Role and Performance of National Development Council

The National Development Council plays a vital role in the process of Indian Planning and Development. It provides a forum in which the Union Ministers and Chief Ministers of States discuss the plans at important stages in their formulation. Plans are also approved at its meetings after their completion and before they are presented to the Parliament and the State Legislatures. In this way the national character of the Plans is emphasised. The Council also considers social and economic policies affecting the country from a social point of view, so that where necessary uniformity may be secured. In these ways, it gives a lead to the Country on broad issues of policy and promotes collective thinking and joint action on matters of national importance.

The National Development Council held its first meeting in November 1952. Meetings ordinarily last for two days. The first meeting concerned the Draft Report on the First Five-Year Plan. The different stages of the Second Five-Year Plan were examined at four meetings beginning from May 1955, at which the Plan-frame and tentative framework were considered, and ending in May 1956, at which the final report was accepted. The Council considered proposals relating to the Third Five-Year Plan at six meetings in March, April and September 1960 and January, March and May 1961. At the earlier meetings, financial resources, patterns of development and allocations to various sectors were considered on the basis of papers circulated by the Commission. The Draft Outline was approved at the meeting of September
1960 and the Report of the Third Plan in May 1961. Other meetings considered progress report on Plans, agriculture problems, problems relating to community development, land reforms, co-operative policy, etc. In view of the importance of agriculture production and price policy, two special meetings of National Development Council were held to consider these questions. The importance of the issues that are placed before the Council from time to time is thus clear. It may be mentioned that between 1955 and 1958 for about three years, a standing committee consisting of 9 to 12 States had been constituted by the National Development Council. This body held together six meetings. In 1958, the Standing Committee was discontinued as, under the reorganization of States, the total number of States had been reduced and there was no need for a smaller body.

Five special committees in important subjects were created by the National Development Council at its 21st meeting on Oct 27-28, 1964. Which are as follows:

1. Committee on Agriculture and Irrigation
2. Committee on Industry, Power and Transport
3. Committee on Social Services
4. Committee on Development of Hill Areas
5. Committee on Resources

To give final shape to the fourth Five-Year Plan, seven meetings of National Development Council were held beginning from 1964-1970. Prof D.R.Gadgil presented the ‘Approach Paper of fourth Five-Year Plan’ to National
Development Council on May 1968. The Council decided that the fourth Plan aimed at step up the tempo of development activity to the extent compatible with maintaining stability and progress towards self-reliance. So as decided by the National Development Council the main objective of the fourth Five-Year Plan was a rapid increase in the standards of living of the people through measures which also promotes equality and social justice.

The National Development Council had decided at the time of the Fourth Plan that Centrally Sponsored Schemes would be limited in total value to 1/6th or 1/7th of the quantum of Central Plan assistance to the States. The Council had also directed that these schemes should conform to one or other of the following criteria: viz.

(a) They should relate to demonstrations, pilot projects, surveys and research, or

(b) They should have a regional or inter-State character, or

(c) They should be such as to require lump sum provisions to be broken down territorially, or

(d) They should have an overall significance from the all-India angle.

The National Development Council endorsed the proposal that the Fourth Five Year Plan should cover the period 1969-70 to 1973-74. The Council noted the need for making larger effort in raising resources. The Planning Commission's suggestion to merge agriculture income-tax with general income-tax was discussed. It was decided that the Commission should set up a Committee to study the question of mobilisation of additional resources.
from the rural sector. The Council also decided to set up Regional Committees to go into the question of electricity and water rates. The Council recognised the need for stabilisation of agricultural prices and the building up of buffer stocks. Regarding the principles governing the allocation of Central assistance to States, the Council decided that these questions will be reviewed after the recommendations from the Administrative Reforms Commission on these matters were received. The Council endorsed the proposal to reorganise the Committee on Plan Projects and its incorporation in a composite Evaluation Wing of the Planning Commission.

The Council considers proposals related to the fifth Five Five-Year Plan in five meetings from May 30-31, 1972 to February 24-25, 1979. The Council decided that removal of poverty and attainment of self-reliance will be the main priority areas of fifth Five-Year Plan.

Regarding the centrally Sponsored Schemes, It is estimated by the National Development Council at its 33rd meeting that the total cost during the plan period (1978-83) of all existing Centrally Sponsored Schemes (and Central sector schemes of a similar nature) in the areas of agriculture and rural development, education, health, power, transport, housing etc., would be about Rs. 6,000 crores. The amount of Central assistance to the State Plans in the form of block loans/grants would be approximately Rs. 10,350 crores. Thus in all Rs. 16,350 crores approximately would be made available by the Centre for plan outlays in the States. A limited number of the present Centrally-Sponsored / Central-Sector Schemes may continue to be funded
100% by the Centre. These might include Family Welfare, Malaria Eradication, inter-State power lines, post-matric scholarships for the Scheduled Castes and experimental or pilot schemes initiated by the Centre which have not yet established their utility. 100% Central funding would also be needed in cases where a scheme is initiated by the Centre after the States' Five-Year Plans have been finalized.

Due importance was given to the Family Welfare Programme by the National Development Council, which is being started by Ministry of Health and Family Welfare. In its meeting held on February 24-25 1979, the Council stated that the Family Welfare Programme embraces all the principal areas of human welfare. It will be wrong to leave it only to the Ministry of Health and Family Welfare in the Centre and their counterparts in the States. It is essential that all Ministries and Departments of the Government of India as well as of the States give due importance to this Programme and work for its furtherance.

As decided by the National Development Council, the core of the sixth Five-Year Plan is the revised 20-Point Programme, which was discussed at 36th meeting of the Council on March 14, 1982. The National Development Council focused attention on 20-Point Programme, which included social and economic programmes included in the sixth plan. The Minister of Planning Shri S.B.Chavan, addressing the National Development Council stated that while the thrust continued to be on ameliorating the living conditions of the less privileged sections of the population, the programme as a whole will aim at all round development in productivity. So all Union
Ministers and Chief Ministers of the States should provide personal direction and guidance to ensure that the objectives of programme were achieved and adequate arrangements made for monitoring its progress and mobilize required financial resources. Four meetings of National Development Council from August 30-31, 1980 to July 12-13, 1984 were held with a view to give a final shape to the sixth Five-Year Plan.

The draft of the seventh Five-Year Plan was presented to National Development Council on November 8-9, 1985 for approval. Food, work and Productivity were the three inter-related main objectives of the Plan. These objectives were set within the framework of growth, equity, social justice and the pursuit of self-reliance. The provision of productive employment had to be the major objective in the Seventh Plan, combined with a significant reduction in poverty. This was sought to be achieved through accelerated growth of agriculture and rural development especially in the less-developed areas and with particular emphasis on the eastern region where agricultural productivity was low, and poverty endemic.

The National Development Council met under the Chairmanship of the Prime Minister Shri Rajiv Gandhi to consider the document: “National Policy on Education-1986 - A Presentation” prepared by the Ministry of Human Resource Development, at its 39th meeting held on 29th April 1986. The Prime Minister observed that having Education in the Concurrent List, it is the Joint responsibility of the Centre and State Government to fully involved in the implementation of the “New Education Policy”. He stressed that Education cannot be separated from development.
The draft of the eighth Five-Year Plan was approved at the 41st meeting of the National Development Council held on June 18-19, 1990. National Development Council approved that the main priority areas of the Plan will be agriculture, human resource development and promotion of efficiency and higher productivity. The Plan recognizes "Human Development" as core of all developmental efforts.

National Development Council had decided in its 43rd meeting to set up five committees which are:

1. Committee on population control,
2. Committee on employment generation,
3. Committee on literacy,
4. Committee on decentralised planning
5. Committee on austerity.
6. Committee on Medical Education

The recommendations of the committees contained useful recommendations for implementation by the Centre and the States and thus formed meaningful inputs for the formulation, implementation and evaluation of important plan schemes and programmes. These committees represent a marked improvement in the role and effectiveness of the National Development Council. Recommendations of the Austerity Committee on functioning of State Electricity Boards were critically examined by the National Development Council on April 5, 1993. Since power is essential to all development, National Development Council agreed that top priority should be given for pursuing programmes of all round improvement of this
sector. It was accordingly decided to set up a National Development Council Committee on Power. This Committee will inter-alia examine measures to make State Electricity Boards economically viable by recasting tariffs, improving efficiency and considering delinking of distribution from generation. The Prime Minister expressed his confidence that the Committee on Power would be no exception.

The National Development Council approved the Ninth Five Year Plan 1997-2002 document as placed before the Council on February 19, 1999 at its forty eighth meeting. The National Development Council endorsed the recommendations of the National Development Council Committee on Power and urged the Union and the State Governments to implement these recommendations on priority. The meeting took note that the Union Government and the several State Governments had already started implementing some of the recommendations of the National Development Council Committee. While appreciating the concerns surrounding the periodic revision of administered prices of essential commodities it was felt that though the interests of the farmers and the consumers, particularly of poorer sections of the society, must certainly be the primary concern, yet the macro-economic imperatives of fiscal stabilization and control of inflation, which hurts the poor more than others, cannot be ignored. A balance has to be struck in taking such decisions. The National Development Council decided to set up a Sub-Committee under the chairmanship of the Deputy Chairman, Planning Commission, with members drawn from Central
Ministries and States to go into the criteria for allocation of funds under major rural poverty alleviation schemes.

The National Development Council unanimously approves the Draft Approach Paper to the Tenth Five Year Plan at its 49th meeting. Further, it directs the Planning Commission to prepare the Tenth Plan on the basis of the approach that irrigation, agriculture infrastructure, drinking water, urban infrastructure, state highways and bridge construction would be the basic priority areas of the Plan. National Development Council approved Rs-17,000 crores as Railway Safety Fund to spent during the Tenth Five-Year Plan. National Development Council is of the view that revival of the economy is our basic priority. The Centre and State Government should together take steps to end the crisis of investment—both public and private. The suggestions and comments that have been received from the Members will be carefully considered in the course of preparing the Plan. The National Development Council also unanimously endorses the decision to grant special category status to Uttarakhand. The National Development Council takes note of the Report of the National Development Council Sub-Committee on the Criterion for Allocation of Funds under Major Rural Poverty Alleviation Programmes and the status of the National Development Council Sub-Committee on Transfer of Centrally Sponsored Schemes. It directs the Planning Commission to take note of the many suggestions made
by the Chief Ministers on identifying more schemes for transfer to the States with flexibility and take further necessary steps to finalize the reports by an early date.

At its meeting held on December 21, 2002, the National Development Council unanimously endorsed setting up of the four Empowered Sub-Committees of the National Development Council viz.:

(i) Empowered Sub-Committee on Governance Reforms with special reference to E Governance;

(ii) Empowered Sub-Committee on Removal of Barriers to Internal Trade;

(iii) Empowered Sub-Committee on creating an Investor-Friendly Climate; and

(iv) Empowered Sub-Committee on Financial and Administrative Empowerment of Panchayati Raj Institutions.

The Draft Approach of the eleventh Five-Year Plan was finalized at 52nd meeting of the National Development Council. Prime Minister Dr. Manmohan Singh announces that Planning Commission will have to devise innovative plans to ensure that minorities, particularly the Muslim Minority, are empowered to share equitably in the fruits of development. They must have the first claim on sources.

NDC meeting discussed the details of a new agricultural strategy to ensure the 11th Plan’s (2007-12) to raise agriculture growth to 4 per cent at its meeting held on May 29, 2007. This is the growth rate that is sought in order to ensure the government’s over-all growth of 9 plus as envisaged in
the 11th Plan strategy. The Council announces that Centre’s assistance would be supplementary in nature and State would also have to contribute to the new scheme. To achieve a four per cent annual growth in the farm sector during the 11th plan the NDC adopted a resolution that announced that Rs.25,000 crore should be given under Additional Central Assistance Scheme over four years to States to invest more in agriculture. The 11th Five Year Plan was approved by the NDC Dec 19, 2007 with an outlay of Rs.36.44 trillion ($910 billion at the then exchange rate) with the central theme - "Towards Faster and More Inclusive Growth". The Council has decided that the 11th Five-Year Plan, which has been formulated with the aim of making economic growth more inclusive, proposes to reduce poverty by ten percentage points, generate seven crore new employment opportunities and reduce unemployment among educated persons to less than five per cent. The Plan will also focus on the education sector by increasing the outlay to 19 per cent of the Central budgetary support from less than eight per cent in the previous Plan.

At its latest meeting held on July 24, 2010 for Mid-Term Appraisal of the 11th Plan (2007-12), serious concerns was paid by the Council over the performance of the farm sector. A discussion paper prepared by the plan panel identified five specific areas of constraints. Besides agriculture, the other four areas of concern highlighted were: Management of water resources, power generation targets, issues of urbanization and specific problems of tribal development. The paper suggested a sharp cut in the taxes on agriculture produce to less than 1 percent, better cooperative
credit, crop diversification, better seeds, soil-based nutrients and more water. The paper also identified availability and management of water as a challenge in equal measure, especially for agriculture that uses 78 percent of this resource, and called for major reforms in the irrigation system and use of groundwater. The paper also sought to warn that urban poverty will be another major problem that the country will face. Already some 350 million people live in urban areas, and remain underserved by utilities, and the number will double in 25 years. The note by the plan panel also said that the country’s tribals, who account for 8.2 percent of the population had not benefited adequately from India’s development. Taking literacy as a yardstick, the paper said while this measure of human development had increased from 8.53 percent in 1961 to 47.1 percent now, the gap with the general population was still high at 18 percentage points. It said even though the tribal sub-plan incorporated into the planning process was an important instrument for flow of adequate funds for such areas, the implementation had not been satisfactory, both at the central and state levels. Accordingly, the paper said, the plan panel has initiated a consultative process to prepare an action plan that will address a range of development and security measures, with an assurance of adequate funding by the finance ministry.

These are the main decisions taken by National Development Council in its Fifty Five meetings held so far. Since 1952 till date, the National Development Council has met 55 times. The National Development Council serves as one of the key organizations of the planning system in India. It
symbolizes the Federal Approach to Planning and is the instrument for ensuring that the planning system adopts a truly national perspective. The National Development Council has experienced numerous ups and downs in its fortune. Its status has been determined by prevailing political climate and the support provided to it by the government in power at the Centre and the effectiveness of the pressures exerted by the state governments. Notwithstanding the vicissitudes that it has faced during the past six decades, its continuing presence in the apex policy structure has always been felt.