

54th meeting of National Development Council held on 19th December, 2007

Hon'ble Prime Minister and distinguished members of the National Development Council

I am happy to be here in this august gathering of the 54th National Development Council meeting which is going to discuss and consider the important matter of the draft 11th Five Year Plan.

2. We are now in the 60th year of Independence and I think in this 'Diamond Jubilee' of our Independence, **it is an appropriate time to stand back and reflect upon what we have been able to achieve in the last so many decades and particularly after more than 50 years of planned development.** No doubt, on the one hand we have a vibrant economy with growth rates that are being talked of as amongst the highest in the world and some visible signs of this development particularly in our urban areas. But on the other hand we have a scenario where a majority of our population still lives in the rural areas, is dependant and that too at below subsistence levels, on agriculture for their livelihood and without access to some of the most basic minimum needs of safe drinking water, housing, health and sanitation. There is widespread poverty, majority of the population is still illiterate and unemployment is on the rise. So it is not my intention to sound deprecating if I ask what is that we have really been able to achieve after so many years of planning and planned development.

3. After all, all our efforts of planned development are directed for the benefit of the people and the overall growth and development of the country. But **until and unless we are able to address the problems and remove the hurdles for the upliftment and development of the rural masses and the urban poor in a permanent manner, we cannot rightfully claim that our planning has yielded the full dividends.** Therefore, I submit before this respected house that the basic approach to our plan should be one of finding lasting solutions to meet the **most important challenges of today of mass poverty, malnutrition, illiteracy and unemployment.**

4. Our country still exists in our villages and countryside. The population is mostly below poverty level with very scare resources. If we are to seriously think about their development and amelioration, it is necessary to give them economic empowerment. And for this we do not have to think in terms of the so called globalization and liberalization. There is enough strength and capacity in our economy, particularly in the rural economy, to provide the necessary impetus and sustainability for growth. For this it is necessary that the **most productive resource- that is land- is properly utilized. Land reforms, as a tool for productive use of an economic asset, should be given the highest priority with the aim of providing this asset to the actual tillers of the land instead of further**

concentration in fewer hands in the name of corporatization. It is only by providing security of tenure to the actual tillers that proper exploitation of the productive capacity of land can be achieved. **This will give higher purchasing capacity to the rural population and consequently deepen and strengthen our internal markets with positive spin off effects of industrialization and generation of employment opportunities.**

5. In the context of land reforms, I must point out that **it is high time for us to ensure effectively the protection of rights of the tribal people living in forest areas.** Although a law has been enacted for this, but it is not being implemented. The problem becomes all the more acute in States which have large forest cover and even more in small States like Tripura having almost two-third areas under forest and with very little land left for development. **It is, therefore, quite imperative that the law be implemented at the earliest in the interest of the tribal and traditional forest dwelling people.** I may also add that we are not intending that forests be destroyed through this process; rather it is an approach for both the preservation and protection of forests and environment while at the same time providing avenues for development and economic upliftment for those residing in the forest through judicious utilization of forest resources.

6. The 11th Plan should really also focus on three important issues: provision of housing for those living below the poverty line, safe drinking water and sanitation, particularly in the rural areas which are highly deficient in these matters. **It is quite well known that water borne diseases account for most of our health problems** and if we are able to provide safe drinking water to all the habitations, we shall not only be able to ensure a healthy population, but perhaps also save a major expenditure in the health sector. **Coverage of cent percent households and families with these three basic facilities within the 11th Plan should be one of the primary objectives of this plan.**

7. Another area requiring **very urgent attention is the removal of regional imbalances.** The faulty and mis-directed planning and policies have resulted in regional imbalances, inter-State imbalances and even intra-State imbalances. **Imbalance fosters inequality and inequality leads to intractable problems with feeling of isolation, alienation and frustration in the affected regions.** The North-east has in particular has been a victim of such imbalances and this is manifest in the poor development of physical infrastructure of roads, rails, power and tele-communications. The growing sense of injustice and discontent – which at times leads the people, particularly a section of the youth, to the path of violence and anti-national activities – needs to be corrected at the earliest. A massive amount of investment is required for this purpose and this should not be further delayed. **The Union Government will have to take a leading role in this and sufficient public funding would have to be provided. The PPP/BOT models etc. for infrastructure development have not been found to be successful and we have**

already lost several precious years toying with such concepts. It is now time to take a conscious decision and provide the required resources to build up the physical infrastructure in the less developed areas at the earliest.

8. External funding is also being availed of for the development of physical infrastructure. While foreign funding may be appropriate in certain areas, without compromising the interest of the people – such as project based activities, manufacturing or industrial sectors, we should avoid excessive dependence on external assistance for building our infrastructural needs. I must also sound a note of caution on foreign funding and foreign direct investment. We are seeing that in the name of liberalization, opening up of markets, etc. practically foreign funding agencies are having unrestricted access to the domestic sector including areas like retail marketing, which should not be allowed as it adversely affects the interests of our farmers, small business and small enterprises. **In fact, foreign funding is finding its way even into some strategic and sensitive areas which in the long run impact upon national interest and sovereignty. Therefore, there should be a carefully thought out process for permitting the entry of FDI and foreign funding.**

9. We are the second most populated nation in the world and **our strength lies in this huge pool of human resources.** But we have yet to properly harness or utilize this resource. For the proper development of our human resources, **we should have a specific target of achieving 100 % literacy within 11th Plan period. Along with this, universalisation of education upto 12th standard and extension of mid-day-meal programme upto 10th standard in a gradual manner** can also be important milestones for human resource development and we should try to achieve this in the 11th Plan. With the highest proportion of young people in our population, **there is need to provide more numbers of professional institutions for medical and engineering courses** to meet the aspirations of the youth as well as meet the requirement of skilled manpower in the coming days. **It would also be important to vocationalise education** so that students and youth are properly trained to take up different types of employment. Vocationalisation of courses should be introduced from the school level itself, in selective schools, and simultaneously institutions like ITIs, Polytechnics, etc. should be strengthened and expanded.

10. The problems of the disadvantaged sections of our population belonging to ST, SC, religious minorities and other backward communities continue to remain. **I had mentioned in my previous address to the NDC about the need for taking up special programmes for the welfare of such disadvantaged sections of our population during the 11th Plan, perhaps in a Mission Mode,** and I would reiterate this suggestion. I would also like to emphasize that we should look positively at the feasibility of having a Sub-Plan –

like TSP and SCP, for the minorities. A definite action plan for the welfare of the minorities should form a part of the 11th Plan.

11. Implementation of the National Rural Employment Guarantee Act (NREGA) is undoubtedly a positive move. We are glad that this has been extended to all districts in the country. **I would like to suggest that this programme should be extended to cover the urban poor also** as we have a substantial number of urban poor with no source of employment. **I would also urge for introducing food component** i.e. wages in kind, under this programme as our experience has shown that the higher liquidity now available after NRGEA is leading to higher demand and higher prices for foodgrains.

12. **In the fast changing situation review of the Centre-State relations is urgently felt and it is the need of the hour.** Strengthening of the States instead of concentration of power in the hands of the Centre cannot in any way help to strengthen the country or further promote the unity and integrity. In this regard 50% of the share of taxes should devolve to the States. Simultaneously the **present system of red tapism may be removed at any cost. Decision making, approvals and clearance of projects and proposals of States including release of funds should be done within the quickest possible time frame.**

13. I have attempted to pose some of our main concerns and suggestions that we feel should be the guiding principles for the 11th Plan. I hope these would be duly taken note of.

Thank you.