CHAPTER III

SPECIFIC PROBLEMS OF INDIA

The people of the world in the 21st century face a great challenge ahead of them in improving the human conditions, promoting human growth, peace, prosperity, happiness and compassion and ensuring respect for human decency. There is no time to lose, since there is a human despair, deprivation, degradation of unprecedented nature stalking the world ready to explode. There is no dearth of the problems the world has to face. You name any problem and we have it particularly in the Third World in general and India in particular. Poverty, unemployment, excess population and illiteracy are the main serious problems from which the country has been suffering. In the present study the focus will be only on these problems. These have been aggravated since the middle of the last century due to increase in population at a high rate and growing inequality in income distribution. It is only since the last quarter of the 20th century, some serious attempts have been made in order to reduce the impact of these problems in the economy of the country.

Figure: 3.1

MAIN PROBLEMS

Poverty

Main Problems

Unemployment

Population Explosion

Illiteracy
Poverty

It has been observed that the biggest challenge of the 21st century pricking the human conscience is the staggering poverty in the midst of plenty which in a way is manmade and enshrined in the structures of society through legitimizing institutions. For most of the people, it is a disease contracted by individuals at birth due to some external unavoidable natural causes.

Therefore, poverty is a peculiar problem from which various countries of the world, particularly the Third World, have been suffering. There cannot be a common definition of poverty which can be broadly accepted everywhere. Thus there are large differences between the definitions of poverty accepted in various countries of the world. Leaving aside all these differences it can be broadly said that poverty is a situation where a section of the society, having no fault of its own, is denied even basic necessities of life. In a country, where a big chunk of the population is deprived of even minimum amenities of life for a very long period, the country will then suffer from a vicious circle of poverty.

Vicious circle of poverty is considered as one of the major constraints or obstacles to the path of economic development of the underdeveloped countries. Vicious circle in the underdeveloped countries represented by low productivity is resulted from capital deficiency, market imperfections, economic backwardness and poor development. This vicious circle operates not only on demand side but also on supply side. Low productivity results in low level of income and low rate of savings leading to low rate of investment which is again responsible for low rate of productivity. Thus the vicious poverty results from various vicious circles related to demand side and supply side of
capital. These vicious circles of poverty are mutually aggravating and it is really difficult to break such circles.

Fundamentally, poverty is a negative term denoting absence or lack of material wealth. Such absence, however, is seldom absolute and the term is usually employed to describe the much more frequent situation of insufficiency either in the possession of wealth or in the flow of income. In ordinary usage, it is applied to three distinct conditions, i.e., economic inequality, economic dependence and economic insufficiency. Modern social science treats poverty as an aspect of social pathology, abnormal condition of deviation from the average or prevailing type rather than from an ideal condition. Such a concept obviously arises within a society whose economic development has succeeded in forcing nature to yield insufficient quantity of the products necessary for its well-being.¹

Poverty is the condition that is said to exist when people lack the means to satisfy their basic needs and has been associated, for example, with poor health, low levels of education or skills, an inability or an unwillingness to participate in society, high rates of disruptive or disorderly behaviour and improvidence.

Again, it is a subsistence, inequality and eternally. Subsistence is concerned with the minimum provision needed to maintain health and working capacity. Inequality is concerned with relative position of the income groups to each other whereas, eternally, it is concerned with the rest of the society rather than in terms of the needs of the poor.²

The twenty first century goals call for reducing poverty by half by 2015. Inadequate income and consumption levels are not only

undesirable in themselves, they can lead to such other problems as crime and violence, and reduced capacity to enjoy the full benefits and opportunities offered by the community. But the poverty is easier to define than to measure, and in many countries, there is more than one definition of poverty and more than one way to measure it.

Generally, poverty is of two types. The natural poverty which is in a low level of development of our economy, in tremendous underdevelopment of land, labour and other resources, in tremendous underutilisation of science and technology. The second type is of what we call artificial poverty. This is there not because the general level of development of economy is low but because the system is such as it makes some people richer and others poorer.

It is also deprivation and multi-dimensional. It can be economic, cultural, social or psychological poverty and it must be regarded as a general form of relative deprivation which is the effect of the maldistribution of resources.

C. T. Kurein considers poverty as a socio-economic phenomenon whereby the resources available to a society are used to satisfy the wants of a few, while many do not have even their basic needs met. It is, according to him, essentially a social phenomenon and only secondarily a material or physical phenomenon.3

Poverty can be grouped as absolute and relative poverty. Absolute poverty means that a person's income or consumption expenditures are so meager that he/she couldn't meet his/her minimum subsistence level. The population, whose level of income or expenditure is below the figure, is considered to be below the poverty line.

3 Kurein, C. T., Poverty, Planning and Social Transformation (Delhi: Allied Publishers), 1978, p. 8.
Relative poverty indicates the large inequalities of income. The people with lower incomes are relatively poor compared to people with higher incomes. It is absolute poverty with which we are concerned when we talk of the problem of poverty in India.

Poverty in India is not a recent phenomenon. The Upanishads clearly proclaim the equality and dignity of all human beings yet two-thirds of India's population had to live in absolute slavery for three thousand years in resignation and without ever raising a word of protest until recently. Alternative life styles were offered by Islam, Christianity and Buddhism, and yet majority of Hindu untouchables remain in poverty and ignorance.

At the time of the independence in 1947, following several decades of economic stagnation - if not decay - under the British rule, India was one of the poorest countries in the world. It was the great hope and aspiration of the founding fathers of the Indian Republic to relieve this crushing burden of poverty. Over the years, Five Year Plan documents have reiterated its primary goal in endless litanies, yet after a few decades, India remains one of the poorest countries of the world, in fact, probably the largest single country contributor to the pool of the world's poor.

The policy of the Britishers introduced 'inequality' in the land tenure system in India. They destroyed the old land ownership concept in India and farmers were subjected to 'heavy taxation' and repression. These were the causes of permanent poverty of our rural masses.

Maddison tried to break the myth of ‘golden age prosperity’ an axiom, alleged to have been propagated by Indian politicians and historians about the pre-British period. He first gave an account of the
extravagant life style of ruling classes that even surpassed the European aristocracy.  

There was a very high incidence of poverty in India in the 19th century and as many as 82 per cent of Indian people were living in poverty.

In India, the broadly accepted definition of poverty emphasizes more on minimum level of living rather than on reasonable level of living. Accordingly, it is broadly agreed that poverty can be termed as a situation where a section of the population fails to reach a certain minimum consumption standard. Differences arises with the fixing of this minimum consumption standard. After a thorough examination, the study group set up by the Planning Commission in July 1962 recommended a standard of private consumption expenditure of Rs.20 (at 1960-61 prices) per capita per month as the bare minimum amount common to both rural and urban areas. At the initial stage, the Planning Commission accepted the study Group’s poverty criterion. Various researchers like B.S. Minhas and A. Vaidyanathan also made their study on the basis of this definition. But other researchers like Dandekar and Rath, Bardhan and Ahluwalia made their study on the basis of their own definition of poverty.

Later on, the “Task Force on Projections of Minimum Needs and Effective Consumption Demand” offered an alternative definition of poverty which has been adopted by the Planning Commission in recent years. The Task Force defined the poverty line as the mid-point of the monthly per capita expenditure class of people who have a daily calorie intake of 2,400 per person in the rural areas and 2,100 in urban areas of the country. Accordingly, the minimum desirable standard

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4 Pasricha, Ashu, op. cit., p. 16.
was worked out at Rs.76 for the rural areas and Rs.88 for urban areas at 1979-80 prices.\(^5\)

Professor Galbraith once argued “Poverty is the greatest polluter”. There is definitely some logic in this argument. The entire world economy now considers poverty as their great enemy. In India, the problem of poverty is still quite acute. For the last several decades, Indian politicians have been holding the expectation and promise of poverty removal believing in the theory of the “trickle down” effect. Most of them were of the opinion that the benefits of a high and sustained growth of the economy will eventually take care of the bulk of the poor population of the country. But by the end of 60s, it became quite clear that the benefits of growth could hardly trickle down and institutional reforms adopted in the country were strangled by vested class interests. Considering this situation, a plethora of poverty alleviation measures were gradually adopted by the beginning of 70s.

In order to determine the strategy of development of the country, it is quite essential to make an appropriate estimate of incidence of poverty in India. But appropriate and reliable data for the estimation of the extent of poverty is not available in India. However, on the basis of NSS data on consumption expenditure various estimates of the extent of poverty have been made by Minhas, Dadekar and Rath, P.K. Bardhan and Ahluwalia. But due to the differences in the concept of poverty, their results vary widely.

Estimates of B. S. Minhas: The study of the extent of poverty made by Minhas covered the period 1956-57 to 1967-68. Taking the annual per capita minimum expenditure of Rs.240 as the minimum standard (on the basis on NSS data), he found that the proportion of

people below the poverty line declined from 64 per cent in 1956-57 to 50.6 per cent in 1967-68.

Estimates of Dandekar and Rath: Dandekar and Rath estimated their own standard of poverty line taking 2250 calories as the desired minimum level of nutrition. They observed, “that level of consumer expenditure is desirable which secures diet adequate at least in terms of calories. In 1960-61, this was Rs.170 per capita per annum for rural house holds and Rs. 271 per capita per annum for urban household”.6 Their estimates revealed that in 1968-69 nearly 40 per cent of the rural population (i.e. about 166 million) and over 50 per cent of the urban population (i.e. nearly 49 million) was living below the poverty line. Total number of persons living below the poverty line also increased from 117 million in 1960-61 to 216 million in 1968-69, although the proportion of population below the poverty line remained the same at 41 per cent.

Estimates of P. K. Bardhan: Bardhan advocated a lower standard for estimating the poverty line and thus considered Rs.15 per capita per month at 1960-61 prices for the rural poverty line and Rs.18 for the urban line. On the basis of the NSS data on consumption expenditure, Bardhan’s study revealed that in 1968-69 about 55 per cent of rural population and 41 per cent of urban population of the country was living below the poverty line. Moreover, Bardhan concluded that the percentage of population below poverty line rose from 38 percent in 1960-61 to 55 per cent in 1968-69.

Estimates of M. S. Ahluwalia: Ahluwalia studies the incidence of poverty in India for the period 1956-57 to 1973-74. Taking the same concept of poverty line of Rs.15 per month at 1960-61 prices for rural

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areas and Rs.20 per head per month for urban areas, he estimated that 54.1 per cent of the rural population in 1956-57 was living below the poverty line. This extent of poverty declined to 38.9 per cent in 1960-61 and then again rose to 56.5 per cent in 1966-67. He further estimated that in 1973-74, about 46.1 per cent of the rural population was below the poverty line. This revealed that the incidence of poverty in India fluctuated over the years.

More than one-third of the developing world and more than half of the low income countries lived in absolute poverty in 1975. Their number may still be around 600 million. 'More than, three-fourths of these poor live in rural areas.' Further, commenting on the absolute poor, the World Bank noted, "As much as four-fifths of their income is consumed as food. The result is monotonous, limited diet of cereals, jams or cassava with a few vegetables and in some places a little fish or meat. Many of them are malnourished to the point where their ability to work hard is reduced, the physical and mental development of their children is impaired, and their resistance to infection is low. They are often sick- with tropical diseases, measles and diarrhoea and cuts and scratches that will not heal. The great majority of poor adults is illiterate: their children though having a much better chance of attending school than in the past, usually do not complete more than a year or two. Unable to read a road sign, let alone a newspaper, their knowledge and understanding is severely limited. Apart from these absolute poor, there is a majority of people who are poor with insufficient income, high indebtedness, perpetual insecurity etc. It means a condition of life so characterized by malnutrition, illiteracy and disease as to be beneath any reasonable definition of human decency. Therefore, "absolute poverty is more than being poor." 7

7 Pasricha, Ashu, op. cit, pp. 18-19.
The consumption based poverty line has two elements- (i) The expenditure necessary to buy a minimum standard of nutrition and other basic necessities; (ii) It also reflects the cost of participation in every day life in a particular society.

As per the World Development Report based on the above criteria of consumption based poverty, the World Bank Report envisages two poverty lines ranging from $ 275 and $ 370 per person a year. The lowest limit of the range coincides with the poverty line commonly used for India. After distinguishing the poor, it is easy to measure poverty in numbers. The characteristics of the poor in a country are multi-dimensional. The extent of poverty has a very significant regional dimension particularly in India. The extent of rural poverty is quite alarming. The problems of malnutrition, lack of education, low life expectancy, and standard of housing apart from income and assets are also more severe in rural areas. Rural poverty, in many countries, 'is a critical factor in the overall poverty incidence and death because of poverty.'


Expert Group Estimates, July 1993: In view of the methodological issues raised in respect of the estimates for poverty

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8 Ibid., p. 20.
alleviation being an objective of economic and social development, the Planning Commission constituted an Expert Group on September 1989 for considering methodology and computational aspects of estimation of proportion and number of poor persons in the country. While retaining the concept of poverty line as recommended by the Task Force, the Expert Group suggested certain basic changes in the price deflator to update the poverty line for its application in later years. This group suggested use of state specific price indices which can reflect the changes in cost of consumption basket of the people around the poverty line. It also relied exclusively on the National Sample Survey (NSS) data on consumption expenditure to assess the incidence of poverty without adjusting the NSS Consumption to that obtained from macro-aggregates of the national accounts.

The Expert Group has estimated the percentage of population living below the poverty line under the new estimating pattern in the following manner (Table 3.1).

**TABLE 3.1**

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural sector</th>
<th>Urban sector</th>
<th>Combined All India</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (Million)</td>
<td>Poverty ratio</td>
<td>Number (Million)</td>
</tr>
<tr>
<td>1973-74</td>
<td>261</td>
<td>56.4</td>
<td>60</td>
</tr>
<tr>
<td>1977-78</td>
<td>264</td>
<td>53.1</td>
<td>65</td>
</tr>
<tr>
<td>1983</td>
<td>252</td>
<td>45.7</td>
<td>71</td>
</tr>
<tr>
<td>1987-88</td>
<td>2321</td>
<td>39.1</td>
<td>75</td>
</tr>
<tr>
<td>1993-94</td>
<td>244</td>
<td>37.3</td>
<td>76</td>
</tr>
<tr>
<td>1999-2000</td>
<td>171</td>
<td>27.1</td>
<td>61</td>
</tr>
<tr>
<td>30 Day Recall</td>
<td>-</td>
<td>24.0</td>
<td>-</td>
</tr>
<tr>
<td>7 day recall</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Planning Commission
The report of the Expert Group which was submitted in July 1993, was subsequently released by the Planning Commission and its recommendations are under consideration. The new estimate has also confirmed a steady decline in proportion of population below the poverty line. Together with the overall economic growth, the anti-poverty and employment generation programmes have helped in reducing the incidence of poverty over the long run. Accordingly, the ratio in rural areas declined from 56.4 per cent in 1983 and then to 37.3 per cent in 1993-94. Again the poverty ratio in urban areas also declined from 49.0 per cent in 1973-74 to 40.8 per cent in 1983 and then to 32.4 per cent in 1993-94. Moreover, the poverty ratio of the country as a whole has also declined from 54.9 per cent in 1973-74 to 44.5 per cent in 1983, 38.9 per cent in 1987-88 and finally to 36.0 per cent in 1993-94.

In numerical terms, the number of persons living below the poverty line in India has increased from 321 million in 1973-74 and 329 million in 1977-78 and then gradually declined to 307 million in 1987-88 and then again increased to 320 million in 1993-94.

New Poverty Scale:

A conceptually simple and, easy-to-understand scale for the assessment of the number of people living below poverty line has been recommended by the committee headed by a former rural Development Secretary, P.L. Sanjeeva Reddy. The Expert Committee, constituted by the Ministry of Rural Development, calls for incorporating several socio-economic variables that affect the quality of life.

Curiously, the committee follows neither the income approach nor the expenditure approach which are often misleading. The Planning Commission, on its part, appointed during 1990s, Lakadwala Committee, to develop a commonly accepted scale for poverty
assessment. The committee recommended a new criterion which was rather complex. The Planning Commission, though, used the methodology of, the Lakadwala group to compare poverty extent from 1073-74 to 1999-2000.

The Reddy Committee, taking into account the various socio-economic indicators that affect the quality of life, has devised a score-based ranking system, expected to be used by the Planning Commission for below poverty line Census 2001, conducted countrywide. The expert group has left it to the states to decide the cut-offs for identifying the sub-categories of the households into “very”, “poor”, “Not-so-poor” and “Non-poor”.

Planning Commission Estimates on the basis of NSSO Data, 1999-2000:

The recent estimate of poverty has been made by the Planning Commission on the basis of NSSO data for the year 1999-2000. Some of the key results of the 55th Round of the Household Consumer Expenditure Survey of the National Sample Survey Organisation (NSSO) covering the period July 1999 to June 2000, have now become available showing a very significant decline in poverty. Accordingly, the rural poverty has declined to 27.01 per cent based on 30-day recall and 24.0 per cent on a 7 day recall methodology. Again, the poverty ratio in urban areas has also declined to 23.6 per cent based on 30 day recall and 21.6 per cent on 7 day recall methodology. Moreover, the poverty ratio of the country as a whole has declined to 26.1 per cent based on 30-day recall and 23.3 per cent on 7 day recall methodology. These two sets of estimates may not be strictly comparable to the earlier estimates of poverty. Nonetheless, they provide clear evidence indicating a substantial decline in the overall poverty ratio in the country during 1990s. The incidence of poverty expressed as a percentage of people living below the poverty line has

As per the recent estimate based on NSSO data, it is observed that in 1999-2000, the country has 232.6 million population living below the poverty line (BPL), out of which 171.3 million lives in rural areas and 61.2 million live in urban areas.9

Alleviation of poverty remains a major challenge before the nation while there has been a steady decline in poverty over the last two decades, the total number of poor people has remained constant because of growth in population. Acceleration of economic growth which is employment intensive, facilitates the reduction of poverty in the long run.

The world Bank in its publication titled "IDA in action 1993-1996" observed in this connection that though there are still too many poor people in India but the country has achieved "significant progress" in poverty eradication. "India's performance in reducing poverty has been modest compared to some countries in East Asia, for example Indonesia and Thailand."

Thus to achieve success in the poverty eradication programmes alongwith the economic reforms introduced in the country, alternative strategies for empowering the people to help themselves are to be designed. A mere increase in the amount of expenditure on social

sectors and rural development will not be sufficient to eradicate poverty rather a change in strategy in the direction along with sincere and active participation of the people in designing and implementation of rural development schemes etc. is the utmost need of the hour.

According to World Bank 2002 Report, in 1999, 2.8 billion people lived on less than $2 a day, with 1.2 billion of them barely surviving at the margins of subsistence on less than $1 a day. During 1990s, the number of extremely poor people dropped only slightly. But because of population growth, the share of the world’s people living in extreme poverty fell from 29% in 1990 to 23% in 1999. (Table 3.2)

Table 3.2
Worldwide People Living Below Poverty Line on Less than $1 a Day

<table>
<thead>
<tr>
<th>Region</th>
<th>Share (percent)</th>
<th>Number (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>47.7</td>
<td>242</td>
</tr>
<tr>
<td>East Asia and the Pacific</td>
<td>27.6</td>
<td>452</td>
</tr>
<tr>
<td>Excluding China</td>
<td>18.5</td>
<td>92</td>
</tr>
<tr>
<td>South Asia</td>
<td>44.0</td>
<td>495</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>16.8</td>
<td>74</td>
</tr>
<tr>
<td>Eastern Europe and Central Asia</td>
<td>1.6</td>
<td>7</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>2.4</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>29.0</td>
<td>1,276</td>
</tr>
<tr>
<td>Excluding China</td>
<td>28.1</td>
<td>916</td>
</tr>
</tbody>
</table>

Source: World Bank 2002c

Note: $1 a day is $1.08 in 1999 Purchasing Power Party (PPP)
World Bank's New Perception of Poverty:

The World Development Report (WDR), 2000-2001, released by the World Bank on 14th September, 2000 in Washington, provides a new perception to poverty with an agenda sensitive to the needs of attacking poverty by promoting opportunities facilitating empowerment and furthering security. The report also mentioned about two new initiatives - a highly enhanced poor countries debt relief initiative and a comprehensive de-framework.

The report seeks to expand the understanding of poverty and its causes, while building on the Bank’s past strategy, draws heavily from the South-Asian experiences and Dr. Amartya Sen's ideas of empowering the poor. The report admits that poverty remains a persisting dilemma and belies the improvement in human conditions with global wealth, global connections and technological capabilities.

The report, as already mentioned earlier, observed that of the World's 6 billion people, 2.8 billion live on less than $ 2 a day and 1.2 billion live on less than $ 1 a day with 44 per cent, of the deprived ones living in South Asia alone.

Exacerbating the crisis of poverty is the overwhelming concentration of conflicts in poor countries, widening gaps between the rich and the poor countries leading to increasing worldwide income disparity and failure of reform programmes to deliver according to the expectations.

The scope of the report has a substantially broadened perception of poverty, having drawn from the first-ever "Voices of the Poor" study based on experiences narrated by more than 60,000 poor women and men in 60 countries.

The experiences so gained dictate the World Development Report's shift of emphasis in its approach to tackling poverty from the over-reaching emphasis of the 1950s' on large investment in physical
capital and infrastructure to the 1970s’ on health and education, the 1980s’ on economic management and the 1990s’ stress on governance and institutions.

The report proposes opening of opportunities by improving access to financial markets for the poor, raising resources and making public spending pro-poor by reducing military spending. Empowerment moves away from its perception of a solely economic process to an outcome of interaction of economic, social and political forces, and has to be achieved by making state institutions more responsive to the needs of people.

**UNEMPLOYMENT**

Unemployment is a common economic malady faced by each and every country of the world, irrespective of its economic system and the level of development achieved. But the nature of unemployment prevailing in underdeveloped or developing countries sharply differs to that of developed countries of the world. While the developed countries are facing unemployment mostly of Keynesian involuntary and frictional types, the underdeveloped or developing countries like India are facing structural unemployment arising from high rate of growth of population and slow economic growth. Structural unemployment may be open or disguised type. But the most serious type of unemployment from which those undeveloped countries like India are suffering includes its huge underemployment or disguised unemployment in the rural sector.

Unemployment is a serious problem. It indicates a situation where the total number of job vacancies is much less than the total number of job seekers in the country. It is a kind of situation where the unemployed persons do not find any meaningful or gainful job.
of having willingness and capacity to work. Thus unemployment leads to a huge wastage of manpower resources.

India is one of those ill-fated underdeveloped countries which are suffering from a huge unemployment problem. But the unemployment problem in India is not the result of deficiency of effective demand in Keynesian term but a product of shortage of capital equipment and other complementary resources accompanied by high rate of growth of population.

Present unemployment problem in India is mostly structural in nature. This unemployment problem of the country can now be broadly classified into (a) Rural unemployment and (b) urban unemployment.

(a) Rural Unemployment: In India the incidence of unemployment is more pronounced in the rural areas. Rural unemployment is again of two types (i) Seasonal unemployment and (ii) disguised or perennial unemployment.

(i) Seasonal Unemployment: Agriculture, though a principal occupation in the rural areas of the country, is seasonal in nature. It cannot provide work to the rural population of the country throughout the year. In the absence of multiple cropping system and subsidiary occupation in the rural areas, a large number of rural population has to sit idle 5 to 7 months in a year. Seasonal Unemployment is also prevalent in some agro-based industries viz., Tea Industry, Jute Mills, Oil Pressing Mills, Paddy shelling Mills etc.

(ii) Disguised or Perennial Unemployment: Indian agriculture is also suffering from disguised or perennial unemployment due to excessive pressure of population. In disguised unemployment, apparently it seems that everyone is employed but in reality sufficient/full time work is not available for all. In India, about 72 per cent of the working population is engaged in agriculture and allied activities. In 1951 more than 100 million persons were engaged in
the agricultural and allied activities whereas in 2001 about 200 million persons are found engaged in the same sector resulting in as many as 80 million surplus population, which is left with virtually no work in agriculture and allied activities.

**b** Urban Unemployment: Urban unemployment has its two aspects:

(i) industrial unemployment and (ii) educated or middle class unemployment.

(i) Industrial Unemployment: In the urban areas of the country, industrial unemployment is gradually becoming acute. With the increase in the size of urban population and with the exodus of population in large numbers from rural to the urban industrial areas to seek employment and the slow pace of industrialization in the country could not provide sufficient employment opportunities to these growing number of urban population. Thus the rate of growth of employment in the industrial sector could not keep pace with the growth of urban industrial workers leading to a huge industrial unemployment in the country.

(ii) Educated or middle-class Unemployment: Another distinct type of unemployment which is mostly common in almost all the urban areas of the country is known as educated unemployment. This problem is very acute among the middle class people. With rapid expansion of general education in the country, the number of out-turn of educated people is increasing day by day. But due to slow growth of technical and vocational educational facilities, a huge number of manpower is un-necessarily diverted towards general education leading to a peculiar educated unemployment problem in the country.

In view of the growing problem of unemployment and underemployment prevailing in the country, it is very difficult to make an estimate of the total number of unemployment in a country like India.
As per the statement of the then Labour and Employment Minister in the parliament, there were about 35 million unemployed persons inspite of 42.5 million new jobs created during 1951 and 1969. Various agencies like Planning Commission, CSO, NSS etc. could not provide any dependable estimate about the magnitude of unemployment in India. As per the estimates of unemployment made in the Five Year Plan, the backlog of unemployment which was 5.3 million at the end of First Plan gradually increased to 7.1 million, 9.6 million and then to 23 million at the end of Second, Third and Three Annual Plans respectively. The number of unemployed as percentage of total labour force which was 2.9 per cent at the end of the First Plan gradually increased to 9.6 per cent at the end of Annual Plans in 1969.

The Committee of Experts on Unemployment under the Chairmanship of B. Bhagawati observed in its report (1973) that total number of unemployed in 1971 was 18.7 million, out of which 16.1 million unemployed were in rural areas and the rest 2.6 million existed in urban areas. Moreover, unemployment as percentage of total labour force was to the extent of 10.9 per cent in 1971 for the whole country.10

As per the Employment data, the number of registered job seekers in India rose from 18.33 lakhs in 1961 to 165.8 lakhs in 1981 and then to 370.0 lakh at the end of March 1994. Total number of educated job seekers has also increased from 5.90 lakh in 1961 to 230.0 lakh at the end of March 1994, which constituted nearly 62 per cent of the total job seekers of the country.11 At the end of January 1996, total number of registered job seekers in India was 368.9 lakhs. As on 1st April, 1997, total number of unemployed persons in India was

7.5 millions.\textsuperscript{12} The International Labour Organisation (ILO) report titled ‘World Employment 1995’ observed that 22 per cent of all male workers in India were underemployed or unemployed and the figure is rising. The employment in the modern sector in India grew only by 1.6 per cent per annum in 1980s. Under-employment in the rural areas also remained high.

The National Sample Survey Organisation (NSSO) developed three concepts of unemployment since 1972-73. These were (i) usual Status Unemployment, (ii) weekly Status Unemployment and (iii) Daily Status Unemployment.

A high degree of unemployment: A high degree of unemployment and underemployment prevails among the agricultural workers of the country. This farm or agricultural unemployment is prevailing in the form of seasonal unemployment, disguised unemployment and chronic and usual status unemployment. To measure the extent of unemployment and underemployment is really a difficult task. As per the N.S.S. study, the daily status rural unemployment rate in India was 5.25 per cent in 1987-88. The Agricultural Labour Enquiry Committee Reports (First and Second) revealed that in India agricultural labourers had 275 and 237 days of employment in 1950-51 and 1956-57, respectively. Considering the fall in the employment elasticity with reference to GDP for the agricultural sector during the seventies and eighties, it can be guessed that the seasonal unemployment might have increased in recent years.

In respect of disguised unemployment, various estimates have been made to determine the extent of surplus labour in India by Shakuntala Mehra, J.P. Bhattacharjee, Ashok Rudra, J.S. Uppal and others. Among these works, Shakuntala Mehra’s work is quite well

known. She estimated that the extent of surplus work force in agriculture was 17.1 per cent during sixties.\textsuperscript{13} Again, on the basis of 32\textsuperscript{nd} Round of the NSS, the usual of status rural unemployment in March 1985 was estimated at 7.8 million and such unemployment was the highest in the age-group of 15.29.

In India, urban unemployment has been recording a serious proportion from the very beginning. The estimates of urban unemployment were made by the Planning Commission, the Central Statistical organisation (CSO), Ministry of labour and Employment and some individual economists like W. Malenbaum, R. C. Bhardwaj, at different times. Although these estimates are not comparable due to differences in concepts adopted yet these estimates provide some idea about the quantum of urban unemployment.\textsuperscript{14} This urban unemployment is mostly of two types: (a) industrial unemployment and (b) educated unemployment. In India, due to growing industrial sickness in huge number of small scale industrial units and in some large scale units, the quantum of industrial unemployment has been increasing at an alarming rate. Moreover, the recent structural adjustments in industrial sector will also add a good number of unemployed to this category. However, the exact number of persons under industrial unemployment in India is not available in the absence of proper data. Educated unemployment in India which is contributing a significant portion of urban unemployment has been increasing at a very rapid scale.

Planning Commission's Projection of Unemployment during Eighth Plan: The Planning Commission, in its draft Eighth Plan


document, observed that the number of persons looking for full time new employment opportunities was estimated at around 23 million on April 1, 1992, i.e. at the time of commencement of Eighth Plan. The labour force is projected to increase by about 35 million during 1992-97 and another 36 million during 1997-2002. Thus the total number of persons seeking employment would be about 94 million over the next 10 years and 58 million during the Eight Plan period.

In recent years, there was a slump in the rate of growth of employment. As per the recent estimate of Industry Ministry, the annual employment growth rate was 1.78 per cent for the period 1985-92, but it was estimated to have risen by a per cent or so for the years 1992-95. However, it is still less than the rate of 2.95 per cent per annum required to generate 940 lakh additional employment opportunities during the period 1995-2002.

However, the Planning Commission has revised upwards the estimates of the growth of employment in the economy during 1992-95. As per the analysis of the CSO figures for nine broad sectors, it is estimated by the Planning Commission that 21.18 million additional jobs should have been generated as against 18.0 million estimated earlier. According to the Planning Commission experts, for the first time, the additional jobs generated in the economy had equally the addition of labour force on annual basis. The estimate shows that the annual growth of employment had touched 2.29 per cent. The estimates also state that 7.06 million of employment opportunity generated during each year fell short of the per annum Eighth Plan employment generation target by a short margin of 0.9 million jobs.

Unemployment problem in India is the commutative result of many factors. The broad causes of unemployment problem are as follows:
Population explosion: The most fundamental cause of large scale unemployment in India is the high rate of population growth since the early fifties and the consequent increase in its labour force. It was estimated that with the 2.5 per cent annual rate of population growth, nearly 4 million persons are added to the labour force every year. To provide gainful employment to such a big number is really a difficult task.

Slow rate of economic growth: In India, the rate of growth of the economy is very poor and even the actual growth rate has always been far below the target. Thus the increase in employment opportunities created under the successive plans could not keep pace with the additions to the labour force taking place in the country every year leading to a huge and larger backlog of unemployment at the end of each plan.

Backwardness of agriculture: Heavy pressure of population on land and the primitive methods of agricultural operations in a large number of States are responsible for colossal rural unemployment and underemployment in the country.

Insufficient industrial development: Industrial development in the country is not at all sufficient. Rather the prospects of industrial development have never been completely realised. Due to dearth of capital, lack of proper technology, scarcity of industrial raw materials, shortage of electricity and lack of labour intensive investment, industrial sector could not gain its momentum and also could not generate sufficient employment opportunities in the country.

Prevailing education system: The prevailing education system in India is full of defects as it fails to make any provision for imparting technical and vocational education. Huge number of matriculates, undergraduates and graduates are coming out every year leading to an increasing gap between job opportunities and job seekers among the
educated middle class. In the absence of vocational education and professional guidance, these huge number of educated youth cannot avail the scope of self-employment leading to growing frustration and discontent among the educated youths.

**Employment Policy in India**

The most ambitious programme of Community Development was launched for total rural transformation during the First Five Year Plan. It was defined as the process by which the efforts of the people themselves were united with those of governmental authority to improve the economic, social and cultural conditions of communities to integrate their communities into the life of the nation and to enable them to contribute fully to national progress.\(^{15}\)

So, community development was considered as the tool of total social transformation of Indian rural economy and a sacred duty and responsibility of the nation. The idea was to cover the entire countryside “within the shortest possible time, not exceeding ten years.” In a new phase of development activity, Pandit Nehru saw “building up a new India”, through community development.\(^{16}\)

Furthermore, community development was viewed by national leaders as Yajana as it was to be performed for the upliftment of rural population of India who were living in villages. It was a process of Gramkalyan and through it a march of Indian Nation ‘Towards New Destiny’.

The programme was launched with great enthusiasm and zeal to ameliorate the conditions in Indian economy in general and the rural sector in particular.

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\(^{15}\) Pasricha, Ashu, op. cit., p. 32.

\(^{16}\) Ibid.
Community Development was basically a multi-purpose programme, yet the main emphasis or priority was assigned to agricultural development. This programme was started as per recommendations of the 'Grow More Food Enquiry Committee'. This programme was to run concurrently with community development which had the same objectives and aims, whereas community projects were to end after three years, the National Extension Service blocks were permanent. On the duplicacy of these two programmes being run concurrently, observed S. R. Maheshwari, "Nevertheless, the simultaneous, even though separate, existence of C.D. blocks and NES blocks was an unnecessary and uncalled for complication."17

It was a very comprehensively conceived programme with main thrust on economic betterment and to get popular support. The C.D. programme took a holistic view of the farmers' problems which no other programme had taken so far.

Community Development Project was not purely an official programme but the bases of the programme were contemplated on the principles of people's participation. Rather people's participation had to be the crux of the programme.

Some flaws were noticed in the programme such as its rigidity; it was thrusted from above. Moreover, the programme was not prepared for the weaker sections of the society specifically but for rural areas in general. The selection of the regions at the initial stages was faulty and the largest section of rural population, viz., the small farmers, landless labourers etc. did not find themselves in the total design of C.D. programme. The programme was not designed on Antyodaya spirit and benefits went largely to better placed rural classes. Yet, the infrastructure created under the project was laudable as it was the first

programme and faced numerous institutional and other problems. In the words of Jawaharlal Nehru, “I think nothing has happened in any country in the world during the last few years so big in content and so revolutionary in design as the community projects in India.”

Since the Third Five Year Plan, the Government of India launched certain special programmes for removing unemployment problem in the country. With that purpose, the Government of India set up Bhagawati Committee to suggest measure for solving growing unemployment problem in the country. The Bhagawati Committee submitted its report in 1973 and suggested various schemes like rural electrification, road building, rural housing and minor irrigation works. Accordingly, the Government undertook various programmes to generate employment opportunities and to alleviate under-employment prevailing in the country. These programmes were as follows:

a. Rural Works Programme: This programme was undertaken to generate employment opportunities for 2.5 million persons and also for the construction of civil works of a permanent nature. But this programme generated employment to the extent of 4 lakh persons only.

b. Marginal Farmers and Agricultural Labourers (MFAL) Development Agency: During the Fourth Plan, this scheme was introduced for marginal farmers and agricultural labourers for assisting them with subsidized credit support for agricultural and subsidiary occupations like horticulture, dairy, poultry, fishery etc.

c. Small Farmers’ Development Agency (SFDA): This scheme was also introduced during the Fourth Plan with the object to provide credit to small farmers, so that they

18 Mukerji, B., Community Development in India (Bombay: Orient Longman), 1961, p. 18.
could avail latest technology for intensive agriculture and could also diversify their activities.

d. Half-a Million Jobs Programme: To tackle the problem of educated unemployment, a special programme—“Half a million jobs programme” was introduced. In 1973-74, provision of Rs.100 crores was made and different states and Union Territories were asked to formulate and implement this scheme for securing an employment for definite number of persons.

e. In 1972-73, another programme for educated unemployed and for highly qualified persons like engineers, technologists and scientists was prepared. Under this scheme, a sum of Rs.9.81 crores was allotted to the states which created 45,000 job opportunities for the educated persons (target).

f. Drought Prone Area Programme (DPAP): This programme was introduced for the economic development of certain vulnerable areas by organising productive and labour-intensive programmes like medium and minor irrigation, soil conservation, afforestation and road construction. During 1970-72, the government spent Rs.30.80 crores, generating employment of about 4.70 million mandays. In 1972-73, by spending Rs.38.51 crores, about 40 million mandays of employment was generated.

g. Crash Programme for Rural Employment: This scheme was introduced in 1971-72 for generating additional employment through the introduction of various productive and labour intensive rural projects. The main objectives of this programme were to provide employment to 100 persons on an average in each block over the working
season of 10 months in every year and, secondly, to produce durable assets.

But the various schemes introduced during the Fourth Plan could not succeed in solving the problem of rural unemployment and underemployment.

The Fifth Plan document laid emphasis on the generation of employment in rural areas and aimed at absorbing the increments in the labour force during the Plan period by stepping up rates of public investment.

h. Food-For-Work (FFW) Scheme: This scheme was introduced in April 1977 for benefiting the rural poor and more particularly the landless agricultural labourers. Under this scheme, part of wages to those workers who were engaged in rural public works was paid in kind (in terms of foodgrains). The Central Government supplied foodgrains to the State Governments free of charge. In this way off-season employments were made available to rural unemployed.

The Sixth Plan, in its Employment Policy admits, “In the field of employment, the picture has been far from satisfactory. The number of unemployed and under-employed have risen significantly over the last decade. In the above context, therefore, our employment policy should cover two major goals: Reducing under-employment by increasing the rate of growth of the gainfully employed and reducing unemployment on the basis of usual status commonly known as open unemployment.

i. National Rural Employment Programme (NREP): In October 1980, the NREP replaced the Food-for-work programme. In this programme, State Governments received central assistance both in the form of foodgrains and cash for undertaking productive works in the rural areas. During the
Sixth Plan, total expenditure incurred by both the Central and State Governments was of the order of Rs.1837 crores and total foodgrains utilisation was 20.57 lakh tonnes. Total employment generation under this programme during the Sixth Plan was 1775 million mandays.

During the Sixth Plan, overall employment increased by 35.60 million standard person year (SPY) as against the target of 34.28 million SPY. During the Sixth Plan, the growth rate of employment was 4.32 per cent per annum. During the Sixth Plan, other programmes like IRDP and RLEGP were introduced.

During the Seventh Plan, the magnitude to employment requirement was worked out at 47.58 million. Accordingly, the Seventh Plan document mentioned: “it is expected that additional employment of the order of 40.36 million standard person years would be generated during the Seventh Plan with an implied growth rate of 3.99 per cent per annum. The special employment programmes of NREP and RLEGP would generate 2.26 million standard person years of employment in 1989-90. The employment generation of IRDP has been estimated as 3 million SPY mainly concentrated in agriculture and other sectors”.\(^{19}\) Thus the Seventh Plan decided to supplement the efforts of employment generation by direct employment programmes like IRDP, NREP, RLEGP and TRYSEM.

Integrated Rural Development Programme (IRDP): The sixth Plan proposed to integrate multiplicity of agencies for providing rural employment like Employment Guarantee Scheme, SFDA, MFAL, Drought Prone Area Programme, Command Area Development programme etc. Accordingly, on 2\(^{nd}\) October 1980, the Integrated

\(^{19}\) The Seventh Five Year Plan (1985-90), p.113.
Rural Development Programme was introduced as the Central Sponsored Scheme in which funding was shared on 50:50 basis between the Centre and States. In case of U.Ts, however, 100% funds were provided by the central government. This programme was a multi-pronged attack on the problem of rural development and was designed as an anti-poverty programme too. During the Sixth Plan, this programme was initiated in all the 5,011 blocks of the country to implement it; District Rural Development Agency (DRDA) was established in each district.

During the Sixth Plan, a sum of Rs.1661 crores was spent on this programme as against the provision of Rs.1500 crore and the total number of beneficiaries covered during the plan period was 16.56 million as against the target of 15 million.

The Seventh Plan set a target to assist 20 million households under IRDP and the total allocation under this programme was Rs.3474 crores. During this plan, about 18.2 million families were assisted and about Rs.3316 crores were utilised.

(k) Rural Landless Employment Guarantee Programme (RLEGP): The Rural Landless Employment Guarantee Programme was introduced on 15th August, 1983 with the sole object of generating gainful employment opportunities, to create productive assets in rural areas and for improving the overall quality of rural life. In this programme, preference in employment was given to landless labourers, women, scheduled castes and scheduled tribes. This programme is funded fully by the Central Government.

During the Seventh Plan, Rs.1744 crores were provided by the central government to generate 1,013 million mandays of employment during the plan period. But during the first three years of the plan, Rs.1743 crores were utilised, and generated employment to the extent
of 858 million mandays only, thus only 85 percent of the target was realised.

National Rural Employment Programme (NREP):

The Seventh Plan had earmarked a total outlay of Rs. 2487 crores for the National Rural Employment Programme out of which the centre sanctioned Rs. 1251 crores. The Seventh Plan set a target to generate employment to the extent of 1445 million mandays. But during the first four years of the Seventh Plan, nearly Rs. 2940 crores were spent under NREP generating 1447.7 million mandays of employment which has fulfilled the plan target.

Jawahar Rozgar Yojana (JRY):

Jawahar Rozgar Yojana was launched on 28th April, 1989 by the then Prime Minister, Rajiv Gandhi. Under the programme, all the existing rural wage employment programmes like National Rural Employment Programme and Rural Employment Guarantee Programme were merged. The programme (JRY) aims at reaching each and every Panchayat of the country. In this programme, 80 per cent of resources are funded by the centre and the rest 20 per cent by the States. In the year 1989-90, the centre made a provision of Rs. 2100 crores. In this programme, allocation of funds to the States is being made in proportion to the size of their population below the poverty line. In this programme, on an average, a village panchayat with its population of 3000 to 4000 people, will receive between Rs. 80,000 to 1 lakh every year. It was also decided to provide employment to at least one member in each poor family for at least 50 to 100 days in a year.
The National Scheme of Training of Rural Youth for Self-Employment (TYSEM):

It is a centrally sponsored scheme which was introduced in the country on 15th August 1979. This programme is meant for generating self-employment opportunities by imparting training to the rural youth in various trades and skills. TRYSEM is a facilitating component of the IRDP.20

TRYSEM’s objective is to provide technical and entrepreneurial skills to the rural youth from families below poverty line to enable them to take up self-employment in the broad fields of agriculture and allied activities, industries, services and business activities. The objectives of TRYSEM scheme has been enlarged to include wage employment. The target group comprises of rural youth in the age group of 18-35 from families living below the poverty line. Minimum age for providing training under TRYSEM could be 16 years for inmates of orphanages in rural areas. This upper age limit of 35 years is relaxed to 45 years in case of widows, freed bonded labourers, ex-convicts, persons displaced due to large development projects and crude leprosy patients for receiving TYSEM training.

The process of skill endowment under TRYSEM to members of the target group is an integral part of the IRDP. The training under TRYSEM would, therefore, be provided on the basis of actual need and requirement.21

The programme envisages that a minimum of 50% of trained youth should belong to Scheduled Castes (SC) and Scheduled Tribes

20 Pasricha, Ashu, op. cit., pp. 143-144.
(ST) communities and a minimum of 40 per cent of youth trained should be women.

The identified youth are to be put through a period of training, either with a training institution or a master craftsman to provide necessary technical and entrepreneurial skills. On the successful completion of training, they should receive a combination of subsidy and institutional credit under IRDP, for acquisition of income generating assets, if they so desire.

The training component should have the following syllabus:
1. elements of book keeping;
2. simple knowledge of marketing;
3. acquaintance with product costing;
4. familiarisation with project financing by banks.

Stipends are made available to the trainees in different skills, ranging from Rs. 125 per month to Rs. 300. There is a provision to supply free tool kit to trainees costing upto Rs. 600. There is also a provision for making payment to institutions or to such master craftsmen who will train the youth. On completion of training, the trainee may be subjected to a performance test. This will enable the agency to know that the appropriate skills have been imparted. Thereafter, financial assistance, in the form of loan and subsidy is provided for the rehabilitation of the trainees to take up productive employment ventures.

Development of Women and Children in Rural Areas (DWCRA):

A sub-scheme of IRDP, Development of Women and Children in Rural Areas (DWCRA), was started in 1982-1983 with the primary objective of focusing attention on the women members of rural families below poverty line with a view to provide them with opportunities of self-employment on a sustained basis. The need for a special
programme designed exclusively for women was felt as it was noticed that women members of IRDP families were not availing the benefits of that programme in adequate measure. The approach was not family oriented but it envisaged assistance to a group of women. The group approach of assistance is the dominant criterion under DWCRA component of IRDP. The cut-off point for assistance was fixed at annual family income of Rs. 4800. The programme was started as pilot project in 50 selected districts in all the states in 1982-83 and thereafter, it was extended to other areas gradually. Each group of women under DWCRA is given a lumpsum grant of Rs.15,000/- as Revolving Fund. This amount is contributed in equal shares by Government and UNICEF which can be used for:

i) Purchase of raw materials and marketing.

ii) Honorarium to Group Organiser @ Rs. 50 per month for a period of one year.

iii) Infrastructure support for income generating and other group activities.

iv) One time expenditure on child care activities.

v) One time expenditure not exceeding Rs.500/- to meet travel allowance of group members for visits to banks etc.

Main objective of this programme is to form a group consisting of 10-15 women belonging to IRDP families for taking up economic activities suited to their skills, aptitudes and the local conditions. The group strategy was adopted to motivate the rural women to come together and to break social bonds which had denied them income generating self-employment opportunities so far.

The women must be made aware of the objectives and benefits of DWCRA, before starting an income generating activity and how they can supplement the family income with the help of economic activity and thereby raise the health, nutritional and educational standards of
their children. The group members must get to know each other well, understand the group strategy and recognise the strength and potential of the group. One woman from amongst the members will function as group organiser who will help in the choice of activity, procurement of raw materials, marketing of products etc. The members will select the group organiser, who will be their friend and guide.

Thus considering all these programmes introduced in the employment policy of the country under different plans, it can be concluded that these programmes could not make much headway in solving both the rural and urban unemployment in the country.

Although various employment generation schemes were implemented till the completion of the Seventh Plan, the problem of unemployment faced by the country remained grave. Total unemployment in the country totalled 23 million in the year 1992. In 1981-91, the country registered a 2.1 per cent growth rate in population while the growth rate of the labour force was 2.5 per cent per annum. In 1991, the total population of the country was estimated at 837 million of which the labour force constituted about 315 million. Thus the growth of the labour force has been higher than the population growth but the growth rate of employment, which remained only 2.2 per cent per annum during the period 1971-91, has remained lower than of labour force.

As unemployment is a major socio-economic problem, it must be tackled on a priority basis. At the start of the Eighth Five Year Plan (1992-97), employment was estimated to be about 301.7 million. The open unemployment was estimated at 17 million, of which the educated unemployment accounted for 7 million. Severe under-employment was estimated as 6 million. Thus the backlog of unemployment for planning purpose was reckoned at 23 million in April 1992. As the net additions to labour force during the Eighth Plan and
during the period 1997-2002 were estimated at 35 million and 36 million, respectively, in order to reduce unemployment to negligible levels by 2002, the employment should grow at the average annual rate of about 2.6 to 2.8 per cent over the ten year period 1992-2002.

Considering the present unemployment scenario, the Eighth Five Year Plan tried to achieve 2.6 per cent rate of growth of employment against the average annual growth rate of GDP of 5.6 per cent envisaged in the plan. Thus the Eighth Plan emphasises the need for high rate of economic growth, combined with a faster growth of sectors, sub-sectors and areas which have relatively high employment potential for enhancing the pace of employment generation. The plan sought to achieve the target by laying emphasis on crop-wise and geographic diversification of agricultural growth, waste land development, promotion of agro-based activities, rural non-farm activities including rural industries, the decentralized and small scale sector of industry, the urban informal sector and the services sector, expansion of rural infra-structure, housing and health and education services especially in rural areas, revamping of the training system and streamlining of the special employment programmes to integrate them with area development plans. Thus all these above are considered as basic elements of the employment oriented growth strategy envisaged in the plan. Additional employment opportunities to the extent of 8 to 9 million per year, on an average, during the Eighth Plan period and of the order of 9 to 10 million per year, on an average, during 1997-2002 period are expected to be generated.

The Eighth Plan document has also identified various problems as factors responsible for the lower growth of employment in the country. These include:

(i) Mismatch between skill requirement and employment opportunities;
(ii) Low technology, low productivity and low wage;
(iii) Occupational shifts from artisans to unskilled employment in agriculture;
(iv) Declining employment in agriculture;
(v) Under-employment due to seasonal factor and more labour supply than demand.

Recommendation of NDC Committee on Employment:

In view of the importance of tackling the unemployment problem, a committee of NDC was appointed in early 1991 to suggest ways and means of achieving the goal of near full employment in a ten-year period. The committee submitted its report in September 1992. The major recommendations made by the NDC Committee on Employment include:

(i) Besides creation of additional productive employment opportunities, the strategy should focus on augmentation of existing employment in terms of productivity and income;
(ii) The augmentation strategy is particularly useful in states where stimulation to agricultural growth, diversification of the economies and movement out of agriculture is needed. In States with higher agricultural productivity and more open unemployment, strategies favouring faster expansion of secondary and tertiary activities would be desirable. More specified strategies are called for in areas with special problems.
(iii) In the realm of sectoral strategies, thrust areas should be diversification of agriculture, irrigation, stimulation to rural non-agricultural employment, small scale industries and cottage industries, large scale programmes of construction, fast growth of services and the informal sector.
(iv) Vast regional variations in work requirements and structure, needs of women, marginal farmers and labourers etc., re-emphasise micro planning.

(v) A three pronged strategy for educated employment is needed comprising development of employment-intensive sectors, promotion of self-employment and raising responsiveness of education and training to labour market.

(vi) A national wage policy may be evolved for removing irrational and inequitous disparities in wages and salary levels and to induce efficiency, and for bringing unorganised sector within its purview.

(vii) A major restructuring of on going special programmes is needed. Significant part of rural development outlay may be utilised for building rural infra-structure. Redesigned and expanded programme of Integrated Development of Small and Medium towns for generating wage employment in smaller towns may be taken up. 22

The National Development Council (NDC) endorsed these above recommendations of the Committee, at the meeting held on the 18th September, 1993 and also directed that the recommendations be implemented by the central Ministries and State Governments and again this may be monitored by the Planning Commission.

Endorsement of New Employment Schemes by NDC and its Subsequent Launching: The 46th meeting of the National Development Council held on 18th September, 1993 unanimously endorsed three employment generating schemes, covering the rural poor, educated unemployment and women.

Accordingly in 1993-94, two new programmes have been launched in order to give a fillip to employment generation. These two
programmes include: (i) Employment Assurance Scheme (EAS), and (ii) Prime Minister’s Rozgar Yojana (PMRY) for the Educated and unemployed youth.

(i) Employment Assurance Scheme (EAS): The Employment assurance scheme introduced on 2nd October, 1993 was launched to make provision for “assured employment” for the rural poor. The highlights of the scheme were as follows:

(a) **Aim:** The scheme (EAS) was being implemented in the 3175 backward blocks. This scheme aimed to provide 100 days of unskilled manual work to those, in the age group of 18-60 years, who are seeking employment.

(b) **Features:** The scheme was to provide unskilled manual work to rural poor with statutorily fixed minimum wages linked to quantum of work done. Its funding pattern is 80:20 by the Centre and the States, respectively. The scheme targeted at the poor, especially during the lean agricultural season in rural areas. The works undertaken were run departmentally and no contractors were hired. Part of the wages were paid in terms of food grains. The collector of the district was assigned to oversee the performance. Under this scheme, applicants were given a “family card” listing the number of days of employment under different programmes.

The objective of the scheme (EAS) was to create economic infrastructure and community assets for sustained employment and development. Specific guidelines had been sent by the centre to various states so as to ensure that the provision of employment under the scheme resulted in the creation of durable assets in each block where the scheme had been launched. The implementing agencies

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were made responsible for the payment of minimum wages according to the standard of performance under the scheme. A part of the wages was paid in the form of foodgrains at rates not exceeding the price of foodgrains in the open market.

Achievement:

During the first year of introduction of the scheme, i.e., during 1993-94 more than 49.5 million man-days of employment had been generated and nearly 1.7 million persons had been registered under the newly launched Employment Assurance Scheme (EAS). The states where maximum number of mandays of employment were generated was Andhra Pradesh followed by Madhya Pradesh, Orissa and West Bengal. During the first eight months of 1994-95, about 115 million mandays of employment were generated under the EAS scheme.

Among these states, about 2.9 million mandays of employment had been generated in Andhra Pradesh while the figure touched about 2.3 million in Madhya Pradesh. In Orissa, nearly 2.5 million mandays of employment was generated and the figure were almost the same in the case of West Bengal.

During the year 2002, so far 2117 works had been completed under the scheme and another 12,713 were in progress. About 1.7 million people in Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Tamil Nadu and Tripura had been registered under the scheme. The centre had so far released Rs.438 crores to 23 states and union territories under the scheme. The matching share of the states amounted to Rs.109.37 crore. The main advantage of the scheme for the states is that many of the works, which these states

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were unable to undertake otherwise, can now be implemented under this scheme.

At the end of December 1995, this scheme (EAS) was operating in 2475 backward blocks in desert, tribal, hilly, drought and flood-prone areas of the country. Till that date, about 180 million rural people had registered themselves for work under EAS and the scheme had generated over 48.6 crore mandays of employment since its inception in October 1993.24 During 1995-96, an allocation of Rs.1200 crore had been made for this scheme. As per reports received from States and Union Territories, up to December 1994, 13979 works had been completed and other 20148 works were in progress under EAS. The scheme is now extended to all the poorest rural blocks of the country.

In 1999-2000, total mandays of employment generated under EAS is estimated at 26.24 crore. At the end of 1999-2000, EAS has generated total employment to the extent of 179.06 crore mandays since its inception in October, 1993.

(ii) Mahila Samridhi Yojana (MSY):

The Mahila Samridhi Yojana was also launched on 2nd October 1993 in order to benefit all rural adult women. This scheme entitles every adult women who opens an MSY account with Rs.300 to get an incentive of Rs.75 for a year.

The MSY is aimed at empowering rural women with greater control over household resources and savings. It is now implemented through post offices. At the end of October 1995, a total of 125,423 accounts had been opened under the scheme.

(iii) Prime Minister's Rozgar Yojana (PMRY): On 2nd October, 1993, the Government introduced another new employment oriented

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scheme-Prime Minister’s Rozgar Yojana (PMRY) under the Eighth Plan. The scheme was specially designed for educated unemployed youth which was designated to provide employment to more than one million persons by setting up seven lakh micro enterprises during the Eighth Five Year Plan in industry, service and business. The scheme covered only the urban areas during the 1993-94 but subsequently covered both the urban and rural areas. The scheme involved an expenditure of Rs.540 crore to meet the capital subsidy, training and administrative cost during the remaining period of the Eighth Five Year Plan. The scheme was supposed to provide a loan, up to a ceiling of Rs.1 lakh in case of individuals. If two or more eligible persons entered into a partnership, projects with higher cost could be assisted, provided the share of each person in the project cost did not exceed Rs.1 lakh. An entrepreneur was required to contribute 5 percent of the project cost as margin money in cash. The Government of India provided subsidy at the rate of 15 per cent of the project cost subject to a ceiling of Rs.7,500 per entrepreneur. All those who had under-gone Government sponsored technical courses for a minimum duration of six months besides being matriculates and ITI diploma holders were eligible under the scheme.

It had been estimated that Rs.525 crore would be spent in three years on the PMRY, benefiting 40,000 beneficiaries in the urban areas during 1993-94. Another 2.2 lakh people in both urban and rural areas would be benefited each year by this scheme from 1994-95 to 1996-97. From 1994-95 onward, the scheme for Self-Employment for Educated Unemployment Youth (SEEUY) was integrated into PMRY. Under the PMRY, unemployed educated youth in the 18-25 years age group and of families with annual income up to Rs.24,000 along with certain educational and other criteria would be eligible for such assistance. Preference was given to those belonging to weaker
sections and women. The scheme envisaged 22.5 per cent reservation for Scheduled Castes and Scheduled Tribes and 27 per cent for other Backward Classes (OBCs). Each entrepreneur was eligible for a loan up to a ceiling of Rs.1 lakh without any collateral security. The beneficiaries to be selected were to be from the low income groups who were not in a position to bring in the stipulated margin money for raising loans from commercial bank and also those who lacked training in entrepreneurial management. The scheme also envisaged training for entrepreneurs after the loan was sanctioned. At the end of 1993-94, total micro enterprises developed under PMRY were 0.32 lakh and total employment generated was 0.45 lakh as against the target of 0.80 lakh.

The PMRY was in operation in urban areas in 1993-94 and was thereafter extended to cover also the rural areas. The scheme envisaged that about 7 lakh micro-enterprises in industry, services and business sector will be set up during the Eighth plan period providing employment to 14 lakh persons. For the years 1993-94 and 1994-95 as many as 2.28 lakh cases were sanctioned. For the year 1995-96, target of 2.60 lakh micro-enterprises (inclusive of backlog) had been fixed to generate about 5.20 lakh employment opportunities.

In 1999-2000, total Micro enterprises developed under PMRY were 1.4 lakh and total employment generated was 2.1 lakh. At the end of 1999-2000, PMRY had developed micro enterprises to the extent of 8.66 lakh and generated employment to the extend of 11.82 lakh since its inception in October 1993. Under PMRY, the Government intended to assist 20 lakh youth for self-employment during the Ninth Plan.

(iv) JRY:

The achievement of JRY in respect of employment generation was 782 million mandays in 1992-93 and 1026 million mandays in 1993-94.
The 1994-95 budget provided for Rs.70.1 billion and set a target of employment generation at 980 million mandays, against which the achievement of JRY in 1994-95 was 955 million mandays. In 1998-99, the target of employment generation under JRY was fixed at 396.6 million mandays but during 1998-99, the achievement was 375.2 million mandays. Under JRY, about 50 per cent employment generation during 1998-99 came from SC/ST group.

(v) Nehru Rozgar Yojana (NRY):

Nehru Rozgar Yojana (NRY) contemplated by the Ministry of Urban Affairs is designed to create employment opportunities for the urban poor. This programme was launched in October 1989 with the objective of providing employment opportunities for the urban poor. This programme was launched in October 1989 with the objective of providing employment opportunities to the unemployed and under employed urban poor. The Yojana is applicable to households living below the poverty line in urban slums and within this broad category, SC/ST and women constitute a special target group.

Nehru Rozgar Yojana consists of three sub scheme: (a) Scheme of Urban Micro enterprises. (SUME), (b) Scheme of Urban Wage Employment (SUWE) and (c) Scheme of Housing and Shelter upgradation (SHASU). So, far 6.55 lakh beneficiaries have been assisted in setting up of micro enterprises under SUME. About 541.52 lakh mandays of work have been generated through the construction of economically and socially useful public assets under SUWE and SHASU till 1994-95. Under NRY, total number of families assisted was 2.37 lakh in 1992-93, 1.52 lakh in 1993-94, 1.25 lakh in 1994-95 and 0.6 lakh during 1997-98 as against the target of 1.2 lakh. Total mandays of employment generated under NRY was 140.5 lakh in 1992-93, 123.7 lakh in 1993-94, 92.9 lakh in 1995-96 and 44.6 lakh
during 1997-98 as against target of 135.8 lakh. In December, 1997, this programme was amalgamated with SJSRY.

(vi) Prime Minister’s Integrated Urban Poverty Eradication Programme (PMIUPEP):

The Prime Minister’s Integrated Urban Poverty Eradication Programme (PMIUPEP) was launched in 1995-96 with a specific objective of effective achievement of social sector goals, community empowerment, employment generation and skill upgradation, shelter upgradation and environment improvement with a multi-pronged and long-term strategy. The Programme was to cover 5 million urban poor living in 345 class II Urban Agglomerations (towns) with a population of 50,000 to 1,00,000 each. There was a provision for Rs. 800 crore as central share for the entire programme period of 5 years. In 1995-96, Rs.100 crore was allocated for the programme.

The programme was expected to benefit about 150 lakh urban poor by the end of 1996-97. As on October 1996, over 14,000 and 11,000 beneficiaries were identified for self-employment and shelter upgradation, respectively.25 In December 1997, this programme was amalgamated with SJSRY.

In order to achieve the employment goals of the Eighth Plan, over 9 million additional employment opportunities were to be generated per year on an average up to the period 1996-97. This was a stupendous task and underscores the significance of achieving a higher average annual growth rate in the economy than envisaged.

Leaving aside all specific issues, it can be observed that bringing about qualitative improvements in the special programmes involving better targeting, judicious selection of assets, cost

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effectiveness, infrastructural support, and integration with sectoral and area development plans have acquired an added significance in the present day context. It must be emphasised that the special employment programmes play only supplementary and short term role, and the lasting and final solution to the problem of unemployment lies in the faster generation of adequate productive employment in the ultimate growth process.

(vii) The Swarna Jayanti Shahari Rozgar Yojana (SJSRY):

The Swarna Jayanti Shahari Rozgar Yojana (SJSRY) which subsumed the earlier three urban poverty alleviation programmes viz., Nehru Rozgar Yojana (NRY), Urban Basic Services for the Poor (UBSP) and Prime Minister’s Integrated Urban Poverty Alleviation Programme (PMIUPEP) came into operation from December 1997. This programme seeks to provide employment to the urban unemployed or underemployment poor living below poverty line and educated upto XI standard through encouraging the setting up of self-employment ventures or provision of wage employment. The scheme gives special impetus to empower as well as uplift the poor women and launches a special programme, namely, Development of Women and Children in Urban Areas (DWCUA) under which groups of urban poor women setting up self-employment ventures are eligible for subsidy upto 50 per cent of the project cost. An allocation of Rs.181.0 crore was provided in 1999-2000 (BE). In 1998-99, the DWCUA scheme has assisted 0.01 lakh women related to their self-employment schemes.

Two special schemes under SJSRY are (i) the Urban Self-Employment Programme (USEP) and (ii) the Urban Wage Employment Programme (UWEP). SJSRY is funded on a 75:25 basis between Centre and States. During 1997-98, 1998-99 and 1999-2000, sums of Rs.102.51 crore, Rs.162.28 crore and Rs.113.07 crore, respectively, were spent in the States and Union Territories under different
components of SJSRY. About the performance of SJSRY, total number of persons trained under USEP was 0.4 million in 1998-99 and 0.13 million in 1999-2000 and total number of persons trained under USEP was 0.05 million in 1998-99 and 0.10 million in 1999-2000. Again, total mandays of employment generated under UWEP was 6.60 million in 1998-99 and 10.14 million in 1999-2000.

The Draft Approach Paper of the Ninth Plan gave due recognition to the problem of unemployment. With that purpose, the Approach Paper had incorporated one of its objectives as “Giving priority to agriculture and rural development with a view to generate adequate productive employment and eradication of poverty.”

The four dimensions of state policy as reflected in the strategy of the Ninth Plan had incorporated a primary objective to generate greater productive employment in the growth process of various sectors and by adopting labour intensive technologies in the unemployment prone areas. In order to enhance employment opportunities for the poor, the Ninth Plan had undertaken a National Employment Assistance Scheme, recognizing the high incidence of under employment and increasing causalisation of labour.

The Approach Paper of Ninth Plan also mentioned that “Improvements in quality of employment can be achieved only in a situation of rapidly growing productivity to which the labour can lay a just claim. However, it is not merely enough to create the right kinds of employment opportunities, but also to provide the people with the human capital by which they can take advantage of these opportunities. Education and skill development are essential features of such empowerment. Free and compulsory education of children supported by an adequate mid-day meal programme in schools is the first step towards this end. In addition, special programme will have to
be implemented to develop skills, enhance technological levels and marketing channels for people engaged in traditional occupations."

"There is no simple or unique correlation in the short-run either in theory or in Indian experience between the rate of growth of output and the rate of growth of employment."

Under the present context, the growth process should be restructured in such a way so that employment opportunities grow at an accelerated pace and the country becomes successful to achieve the goal of full employment in the early part of new millennium. In this connection, the Planning Commission has suggested the following measures to be adopted during the Ninth Plan period:

(a) Attainment of economic growth would be mostly from those sectors which have high employment potential.
(b) High priority would be accorded to attain growth and lines of production with high employment intensity along with the maintenance of demand-supply balance.
(c) Discouraging unnecessary and indiscriminate increase in capital intensity and encouraging the adoption of production techniques with higher employment potential per unit of capital.
(d) Lastly, reorienting public sector investment towards those sectors having employment bias and influencing private investment decisions to adopt technologies with high employment potential.

Again the draft Ninth Five Year Plan (1997-2002) approved by the National Development Council (NDC) on 19th February, 1999 had given priority to reduce the extent of unemployment and it had set a target to generate 50 millions job during the Ninth Plan period.

The International Commission on Peace and Food, a non-government organisation headed by Dr. M. S. Swaminathan, recently
made a study on the unemployment problem of the country. The Committee had come to the conclusion that a minimum of 100 million new jobs were needed by the year 2000 in the unorganised sector to achieve full employment and to eradicate poverty. The findings of the team were in the form of a strategy statement which emphasised that there was potential to increase employment with emphasis on higher productivity and income through extension of irrigation and green revolution of areas not hitherto covered and having potential, wasteland development and diversification of agriculture, to other productive activities like horticulture, aquaculture, sericulture and agro-processing.

Jawahar Gram Samridhi Yojana (JGSY): JGSY was introduced, in April 1999 by restructuring the Jawahar Rozgar Yojana and is being implemented as a centrally sponsored scheme on a cost sharing ratio of 75:25 between the Centre and States. The objective is to generate wage employment for the rural poor.

Swaranjayanti Gram Swarozgar Yojana (SGSY): SGSY, was launched with effect from April 1, 1999 as a result of amalgamating certain erstwhile programmes. It aims at promoting micro enterprises and helping the rural poor through Self Help Groups (SHG). This scheme covers all aspects of self-employment like organisation of rural poor into SHG and their capacity building.

Sampoorna Grameen Rozgar Yojana (SGRY): Launched with effect from September 2001, the scheme aims at providing wage employment in rural areas, as also food security, along with the creation of durable community, social and economic assets.

Pradhan Mantri Gramodaya Yojana (PMGY): PMGY was introduced in 2000-01 with the objective of focusing on village level development in five critical areas i.e. health, primary education, drinking water, housing and, rural roads, with the overall objective of improving the quality of life of people in the rural areas.
(i) Pradhan Mantri Gram-Sadak Yoiana (PMGSY): PMGY was launched on 25th December, 2000 with the objective of providing road connectivity through good all weather roads to all rural habitations with a population of more than 100 persons by the year 2003 and those with a population of more than 500 persons by the year 2007.

(ii) Pradhan Mantri Gramodaya Yojana (Gramin Awas): This scheme is to be implemented, on the pattern of Indira Awas Yojana with the objective of sustainable habitat development at the village level and to meet the growing housing needs of the rural poor.

(iii) Pradhan Mantri Gramodaya Yojana-Rural Drinking Water Project: The urban Self Employment Programme and the Urban Wage Employment Programme are two special schemes of the SJSRY, initiated in December 1997, which replaced various programmes operated earlier for urban poverty alleviation. These are funded on a 75:25 basis between the Centre and the States.

Indira Awas Yojana (IAY): This is a major scheme for construction of houses to be given to the poor, free of cost.

Samagra Awas Yojana: This has been launched as a comprehensive housing scheme in 1999-2000 on pilot project basis in one block in each of 25 districts of 24 States and in one Union Territory with a view to ensuring integrated provisions of shelter, sanitation and drinking water.

Food for Work Programme: This programme was initially launched w.e.f. February 2001 for five months and was further extended. The programme aims at augmenting food security through wage employment in the drought affected rural areas in eight States i.e. Gujarat, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttrakhand.

Annapurna: This scheme came into effect from April 1, 2000 as a 100% centrally sponsored scheme. It aims at providing food security
to meet the requirement of those senior citizens who, though eligible for pensions under the National Old Age Pension Scheme, are not getting the same.

Krishi Shramik Samajik Suraksha Yojana: The scheme was launched in July, 2001 for giving social security benefit to agricultural labourers on hire in the age group of 18 to 60 years,

Shiksha Sahayog Yojana: The scheme has been finalized for providing educational allowance of Rs. 100 per month to the children of parents living below the poverty line for their education from the 9th to 12th standard.

The Centre of Advanced Development Research (CADR) has criticised the various employment generation programmes launched by the Government which had touched only a fringe of the problem and has suggested measures for labour-intensive and land based programmes. These include diversification of crop programme which places high priority on the needs of the poor and on the transformation of the crop pattern from the present low-value to high-value and labour intensive programmes.

The Centre also suggests jump in the production of milk and eggs, making best use of water and land resources and improving 175 million hectares of degraded land which is about half of the total geographical area, mainly through afforestation.

Taking all these into considerations, it can be said that the future employment programmes of the country should be formulated in such a manner that those could meet the requirements of the people with maximum utilisation of scarce resources. Moreover, considering the depth of the problem, it can be safely said that the government alone cannot tackle this problem. Thus private sector should be fully involved in the employment programmes of the country. Accordingly, the Planning Commission should chalk out programme for the private
sector in order to involve the sector into the employment generation programme of the country. Thus an appropriate joint strategy involving both the public sector and private sector is to be taken in order to tackle both the rural as well as urban unemployment of the country.

Positive aspects of Eighth and Ninth Plans are as given below:

- Rapid growth in post reform period i.e. during eighth and ninth Plans (1992-2002) Growth = 6.5 %
- Growth in literacy rate from 52 to 65% in 2001 census.
- Decline in population growth less than 2% i.e. 1.93% in 2001 census.
- Emergence of software services and IT sector as a new source of strength.

Negative aspects of Eighth and Ninth Plans are as given below:

- Economy is facing deceleration phase
- Employment growth less than expected
- Infant Mortality Rate (IMR) stagnated at 72/1000 and no signs of fall.
- Land and other environment related problems such as degradation of land and forest and rise in urban pollution - Related to, environment and sustainable development.
- Over-exploitation of ground water - Related to environment and sustainable development.
- Pollution in cities rises -Related to environment and sustainable development.

Major Objectives of Tenth Plan:

- 8% growth rate.
- To bring down population growth to 1.6% per capita income at 6.44% per annum.
- Enhancement of Human Well-being through.
• Adequate availability of food and other consumer goods.
• Access to basic social services, in particular, education, health, drinking water, sanitation.
• Greater participation of people in decision-making.

Major targets set in approach paper are:
• To bring down poverty to 21% by 2007 and 10% by 2012.
• Universal access to primary education by 2007.
• To register the decline in decadal population growth to 16.2%.
• To bring down IMR to 45/1000 birth by 2007 and 28 by 2012.
• To bring up forest cover to 25% by 2007 and 33% by 2012.
• Cleaning of all major polluted rivers by 2007 and other notified stretches by 2012.

POPULATION EXPLOSION

The population of India is growing very rapidly. Although India occupies about 2.4 per cent of the total land area of the world yet the country at present has to support nearly 16 per cent of the total population of the world. Thus the pressure of population on land is very heavy in India. Population is considered as an important determinant of economic growth. In this respect, population is working both as a stimulant and hurdle to economic growth. Firstly, population provides labour and entrepreneurship as an important factor service. Natural resources of the country can be properly exploited with skilled manpower resources. With proper human capital formation, increasing
mobility and division of labour, manpower resources can provide useful support to economic development.

On the other hand, higher rate of growth of population increase demand for goods and services as a means of consumption leading to increasing consumption requirements, lesser balance for investment and export, lesser capital formation, adverse balance of trade, increasing demand for social and economic infrastructural facilities and higher unemployment problem. Accordingly, higher rate of population growth can put serious hurdles on the path of economic development. Moreover, growth of population at a higher rate usually eats up all the benefits of economic development leading to a slow growth of per capita income.

The national income in India at present constitutes 1.2 per cent of the total world income. In 1901, total population of India was 23.6 crores and in 2001, the size of the population has increased to 102 crores showing an increase of 78.4 crores during the last 100 years. The table shows the growth of population in India since 1891.

The table 3.3 given reveals that in 1891, total population of India was 23.6 crores and then it subsequently increased to 25.1 crores in 1921, 36.1 crores in 1951, 54.8 crores in 1971, 68.3 crores in 1981, 84.4 crores in 1991 and 102 crores in 2001.

Growth during 1891 to 1921: The growth of population in India can be properly studied in three distinct phases. During the first phase of 30 years, i.e., from 1891 to 1921, the size of population in India increased from 23.6 crores to 25.1 crores, i.e., by 1.5 crores, showing the annual compound growth rate of only 0.19 per cent per annum. But the average annual growth rate of population gradually increased from 0.30 per cent in 1901 to 0.50 per cent in 1911 and then attained a negative growth rate of -0.03 per cent in 1921.
Growth during 1921-51: During the second phase of 30 years, i.e., from 1921 to 1951, India’s population increased from 25.1 crores to 36.1 crores, i.e., by 11 crores and the annual compound growth rate during second phase was 1.22 per cent. But the annual average growth rate of population in India gradually increased from 1.06 in 1931 to 1.34 per cent in 1941 and then slightly declined to 1.26 per cent in 1951.

**TABLE: 3.3**

**Growth of Population in India Since 1891 to 2001**

<table>
<thead>
<tr>
<th>Census Year</th>
<th>Population (in crores)</th>
<th>Average Annual Growth %</th>
<th>Decadal increase or decrease (in crores)</th>
<th>Decadal variation (in percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>23.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>1901</td>
<td>23.6</td>
<td>0.30</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>1911</td>
<td>25.2</td>
<td>0.50</td>
<td>+1.6</td>
<td>+5.7</td>
</tr>
<tr>
<td>1921</td>
<td>24.1</td>
<td>0.35</td>
<td>0.1</td>
<td>-0.3</td>
</tr>
<tr>
<td>1931</td>
<td>27.9</td>
<td>1.06</td>
<td>+2.8</td>
<td>+11.0</td>
</tr>
<tr>
<td>1941</td>
<td>31.9</td>
<td>1.34</td>
<td>+4.0</td>
<td>+14.2</td>
</tr>
<tr>
<td>1951</td>
<td>36.1</td>
<td>1.26</td>
<td>+4.2</td>
<td>+13.3</td>
</tr>
<tr>
<td>1961</td>
<td>43.9</td>
<td>1.98</td>
<td>+7.8</td>
<td>+21.5</td>
</tr>
<tr>
<td>1971</td>
<td>54.8</td>
<td>2.20</td>
<td>+10.9</td>
<td>+24.8</td>
</tr>
<tr>
<td>1981</td>
<td>68.3</td>
<td>2.25</td>
<td>+13.5</td>
<td>+24.7</td>
</tr>
<tr>
<td>1991</td>
<td>84.4</td>
<td>2.11</td>
<td>+16.1</td>
<td>+23.5</td>
</tr>
<tr>
<td>2001</td>
<td>102.00</td>
<td>1.93</td>
<td>2.52</td>
<td>+21.34</td>
</tr>
</tbody>
</table>

Compound annual growth rate of population

- 1891-1921: 0.19
- 1921-1951: 1.22
- 1951-1981: 2.15
- 1981-1991: 2.11

Source: Census of India 2001
Growth during 1951-81: During the third phase of 30 years, i.e., from 1951-1981, the size of population in India increased from 36.1 crores in 1951 to 68.3 crores in 1981, i.e., by 32.4 crores and the annual compound growth rate during the period was 2.15 per cent. Besides, the annual average growth rate of population in India has increased from 1.98 per cent in 1961 to 2.20 per cent in 1971 and then to 2.25 per cent in 1981.

Growth during 1981 onward: Again, as per 1991 census report, the total size of population in India increased to 84.4 crores in 1991 showing an annual average growth rate of 2.11 per cent which is slightly less than that of the previous decade. The decadal growth rate of population which was 24.7 per cent in during 1971-81, finally slightly declined to 23.5 per cent during 1981-91. In 1991, the total population of India was at 84.4 crores and jumped to 102 crores in 2001.

Table: 3.4
Average Annual Population Growth Rates

<table>
<thead>
<tr>
<th>Age</th>
<th>Age</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>15-64</td>
<td>65-</td>
</tr>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>1.4</td>
<td>-0.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Thus, as it was expected that the rate of growth of population in India would decline significantly in response to country’s family planning programme had not come true. At present, India is passing through the second stage of demographic transition and thus facing a serious ‘population explosion’. It is a typical grave situation faced by a country where it experiences a high rate of growth of population but the
economy of the country cannot achieve a sizeable growth rate leading to a widespread poverty. In other words, it reflects cause and consequence of underdevelopment character of the economy. Thus although India experienced a sharp fall in the death rate due to its substantial expansion of hospital and medical facilities yet the rate of growth of population in the country remained still high mainly due to its high birth rate.

Therefore, since 1921, the size of Indian population has become more than triple, i.e. from 25.1 crores in 1921 to 84.4 crores in 1991 and to 102 crores in 2001. If we consider the present rate of growth, then in every 10 years, India is adding a number of population which is more than double of the population of U.K. or more than total population of U.S.A. If both the birth rate and death rate in India maintain at the same level, the population of India will double itself in the next 20 years.

Birth rate and Death rate of population in India:

Birth rate and death rate are the two important demographic factors on which the rate of growth of population of a country depends. Actually, the population trends of a country are a function of both birth and death rates.

Birth Rate: Birth rate represents statistics regarding the average number of births per thousand of population. Birth rate represents the fertility which again depends upon

(a) the age at which females normally marry,
(b) duration of the period of their fertile union, and
(c) the rapidity with which the families are being built.
TABLE: 3.5

Crude Birth and Death Rates of India

<table>
<thead>
<tr>
<th>Country</th>
<th>Birth Rate per 1000 People</th>
<th>Death Rate per 1000 People</th>
<th>Projected Population by 2030 (millions)</th>
<th>Population Momentum 1997 (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>34</td>
<td>27</td>
<td>13</td>
<td>1,384</td>
</tr>
</tbody>
</table>


Death Rate:

Death rate which represents the average number of death per thousand of population is also considered another important demographic statistics. From the very beginning of the last century, the death rate in India was very high. The steep fall in the death rate in India has resulted from the factors like fall in infant mortality, fall in women mortality, increasing provision for better diet, pure drinking water, growth of improved medical and hospital facilities, better sanitation, control of several epidemic and other killer diseases by the development of wonder medicines and improvement of living standards. Even in the early part of 19th century, the death rate in most of the advanced countries ranged between 35-40 per thousand. The rate has come down as a result of improved medical and hospital facilities, eradication of epidemic and other killer diseases, better sanitation and better diet facilities.
Demographic Features Of India's Population:

The population of each and every country is having demographic features of its own. These demographic features include density of population, age composition, sex composition, literacy rate, life expectancy, rural urban ratio etc.

Density of Population

Density of population is considered as one of the important demographic features of the population of a country. This concept of population implies the average number of persons living per sq/km of area within the territory of the country. Normally, the density of population is very high in the urban and industrial areas and it is quite low in the rural areas. In India, the density of population was as low as 77 persons per sq/km in 1901 and then it rose gradually to 90 persons per sq/km in 1931 showing an increase of 17 per cent over 1901. Again, the density of population in India increased to 142 persons per sq/km in 1961 showing sharp increase of 58 per cent during the last thirty years. Again, the density figures in India sharply increased to 178 persons in 1971 and then to 216 persons per sq/km in 1981 recording an unprecedented increase of 52 per cent during the last 20 years. In 1991, the density of population further increased to 267 persons per sq/km which indicates an increase of 23.6 per cent.

The figures of density of population among the different states of India are not evenly distributed. The table reveals the differences of density among the various states of India as per 2001 Census.

The density of population in the states like West Bengal, Kerala, Bihar, Uttar Pradesh and Tamil Nadu are very high and they are considered as highly densely populated states. But Madhya Pradesh, Rajasthan, Himachal Pradesh and Nagaland are having a low density of population. But the figures of density of population of Delhi and
Chandigarh are the highest in the country being 6319 and 5,620 persons per sq/km the table 3.6 reveals that as per 2001 census.

**TABLE: 3.6**

**Density of Population in India According to 2001 Census**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Delhi</td>
<td>9.4</td>
<td>6,352</td>
<td>9,294</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>0.6</td>
<td>5,632</td>
<td>7,903</td>
</tr>
<tr>
<td>West Bengal</td>
<td>68.0</td>
<td>767</td>
<td>904</td>
</tr>
<tr>
<td>Kerala</td>
<td>29.0</td>
<td>749</td>
<td>819</td>
</tr>
<tr>
<td>Bihar</td>
<td>86.3</td>
<td>685</td>
<td>880</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>138.8</td>
<td>548</td>
<td>689</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>55.6</td>
<td>429</td>
<td>478</td>
</tr>
<tr>
<td>Punjab</td>
<td>20.2</td>
<td>403</td>
<td>482</td>
</tr>
<tr>
<td>Haryana</td>
<td>16.3</td>
<td>372</td>
<td>477</td>
</tr>
<tr>
<td>Assam</td>
<td>22.3</td>
<td>286</td>
<td>340</td>
</tr>
<tr>
<td>Goa</td>
<td></td>
<td>316</td>
<td>363</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>78.7</td>
<td>257</td>
<td>314</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>66.3</td>
<td>242</td>
<td>275</td>
</tr>
<tr>
<td>Karnataka</td>
<td>44.8</td>
<td>235</td>
<td>275</td>
</tr>
<tr>
<td>Gujarat</td>
<td>41.2</td>
<td>211</td>
<td>258</td>
</tr>
<tr>
<td>Orissa</td>
<td>31.5</td>
<td>203</td>
<td>236</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>66.1</td>
<td>158</td>
<td>196</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>43.9</td>
<td>129</td>
<td>165</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>5.1</td>
<td>93</td>
<td>109</td>
</tr>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>7.7</td>
<td>77</td>
<td>99</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td></td>
<td>133</td>
<td>159</td>
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<tr>
<td>Chhattisgarh</td>
<td>130</td>
<td>154</td>
<td>154</td>
</tr>
<tr>
<td>Nagaland</td>
<td>73</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Manipur</td>
<td>82</td>
<td>107</td>
<td>107</td>
</tr>
<tr>
<td>Meghalaya</td>
<td>92</td>
<td>103</td>
<td>103</td>
</tr>
<tr>
<td>Sikkim</td>
<td>57</td>
<td>76</td>
<td>76</td>
</tr>
<tr>
<td>Andaman &amp; Nicobar Islands</td>
<td>34</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Mizoram</td>
<td>33</td>
<td>42</td>
<td>42</td>
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<tr>
<td>Arunachal Pradesh</td>
<td>10</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Pondicherry</td>
<td>1,683</td>
<td>2,029</td>
<td>2,029</td>
</tr>
<tr>
<td>Lakshadweep</td>
<td>1,616</td>
<td>1,894</td>
<td>1,894</td>
</tr>
<tr>
<td>Daman &amp; Diu</td>
<td>907</td>
<td>1,411</td>
<td>1,411</td>
</tr>
<tr>
<td>Tripura</td>
<td>263</td>
<td>304</td>
<td>304</td>
</tr>
</tbody>
</table>

Source: Census of India, 2001
Density of population shows the man-land ratios that are existing in a country. The availability of natural resources and use of technology determines the density of population that can be supported in any country. Japan being an industrialised country is supporting a very higher density, i.e. 316 pr sq/km but with a higher standard of living. On the other hand, an agricultural country like India, cannot support a higher density of population with higher standard of living. Thus the land-man ratio in India is neither favourable nor worse. Alternatively, the high standard of living of the people of U.S.A. is the result of very favourable land-man ratio and natural endowments and also due to attainment of a high rate of economic development. Thus it is not possible to treat density of population as an index or indicator of either prosperity or poverty of a country.

Causes of High Rate of Growth of Population in India:

India is experiencing a very high rate of growth of Population since the middle part of the 21st Century. The following are some of the major factors responsible for this present high rate of growth of population in India.

**Biological Factors**: Biological factors are highly responsible for this present high rate of growth of population in India. These biological factors include sharp fall in death rate, high birth rate and the resultant accelerating natural growth rate.

1. Sharp fall in death rate: In India, the death rate has sharply fallen during the last century. Kingsley Davis mentioned that, “the causes of decline in Indian death rate are harder to establish than the fact itself.”26 However, the factors which have largely contributed to this

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sharp fall in the death rate, include removal of famines leading to eradication of starvation deaths, control of epidemics arising through cholera and small pox, decline in the incidence of malaria and tuberculosis and some other factors like improvement of public health measures like drinking water supply, improved hygienic and sanitation facilities and improvement of medical and hospital facilities. Thus all these factors had led to sudden and phenomenal fall in death rate in recent years and this is considered as the most important factor for this high rate of growth of population in India.

2. No Substantial fall in the birth rate: During the first half of the 20th century, the birth rate in India did not fall substantially. The birth rate in India declined only marginally. Due to the maintenance of birth rate to a very high level, the population in India remained all along high. Moreover, due to tropical climate, puberty of women in India starts at an early age leading to a large number of births.

3. Accelerating natural growth rate: The most important factor which is responsible for the high rate of growth of population is its accelerating natural growth rate. This has resulted from the wide gap between the birth rate and death rate of population in India. The factor which is again responsible for this wide gap is the sudden and phenomenal fall in the death rate and no substantial fall in the birth rate. Due to remarkable advance in medical sciences along with the improvement and expansion of public health and medical facilities, the death rate in India has come down.

**Economic Factors**: The birth rate of population in a country is very much influenced by the economic factors. Economic factors such as extent of poverty, occupational distribution of population, the pace of urbanization etc. have significant bearing on the birth rate of population of a country.
1. Poverty: Poverty coupled with other associated factors such as poor diet, illiteracy, ill health etc. normally raise the birth rate to a high level in most of the underdeveloped countries. A group of economists of the underdeveloped countries, poverty has not resulted from population explosion rather the economic compulsions of population explosion result in high fertility among the population. As Mahmood Mamdani rightly observed that, “people are not poor because they have large families. Quite the contrary, they have large families because they are poor.”

A poor man always welcomes further addition to his family size for supplementing his family income. This has led to the high rate of growth of population in India. P.C. Joshi has rightly observed, “The poor have no other economic asset than their own labour and the more the number of earners in the family, the more the amount of family earning. The lower survival rate further reinforces the preference for children.” It has also been observed in the World Development Report, 1984 that, "These are good reasons why, for poor parents, the economic costs of children are low, the economic (and other) benefits of children are high and having many children makes economic sense.”

In India, the level of per capita income is very poor and about 35 per cent of the total population is still lying below the poverty line. Again, the majority of the population lying above the poverty line is also just living at the subsistence level and thus denied of minimum nutrition and basic amenities of life. Under such a situation, people become

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indifferent about the size of their family. Children without getting an education support, start to help their parents in work and raise their family earning and, therefore, prove to be assets to the family. Moreover, there is a close positive correlation between the poverty and high fertility. Chronic hunger makes sex important to compensate emotionally for the shrunken nutritional appetite. Thus poverty is standing as a major hurdle against the adoption of family planning programmes by the poorer sections of the country.

2. Predominance of Agriculture: In India, the occupational structure of the population has not changed much despite the adoption of developmental strategy continuing for the last four decades. More than two-thirds of the working population is still engaged in agriculture. In an agrarian society, children are never considered as an economic rather they are supporting various agricultural activities during the peak period. About the absorption of children in labour market, the Ministry of Labour in India observed that, "What facilitates their absorption in the labour market is the shortage of labour in the peak agricultural season in the local areas." 30 Mahmood Mamdani mentioned that a peasant family under the pre-capitalist setting is normally poor and "it can increase the physical product at its disposal by increasing the labour power at its disposal, i.e., through high rates of reproduction." 31 Thus in the Indian economy, which is predominantly agricultural with pre-capitalist setting, there is an economic sense to maintain a relatively bigger family. As the pace of industrialisation in India is still very slow, thus the fall in fertility resulting from industrialisation has not recorded any impact even in the present times.

3. Slow Pace of Urbanisation: The pace of urbanisation in India is very slow. Urban population is more conscious about the economic burden of a larger family size and urbanisation disintegrates the joint family system. Moreover, urbanisation is coupled with lot of specific problems like housing problem, increased cost of livings, high cost of upbringing of children. All these factors induce urban people to go for small family norm, which reduces the birth rate of population significantly. In India, due to poor rate of industrialisation, the pace of urbanisation is very slow and thus it failed to create any impact on the reduction of birth rate. Robert Cassen has remarked, “The urbanisation which has taken place in India has not been accompanied by the types of social change which favour lower birth rates.” \(^{32}\)

**Social Factors:** Various social factors are contributing towards high birth rate in India. Social factors such as universality of marriage, early marriage, illiteracy, religious and social superstitions, joint family system and lack of family planning are highly responsible for this high rate of growth of population in India.

1. Universality of marriage: Marriage is almost universal in India as it is a religious and social necessity of the country. Parents feel that it is their social obligation to arrange marriages for the daughters. Thus presently in India about 76 per cent of the women of their reproductive age are married and by attaining the age of 50 only 5 out of 1,000 Indian women remain unmarried. Hence, this has resulted in a very high birth rate.

2. Practice of early marriage: Practice of early marriage is very much common in various parts of the country; the average age of marriage is, however, still around 18 year. Between the age of 15 to 20

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\(^{32}\) Cassen, Robert, "Population Control; Aims and Policies," in P. Streetenx and M. Liptoon (eds.) Crisis of Indian Planning (Oxford), 1958, p. 252.
years, more than 8 out of every 10 girls got married in India. Thus the practice of early marriage raises the span of reproductivity. Some reduction of fertility would be possible if the average age of marriage of Indian women can be raised to 25 or more.

3. Illiteracy: In India, illiteracy is widespread as a significant portion of Indian population and women in particular are still illiterate. The literacy rate among the women in India is only 39.4 per cent as against 63.9 per among men and the incidence of female illiteracy is comparatively much higher in backward states. It has been observed by most of the economists that spread of education alone can change the attitudes of the people towards marriages, family, birth of a child etc. and help the people to shed irrational ideas and religious superstition. There is an inverse correlation between the spread of education and fertility. The findings of the Operations Research Group (ORG) Survey show that birth rates in general are lower and adoption of family planning norms become more popular in those states where education is more widespread. Further, due to lack of education, the response of rural population in respect of adoption of family planning norms and use of contraceptives is not at all encouraging.

4. Religious and social attitudes: Religious and social attitudes of the Indian people induce to prefer large families. The idea to have sons and daughters for performing religious rites and to earn religious merit are still very much common in Indian society. As Mamdani observed, “Marriage vows and blessings put emphasis on the good fortune of having many children-Sanctions against childless women further underline the necessity of children.”

Moreover, social attitudes towards unmarried men and women and childless couples are not very encouraging. Further, the existence of joint family system induces thoughtlessness about the number of children.

5. Ignorance and lack of conscious family planning: People of India are very much ignorant about the biology of reproduction, need for birth control and devices of birth control. In India, there is also lack of conscious family planning along with lack of birth control devices, more particularly in the rural areas. That is why the Family Planning Programme in India could not do much headway in reducing the birth rate.

6. Other Factors: Various other factors, viz., tropical climate, existence of polygamy, higher widow remarriages etc. are responsible for this high rate of growth of population in India. Moreover, growing immigration of population from the neighbouring countries like Bangladesh, Nepal etc. is also raising the growth rate of population in India to a considerable extent. This problem of immigration is very much acute in Assam and north-eastern states, West Bengal and Bihar. This has been creating the problem of influx of population within the count besides raising a threat towards national security.

ILLITERACY

The development of a nation is not measured through the buildings it has built, the roads it has laid, the bridges it has constructed and the like but by the human resources the nation has developed through a well defined system of education. Although the physical facilities are usually important but they are perishable and usable. In the absence of proper education the nation can hardly develop these and maintain them. Education, therefore, is the most
crucial factor not only to equip the new generation with skills so essential for earning a livelihood but also to create among them an awareness to social and environmental realities and inculcate in them scientific temper, independence of mind and spirit which are of paramount importance for them to become responsible citizens.

It has long been viewed as a key to social and economic development, but the insights of the human capital theory beginning in the 1960s helped to provide a new understanding of education as a form of investment in this particularly durable but intangible asset. Education was seem to be the principal means of increasing the quantity and quality of human capital available in the economy. Nearly half a billion people have entered the 21st century, majority of whom are unable to read or write—much less operate a computer or work with other complex technologies. They will continue to be poorer and sicker than those who are literate. And their numbers are growing. Education thus remains a priority sector for countries striving to meet these challenges. The target is receding, however, because today’s political, economic, and technological developments are having a profound impact on the kind of education needed to meet the challenges of the present century. Countries able to benefit from technological advances and learning opportunities, have a distinct advantage over those with limited educational opportunities.

The fundamental purpose of education is to transfigure the human personality into a pattern of perfection through a synthetic process of the development of the body, the enrichment of the mind, the sublimation of the emotions and illumination of the spirit. It is a preparation for a living and life, here and hereafter.

India holds the world record for the number of illiterate persons. In 1991, there were 321 million illiterate people in the country (125 million males and 196 million females). The number of illiterate people today exceeds the population of the country at independence. It is essential that the state implement a policy of universal and compulsory schooling. Ninety-Third (93rd) Constitution Amendment making provision for compulsory and free education to children in the age band of 6 to 14 years is an effort in this direction.

To quote an old Sanskrit adage: "education leads to liberation—liberation from ignorance which shrouds the mind; liberation from superstition which paralyses effort, liberation from prejudice which blind the vision of truth."37

It is in this context that even in ancient times we find many references in Manusmriti where Sage Manu advocates that both the state and society should make it compulsory for all to send their children, both male and female, to school after the completion of fifth or eighth year of age.38

Manu has even gone to the extent of suggesting that penalty must be inflicted on those parents who keep their children at home after that age.39 The study of ancient Literature reveals that elementary education was more or less compulsory for every boy of the trainvarnikas.40

The primary education was even realised during Muslim regime in India.41 Similarly, primary education was on the path of steady

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37 Ibid.
38 Mitra, Veda, Education in Ancient India (New Delhi: Mc Millan Co.), 1964, p. 20.
39 Ibid.
41 Keay, F. E., Indian Education in Ancient Times (London: Q.U.P.), 1954, p. 11.
growth during British regime though the Britishers did not recognise the principle of compulsory education.\textsuperscript{42}

The idea of introducing compulsory primary education was given by William Adam, who observed in 1838 that a law be ultimately enacted compelling every village to maintain a school.\textsuperscript{43} In the post-independence era, the first conviction for free and compulsory education was made by great patriot, Gopal Krishnan Gokhale.\textsuperscript{44}

Education is of value in itself (intrinsic value) and valued for what it can do (instrumental value). Jean Dreze and Amartya Sen\textsuperscript{45} provide a useful classification of the benefits of education. Education is desired for itself as it opens up a vast world of opportunities and ideas to the educated person. It is also of great instrumental value in the process of economic growth and development. Education plays a critical role in demographic transition; female education, in particular, is seen to be important in the process of lowering fertility and mortality.

Education is a powerful and pervasive agent of change, and literacy holds the key to social transformation and national development. The maxim of 'Each One Teach One' should be followed by one and all. The illiterate adults have to be made to understand the value of education.

The intimate relationship between education and social development has been widely emphasised. Education is seen not only in terms of its potential to produce and distribute knowledge and skills,
it is also seen as a powerful allocator of economic and social roles, not always distributed equitably on a basis of merit.

Literacy, according to Oxford Dictionary, is the ability to read and write. If the whole of India became literate that would not be an end of this silent revolution. The ability to read and write would help these literate Indians to read books on semi conditions etc. More than that, a thirst and importance of higher education would go into their heads. The inquisitiveness, the curiosity to learn and progress, which elementary education induces in a man, would carry India to the zenith.

On the economic front, Literacy provides calipers in increasing GDP. Literacy marks the beginning of a slow techno-economic revolution. The VIII plan emphatically and explicitly declares that education has a great bearing on science and technology activities.

The primary aim of literacy is to inculcate in the minds of people, the spirit of religion, piety and a sense of true values of life. It is aimed at establishing a non-violent and non-exploiting social and economic order as envisaged by Gandhiji. In ancient India, getting literate meant getting emancipation.

Education in developmental literature, in the past, used to be referred to as ‘Literacy’ and ‘Primary Education’. However, recent development studies have given a wider connotation, and today, by education we mean the following:

- Basic Primary Education.
- Secondary Education.
- Adult Education.

According to UNESCO, 2000, Education is important in its own right and has strong spillover benefits to mortality rates, income and even social cohesion. Worldwide, primary enrollments have been improving
rising from 80% in 1990 to 84% in 1998. But that still means that of the 680 million children of primary school age, 113 million are not in school—97% of them in developing countries.

The social benefits of primary education - such as lower fertility and improved health for mothers and children - have made universal primary education a worldwide goal. But developing countries cannot ignore secondary and post secondary education. Though the social benefits for investments at these levels are less well documented.

The formal education system is the principal means by which people acquire knowledge, skills and shared values. The 21st century goals call for Universal Primary Education by 2015. Through schooling, individual (and ultimately society) ideas, aspirations and behaviours change.

Female autonomy, through reduced fertility and ability to take advantage of opportunities that are an alternative to childbearing is powerfully linked to education. And primary education is important. Therefore, literacy and numeracy expand personal horizons and potentials. Universal Primary Education is composite of three dimensions, each by net primary enrollment, retention by progression to grade 5, and achievement of basic literacy by the literacy level of 15-24 years old.

Progression to grade 5 is concerned with the retention of children in school and their eventual acquisition of basic literacy and numeracy. It has, as its starting point, the number of children enrolled. But again, enrollment does not mean attendance, and in the absence of detailed individual pupil records, which are costly to build and maintain, assumptions have to be made about promotion repetition and attrition. So programme estimates are likely to be biased upward.

Eradication of illiteracy figured prominently in the political rhetoric of the Indian nationalist movement even before independence.
Achieving Universal elementary education within 10 years was included as one of the Directive Principle of State Policy in the Constitution of the Indian Republic. The rhetoric continues but the goal remains elusive even after decades of planning. The idea of making elementary education legally compulsory for all children has not evoked much enthusiasm. Some states have enacted the necessary legislation but none has extended itself to get the law enforcing.

A law for compulsory education will be an essential component of the programme for promoting school education. First, a law for compulsory education would, as Jean Dreze put it, affirm the right of every child to school education, and help bring about national consensus on this issue. Second, it can be used by society to demand that the state provide education. In other words, it can form the basis for expanding the educational infrastructure by putting pressure on the state. Third, compulsory education can be critical in reaching deprived sections of the community and in promoting female education. Even in a state like Kerala, that state has been very successful in spreading education and literacy; there are sections of society (e.g. people of the scheduled tribes) that remain excluded from the education system. Legal obligations can spread schooling to these excluded minorities. Similarly, legal compulsion can be used to deal with situations of parental negligence. Lastly, the task of eliminating child labour will be easier when all children are required to be in school.

In 1997, for the first time after Independence, the United Front government introduced a bill, the 83rd Constitutional Amendment Bill,

46 Ibid.
to make schooling compulsory. The draft Bill was presented to the Rajya Sabha and laid on the Table of the Lok Sabha on 24 November 1997. The Bill states that this was in pursuance of the Common Minimum Programme of the United Front that resolved 'to make the right to free and compulsory elementary education a fundamental right and to ensure it through suitable statutory measures'.

The Bill proposed to amend Article 21 by introducing the clause 'The State shall provide free and compulsory education to all citizens of the age six to fourteen years'. The bill has been passed and 93rd Amendment Constitution to carried out

Article 45 of the Directive Principles of State Policy in the Constitution urges the State to provide free and compulsory education for all the children until they completed fourteen years of age. In this direction, the National Policy on Education, 1968 was a further milestone which stressed the need for strenuous efforts for early fulfilment of the goal laid down in the Constitution. The Constitutional amendment of 1976 included education in the concurrent list (the official list of subjects for which the Centre and the States assume joint responsibility). This was an important step which called for a new sharing of responsibility between the union government and the states in this vital area of national importance. The National Policy on Education, 1986 emphasised that new thrust in elementary education will focus on (i) universal access and enrolment (ii) universal education of children up to fourteen years of age, and (iii) a substantial improvement in the quality of education to enable all children to achieve essential levels of learning. The literacy rates obtained at the census give a reflection of success of the government policies and programmes.

Literacy and education are reasonably good indicators of development in a society. Spread and diffusion of literacy is generally
associated with essential traits of today's civilisation such as modernisation, urbanisation, industrialisation, communication and commerce. It forms an important input in the overall development of individuals enabling them to comprehend their social, political and cultural environment better and respond to it appropriately. Higher levels of education and literacy lead to a greater awareness and also contributes in improvement of economic conditions. It acts as a catalyst for social upliftment enhancing the returns on investments made in almost every aspect of development effort, be it population control, health, hygiene, environmental degradation control, empowerment of women and weaker sections of the society. Improved levels of literacy also are pre-requisites for acquiring various skills.

Literacy is one of the important social characteristics. A person aged seven and above, who can both read and write with understanding in any language, is treated as literate. A person, who can only read but cannot write, is not literate. The ability to read and write with understanding is not ordinarily achieved until one had some schooling or at least some time to develop these skills. It is not mandatory that to be treated as literate, a person should have received any formal education or acquired any minimum educational standard. Literacy status can be acquired through adult literacy classes or by attending any non-formal educational system. Persons who are unfortunately blind and read in Braille are also treated as literates.

In Censuses up to 1981, it was customary to work out the literacy rate taking into account the total population. Since literacy rate is more meaningful if the sub-population in the age group 0-6 is excluded from the total population, it was decided in 1991 to use the term literacy rate for the population relating to seven years and above. The literacy rate taking into account the total population in the denominator has now been termed as 'crude literacy rate'.
Table 3.7 shows the crude literacy rate in India by sex during 1901-2001. The literacy designated as crude literacy rates in this table, have been computed with total population as base without removing the mandatory illiterate population aged 0-4 or 0-6 from the denominator crude literacy rates starting from 1901 onwards show a consistent increase both for males females.

Table: 3.7
Crude Literacy Rate in India by Sex : 1901 – 2001

<table>
<thead>
<tr>
<th>Census</th>
<th>Crude Literacy rate</th>
<th>Change in percent points</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Persons Males Females</td>
<td>Persons Males Females</td>
</tr>
<tr>
<td>1901</td>
<td>5.35 9.83 0.60</td>
<td>- - -</td>
</tr>
<tr>
<td>1911</td>
<td>5.92 10.56 1.05</td>
<td>0.57 0.73 0.45</td>
</tr>
<tr>
<td>1921</td>
<td>7.16 12.21 1.81</td>
<td>1.24 1.65 0.76</td>
</tr>
<tr>
<td>1931</td>
<td>9.50 15.59 2.93</td>
<td>2.34 3.38 1.12</td>
</tr>
<tr>
<td>1941</td>
<td>16.10 24.90 7.30</td>
<td>6.60 9.31 4.37</td>
</tr>
<tr>
<td>1951</td>
<td>16.67 24.95 7.93</td>
<td>0.57 0.05 0.63</td>
</tr>
<tr>
<td>1961</td>
<td>24.02 34.44 12.95</td>
<td>7.35 9.49 5.02</td>
</tr>
<tr>
<td>1971</td>
<td>29.45 39.45 18.69</td>
<td>5.43 5.01 5.74</td>
</tr>
<tr>
<td>1981</td>
<td>36.23 46.89 24.82</td>
<td>6.78 7.44 6.13</td>
</tr>
<tr>
<td>1991</td>
<td>42.84 52.74 32.17</td>
<td>6.61 5.85 7.35</td>
</tr>
<tr>
<td>2001</td>
<td>55.30 64.13 45.64</td>
<td>12.46 11.39 13.67</td>
</tr>
</tbody>
</table>

Source: Census of India 2001.

Note: 1. Figures of 1901, 1911, 1921, 1931, 1941 are for undivided India.
2. Figures for 1981 excludes Assam as 1981 Census could not be conducted in this state due to disturbed conditions.
4. Figures for 2001 do not include figures of entire Kachh district, Morvi, Malwa-Miyana and Wankaner talukas of Rajkot district, Jodiyal taluka of Jamnagar district of Gujarat State and entire Kinnar district of Himachal Pradesh where population enumeration of Census of India, 2001, could not be conducted due to natural calamities.

The crude literacy rate in 1901, started with a low level of 5.35 per cent and steadily increased by 1931 to reach a figure of 9.50 per cent. It further improved sharply to 16.10 per cent during 1931-41.
recording an increase of 6.60 percentage points. The improvement in literacy during 1941-51 was barely visible with a gain of only 0.57 percentage point. In post-independence period, there has been a more rapid growth in crude literacy rates. It has grown more than three times from 16.67 per cent in 1951 to 55.30 per cent at the Census of India, 2001. The crude literacy rate crossed the significant milestone of fifty per cent.

The jump of 12.46 percentage points between 1991 and 2001 compares extraordinarily with the decadal literacy growth of previous decades since 1901. It is for the first time since 1901 that an increase in two digit percentage points during 1991-2001, has occurred in case of all the three categories of persons, males and females. The male crude literacy has moved forward by 11.39 percentage points from 52.74 per cent to 64.13 per cent and among females, it has gone up by 13.67 percentage points from 32.17 per cent in 1991 to 45.84 in 2001.

In pre-independence period, the male crude literacy rate increased from 9.83 per cent in 1901 to 24.90 percent in 1941, whereas the corresponding increase in female crude literacy rate was from 0.60 per cent to 7.30 per cent. In post independence era, the crude literacy rates of males has gone up by almost forty per cent. The corresponding increase among females is thirty eight per cent.
Table 3.8 gives the number of literates and illiterates among the population aged seven years and above in absolute figures for India for the 1991 and 2001. It is important to take note of the changes in absolute numbers to observe their impact on the literacy trends in the country.

Table: 3.8

Number of Literates and Illiterates Among Population Aged 7 Years and Above and their Change-India 1991 and 2001

<table>
<thead>
<tr>
<th>Literates/Illiterates</th>
<th>Persons</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Literates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>358,402,626</td>
<td>228,983,134</td>
<td>129,419,492</td>
</tr>
<tr>
<td>2001</td>
<td>562,010,743</td>
<td>336,969,695</td>
<td>225,041,048</td>
</tr>
<tr>
<td>Increase in 2001 over 1991</td>
<td>203,608,117</td>
<td>107,986,561</td>
<td>621,556</td>
</tr>
<tr>
<td><strong>Illiterates</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>328,167,288</td>
<td>128,099,211</td>
<td>200,068,077</td>
</tr>
<tr>
<td>2001</td>
<td>296,208,952</td>
<td>106,654,066</td>
<td>189,554,866</td>
</tr>
</tbody>
</table>

Source: Census of India, 2001

Note: 1. To make the data comparable shown against literates and illiterates for the years 1991 and 2001, the corresponding figures for Jammu and Kashmir have not been include in both the years as the data for 1991 Census for Jammu and Kashmir is not available because the 1991 census could not be conducted in this state due to disturbed conditions.

2. To make the data comparable the figures of literates and illiterates shown against 1991 and 2001 do not include the figures for entire district of Kachchh, Morvi, Maliya-Minya and Wanker talukas of Rajkot district, Jodiya taluka of Jamnagar district of Gujarat state and entire Kinnaur district of Himachal Pradesh where population enumeration of Census of India, 2001, could not be conducted due to natural calamities.
Of the 836,650,839 population recorded for the country in 1999 (see notes 1 and 2 of table 3.8) as many as 686,569,914 persons were aged seven years and above. Out of these 358,402,626 were literate and 328,167,288 illiterates. In 2001, out of the total population of 1,014,651,658 (see notes 1 and 2 of table 3.8) the number of persons aged seven years and above is 858,219,695. Out of these, 562,010,743 are literates and 296,208, irreversible from now onwards. 952 illiterates. There has been increase of 171,649,781 persons in the age group seven years and above during 1991-2001, while 203,608,117 additional persons have become literate during the decade. The significant milestone reached is that the total number of illiterates has come down from 328,167,288 in 1991 to 296,208,952. Thus for the first time since independence, there is a decline in the absolute number of illiterates during a decade. This is a major shift in improving the literacy status in India and the achievements of the decade 1991-2001 may permit us to label it as the 'Literacy Decade', if this trend can be made permanently.

Out of the 203,608,117 added to the literate population during 1991-2001, 107,986,561 were males and 95,621,556 were females. On the other hand, during this period the contribution to the total decrease of 31,958,336 among illiterates, is dominated by males (21,445,145) as compared to the females (10,513,191).

Literacy rates are, however, more meaningful if the segment of population compulsorily treated as illiterate by definition is excluded from the total population.
Table 3.9 present the literacy rates for the country since 1951. While literacy rates in this table for the 1951, 61 and 71 relate to the population aged five years and above, those for the 1981, 91 and 2001 relate to the population seven years and above. The literacy rate for the country as a whole in 2001, works out to 65.38 percent for the population aged seven years and over. The corresponding figures for males and females are 75.85 and 54.16 per cent respectively.

Table: 3.9

**Literacy Rate in India: 1951-2001**

<table>
<thead>
<tr>
<th>Census year</th>
<th>Persons</th>
<th>Males</th>
<th>Females</th>
<th>Male - female gap in literacy rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>18.33</td>
<td>27.16</td>
<td>8.86</td>
<td>18.30</td>
</tr>
<tr>
<td>1961</td>
<td>28.30</td>
<td>40.40</td>
<td>15.35</td>
<td>25.05</td>
</tr>
<tr>
<td>1971</td>
<td>34.45</td>
<td>45.96</td>
<td>21.97</td>
<td>23.98</td>
</tr>
<tr>
<td>1981</td>
<td>43.57</td>
<td>56.38</td>
<td>29.76</td>
<td>26.62</td>
</tr>
<tr>
<td>1991</td>
<td>52.21</td>
<td>64.13</td>
<td>39.29</td>
<td>24.84</td>
</tr>
<tr>
<td>2001</td>
<td>65.38</td>
<td>75.85</td>
<td>54.16</td>
<td>21.70</td>
</tr>
</tbody>
</table>

Source: Census of India 2001

**Note:**
1. Literacy rates for 1951, 1961 and 1971 Censuses relate to population aged five years and above. The rates for the 1981, 1991 and 2001 Census relate to the population aged seven years and above.
2. The 1981 Literacy rates exclude Assam where the 1981 Census could not be conducted. The 1991 Census Literacy rates exclude Jammu & Kashmir where the 1991 Census could not be conducted due to disturbed conditions.
3. The 2001 Census, literacy rates exclude entire Kachchh district, Morvi, Maliya-Miya Wankaner talukas of Rajkot district, Jodiya taluka of Jamnagar district of Gujarat State and entire Kinnaur district of Himachal Pradesh where population enumeration of Census of India, 2001, could not be due to natural calamities.
Thus three fourths of the male and more than half of the female population aged seven years and above are literate in the country today. India has continued its inexorable march in improving its literacy rate by recording a jump of 13.17 percentage points from 52.21 in 1991 to 65.38 in 2001. The increase in literacy rates in males and females is of the order of 11.72 and 14.87 percentage points, respectively. Thus the increase in literacy rates observed during 1991-2001 in respect of persons, males as well as females, have been the highest recorded in comparison to earlier decades since 1951 except in case of males during 1951-61. This improvement in literacy rate augurs well for the country and needs not only to be sustained but also requires to be given a fillip particularly in the case of the fairer sex.

The gap in male-female literacy rates of 18.30 percentage points in 1951, increased to 26.62 in 1981, but since then there are unmistakable signs of improvement. Thus, in 1991 this gap was marginally reduced to 24.84 and in 2001 it has further gone down to 21.70 percentage points. These declines are bound to be slow initially as a result of the continuing past legacy of a large number of adult illiterate women.