and infant mortality rates have been significantly decreased. Himachal Pradesh has recorded decreased population growth rate, reduction in average household population size, decline in death rates (both crude and infant), increase in expectation of life at birth (both men and women), reduction in General and Total fertility rate, presence of overall balanced sex ratio, better literacy rates (both men and women), higher gross and net enrolment rates at all levels (primary, middle, higher secondary and higher education levels).

Linkages between economic growth, Five-Year Plan expenditures (for All sectors and separately for Economic and Social sectoral) and selected indicators of human development is depicted in Table VI.1 and VI.2. The analysis was attempted for the selected Five-Year Plan periods for which data was available for the selected economic growth and actual expenditures for economic and social sectors. Selected human development indicators were selected corresponding to the Five-Year Plan periods to examine the relationships. Since the selected human development indicators data is available for specific periods from Census reports, and Sample Registration Surveys (SRS) reports. An attempt was made to workout average data of these indicators corresponding to the plan period.

Table No.VI.1 clearly indicates that annual economic growth rate in Himachal Pradesh has been sustained during the Five-Year Plan periods in spite of strong variations in agricultural growth rates due to rainfall and climatic variations in Himachal Pradesh which is largely agricultural economy. GDP growth rate at constant process (2018-19) has also depicted significant growth rate especially from 10<sup>th</sup> Five-Year Plan period. Actual expenditures during the plan periods have increased substantially both for economic and social sectors and sub-sectors. The expenditures in the sub-sectors of economy especially transport, communication, energy, rural development, education, health, women and child development, and sanitation has depicted constant sustained increase. (Refer Table No.VI.1)

**Table No. VI.1**  
**Himachal Pradesh Economic Growth, Financial Expenditure Indicators**

Period	Economy Annual Growth Rate	GDP Growth Rate Current Prices 2014-15	Actual Expenditure Rs. Crore	Actual Expenditure Economic Sector (Rs. Crore)	Expenditure Social Sector (Rs. Crore)
Seventh Plan 1985-90	+8.8	+5.8	1324	996	301
Eighth Plan 1992-97	+6.3	+5.3	3480	2202	1213
Ninth Plan 1997-02	+6.4	+6.3	7899	4545	3212
Tenth Plan 2002-07	+7.6	+12.6	8880	4583	3993
Eleventh Plan 2007-12	+8.1	+16.7	14056	9221	4539
Twelfth Plan 2012-17*	+6.3	+13.8	22800	14751	7681
Annual Plan 2017-18*	+6.5	+7.03	5700	3387	2213
Annual Plan 2018-19*	+7.3	+6.5	6300	3624	2549

\*Anticipated Expenditure.

Table No. VI.2 indicates that there have been continuous improvements in the human development indicators during the selected Five-Year Plan periods. Population growth rate has declined and Himachal Pradesh has reached at a level of below replacement levels in terms of Total fertility rate. Sex ratio which indicates empowerment of women has also improved during the selected plan period. However infant and children sex ratio is still cause for worry and it requires some pro-active measures. Literacy rates have improved but still gender gap in the literacy rate exists which requires more positives measures like; covering girls and women in inaccessible and far flung areas. Crude Birth rate and Infant Mortality Rate has declined sharply depicted better health status.

**Table No. VI.2**  
**Himachal Pradesh**  
**Demographic Indicators (Averages for the Five Year Plan Periods\*)**

Period	Population Growth	Sex Ratio	Literacy Rate Male	Literacy Rate Female	Death Rate	IMR	Birth Rate	TFR
Seventh Plan 1985-90	20.79	973	75	52	8	69	27	3.7
Eighth Plan 1992-97	17.56	976	80	60	8	65	23	2.7
Ninth Plan 1997-02	17.54	976	85	67	7	52	20	2.1
Tenth Plan 2002-07	12.90	968	85	70	7	47	18	1.9
Eleventh Plan 2007-12	12.90	972	89	75	7	36	16	1.7
Twelfth Plan 2012-17	11.90	972	92	78	6	34	15	1.6

\*Averages of the above indicators have been worked out for the Five- Year plan periods for comparison purposes.

#### **VI.4 Research Questions Evaluated**

Whether allocations and expenditures by various government departments associated with human development has actually translated into desired outcomes contributing to accelerate the process of human development.

- Effective human development actions in terms of improving demographic, social and economic characteristics have been accomplished through financial allocations and actual expenditures on human development sub-sectors. (like education sector, health sector, road connectivity, energy and power sector, natural resource regeneration and women's empowerment through Panchayati Raj. These financial allocations and actual expenditures have reflected in decreased population growth rate, reduction in average household population size, decline in death rates ( both crude and infant), increase in expectation of life at birth (both men and women), reduction in General and Total fertility rate, presence of overall balanced sex ratio, better literacy rates ( both men and women), higher gross and net enrolment rates at all levels ( primary, middle, higher secondary and higher education levels).

## **Chapter VII: Twelfth Five Year Plan Targets and Beyond Assessment and Projections of Financial Allocation Required**

### **VII.1 Twelfth Five-Year Plan Targets**

The state of Himachal Pradesh strives for achieving the Twelfth Five Year Plan period targets in a phased manner so as to achieve the broader goal of “**Faster, More Inclusive and Sustainable Development**”. The development strategy adopted during the Eleventh Five-Year Plan period and Annual plans of Twelfth Five-Year Plan period was to have a synergy with the efforts made at the national level so that the goal of “Faster, More Inclusive and Sustainable Development” is realized. The development strategy adopted had an orientation to achieve each of these elements of comprehensive development, as all of them are of critical importance

The Twelfth Plan document emphasizes on achieving the objective of broad-based improvement in the economic and social condition of the people and it also recognizes the need to achieve rapid growth of GDP as it was felt that both economic growth and human development are inter-related with each other. “Rapid growth rate helps in achieving more inclusiveness as it results in faster expansion in income and production which, in turn, would result in income enhancements and greater employment through a distribution mechanism designed as a policy measure to achieve the objective of more inclusiveness. Second, revenue generated through rapid expansion in income and production can be used to finance critical programmes of inclusiveness. These programmes are either aimed at benefiting the poor and the excluded groups directly or enhance their abilities to access the income and employment opportunities generated by the growth process”.<sup>38</sup>

Several targets were approved by the National Development Council (NDC). The targets were finalized for sub-sectors of economic growth and social development, which are directly or indirectly related to the processes of human development.

The 12<sup>th</sup> Five -year plan targets have been categorized into several sub-sectors like; Economic development, demographic, education, healthcare, drinking water, transport and communication and power and energy (Refer Table No VII.1)

### **VII.2 Economic Development Targets**

The economic development targets for GDP growth rate, agricultural growth rate and manufacturing sector growth rate, fixed for 12<sup>th</sup> Five Year Plan are progressing as per the requirements for manufacturing sector. However, GDP growth rate and agricultural growth rate were lagging. In order to achieve the set targets more investments in capital expenditures are required for which fiscal discipline is required to reduce the debts and increase capital investments. (Refer Table No.VII.1)

### **VII.3 Demographic Characteristics Targets**

Low Sex ratio (906) below 6 years of age is major concern as the figures are far below the targets (921) fixed during 12<sup>th</sup> Five Year Plan. Special measures need to be taken to create awareness of strict implementation of PCPNDT Act -1994. Cash incentives for first issue as girl child should also be considered to improve child sex ratio in Himachal Pradesh. Education scholarships till high education should be provided to women students. (Refer Table No. VII.1)

### **VII.4 Education Status Targets**

The 12<sup>th</sup> Five-year Plan targets for education status especially universal literacy rate seem to be below required efforts as female literacy rate is only 77% as compared to required 95%. Although Net Enrolment rate are fully achieved at primary level, yet female adult education targets have not been

achieved. Enrolments for weaker sections of society especially ST and SC population are still low. Incentives for women adult education should be strengthened in inaccessible areas. Dropout rate at primary and Upper Primary levels are also below expected levels. Figures of actual enrolment in primary, middle and upper middle and high levels are progressing well and expectations are that the targets will be achieved. Net Enrolment rates at primary, middle, secondary and senior secondary levels for both male and females are in sync with the targets fixed for 12<sup>th</sup> Five-Year Plan and subsequent Annual Plans. However, the targets fixed for opening new schools and colleges are well below the required levels. Capital expenditures need to be provided for fulfilling these required targets. Similarly, recruitment of teachers in the educational schools and colleges are also far below the required targets. (Refer Table No. VII.1)

#### **VII. 5 Healthcare Status Targets**

The targets fixed for healthcare indicators like; Infant mortality rate, Total Fertility rate, expectation of life at birth has already been achieved in Himachal Pradesh. But the quality of healthcare services as evinced from the FDG survey is poor and needs immediate attention. Due to lack of funds public-private partnerships are required to improve the healthcare system.

#### **VII. 6 Twelfth Five Year Plan Targets, Present Status and Recommendations to achieve Targets**

Twelfth Five Year Plan (2012-2017) had identified several targets to be achieved to meet the essential requirements for human development progress. The targets selected were related to some of the human development indicators which affect directly or indirectly. The indirect were related to like; GDP growth rate, agricultural growth rate and development of manufacturing sector. All these indicators create conducive conditions for investments in developing infrastructure and income opportunities for improving quality of human development. Remarks and suggested recommendations on the status of targets have been stated in the table based on researcher's objective analysis. (Refer Table no VII.1)



**Table No VII.1**  
**Himachal Pradesh Twelfth Five Year Plan**  
**Targets and present status of these targets**

<b>Sector wise Indicators</b>	<b>Revised Twelfth Five Year Plan Target</b>	<b>Present Status 2018-19</b>	<b>Remarks</b>	<b>Recommendations to achieve Targets</b>
<b>Economic Development</b> <ul style="list-style-type: none"> <li>• GDP Growth Rate</li> <li>• Agricultural Growth Rate</li> <li>• Manufacturing Sector</li> </ul>	8.2 % 4.5 % 15 %	6.5% 3.4 % 5.7 %	Lagged due to global problems Conditional to many strong policy decisions	More investments in Capital Expenditures Fiscal Discipline to reduce debts
<b>Demographic</b> <ul style="list-style-type: none"> <li>• Sex Ratio (Below 6 year)</li> <li>• Other Demographic Indicators are satisfactory</li> </ul>	921	906	Requires immediate and urgent attention	Create awareness for strict implementation of MTP Act Encouraging Parents through cash incentives for first issue as girl child
<b>Education</b> <ul style="list-style-type: none"> <li>• Literacy Rate <ul style="list-style-type: none"> <li>○ Male</li> <li>○ Female</li> </ul> </li> </ul>	98% 95%	91% 77%	Enrolment of girls are below among SC/ ST and BC Inaccessible hamlets in difficult terrain areas and border areas not covered at present	Separate Allocation for Enrolment drive for adult education for both men and women as 100% literacy has been achieved for children.  Efforts to be made to make inclusiveness for education access among Scheduled Castes, Scheduled Tribes and Other backward classes in border areas and areas with least accessibility.  Adult women need to be covered for literacy mission to achieved literacy targets.
<b>Gender Gap in Literacy Rate</b>	3%	14%	Inaccessible hamlets in difficult terrain areas and border areas not	<ul style="list-style-type: none"> <li>• Incentives and awareness for adult education for women in hamlets located in inaccessible areas and border areas</li> </ul>

			covered at present	
<b>Dropout Ratio</b> <ul style="list-style-type: none"> <li>• Primary</li> <li>• Upper Primary</li> </ul>	0.00 0.00	0.26 0.20	Inaccessible hamlets in difficult terrain areas and border areas not covered at present	Girls drop-out rates at middle, secondary and higher secondary levels needs to be lessened especially among SCs, STs and other backward classes
<b>Enrolments (Primary)</b> <ul style="list-style-type: none"> <li>•Boys ‘000’</li> <li>•Girls ‘000’</li> <li>•Both ‘000’</li> </ul>	309 276 585	304 277 581	Gender Gap in Enrolments still exists	Enrolments of girls to be increased especially STs and in far flung areas.
<b>Enrolments (Middle)</b> <ul style="list-style-type: none"> <li>•Boys ‘000’</li> <li>•Girls ‘000’</li> <li>•Both ‘000’</li> </ul>	169 151 320	179 162 341	Gender Gap in Enrolments reduced	Enrolments of boys to be increased especially STs and in far flung areas, who dropout for seeking earning opportunities.
<b>Enrolments (9<sup>th</sup>-10<sup>th</sup>)</b> <ul style="list-style-type: none"> <li>•Boys ‘000’</li> <li>•Girls ‘000’</li> <li>•Both ‘000’</li> </ul>	125 110 235	133 119 252	Gender Gap in Enrolments reduced	Enrolments of boys to be increased especially STs and in far flung areas, who dropout for seeking earning opportunities.
<b>Enrolments (11<sup>th</sup>-12<sup>th</sup>)</b> <ul style="list-style-type: none"> <li>•Boys ‘000’</li> <li>•Girls ‘000’</li> <li>•Both ‘000’</li> </ul>	100 91 191	103 97 200	Gender Gap in Enrolments reduced	Enrolments of boys to be increased especially STs and in far flung areas, who dropout for seeking earning opportunities.
<b>Net Enrolments (Primary)</b> <ul style="list-style-type: none"> <li>•Boys ‘000’</li> <li>•Girls ‘000’</li> </ul>	100 100			Satisfactory
<b>Net Enrolments (Middle)</b> <ul style="list-style-type: none"> <li>•Boys ‘000’</li> <li>•Girls ‘000’</li> </ul>	100 100			Satisfactory

<b>Net Enrolments (9<sup>th</sup>-10<sup>th</sup>)</b> <b>•Boys ‘000’</b> <b>•Girls ‘000’</b>	100 100			Satisfactory
<b>Net Enrolments (11<sup>th</sup>-12<sup>th</sup>)</b> <b>•Boys ‘000’</b> <b>•Girls ‘000’</b>	100 100			Satisfactory
<b>Opening of Schools/Coll.</b> • Primary School • Middle School • Secondary School • Sr. Sec. School • College	• 200 • 250 • 250 • 750 • 5		Targets achieved are far below.	Needs outlay of funds for opening educational institutions for increasing education levels.
<b>Appointment of Teachers</b> • Middle School • High School • Sr. Sec. School • College Staff	• 1250 • 1000 • 5250 • 720		Significant Shortfall in targets	Appointments need to be made urgently.
<b>Technical Education</b> •Engineering College •Poly Technic College •PT College ( Tribal)	2 3 2		Significant Shortfall in targets	Stipulated funds for opening these colleges.
<b>Health Care Indicators</b> • Infant Mortality Rate • Total Fertility Rate • Malnutrition of Children (0-3) • Anaemia among women/girls	• 22 • 1.7 • 25 • 22	22 1.9		Effective Public-Private partnership to improve the quality of healthcare services especially at community health centres where

<b>Drinking Water</b> Drinking water Habitations to be covered under drinking water supply schemes  Installation of Hand Pumps	70LPCD 10725  10000			Piped water supply to the habitations not served currently is priority area to have safe health for people  Installation of hand pumps is the key requirement.
<b>Transport and Communication</b>	7500 Kms		Both state highways and district roads in border areas are difficult and cost intensive due to difficult terrain	Connectivity with the un- served habitations in the difficult terrain areas is required to achieve other targets of education development and healthcare services
<b>Power and Energy Growth Rate</b>	5.7 %		State is likely to harnessing about 8,368 MW of available potential by the end of the year 2012-13.	Power and energy sector continues to be priority to achieve GDP target growth rate of 8-9 % Focus should be on small Hydro-power projects as Himachal Pradesh has potential of 23,000 MW.

## VII. 7 Twelfth Five Year Plan and Annual Plans (2017-18 to 2018-19) Sectoral Outlays and Priorities

In view of the significance attached to the human development, the allocations of Twelfth Five Year Plan and subsequent Annual Plans have prioritised social sector development followed by transport and communication, agriculture and allied activities and energy sector. The focus on Social sector development indicates the priority to provide financial outlays education, health and sanitation and urban infrastructure development. The focus on transport and communication development has continued since 9<sup>th</sup> Five- Year Plan as road density in the mountainous state requires top attention to make majority of the human settlements accessible, so that fruits of development can be reached to such far flung habitations. Since Himachal Pradesh is mostly agricultural economy depending mostly on forestry, horticulture and allied activities third priority in terms of financial outlays has been rightly given to agricultural sector. Energy sector has been identified as fourth major priority sector for development in view of existing hydro-power resource base in the State. The state has a potential to develop the energy sector and earn revenue to sell the electricity to the neighbouring states. The National Electricity Grid is already

developed in the state, thus ample opportunities exist in the state to convert the potential energy into hydro-power energy. In view of the importance of agriculture sector in the Himachal Pradesh economy, development of irrigation assumes significant importance in the state. Development of hydro-power can also create conducive conditions for irrigation sector development. Rural development is another priority in the State as majority of population dwell in rural areas. Providing basic infrastructure services in these rural habitations will go a long way to create conducive conditions for improving quality of population in these rural habitations. So developing quality human development continues the major focus in Himachal Pradesh. (Refer Table No. VII. 2)

**Table No VII. 2**  
**Sectoral Priority Outlays during the Twelfth Five Year Plan (2012-17) and Annual Plans (2017-18 to 2018-19)**

Rs. in Crore										
Sr. No.	Sector	Proposed Outlays (2012-17)	% age of Total Outlays	Priority	Proposed Outlays (2017-18)	% age of Total Outlays	Priority	Proposed Outlays (2018-19)	% age of Total Outlays	Priority
1	2	3	4	5	6	7	8	9	10	11
1.	Agriculture and Allied Activities	2906.79	12.75	III	713.66	12.52	III	843.88	13.39	III
2.	Rural Development	1276.73	5.60	VI	113.88	2.00	VII I	127.92	2.03	VII
3.	Special Are Programme	155.75	0.68	X	27.78	0.49	X	27.78	0.44	X
4.	Irrigation And Flood Control	1972.37	8.65	V	371.30	6.51	V	430.85	6.84	V
5.	Energy	2805.59	12.31	IV	682.70	11.98	IV	682.70	10.84	IV
6.	Industry and Minerals	224.42	0.98	IX	118.96	2.09	VII	113.76	1.81	VII I
7.	Transport and Communication	4709.88	20.66	II	1073.52	18.83	II	1094.89	17.38	II
8.	Science, Technology, Environment and IT	104.92	0.46	XI	17.37	0.30	XI	16.89	0.27	XI
9.	General Economic Services	596.59	2.62	VII	267.35	4.69	VI	284.97	4.52	VI
10.	Social Services	7674.22	33.66	I	2213.16	38.83	I	2548.66	40.45	I
11.	General Services	372.74	1.63	VIII	100.32	1.76	IX	127.70	2.03	IX
	<b>Total</b>	<b>22800.00</b>	<b>100</b>		<b>5700.00</b>	<b>100.00</b>		<b>6300.00</b>	<b>100.00</b>	

#### **VII. 8 Projections for Financial Requirements to meet Targets of Next Financial Years.**

As reflected by (Table No VII.1), the outcomes of first three year Annual Plans (2012-2016) of Twelfth Five Year Plan and subsequent Annual Plans, depict, that many targets related to social sector and economic sector development especially for opening of new educational institutions, appointment of teachers in the existing and proposed new educational institutions and development of health institutions, provision of portable drinking water to all habitations, road connectivity to all major habitations have not been achieved due to paucity of appropriate financial allocations in the 12<sup>th</sup> Five Year Plan and subsequent Annual Plans. Unfortunately, the data on actual expenditures and current targets of various social sector and economic sector indicators for the Annual Plans 2016-17 to 2018-19 is still not available. Due to the gaps existing in the targets and actual performance in the Twelfth Five Year Plan and subsequent Annual Plans, it was not possible to achieve many targets by the end of Annual Plan (2018-19). Therefore, efforts are being made to provide more funds for social development sectors in the next five years.

An analysis of Table No III.2 - III.4 (Chapter-III) indicates that there has been substantial increase from Rs. 8880 to 14057 crore depicting growth rate of 58% during 10<sup>th</sup>-11<sup>th</sup> Five-Year Plan, Rs. 14057 to 22800 crore depicting growth rate of 62% during 11<sup>th</sup>-12<sup>th</sup> Five –Year Plan periods and from Rs. 5700 crore to Rs. 6300 crore depicting growth rate of 11% during 2017-18 to 2018-19. Out of the total expenditure, during 11<sup>th</sup> 12<sup>th</sup> Five-Year Plan and subsequent Annual Plans around 65-66% expenditure was spent for Economic Sector followed by 32-40% for Social Development Sector.

Even with the substantial increase in the Five-Year Plan expenditures during 11<sup>th</sup> and 12<sup>th</sup> Plan and subsequent Annual Plans, the set targets for human development indicators fell short especially in developing new educational and health institutions and providing them adequate staff requirements. Even existing potential of energy sector could not be fully optimised due to lack of financial allocations in the Five-Year Plans and subsequent Annual Plans. Transport and Ccommunication Sector again requires further strengthening to make the fruits of development easily accessible to human habitations located in difficult terrains. In view of this, allocations for the next five years need to be enhanced by creating synergy between public and private sector partnership.

Himachal Pradesh state being a ‘Special Category State’ ever since its formation in 1971 is financially dependent on Central Government funds. One of the major challenges faced by Himachal Pradesh State is the fiscal management and creation of financial capital for the developmental activities. The State requires to generate financial resources for processes of economic and human development to broaden the budget base for Social and Economic Development. The government is conscious of the precarious financial situation and thus all steps are being taken to reduce unproductive expenditures, generate new resources, impose financial discipline and accelerate development through promotion of tourism and horticulture and also enhance the income of the State through sale of hydro-power, for which power projects have been executed expeditiously.

Total revenue receipts for 2018-19 were fixed at Rs. 30,400 crore. However, a significant proportion of these revenue receipts were from Grant-in Aid as direct transfers from the Central Government under ‘Special Category Status’. The data depicts that the dependence from Central Government was reduced during this period as more revenue was generated under the tax and non-tax revenue heads. (Refer Table No. II.12).

Since more funds are required for creating conducive conditions for human development for next five years the State needs to generate more revenue locally and also it needs to enter into public-private partnerships to generate extra resources for next years. Keeping in view of the targets to be achieved during next years, an additional budgetary allocation must be made for the next years.

Ideally an increase of a minimum of 50% budgetary allocations for the next years should be stipulated. Since Grant-in-Aid from Central Government cannot meet demands for the extra burden required for the next years, therefore funds have to be generated locally by reducing unproductive expenditures, generate new resources, impose financial discipline and accelerate development through promotion of tourism and horticulture and also enhance the incomes of the state through sale of hydro-power, for which power projects have been executed expeditiously. Externally aided projects must be also encouraged by providing effective administrative and good governance environment. Public –Private Partnerships in economic and social development projects like; hydro-power development, tourism development, development of higher education and technical college institutions require impetus. Leased land should be provided to private partners subject to the condition that their services should be monitored for benefitting Scheduled Castes, Scheduled Tribes and other marginalised communities.

Projections for the financial requirements have been made based on the premises that a minimum of 50%

budget allocations must be enhanced during next five years as compared to 12<sup>th</sup> Five-Year Plan period. In this period nearly 65% budget allocations are provided for economic sector and around 32-40% budget is allocated to Social sector development. This needs to be increased up to 42-45% of the total allocations for Social sector.



## Chapter VIII: Summary, Conclusions and Recommendations

Addressing issues of human development in India is of vital importance since a significant proportion of population are still living below the poverty line, and income inequalities are rising by the day. One of the basic conditions for Human Development (HD) is development of the people through building human capabilities of the people by improving their living conditions and increasing their active participation in the processes that shape their lives. It encompasses broader and multifaceted approaches that includes; the human resource development through appropriate and effectively monitored financing, along with the basic needs for developing human skills as well as creating conducive conditions for human welfare approach.

Appropriate and monitored financing for processes contributing to human development is a very critical aspect of ensuring that public policies become concrete realities and that the poor and other vulnerable sub-populations are supported by the state.

The present study examines and analyses the pattern of financial management, allocations and expenditures by various government departments engaged in the processes of human development in Himachal Pradesh state of India. The study also examines how far expenditures incurred by the state departments have actually translated into the desired outcomes contributing to further the process of human development in Himachal Pradesh. Last section of the report examines the on-going progress of the indicators of human development during the annual periods of the 12<sup>th</sup> Five-Year Plan and subsequent Annual Plans.

The study also examines and evaluates the following research questions.

- Whether Capacity building of State Planners for human development, including building capacities in making available disaggregated District level data has been accomplished?
- Whether advocacy through dissemination and outreach of SHDRs is ensured to internalize public expenditure for human development and social priority sectors by planners and implementers for identified development programmes.
- Whether effective human development actions through informed decisions and human development strategies have been incorporated in the financing framework in Himachal Pradesh
- Whether allocations and expenditures by various government departments associated with human development has actually translated into desired outcomes contributing to accelerate the process of human development.

The study is based on both primary and secondary sources of information. Secondary data includes all reports and statistical data published / available on the websites by the Economics and Statistics department of Government of Himachal Pradesh, Planning Department of Himachal Pradesh, Finance Department of Himachal Pradesh and NITI Aayog, Government of India. In addition, books, research articles other published data related annual budgets published/ available in the websites were also referred. Primary data was collected through a field survey among the appropriately selected Focused Groups in selected Gram Panchayat across the state. Pointer questions were prepared to initiate the discussion among the selected Focused Groups in the selected samples.

Himachal Pradesh being located in the lap of Himalayan mountain ranges is predominantly an agrarian economy as more than 60% of population depends on agricultural and allied activities (horticulture, livestock rearing and forestry). Although the State possesses resources conducive for hydro-power development and other manufacturing activities but due to poor road connectivity and difficult terrain

conditions for development of railway network, the state has is least accessible for development of manufacturing and service sector.

As per the survey conducted by Government of Himachal Pradesh a significant proportion of Scheduled Castes and Scheduled Tribes population are still living below poverty line (24 percent of State population in 2007).

### **Economic Growth and Development**

The economic growth and development of Himachal Pradesh has been extra-ordinary as compared to its neighbouring states with similar physical, topographical and socio-economic conditions. The state took advantage of being 'Special Category State' status for transfer of funds from the tax collections of Central government. The state has received special funds and grants under different Central Government schemes. The state has converted its weakness into strengths by developing agricultural and horticulture activities its main resource of the economy. The state also focused on the development agenda for weaker sections dwelling in the far- flung regions by utilizing the funds effectively through balance regional development and good governance measures.

The economic development trajectories of the State as depicted by indicators such as income-growth, and structural composition of states gross and net domestic product and the priorities of plan outlays under different economic and social sectors during last the two decades of planned development indicate that from the Seventh Plan period (1985- 90), the state recorded higher economic growth rate as compared to the national average. This growth rate has been mainly achieved through commercialization of agricultural and allied activities. The maintaining of high annual economic growth rate in Himachal Pradesh is in sync with the national average. After 2000, the economy has shifted from agriculture sector to industries and services. The percentage contribution of agriculture and allied sectors in total State Domestic Product (SDP) has declined from 58.56 percent in 1970-71 to 13.44 percent in 2018-19. On the other hand, the contribution of secondary sector to SDP has increased from 16.73 per cent in 1970-71 to 43.60 per cent in 2018-19. Service sector has also increased significantly during the same period from 24.71 per cent in 1970-71 to 42.97 percent in 2018-19.

In spite of this negative growth of agricultural sector for these specified periods, economy of Himachal Pradesh grew in sync with national economy. This was made possible through diversification of the economy, especially developing service sector as well as industrial sector focusing on small scale handicraft and manufacturing activities.

The Gross State Domestic Product and Net State Domestic Product growth rate at factor cost at current prices increased at a much faster rate as compared to the national average. The State Gross Domestic Product (SGDP) for Himachal Pradesh at current prices was estimated at Rs.136542 crore in 2017-18 as against Rs.14,112 crore in 1999-2000, while the Net Domestic Product was estimated at Rs. 117191 crore in 2017-18 as against Rs.12,467 crore in 1999-2000. This depicts an impressive annual growth rate ranging from a minimum of 9.49 percent during 2004-05 to 2005-06 and maximum of 22.12 percent during 2007-08 to 2008-09 for SGDP. Similarly, the SNDP recorded a minimum growth rate of 9.83 during 2001-02 to 2002-03 and a maximum growth rate of 18.20 per cent during 2008- 09 to 2009-10. Both the SGDP and SNDP growth rate for India at current and constant prices during the same period was comparatively less than for the Himachal Pradesh Domestic Product growth rates.

The contribution of transport and communication, trade and financial and real estate sectors increased significantly in the State's Domestic and Net Product. The per capita Net Domestic Product for Himachal Pradesh was much higher than the per capita Net Domestic Product for its neighbouring states as well as for the national average. The per capita Net Domestic Product annual growth rate was impressive

(between 9-17%) during 2006-2010 period as compared to the national average. Such an impressive growth rate can be attributed to adopting of planned balanced development policies especially targeting the marginal communities across different geographical regions. Development expenditure for social sector and for capital outlay in Himachal Pradesh was much higher than the national average during last one decade especially during last 4 years.

The State per Capita Net Domestic Product at Current Prices was Rs. 1,23,299 in 2018-19 as compared to Rs. 88,533 crore at Constant Prices. While till Eighth Five Year Plan, per Capita Net Domestic Product was more or less similar for both the State of Himachal Pradesh and for the country, it depicted higher growth rate from Tenth Five -year Plan (2002-07) onwards for the State of Himachal Pradesh.

The State recorded insignificant investments during First to Fifth Five Year Plan period. However, the overall investment and per capita investment increased substantially after 7<sup>th</sup> Five-Year plan in the State, due to the creation of income generation activities especially in horticulture, cultivation of fresh vegetable seeds and tourism related activities. This was made possible due to budgetary provisions for the development of transport and communication activities under five year plans and annual plans. This also increased employment opportunities in the real estate services. Several Centrally sponsored programmes were implemented for developing processes of human development especially higher investments in sanitation, housing and education. Fortunately, most of other investments were spent on development programmes related to improving the dominant agricultural and allied activities especially fruit cultivation. The annual investment from 2007-08 onwards depicts substantial increase which also resulted in the significant increase in the per capita annual investment.

#### **Fiscal Management and Decentralized Sectoral Planning**

One of the major challenges faced by Himachal Pradesh state is the fiscal management and creation of financial capital for the developmental activities. The state requires to generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development. The government is conscious of the precarious financial situation and thus all steps are being taken to reduce unproductive expenditures, generate new resources, impose financial discipline and accelerate development through promotion of tourism and horticulture and also enhance the incomes of the state through sale of hydro-power, for which power projects have been executed expeditiously.

Himachal Pradesh's revenue and capital receipts in 2017-18 were Rs. 34034 crore, out of which Rs.10164 crore were grants from Central Government as the State being 'Special Category State.' This accounts for 29.86 percent dependence on the central grants of its total budget in 2017-18. This higher tax devolution allows states greater autonomy in financing and designing of schemes as per their needs and requirements.

Although there is significant increase in the revenue receipts during last five years, however a significant proportion of these revenue receipts are from 'Grants from Central Government' and other Centrally Sponsored Programmes. The proportion of per capita expenditures under capital heads, indicate the potential for developing investments for the processes of human development. The proportion of per capita expenditure under revenue head hovers around 78-80 percent, while only 20-22 percent of this expenditure is spent under capital expenditure head. Thus the state requires to improve the financial management and generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development. Thus to improve the investments, the state requires to improve the financial management and generate financial resources for processes of economic and human development to broaden the budget base for Social and economic development.

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financial capital for the developmental activities. The state requires to generate financial resources for processes of economic and human development to broaden the budget base for Social and Economic Development. The government is conscious of the precarious financial situation and thus all steps are being taken to reduce unproductive expenditure, generate new resources, impose financial discipline and accelerate development through promotion of tourism and horticulture and also enhance the incomes of the State through sale of hydro-power, for which power projects have been executed expeditiously.

Himachal Pradesh has formulated decentralized planning by engaging the District Planning Cells for the preparation of schemes at the micro level ( Zila Panchayat and Panchayat Samitis level ). Aim is to monitor the process of the implementation of all the plan schemes being run by various departments soon after the approval of the budget. These schemes include, Sectoral Decentralized Planning (SDP), Vikas Mein Jan Sahyog (VMJS), Vidhayak Kshetra Vikas Nidhi Yojna (VKVNY), Mukhya Mantri Gram Path Yojna (MMGPY) and the, Backward Area Sub-Plan, Tribal Area Sub-Plan., Scheduled Caste Sub Plan, MPLAD Schemes, 20-Point Programmes and special grants under 13<sup>th</sup> and 14<sup>th</sup> Finance Commission. A total of Rs. 183.93 crore, Rs. 67.49 crore, Rs.94.54 crore and Rs. 35 crore were utilized by the 10 non-tribal districts respectively under the SDP, VMJS, VKVNY and MMGPY programmes during the 11<sup>th</sup> Five-Year Plan (2007-12). Similarly, Rs.69.95 crore, Rs.21.59 crore, Rs.81.65 crore and Rs.5.50 crore were utilized respectively under the SDP, VMJS, VKVNY and MMGPY programmes during the annual plan of 2018-19.

Several efforts have been made under the UNDP- Planning Commission programme to create essential environment at the state level to specify annual budget that could contribute development of human quality and also provided all necessary infrastructural support to transform the quality of human development. In this direction State Planning departments were sensitized to allocate funds judiciously for balanced regional development, covering various social and economic sub sectors across all regions. A decentralized planning approach was adopted, where Panchayats (Lowest tier of administration) had the power to identify the development activities which were in sync with their requirement and adequate fund allocations were provided for such development programmes.

There has been substantial increase in the actual expenditure under Five-year plans and annual plans from 2007 onwards for sub-sectors under the Economic Sector, Social Sector and other General Sector contributing towards the processes of human development. The actual expenditure increased substantially for transport and communication, energy, sanitation and housing, education and health and family welfare. This created conducive infrastructure for improving human development processes. About 40-45 percent expenditure was made under the social development sector (Sanitation and housing, education and health and family welfare) during 9<sup>th</sup> and 10<sup>th</sup> Five-year plan period. Growth rate of expenditures was impressive depicting more attention given to developing infrastructure for human development processes. Although actual expenditures under for Social Development Sector increased during 11<sup>th</sup> and 12<sup>th</sup> Five-Year Plan but the percent to total expenditure for the Social Development Sector decreased to 32-34% of the total expenditure incurred for all sectors.

Strengthening economic based like investments in transport and communication, and development of small scale industry for employment generation especially small scale industries was visualised as prime requirement to consolidate the human development processes in the 11<sup>th</sup> and 12<sup>th</sup> Five-year plan. Thus, the plan laid emphasis for investing the transport and communication sector, industries, energy sector and rural development activities in addition to the Social development sector especially sanitation, housing and education sub- sector. Thus creation of new infrastructure and new projects for the processes of human development needs strengthening in future plans. A substantial

finances needs to be generated by the state for this purpose.

### **Human Development Status**

Himachal Pradesh scores reasonably high on the indices of Human Development in comparison to other neighbouring states of the country. The demographic indicators like growth rate or population and average size of households were exceptionally good for Himachal Pradesh. Thus economic growth and development parameters are essentially reflected through declining population growth by decreasing both births and death rate. This reflects advanced stage of demographic transition model. A satisfying picture indicates that all the districts have achieved lower decennial population growth rate as compared to the national average. The decrease in the population growth rate has also translated into less household population size, which is one of the ideal conditions for promoting growth generative policies for the population.

Himachal Pradesh has constantly recorded more balanced sex ratio since 1981, where as the national average of sex ratio has been declining constantly, depicting Himachal Pradesh as one of the most developed state in terms of gender justice and women's empowerment. However unfortunately, Himachal Pradesh has recorded lower sex ratio for (0-6 years) as compared to national average, which itself has very low sex ratio. Keeping significance of increase in child sex ratio, 12<sup>th</sup> Five-Year Plan and subsequent Annual Plans have fixed target to increase the child sex ratio.

The educational achievements in terms of overall literacy rate, female literacy rate, gross and net enrolment rates and drop-out rates at primary, middle and high/ higher secondary levels are impressive compared to the national average and other neighbouring states.

Efforts have been made to open new schools in far flung areas so that educational institutions are made easily available within short distances. In a hilly state like Himachal Pradesh access is challenging task as people live in small size hamlets which are far away from each other due to terrain constraints. Currently 2.04 schools/ educational institutes are available per "000" population. However, a significant variation was recorded in the availability of schools per "000" population among the districts. In case of districts falling in plain areas the distribution was lower as population tends to cluster in few nodes, while it was high for districts falling within difficult terrain as people dwell in sparsely distributed hamlets. Thus government has taken due care to provide more schools in difficult terrain districts to provide easy access to the population. The data indicates that 85.66 schools were available per "00" settlements, which shows that government has made all possible efforts to provide easy access and availability of education institutes to the people.

Himachal Pradesh has also performed better in proving adequate number of teacher to pupil ratio over a period of time. Teacher/Pupil ratio has improved significantly in primary/ junior basic schools since 2003-04. About 25% population has education up to higher education and above levels, which includes 9% having education up to graduation and above graduation levels. However technical education is very low as only 1% of the population have technical diploma. Although the picture is better than the national average, still Himachal Pradesh is lagging in technical education.

Gross and Net enrolment rates for primary, upper primary, secondary and higher secondary levels point out that the target of Gross enrolment rates have been achieved in all districts for both boys and girls for the primary and upper primary levels. The Net enrolment rates are slightly behind in some districts but are very close to the targets of 100% requirement. Gross enrolment rates at secondary level are showing better results both for boys and girls across all the districts which indicate that students from higher ages are now pursuing their education at these levels. The efforts of the education department in making these students agree to enroll at secondary level even if they are at higher ages are laudable. However, Net

enrolment rate at hr. secondary level is still lower at around 61-78 percent. The far flung and inaccessible districts of Lahaul-Spiti and Kinnaur have lower GER as compared to other districts for both boys and girls.

The healthcare indicators like infant mortality rate, crude death rates, expectation of life at birth recorded impressive improvement and these indicators were exceptionally good as compared to the national average. The state has already achieved the target fixed for both crude death rate and infant mortality rate. Crude death rate was 6.6 per “000” population in Himachal Pradesh as compared to 6.3 for India in 2017. Infant mortality rate in Himachal Pradesh has shown significant decline from 57 per “000” live births in 2006 to 22 per “000” live birth in 2017. Expectation of life at birth again depicts better performance for Himachal Pradesh State as compared to the national average. Female expectation of life at birth has depicted significant improvement which is in sync with any developed society.

Crude birth rate for Himachal Pradesh was 15.8 per “000” population in 2017 as compared to 20.2 per “000” population for India. Thus, the State has achieved the target in reducing the crude birth rate effectively and the decline in the birth rate has been continuous since 2000 onwards. The State has already reached replacement levels in terms of births as Total and General fertility rates were below national level at both rural and urban places. Though institutional deliveries have improved in the State, yet some far-flung regions require these services. Quality of health services especially human resources availability of specialized staff in the State requires attention.

Himachal Pradesh recorded 59.56 medical institutes per lakh population which was lower than available 10 years earlier. Whereas population increase during 2001-11 outpaced the increase in medical institutes. The data clearly reflects that capital investment in terms of making more medical institutes and hospital beds available has not been accomplished. However, the availability of medical institutions and hospital beds is in conformity with the appropriate norms and even better than the national average.

Women empowerment and participation in the State is impressive. In addition to the women being elected in the reserved seats, even women have been elected for un-reserved seat in the Gram Panchayats and women members outnumber men in the Gram Panchayats. Thus women have achieved empowerment in real sense in Himachal Pradesh in governance issues. These results have clearly influenced gender justice and favorable healthcare and educational indicators.

The performance of MGNREGA is good in case of Himachal Pradesh. This is probably due to active participation of elected members at Gram Panchayat level, supported by the district administration. The performance in terms of generating ‘Mandays’ has been exceptionally good, however variation was found in terms of generation of ‘Mandays’ among the districts. Better performance districts were Mandi, Chamba and Kullu, whereas Lahaul-Spiti and Kinnaur were poor performed districts.

Himachal Pradesh was declared “Open Defecation Free” (ODF) State in the country and stood the second State, after Sikkim to get this status. All the households in the State have toilet facility. Among bigger States, Himachal Pradesh is the first State to become ODF. All 12 districts of the State have been covered as ODF districts.

Food security in a hilly State with limited accessibility is essential to maintain the supplies of essential food items during connectivity disruptions. The supplies are ensured through public distribution system for providing basic food requirement like; rice, wheat, sugar supply. All these basic food requirements are provided by “Fair Price Shops”.

Natural Resource Management Himachal Pradesh is one of the ecologically sensitive States with 66.52 percent square kilometre of forest area. This is most preserved carbon free State of the country. The State has used all possible abilities and prudence in managing the natural resources. Several measures have

been taken by government and people to maintain the pristine nature. Himachal Pradesh has been the first State in the country to have put a blanket ban on the felling of green trees in the State. Alternative arrangements have been provided to people like use of LPG gas, electricity and other non pollution based energy for cooking and lighting purposes.

The State has set targets of 12<sup>th</sup> Five-Year Plan and subsequent Annual Plans to improve the processes of human development especially for improving demographic indicators, educational services, healthcare facilities and other infrastructure for improving overall quality of life. Majority of the set targets are in sync with the requirements and are progressing well. The status of target fixed during the 12<sup>th</sup> Five-Year plan period shows mixed results.

The study points out

- Special efforts have been made to build capacity of state planners for devising strategies to prepare priorities for the economic and social sectors leading to overall human development. In fact, separate fund allocations and actual expenditures stipulated under these sectors have been operationalized during 10th, 11th and Annual Plans under 12th Five- Year Plan and subsequent Annual Plans. This strategy has definitely increased actual financial expenditures for the prioritized economic and social sub sectors especially; transport, energy, sanitation and housing, education and health care. These actual expenditures have significantly contributed towards improving indicators of human development in Himachal Pradesh.
- The capacity build among the state planners should have led to the availability of district level disaggregated data on budget allocations and actual expenditures. This data would have helped to measure the district wise outcomes of such allocations and actual expenditures on the human development indicators. But unfortunately the state planners have not yet internalized the process of providing district wise allocations and actual expenditures; hence measuring the impact of financial expenditures on human development at district level is not possible. Thus the objective of building capacities in making available disaggregated District level data has not been accomplished
- Effective human development actions in terms of improving demographic, social and economic characteristics have been accomplished through financial allocations and actual expenditures on human development sub-sectors. (like education sector, health sector, road connectivity, energy and power sector, natural resource regeneration and women's empowerment through Panchayati Raj. These financial allocations and actual expenditures have reflected in decreased population growth rate, reduction in average household population size, decline in death rates ( both crude and infant), increase in expectation of life at birth (both men and women), reduction in General and Total fertility rate, presence of overall balanced sex ratio, better literacy rates ( both men and women), higher gross and net enrolment rates at all levels ( primary, middle, higher secondary and higher education levels).
- The respondents indicated that several infrastructure development works were accomplished through developmental projects, which directly contributed towards human welfare measures. The developmental works completed included land Improvement, road improvement, digging of well, pond construction, Kurli construction, goat grazing area fencing, rain harvesting tank, school boundary wall construction, sport stadium construction, Construction of Mahila Mandal Bhawan, installation of computer with furniture at Gram Panchayats, renovation of boundary wall, cattle fencing, repairing of PHC, crematorium sheds, house construction, toilet construction, construction of community halls, solar energy development.

## Recommendations

- The state planners have not yet internalized the process of publishing district wise allocations and actual expenditures at micro level units, hence measuring the impact of financial expenditures on human development at district level is not possible. Thus, the objective of building capacities in making available disaggregated District level data has not been accomplished. This must be taken immediately by the planners so that exercises of finding and analyzing financial expenditures on different sub-sectors of social and economic components can be attempted at micro level units (district units).
- The State's complete dependence on Central government funds needs to be relooked and efforts should be made to generate more revenue locally, so that expenditures on infrastructure is increased on capital investment and capacity building of human resources.
- In view of the adoption of Goods and Sales Tax Act, the State might be in better position financially, so identification of new infrastructure requirements in sync with the processes for the human development especially road network development, health and educational infrastructure and improving manpower in these sectors need priority.
- The economic development targets for GDP growth rate, agricultural growth rate and manufacturing sector growth rate, fixed for 12<sup>th</sup> Five Year Plan and subsequent Annual Plans are progressing as per the requirements for manufacturing sector. However, GDP growth rate and agricultural growth rate were lagging. In order to achieve the set targets more investments in capital expenditures are required for which fiscal discipline is required to reduce the debts and increase capital investments.
- Low Sex ratio (906) below 6 years of age is major concern as the figures are far below the targets (921) fixed during 12<sup>th</sup> Five Year Plan. Special measures need to be taken to create awareness of strict implementation of PCPNDT Act -1994. Cash incentives for first issue as girl child should also be considered to improve child sex ratio in Himachal Pradesh.
- The 12<sup>th</sup> Five- year Plan targets for education status especially universal literacy rate seem to be below required efforts as female literacy rate is only 77% as compared to required 95%. Although Net Enrollment rate are fully achieved at primary level, yet female adult education targets have not been achieved. Enrolments for weaker sections of society especially ST and SC population are still low. Incentives for women adult education should be strengthened in inaccessible areas. Dropout rate at primary and Upper Primary levels are also below expected levels. Figures of actual enrolment in primary, middle and upper middle and high levels are progressing well and expectations are that the targets will be achieved. Net Enrollment rates at primary, middle, secondary and senior secondary levels for both male and females are in sync with the targets fixed for 12<sup>th</sup> Five-Year Plan. However, the targets fixed for opening new schools and colleges are well below the required levels. Capital expenditures need to be provided for fulfilling these required targets. Similarly, recruitment of teachers in the educational schools and colleges are also far below the required targets
- The targets fixed for healthcare indicators like; Infant mortality rate, Total Fertility rate, expectation of life at birth has already been achieved in Himachal Pradesh. But the quality of healthcare services as evinced from the FDG survey is poor and needs immediate attention. Due to lack of funds public-private partnerships are required to improve the healthcare system.
- Capacity building of existing human resources for educational institutes and health care professional need top most priority. Skill development of workers for horticulture, livestock



rearing and cottage and small scale industries requires immediate attention, so as to provide employment opportunities for quality subsistence of the people.

- Ideally an increase of a minimum of 50% budgetary allocations for the next years should be stipulated. Since Grant-in-Aid from Central government cannot meet demands for the extra burden required for the next years, therefore funds have to be generated locally by reducing unproductive expenditures, generate new resources, impose financial discipline and accelerate development through promotion of tourism and horticulture and also enhance the income of the State through sale of hydro-power, for which power projects have been executed expeditiously. Externally aided projects must be also encouraged by providing efficient administrative and good governance environment. Public-Private-Partnerships in economic and social development projects like; hydro-power development, tourism development, development of higher education and technical college institutions require impetus. Leased land should be provided to private partners subject to the condition that there service should be monitored for benefitting Scheduled Castes, Scheduled Tribes and other marginalized communities.
- In the Annual Plan of 2018-19, nearly 58% and 40% budget allocations have been made for Economic Sector and Social Development Sector respectively.

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# Annexures Pointers for Focused Group Discussion

## Annexure- I

### **Panchayat Members (All Members together)**

Name of Member/ Age/ Sex/ Caste Date

Gram Panchayats District

- Financial Allocation under different programmes during last three years
- Actual Financial expenditures under different programmes during last 3 years.
- Process of Release of financial allocation and time periods for the release of these financial allocations
- Name Actual Human Development Process Projects undertaken during last three years in the Gram Panchayats. Give details of each project.
- Major stakeholders and beneficiaries of such project activities.
- Major hurdles in completing the human development projects.
- Perception of FGD members on
  - Education Access, Enrolment, infrastructure, human resources, quality of teachers, quality of education.
  - Health – access/ infrastructure/ human resources/ quality of services
  - Health major morbidity/ diseases and health care services to control morbidity.
  - Infrastructure Gaps ( Demand and Supply) in the Gram Panchayat
    - Roads
    - Electricity
    - Schools
    - Health Centers
    - Public Health- Drinking water, drains, toilets others
    - Peoples participation and governance.
- Any other information

**Women aged 18-54 Years**

Name Age

Village/ Gram Panchayat/ Block/ District

- Name Major Developmental Projects Undertaken by Government/ NGOs in the Gram Panchayat during last 3 years
  - Education- SSA other
  - Health- Janani Yojana, Ayush
  - Infrastructure- Road, Buildings – Education/ Health/ Others
  - Public Health- Drinking Water, Housing, Drainage
  - Electricity
  - Peoples participation in Governance
- Activities undertaken by Gram Panchayat in the villages for Women related development.
- State major outcomes of these activities undertaken by Government/ Local Government/ NGOs
- Give your feed back on
  - Education Access and Enrolment for Girls and Women
  - Health Care Services for women
  - Poverty Alleviation programmes
  - Employment Opportunities for Women Under various government schemes.
  - Other Activities of Infrastructure development and construction activities of roads/ schools/ health centres/ and others
- State major hurdles in getting the results from these projects
- Give your perception on following
  - Marriage Age for Women
  - Decision on number of Children and their spacing
  - Nutrition of pregnant women and lactating mothers
  - New born children facilities in health centers
  - Inoculation of children
  - Facilitates at health Centers in terms of human resources and infrastructure.
  - Participation in Gram Panchayat decision making process
  - Perception on Violence and cruelty against women
  - Work participation under different government programmes
  - Major health issues of women and quality of services for their health care support.
  - Any other issues relevant to the Gram Panchayat

**Adults Aged 18-65 Years**

Name Age

Village/ Gram Panchayat/ Block/ District

- Name Major Developmental Projects Undertaken by Government/ NGOs in the Gram Panchayat during last 3 years
  - Education- SSA other
  - Health- Janani Yojana, Ayush
  - Infrastructure- Road, Buildings – Education/ Health/ Others
  - Public Health- Drinking Water, Housing, Drainage
  - Electricity
  - Peoples participation in Governance
- Activities undertaken by Gram Panchayat in the villages related to development.
- State major outcomes of these activities undertaken by Government/ Local Government/ NGOs
- Give your feed back on
  - Education Access and Enrolment
  - Health Care Services
  - Poverty Alleviation programmes
  - Employment Opportunities for adults under various government schemes.
  - Other Activities of Infrastructure development and construction activities of roads/ schools/ health centres/ and others
- State major hurdles in getting the results from these projects
- Give your perception on following
  - Marriage Age for Women/ Men
  - Decision on number of Children and their spacing
  - Nutrition of pregnant women and lactating mothers
  - New born children facilities in health centers
  - Inoculation of children
  - Facilitates at health Centers in terms of human resources and infrastructure.
  - Participation in Gram Panchayat decision making process
  - Perception on Violence and cruelty against women
  - Work participation under different government programmes
  - Major health issues of women and quality of services for their health care support.
  - Any other issues relevant to the Gram Panchayat



**Children (6-18 Years) both Boys and Girls**

Name Age

Village/ Gram Panchayat/ Block/ District

- Whether any children in the village Out of Schools If yes State number of Boys and Girls separately.
- If out of School Children- state reasons for not going to schools
- School Education Facilities in the Gram Panchayat
  - Access to schools
  - Infrastructure- building/ toilets/ drinking water/ black boards/ book.
  - Teachers numbers per school and their quality
  - Any dropouts
  - Reasons for dropouts
  - Quality of teaching
  - Mid-days meals served in schools
  - Quality of mid day meals
  - Whether separate treatment in terms of facilities and services given to boys and girls by teachers/ parents and community
  - If yes state major points
- Health services if sick in schools / at home
- Whether Gram Panchayat takes their demand into account for developing facilities in schools.
- State any major development activities undertaken in your schools by Gram Panchayats/ Local Government/ Central Government
- Does your school have PTAs/ VECs.
- Any other relevant information from children

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