

Socio-Economic Development of Uttar Pradesh

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ABSTRACT

Rich in potential - in human and natural resources - Uttar Pradesh (UP) once appeared positioned to be the pace-setter for India's economic and social development. However, the growth rate of Uttar Pradesh has declined in the Eleventh Five Year Plan as against Bihar. The paper finds the causes of poverty and unemployment in Uttar Pradesh; it also analyses important socio-economic indicators of Uttar Pradesh. This research paper is based entirely on secondary data. The paper finds that demographic transition seems to be correlated with growth, with some reasons to believe that causality flows both ways—lower dependency ratios increase growth and higher growth reduces fertility and consequently dependency ratios. Rising rural incomes consequent to higher productivity will create a multiplier effect increasing farm and non farm products and services, thereby stimulating rapid growth of employment opportunity in other sectors. Cunha, (2010) findings demonstrates the close interaction between a person's job and their place in society. Poverty incapacitates its subjects in utilizing available public facilities. This, in turn, prevents poor people from advancing in economic and social spheres of life. Alleviation calls for targeted interventions and in the Eleventh Five Year Plan, the emphasis has been laid on inclusive growth meaning thereby that growth benefits will reach all especially to the lowest strata of the society.

Keywords: *Poverty, human, unemployment, government intervention, green revolution.*

1. INTRODUCTION

In terms of population, Uttar Pradesh (U.P.) compares with the seventh largest country in the world. Uttar Pradesh accounts for 16.17 per cent of India's population of 1.02 billion fourth in terms of density after West Bengal, Bihar, and Kerala. Uttar Pradesh is the third largest economy in India after Maharashtra and Tamil Nadu. An economically stronger Uttar Pradesh with its huge market, stronger agricultural base, diverse industries that have developed over a long period could be an engine of growth for the rest of the country. Uttar Pradesh registered growth rate of 8.08 per cent GDP growth rate during the period of 2010-11. Despite impressive strides being made in the field of poverty alleviation and recent signs of progress in Uttar Pradesh, the challenge of poverty alleviation is, however, still critical as almost 20 percent of the country's poor are residing in Uttar Pradesh. After tremendous performance in state domestic production, U.P. still faces significant challenges in reducing poverty in its various economic and non-economic dimensions and improving security and well being for all its citizens (Kozel, 385). Ineffectiveness of the public sector, poor infrastructure, and indifferent attitude of the bureaucrats led to an investment climate not supportive of private investment and growth that proves to be a problem for poverty alleviating programmes and obstacles in access to public services and resources.

2. OBJECTIVES

The main objective of the paper is to evaluate the socio-economic development of Uttar Pradesh since First Five Year Plan. The paper has twofold objectives:

- To delineate the poverty and unemployment status of Uttar Pradesh.
- To analyse some important socio-economic indicators of Uttar Pradesh

3. DATA BASE AND METHODOLOGY

The paper is based on diverse secondary information gathered from the following government publication:

- Economic Survey of India 2012 – 13, Government of India.
- Different Five Year Plans, Planning Commission, Government of India.
- Handbook of Statistics on Indian Economy, Reserve Bank of India.
- Various World Development Report, The World Bank.
- Human Development Report

In this paper, Uttar Pradesh is considered as study area and period is taken from the First Five Year Plan to Twelfth Five Year Plan.

4. POVERTY AND UNEMPLOYMENT

Poverty in India is widespread; a third of the world's poor live in India. World Bank estimates that 68 per cent of the population lives on less than US\$ 2 a day. Poverty is pronounced deprivation in well-being. But what precisely is deprivation? The voices of poor people bear eloquent testimony to its meaning. To be poor is to be hungry, to lack shelter and clothing, to be sick and not cared for, to be illiterate and not schooled. But for poor people, living in poverty is more than this. Poor people are particularly vulnerable to adverse events outside their control. They are often treated badly by the institutions of state and society and excluded from voice and power in those institutions (World Development Report 2000/2001:16).

Poverty may be defined as the inability to fulfil the minimum requirements of life. The minimum requirement includes food, clothing, housing, education and health facilities. Poverty is the absence of acceptable

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choices across a broad range of important life decisions— a severe lack of freedom to be or to do what one wants.

Poverty broadly defined as unacceptable deprivation in ‘well-being’ - in terms of material deprivation, human deprivation, and a range of other deprivations like lack of voice, lack of freedom to jobs, and lack of dignity and basic rights. In Uttar Pradesh poverty is in the form of absolute that is people are not in position to take two squares of meals every day. Apart from material deprivation, deficiency in using publicly provided services such as health and education by the poor is a cause for concern.

Despite the extensive Indian as well as international literature on poverty, poverty lines and poverty measurement, and years of methodological development, the definition of poverty is still a matter of debate. In India, and indeed throughout the world, the conventional approach equates poverty with material deprivation and defines the poor in terms of incomes or levels of consumption. The Planning Commission, for example, has for many years defined poverty in terms of the level of per-capita consumer expenditure sufficient to provide an average daily intake of 2400 calories per person in rural areas and 2100 calories per person in urban areas, plus a minimal allocation for basic non-food items. From that benchmark, estimated state-level poverty lines vary according to cost-of-living differential (World Bank, 2002:13).

Recently, in a report submitted to the Bhartiya Janta Party government last week of July 2014 headed by Rangarajan pronounced that those spending over Rs.32 a day in rural areas and Rs. 47 in towns and cities should not be considered poor. According to Rangarajan panel (2011-12), the definition of poverty line is based on the average monthly per capita expenditure. Those whose average monthly per capita expenditure are below Rs. 972 in rural and Rs.1407 in urban shall be declared as living poverty line.

Human deprivation is an important aspect of poverty in Uttar Pradesh. According to the Economic survey 2012-13, literacy rate in Uttar Pradesh has increased from 12.02 percent in 1951 to 56.27 percent in 2001 while provisional literacy rate estimated for 2011 is 69.72 per cent. It is a substantial progress but still well below the all-India average of 64.84 per cent in 2001. Although enrolments are rising, the children of the poor are still less likely to be attending school, even at the primary level, than the offspring of the better-off. By the end of the 1990s, only half the girls from the poorest 20 percent of the population were enrolled, as compared to 80-90 percent for girls from the wealthiest households.

Poverty is the result of lack of education, low levels of assets, financial exclusion, lack of access to basic services and anti-poverty programmes, poor health, lack of access to infrastructure, lack of training and skill, lack of access to water and sanitation and electricity, and

lack of access to public services. More often than not labour of poor is concentrated in low-paid casual daily wage work; most own little or no land or productive assets and they lack marketable skills. In UP everyone looks after government services and prefer to be employed till they get government services. Everyone looks for government services because there is lack of entrepreneurial skill development programme in UP. Poor men and women are ill-equipped to take advantage of the opportunities provided by growth in the economy; public services often by-pass them. Economic infrastructure and human infrastructure are very low in Uttar Pradesh in comparison with many Indian states, and access is most limited in backward regions, where many poor people live.

In Uttar Pradesh only 95.1 per cent (94.3 per cent rural and 97.9 per cent urban) of the households have access to safe drinking water. Though this figure is higher than the national average yet many households do not have access to safe drinking water (see Table 2). In spite of these achievements, the UP Rural Poverty Study still found evidence that the poor and socially disadvantaged lack access to clean drinking water in some regions. This was due to deep rooted caste divisions that hinder, and in some cases, prohibit lower caste households from accessing water sources controlled by dominant upper castes. During summer, these caste tensions intensify due to the scarce availability of water. For example, the hamlet inhabited by the Malhan (poor backward caste boat people) bustee of Bikar Village in Allahabad has access to a single hand pump (World Bank, 2002:105).

In addition to these causes, deprivation linked to gender and caste is a deeply rooted reality in the UP countryside, and any comprehensive effort to reduce poverty must confront that reality and its consequences. The realities are visible in the segregated hamlets where many of the lower castes live on the fringes of rural villages; often distant from community services - schools, health centres, public hand-pumps, and shops that distribute subsidized grains – in principle meant to assist poor families. The realities are as invisible as the girls who never enrol in school. Social inequities are reflected in inequities in the distribution of productive assets, such as land and education. Social inequities are also reflected in inequitable returns to assets: lower-caste households not only own less; they also experience lower returns to the minimal stocks they do possess, including human capital. Deprivations linked to caste and gender create tensions in the society, and these tensions are exacerbated by low growth and limited opportunities (World Bank, 2002: iii). The poor in UP are highly heterogeneous, ranging from the truly destitute who have nothing and at best manage to survive, to households that are building assets and accumulating small surpluses, well on their way to climbing out of poverty. Many poor people are vulnerable; they face the threat of further impoverishment and a slow slide into destitution.

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According to the latest Planning Commission estimates, the poverty ratio for Muslims is 33.9 per cent in urban areas, especially on account of states such as Uttar Pradesh, Gujarat, Bihar and West Bengal. In rural areas, the poverty ratio for Muslims is very high in States such as Assam, Uttar Pradesh, West Bengal and Gujarat (Twelfth Plan, Vol.III:250)

National Sample Survey (NSS) Rounds with population-based designs are used to form the basis for computation of poverty statistics. The latest such Round was 61st round in 2004-05. The calculations are done using uniform recall period (URP), which considers consumption expenditures for goods and services for a reference period of one month (more precisely last 30 days). Using state sample data of NSS 61st Round, poverty for Uttar Pradesh is computed at a level of 31.1 percent. The poverty rates for rural and urban areas of the

State are found to be 30.7 and 32.9 percent respectively (<http://planning.up.nic.in>) as shown in Table 1. 19.2 percent of UP's population (19.2 percent rural, 19.5 percent urban) was found to be below the poverty line in 2007-08. A steeper fall in rural poverty as compared to urban poverty resulted in the pattern that urban poverty rate in the state now surpasses the rural poverty rate. 32.8 per cent i.e., 590.03 lakh persons (based on URP) of total population of UP are living below poverty line as against national average of 27.5 per cent or 3017.20 lakh. 61st round of National Sample Survey 2004-05 shows that 33.40 per cent or 473.00 lakh belonged to rural areas of U.P. The poverty ratio in rural areas, urban areas and the State as a whole has declined respectively at the rate of 1.05, 0.23 and 0.88 per cent points annually (<http://planning.up.nic.in>).

Table 1: Population below Poverty Line on the basis of Uniform Recall Period Consumption (URP) in Uttar Pradesh

Year	Rounds	Percentage from the Total Population		
		Rural	Urban	Total
1993 – 94	50 th	42.28	35.39	40.85
2004 – 05	61 st (State Sample)	30.74	32.88	31.13

Source: Documents of respective rounds of NSS.

In combating poverty, the state will need to build purposefully on all its assets, those in public hands as well as those in the private sector, and not least the real and potential assets of the poor. A government that works for poor men and women is a government that works for all citizens, rich and poor alike. The first and most fundamental challenge for reducing poverty in Uttar Pradesh is to improve the quality and effectiveness of the public sector. The reasons behind UP's progressive deterioration in governance are fourfold: first, the administration has become increasingly politicized, which has eroded the stability of tenure and undercut managerial authority; second, administrative fragmentation has led to a proliferation of senior positions and undermined coordination and accountability in administration as well as policy-making; third, a related expansion in the size of the civil service, combined with weak revenue generation, placed a squeeze on the capital budget as well as spending on operations and maintenance; and fourth, poor expenditure management practices have undermined the efficacy of public spending for combating poverty in the state. UP's continuing political instability, dating back to the mid-1980s, has contributed to the growing politicization and undermined the effectiveness of the administration (World Bank, 2002: iii).

A World Development Report 1990 presented two strategies for poverty reduction. The first strategy focuses on that pattern of growth, which makes efficient use of labour and second strategy emphasised on investment in human capital especially of the poor. The first strategy opens opportunities for the poor to use their most abundant asset viz; labour, while the second strategy

improves their capacity to take advantage of the newly created opportunities in the economy. Together, they can improve the lives of most of the world's poor. Regional co-operation and market integration will unlock the opportunities of development where these labour can be utilised and helping them to overcome their poverty.

Expansion of employment opportunities has been an important objective of development planning in the State as well as of the country. There has been a significant growth in employment over the years. However, a relatively higher growth of population and labour force has led significant increase in the volume of unemployment from one plan period to another. The problem of under employment is primarily in the agriculture sector. Therefore, eradication of this gigantic problem has been the major thrust in the Eleventh Five Year Plan. The growing pressure of population on land or the inability to expand the land area under cultivation may be attributed to the rising underemployment in agriculture.

Education along with job will reduce poverty. Though education and skill development programmes have increased over the years yet people are not getting jobs. Jobs are not only instrumental in increasing the earning of people but also helps in achieving societal objectives such as poverty reduction, economic wide productivity growth, and social cohesion. The major concern before Uttar Pradesh economy is infrastructure bottlenecks, excessiveness regulations in opening new business, rigid factor markets, and red tape that led to high rates or unemployment among youths. These constraints must be overcome in order to foster more efficient labour

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markets and wider employment opportunities. These problems compelled youths to go for government services instead of opening new business. Employment programs are not the best solution. Globalization is also changing the nature of jobs. Industrial countries are shifting from primary and traditional manufacturing industries toward services and knowledge-intensive activities (World Development Report 2013:07).

The changing landscape of global production has also brought about shifts in skill endowments. In such rapidly changing times, massive investments in training systems, vocational courses, and development of entrepreneurial skill must be encouraged by the government. Besides, private sector must be encouraged to invest in the economy as in changing scenario private sector is the main engine of job creation and the source of almost 9 of every 10 jobs in the world. More often than not we blame lack of education, professional education, and training for mismatches between unemployment and skills but it is not only education but also market distortions are responsible for high rate of unemployment.

The impact of unemployment on mental health appears to occur independently of the availability of social insurance or other mechanisms of protection (O'Connor, 2000:376). This is because the psychological hardship of unemployment is also associated with social stigma. Studies show that a worker who is unemployed or who has a vulnerable job faces less duress if the phenomenon is more pervasive or if there is less inequality in the incidence of unemployment or the distribution of vulnerable jobs. This finding demonstrates the close interaction between a person's job and their place in society (Cunha, 2010: 883-931)

The employment in manufacturing sector at all India level has fallen in the second half of the decade from 55.77 to 50.74 million. Most of this decline in employment was confined to states like Maharashtra (1.81 million) Tamil Nadu (0.98 million), Uttar Pradesh (0.85 million) and Jharkhand (0.25 million) (Twelfth Plan, Vol.III: 130). In terms of state wise share of employment, it emerged that the national average for the share of manufacturing employment accounted for 11 per cent of total employment in 2009–10. There are 9 major states where this share is greater than the national average: Andhra Pradesh (11.9 per cent) Delhi (24.84 per cent), Gujarat (12.6 per cent), Haryana (12.2 per cent), Kerala (13.5 per cent), Punjab (15.9 per cent), Tamil Nadu (19.6 per cent), Uttar Pradesh (11.1 per cent) and West Bengal (18.4 per cent) (Twelfth Plan, Vol. III: 130). Though the share of Uttar Pradesh is higher than the national average, it is lower among the nine major states. During 2009-10, 39 (per 1000) people were unemployed comprises 10 rural and 29 urban. At national level 50 people were unemployed comprises 16 rural and 34 urban.

India's large geographical territory comprising of 6,38,365 villages, 4,378 towns in 35 states/UTs and 640 districts with difficult terrain and varying socioeconomic

conditions make the implementation of standardised skill-training a huge challenge. Most populous States like Bihar, (with a population greater than that of Germany), Jharkhand, Uttar Pradesh, and Chattisgarh comprising 80 per cent of India's population with little access to skills training need to be taken up on priority. About 90 per cent of the 15–59 year olds have had no vocational training. Of the 10 per cent who received vocational training, only 2 per cent received formal vocational training. Therefore, access to skills programmes is a major challenge. Providing opportunities of skill development to all sections of society irrespective of any economic, social, regional, gender, spatial and sectoral divide is necessary to achieve faster and inclusive growth and for development of a just and equitable society (Twelfth Plan, Vol.III: 149).

5. PRESENT SOCIO-ECONOMIC PROFILE OF UTTAR PRADESH

During 1991-2001 high growth states such as Tamil Nadu, Karnataka, and Gujarat had a dependency ratio that were lower than that of the low growth states such as Bihar, Madhya Pradesh, and Uttar Pradesh (Aiyar and Mody 2011). Looking ahead, Aiyar and Mody argued, that the low growth states would benefit more from the demographic dividend, as higher incomes and lower fertility alter demographics. The difference between their growth and the growth of the leaders in the period 2001-11 is just 1.5 percentage points. So demographic transition seems to be correlated with growth, with some reasons to believe that causality flows both ways—lower dependency ratios increase growth and higher growth reduces fertility and consequently dependency ratios (Economic Survey, 2012-13:27).

The best performer state in terms of growth during 2011-12 was Bihar. Net domestic production of Bihar had increased from 23.18 per cent in 2006-07 to 25.48 per cent in 2011-12. The growth of this state was much above the all India average 15.02 per cent and 13.64 per cent in 2006-07 and 2011-12 respectively. The worst performer state was Uttar Pradesh, its net state domestic production had decreased from 14.74 per cent to 13.66 per cent in 2006-07 to 2011-12 respectively (Economic Survey, 2012-13:278). In terms of growth in per capita income, the best performer was Bihar (21.21 per cent in 2006-07 that increased to 23.81 in 2011-12) while Uttar Pradesh scored lowest growth in terms of per capita net state domestic production (12.60 per cent in 2006-07 that decreased to 11.71 per cent in 2011-12). The per capita income of Uttar Pradesh was below the all India per capita income growth (15.02 per cent in 2006-07 that decreased to 13.64 per cent in 2011-12 (see Table 2). Share of agriculture and allied activities (agriculture, forestry and logging) in net state domestic production at factor cost (base period 2004-05) in 2011-12 at current price and constant price was Rs. 1723.56 billion and 858.92 billion respectively, while that of industry (mining and quarrying, manufacturing comprises both registered and unregistered, electricity gas and water supply) was Rs.638.27 billion and Rs.463.96 billion respectively. This

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shows that most households have got job in agriculture and allied activities as against industries.

Bihar had achieved highest growth rate (i.e., 11.1 per cent) in Eleventh Plan among the low income states. During Eighth Plan the growth rate of Bihar was just 3.9

per cent, which was lower than that of Uttar Pradesh as shown in Table 3. Bihar had left Uttar Pradesh far behind in terms of growth rate during Eleventh Plan. The growth rate of Uttar Pradesh was just 6.9 per cent while that of Bihar is 11.1 per cent.

Table 2: State Domestic Production of Uttar Pradesh

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Net Domestic Product (NDP) at current price (percentage growth over previous year)	14.74	13.16	16.96	17.98	15.74	13.66
All India NDP (2004-05 base) in percentage	16.78	15.92	15.64	14.67	17.86	15.06
Per-capita net state domestic product at current price (percentage growth over previous year)	12.60	11.07	14.83	15.86	13.70	11.71
All India per-capita Net National Income (2004-05 base) (percentage growth over previous year)	15.02	14.80	13.82	13.10	15.64	13.64

Source: Economic Survey of India 2012-13, Government of India.

Table 3: Comparative Growth Rates of Low Income States (In Per cent)

	Eighth Plan	Ninth Plan	Tenth Plan	Eleventh Plan
Bihar	3.9	3.7	6.9	11.1
Uttar Pradesh	5.0	2.5	5.8	6.9
Odisha	2.3	5.1	9.2	--
Madhya Pradesh	6.6	4.5	5.0	9.4
Rajasthan	8.0	5.3	--	7.2
Jharkhand	--	--	5.0	9.3

Source: Twelfth Five Year Plan (2012-2017), Planning Commission, Government of India, New Delhi.

Life expectancy at birth for both male (61.8 years) and female (63.7 years) was lowest in Uttar Pradesh against the national average of 64.6 years and 67.7 years for both males and females respectively during 2006-07. Total life expectancy at birth in Uttar Pradesh is 62.7 years that is low as against the national average life expectancy at birth 66.1 years. Infant mortality per thousand births in Uttar Pradesh is 55 for male and 59 for female, which is high as against the national average infant mortality of 43 for male and 46 for female in 2011.

Birth rate per thousand in Uttar Pradesh was 27.8, which was highest as against the national average of 21.8 in 2011. Death rate per thousand in Uttar Pradesh was 7.9, which was also high as against the national average of 7.1 in 2011.

Many households of Uttar Pradesh do not have access to safe drinking water, which is explained in Table 4.

Table 4: Access to Safe Drinking Water in Households (Tap/Handpump/Tubewell) (In Per cent)

	1991			2011		
	Total	Rural	Urban	Total	Rural	Urban
Uttar Pradesh	62.2	56.6	85.8	95.1	94.3	97.9
India	62.3	55.5	81.4	85.5	82.7	91.4

Economic Survey of India 2012-13, Government of India.

Madhya Pradesh had the highest gross enrolment ratio (GER) (6-13 years) in 2010-11, while Assam had the lowest. Pupil-teacher ratios in primary and middle/basic schools were the lowest in Himachal Pradesh and high in states like Uttar Pradesh and Bihar (Economic Survey, 2012-13:278). However, in Rajasthan and Uttar Pradesh, the proportion of out of school girls (age 11-14) had increased from 8.9 per cent and 9.7 per cent respectively in 2011 to more than 11 per cent in 2012. While

enrolment levels at the elementary level were generally high, studies of student attendance show that there is considerable variation across States in the percentage of

enrolled students who are attending school on any given day during the school year. Of particular concern is that some of the most educationally backward States Uttar Pradesh, Bihar, Madhya Pradesh, and Jharkhand have the lowest student attendance rates (below 60 per cent) (Twelfth Plan, Vol.III:48).

6. GOVERNMENT INTERVENTION AND STRATEGY

6.1 Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

The PMSSY aims at correcting regional imbalances in the availability of affordable/reliable

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tertiary health-care services and augmenting facilities for quality medical education in the country. For the year 2012-13, Rs. 1544.21 crore has been earmarked under the PMSSY, which aims at (i) construction of 6 AIIMS like institutions in the first phase at Bhopal, Bhubaneswar, Jodhpur, Patna, Raipur, and Rishikesh and in the second phase in West Bengal and Uttar Pradesh, (ii) up gradation of 13 medical colleges in the first phase and 6 in the second phase. The academic session for 50 MBBS seats has commenced at the six new AIIMS like institutions in September 2012 and hospitals are likely to be operational by September 2013 (Economic Survey, 2012-13:289). There has been an increase in number of public health facilities over the 2007-11 period—Sub-Centres by 2 per cent, primary health care centres (PHC) by 6 per cent, CHC by 16 per cent and District Hospitals by 45 per cent. Yet shortfalls remains, 20 per cent for Sub-Centres, 24 per cent for PHCs and 37 per cent for CHCs, particularly in Bihar, Jharkhand, Madhya Pradesh and Uttar Pradesh. (Twelfth Plan, Vol.III: 4)

6.2 Delhi-Mumbai Industrial Corridor (DMIC)

DMIC is a project seeks to activate local commerce, enhance investments and attain sustainable development by creating a strong economic base with a globally competitive environment and state-of-the-art infrastructure (Twelfth Plan, Vol.II:94). DMIC is conceived as a model for self-contained industrial cities. The master plan has a vision for 24 manufacturing cities that emphasises on the development of IT/ITES components, electronics, agro and food processing, heavy engineering, pharmaceuticals, biotechnology, and services. These cities will have world-class physical infrastructure in which focus is emphasised on high speed road and rail connectivity, international air connectivity, reliable power and water, waste management and recycling. DMIC is proposed to run across six States of Uttar Pradesh, Haryana, Madhya Pradesh, Rajasthan, Gujarat and Maharashtra. The DMIC was conceived by the Ministry of Economy, Trade, and Industry (METI) of Japan and the Ministry of Commerce and Industry (MoCI) of India. The project goals are to double employment potential in 7 years, triple industrial output in 9 years, quadruple exports from the region in 8-9 years, and target 13-14 per cent growth per annum for the manufacturing sector on a sustained basis over next three years (Economic Survey, 2012-13:27).

6.3 Domestic Tourism

Domestic tourism plays an important role in the development of an economy. It provides employment to local people and generates income for them. Water tourism has potential to generate considerable income for the local economies and additional income from tourist/luxury taxes for regional and state governments. For example, in Kerala, over 2,000 people are employed in houseboats and other motorboats that cruise the inland waterways filled with tourists. During 2011, there were 851 million domestic tourists, with the top five states, Uttar Pradesh, Andhra Pradesh, Tamil Nadu, Karnataka, and Maharashtra, cumulatively accounting for around 69

per cent of the total domestic tourist visits in the country (Economic Survey, 2012-13:219). Realising the importance of tourism in the development of economy, Government of India has increased public and private investment in infrastructure of notified Inland Waterways transport. Government is promoting connectivity with Bangladesh and strengthening Inland Waterways transport. Government has taken many policy initiatives to promote tourism in India. This initiatives include a five-year tax holiday for 2, 3, and 4 star category hotels located around all United Nations Educational, Scientific, and Cultural Organization (UNESCO) World Heritage sites (except Delhi and Mumbai) for hotels which start operating w.e.f. 1 April 2008 to 31 March 2013; an investment-linked deduction under Section 35 AD of the Income Tax Act extended to new hotels of 2 star category and above anywhere in India, allowing 100 per cent deduction in respect of the whole or any expenditure of capital nature excluding land, goodwill, and financial instruments incurred during the year; and inclusion of 3 star or higher category classified hotels located outside cities with population of more than 10 lakh in the harmonized list of the infrastructure subsector.

6.4 Green Revolution

Government of India has allocated Rs. 8 billion during 2010-12 and Rs. 10 billion to address the constraints limiting the productivity of 'rice based cropping systems' in eastern India comprising seven states, viz. Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh, and West Bengal, under Green Revolution was initiated in 2010-11 (Economic Survey, 2012-13:183).

There are three key areas where actions are needed to accelerate growth and reduce poverty and unemployment in Uttar Pradesh. First, there is a pressing need to improve infrastructure both physical and human, remove bottlenecks in infrastructure and increase the accessibility of people to public services and resources. Further, research in agriculture, marketing activities, extension of irrigation facilities and road transport are critically needed to promote growth and development in the economy of Uttar Pradesh. Second, actions are also needed to improve the regulatory environment, by lifting controls on marketing of agriculture commodities and simplifying rules, regulations and licensing laws that work as obstacles to higher incomes for poor people. Although large scale land reforms have proven difficult in UP, reforms in the structure and regulation of the land market are needed to improve productivity and broaden the impact of agriculture growth. Third, a breakthrough is needed to ensure an adequate flow of credit to poor farmers and micro entrepreneurs. As long as provision of credit to all sectors suffers due to the weak commercial orientation of the public banks that dominate India's financial system, the poor are particularly vulnerable, both directly and indirectly. High transaction costs along with the absence of suitable collateral means that poor people in UP are often unable to access credit from institutional sources. Purely state-led efforts to provide financial

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services to the poor have not been successful, and new approaches should be sought.

Unemployment is the difference between the labour force (the supply of labour) and employment (the demand for labour). The supply is the product of population and the participation rate and the demand is the product of the capital stock and labour intensity. Therefore, our policies must simultaneously influence all major variables, which determine employment growth viz., the population growth rate and participation rate on the supply side and the rate of investment and technologies on the demand side. In this respect, effective check on population growth emerges as the foremost requirement for which, besides other factors, literacy programme has to be considerably boosted up. There is enormous scope for raising the productivity of agriculture, doubling crop yields and farm incomes and generating significant growth in demand for farm labour through improving plant nutrients and irrigation. Rising rural incomes consequent to higher productivity will create a multiplier effect increasing farm and non farm products and services, thereby stimulating rapid growth of employment opportunity in other sectors.

7. CONCLUSION

The reasons behind UP's progressive deterioration in governance are fourfold: first, the administration has become increasingly politicized, which has eroded the stability of tenure and undercut managerial authority; second, administrative fragmentation has led to a proliferation of senior positions and undermined coordination and accountability in administration as well as policy-making; third, a related expansion in the size of the civil service, combined with weak revenue generation, placed a squeeze on the capital budget as well as spending on operations and maintenance; and fourth, poor expenditure management practices have undermined the efficacy of public spending for combating poverty in the state. UP's continuing political instability, dating back to the mid-1980s, has contributed to the growing politicization and undermined the effectiveness of the administration (World Bank, 2002:iii)

Poverty incapacitates its subjects in utilizing available public facilities. This, in turn, prevents poor people from advancing in economic and social spheres of life. Alleviation calls for targeted interventions and in the Eleventh Five Year Plan, the emphasis has been laid on inclusive growth meaning thereby that growth benefits will reach all especially to the lowest strata of the society. Accelerating growth; putting the delivery of social services to poor men and women on an efficient basis, empowering them as citizens and opening the public sector to public scrutiny so that obstacles to the

development can be identified and redressed. The Government will have to harness its efforts and will to overcome all the separate but interlocking challenges enumerated above. The Government has to provide opportunity to accelerate growth and empower the poorest amongst its citizens through higher incomes, better education and health, and a stronger voice in the decisions that affect their lives.

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