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# Gist of India Year Book

# 2013



**for Civil Services Preliminary (CSAT)  
& Main Examinations**

Each chapter is compiled according to the requirement of civil services preliminary (CSAT) and main examination

Important points are highlighted for Quick revision

Multiple Choice Questions are given after each Chapter

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INTRODUCTION

In India planning derives its objectives and social premises from the Directive Principles of State Policy enshrined in the Constitution (**Article 40**). **The Planning Commission was set up by a Resolution of the government of India in March 1950.**

**First Plan**

- Keeping in view the large-scale import of foodgrains in 1951 and inflationary pressures on the economy, the First Plan (**1951-56**) accorded the highest priority to **agriculture** including **irrigation and power** projects. About 44.6 per cent of the total outlay of 2,069 crore in the public sector (later raised to 2,378 crore) was allocated for this purpose. The Plan aimed at increasing the rate of investment from five to about seven per cent of the national income.

**Second Plan**

- The Second Five-Year Plan (**1956-57 to 1960-61**) sought to promote a pattern of development, which would ultimately lead to the establishment of a

socialistic pattern of society in India. **Its main aims were** (i) an increase of 25 per cent in the national income; (ii) **rapid industrialisation with particular emphasis on the development of basic and heavy industries**; (iii) large expansion of employment opportunities; and (iv) reduction of inequalities in income and wealth and a more even distribution of economic power. The Plan aimed at increasing the rate of investment from about seven per cent of the national income to 11 per cent by 1960-61. It laid emphasis on industrialisation, increased production of iron and steel, heavy chemicals including nitrogenous fertilizers and development of heavy engineering and machine building industry.

**Third Plan**

- The Third Plan (**1961-62 to 1965-66**) aimed at securing a marked advance towards self-sustaining growth. **Its immediate objectives were to:** (i) secure an increase in the national income of over five per cent per annum and at the same time ensure a pattern of investment which could sustain this rate of

growth in the subsequent Plan periods; (ii) achieve self-sufficiency in foodgrains and increase agricultural production to meet the requirements of industry and exports; (iii) expand basic industries like steel, chemicals, fuel and power and establish machine building capacity so that the requirements of further industrialisation could be met within a period of about 10 years mainly from the country's own resources; (iv) fully utilise the manpower resources of the country and ensure a substantial expansion in employment opportunities; and (v) **establish progressively greater equality of opportunity and bring about reduction in disparities of income and wealth and a more even distribution of economic power.** The Plan aimed at increasing the national income by about 30 per cent from ₹ 14,500 crore in 1960-61 to about ₹ 19,000 crore by 1965-66 (at 1960-61 prices) and per capita income by about 17 per cent from 330 to 386 over the same period.

#### Annual Plans

- The situation created by the Indo-Pakistan conflict in 1965, two successive years of severe drought, devaluation of the currency, general rise in prices and erosion of resources available for Plan purposes delayed the finalisation of the Fourth Five Year Plan. **Instead, between 1966 and 1969, three Annual Plans were formulated within the framework of the draft outline of the Fourth Plan.**

#### Fourth Plan

- The Fourth Plan (1969-74) aimed at accelerating the tempo of development of reducing fluctuations in agricultural production as well as the impact of uncertainties of foreign aid. **It sought to raise the standard of living through programmes designed to promote equality and social justice.** The Plan laid particular emphasis on improving the conditions of the less privileged and weaker sections especially through provision of employment and education. Efforts were directed towards reduction of concentration of wealth, income and economic power to promote equity. The average annual compound rate of growth envisaged was 5.7 per cent.

#### Fifth Plan

- The Fifth Plan (1974-79) was formulated against the backdrop of severe inflationary pressures. **The major objectives of the Plan were to achieve self-reliance and adopt measures for raising the consumption standard of people living below the poverty line.** This Plan also gave high priority to bring inflation under control and to achieve stability in the economic situation. It targeted an annual growth rate of 5.5 per cent in the national income. Four Annual Plans pertaining to the Fifth Plan period were completed. It was subsequently decided to end the Fifth Plan period with the close of the Annual Plan 1978-79.

#### Sixth Plan

- Removal of poverty was the foremost objective of the Sixth Plan (1980-85). **The strategy adopted was to move simultaneously towards strengthening the infrastructure for both agriculture and industry.** Stress was laid on tackling inter-related problems through a systematic approach with greater management, efficiency and intensive monitoring in all sectors and active involvement of people in formulating specific schemes of development at the local level and securing their speedy and effective implementation. The average annual growth rate targeted for the Plan was 5.2 per cent.

#### Seventh Plan

- The Seventh Plan (1985-90) emphasised policies and programmes, which aimed at rapid growth in **foodgrains production, increased employment opportunities** and productivity within the framework of basic tenets of planning, namely, growth, modernisation, self-reliance and social justice. Foodgrains production during the Seventh Plan grew by 3.23 per cent as compared to a long-term growth rate of 2.68 per cent between 1967-68 and 1988-89 and the growth rate of 2.55 per cent in the eighties due to overall favourable weather conditions, implementation of various thrust programmes and concerted efforts of the Government and the farmers. To reduce unemployment and consequently, the incidence of poverty, special programmes like Jawahar Rozgar

Yojana were launched in addition to the existing programmes. Due recognition was accorded to the role, small-scale and food processing industries could play in this regard. During this Plan period, the Gross Domestic Product (GDP) grew at an average rate of 5.8 per cent exceeding the targeted growth rate by 0.8 per cent.

### Annual Plans

- The Eighth Five-Year Plan (1990-95) could not take off due to the fast-changing political situation at the Centre. The new Government, which assumed power at the Centre in June 1991, decided that the Eighth Five-Year Plan would commence on 1st April 1992 and that 1990-91 and 1991-92 should be treated as separate Annual Plans. Formulated within the framework of the Approach to the Eighth Five-Year Plan (1990-95), the basic thrust of these Annual Plans was on **maximisation of employment and social transformation.**

### Eighth Plan

- The Eighth Five-Year Plan (1992-97) was launched immediately after the initiation of structural adjustment policies and macro stabilisation policies, which were necessitated by the worsening Balance of Payments position and the position of inflation during 1990-91. The various structural adjustment policies were introduced gradually so that the economy could be pushed to a higher growth path and improve its strength and thus prevent a crisis in Balance of Payments and inflation in the future. The Eighth Plan took note of some of these policy changes, which were to come about due to these reforms. The Plan aimed at an average annual growth rate of 5.6 per cent and an average industrial growth rate of about 7.5 per cent. These growth targets were planned to be achieved with relative price stability and substantial improvement in the country's Balance of Payments. Some of the salient features of economic performance during the Eighth Five-Year Plan indicate, among other things, (a) a faster economic growth, (b) a faster growth of the manufacturing sector and agriculture and allied sectors, (c) significant growth rates in exports and

imports, improvement in trade and current account deficit and a significant reduction in the Central Government's fiscal deficit. However, a shortfall in expenditure in the Central sector due to inadequate mobilisation of internal and extra budgetary resources by the PSUs and various departments was witnessed. In the States sector, the reason for the shortfall was lack of mobilisation of adequate resources due to deterioration in the balance of current revenues, erosion in the contribution of state electricity boards and state road transport corporations, negative opening balance, mounting non-Plan expenditure and shortfalls in the collection of small savings, etc.

- The Eighth Plan envisaged an annual average growth rate of 5.6 per cent. Against this an average growth rate of 6.8 per cent was achieved during this plan period.

### Ninth Plan

- The Ninth Plan (1997-2002) was launched in the fiftieth year of India's Independence. The Plan aimed at achieving a targeted GDP growth rate of seven per cent per annum and there was emphasis on the seven identified Basic Minimum Services (BMS) with additional Central Assistance earmarked for these services with a view to obtaining a complete coverage of the population in a time-bound manner. These included provision of safe drinking water, availability of primary health service facilities, universalisation of primary education, public housing assistance to shelterless poor families, nutritional support to children, connectivity of all villages and habitations and stream-lining of the public distribution system with a focus on the poor. The Plan also aimed at pursuing a policy of fiscal consolidation, whereby the focus was on sharp reduction in the revenue deficit of the Government, including the Centre, States and PSUs through a combination of improved revenue collections and control of inessential expenditures, particularly with regard to subsidies and through recovery of user charges and decentralisation of planning and implementation through greater reliance on States and Panchayati Raj Institutions.
- The Ninth Plan envisaged an average target growth

rate of 6.5 per cent per annum in GDP as against the growth rate of 7 per cent approved earlier in the Approach Paper. The scaling down of the target was necessitated by the changes in the national as well as global economic situation in the first two years of the Ninth Plan. Against this, the achievement in the growth-rate on an average was to be 5.5 per cent per annum.

### Tenth Five-Year Plan

- The Tenth Five-Year Plan (2002-07) was approved by the National Development Council on 21st December 2002. The Plan has further developed the NDC mandate objectives, of doubling the per capita income in ten years and achieving a growth rate of eight per cent of GDP per annum. Since economic growth is not the only objective, the Plan aims at harnessing the benefits of growth to improve the quality of life of the people by setting the following key targets: Reduction in the poverty ratio from 26 per cent to 21 per cent, by 2007; Decadal Population Growth to reduce from 21.3 per cent in 1991-2001 to 16.2 per cent in 2001-11; Growth in gainful employment, at least, to keep pace with addition to the labour force; All children to be in school by 2003 and all children to complete five years of schooling by 2007; Reducing gender gaps in literacy and wage rates by 50 per cent; Literacy rate to increase from 65 per cent in 1999-2000, to 75 per cent in 2007; Providing potable drinking water to all villages; Infant Mortality Rate to be reduced from 72 in 1999-2000, to 45 in 2007; Maternal mortality ratio be reduced from four in 1999-2000, to two in 2007; Increase in Forest/ Tree cover from 19 per cent in 1999-2000, to 25 per cent in 2007; and Cleaning of major polluted river stretches.
- The Tenth Plan has identified measures to **improve efficiency, unleash entrepreneurial energy and promote rapid and sustainable growth. Agriculture is to be the core element of the Tenth Plan.** Key reforms for the agriculture sector include: Eliminating inter-state barriers to trade and commerce; Essential Commodities Act to be amended; Amending Agriculture Produce Marketing Act; Liberalising agri-trading, agri-

industry and exports; Encouraging contract farming and permitting leasing in and leasing out of agriculture lands; Replacement of various acts dealing with food by one comprehensive 'Food Act'; Permit futures trading in all commodities; Removal of restrictions on financing of stocking and trading.

- The average growth rate in the last four years of the 10th Plan (2003-04 to 2006-07) was little over 8 per cent, making the growth rate 7.7 per cent for the entire 10th plan period. Though this was below the 10th Plan target of 8 per cent, it is the highest growth rate achieved in any plan period.

### Eleventh Five Year Plan

- The Eleventh Five Year Plan (2007-12) which was approved by the National Development Council on 19 December, 2007 provides a comprehensive strategy for **inclusive development**, building on the growing strength of the economy, while also addressing weaknesses that have surfaced. It sets a target for 9 per cent growth in the five year period with acceleration during the period to reach 10 per cent by the end of the plan. It also covers 26 other major indices of performance relating to poverty, health, education, women and children, infrastructure, and environment and sets monitorable targets in each of these. This plan outlines the new priorities for the public sector. These relate to reviving dynamism in agriculture and building the necessary supportive infrastructure in rural areas, expanding access to health and education, especially in rural areas, undertaking programmes for improving living conditions for the weaker section and for improving their access to economic opportunity. It also includes a major thrust for infrastructure development in general, which is a critical constraint on our development.
- The plan adopts multi-pronged approach towards improvement in Agriculture. It provides a major expansion in the programmes of irrigation and water management. As a step towards food security, the National Food Security Mission aims at increasing cereal and pulses production by 20 million tons over a five year period. There is a massive thrust in

this Plan on access to education and health. In education the Plan will spend more than double of what was spent in the tenth plan. In health, the Plan aims at providing improved broad based health care in rural areas through the National Rural Health Mission. The Rashtriya Swasthya Bima Yojana will provide the much needed insurance cover against illness to the population below the poverty line.

- The Plan emphasizes the need for energy conservation, increasing energy efficiency, and development of renewable sources of energy. An important aspect of the Eleventh Plan is that most of the public sector programmes are in the areas that are normally in the domain of the State Governments and where implementation depends upon the active involvement of local level bodies including the Panchayati Raj Institutions, More than any other Plan, this Plan places a much greater reliance upon the involvement of the Panchayati Raj Institutions.

#### Twelfth Five Year plan (2012-17)

- The broad vision and aspiration which the Twelfth Plan seeks to fulfill are reflected in the subtitle: 'Faster Sustainable, and More Inclusive Growth'. The simultaneous achievement of each of these elements is critical for the success of the Plan.

#### Growth Prospects

- The Approach paper to the Twelfth Plan, approved by the National Development Council (NDC) in 2011, had set a target of 9 per cent average growth of GDP over the Plan period. That was before Euro zone crisis in that year triggered a sharp downturn in global economic prospects, and also before the extent of the slowdown in the domestic economy was known. A realistic assessment of the growth prospects of the economy in the Twelfth plan period is given in chapter 2. It concludes that the

current slowdown in GDP growth can be reversed though strong corrective action, including especially an expansion in investment with a corresponding increase in savings to keep inflationary pressures under control. However, while our full growth potential remains around 9 per cent, acceleration to this level can only occur in a phased manner, especially since the global economy is expected to remain weak toward bringing GDP growth back to an inclusive 9 per cent in the last two years of the plan, which will yield an average growth rate of about 8.2 per cent in the Plan period. The outcome is conditional on many policy actions as is described in scenario one.

- Within the aggregate GDP growth target, two sub-targets are especially important for inclusiveness. These are a growth rate of 4 per cent for the agricultural sector over the Twelfth Plan period and around 10 per cent in the last two years of the Plan for the manufacturing sector.
- The Twelfth Plan's strategy for growth depends crucially on productivity gains as one of the key drives of growth. Productivity is the additional contribution to growth after taking account of the effect of capital accumulation and growth in labour. These traditional sources of growth are not likely to be enough for India in the coming years and we must therefore focus much more on productivity improvements among all constituents: big businesses, MSMEs, framers and even governments. This can be done by improving the business regulatory environment, strengthening the government. This can be done by improving the business regulatory environment, strengthening the governance capacity of States, investing more in infrastructure rather than subsidies, and by using Science and Technology (S&T) to drive innovation.

Plan	Period	Model	Main Objectives	Growth Rate	Special Features
I	1951-56	Harold Domar	Development of Agriculture	3.6%	It was the I Plan on social i.e., Community Development (CDP) - 1952.

II	1956-61	Mahalanovis	Rapid Industrialisation	4.2%	<p>Started Industrialization.</p> <p>I official plan in India. Causes - two wars:</p> <ol style="list-style-type: none"> <li>1. Green Revolution- 1966-67</li> <li>2. Devaluation of Currency (2nd devaluation in India of currency) 1st was in 1949. 2nd was in 1991.</li> </ol> <p>Causes-1971 war, 1972-73 oil crisis.</p> <p>Important events related with Policy change:</p> <ol style="list-style-type: none"> <li>1. Nationalization of banks in 1969 - by Indira Gandhi.</li> <li>2. MRTP Act, 1969 (Aggressive socialism)</li> <li>3. J. P. Movement - Indira hatao followed by Garibi hatao by Congress Govt.</li> </ol> <ol style="list-style-type: none"> <li>1. National Emergency -25th June, 1975.</li> <li>2. 1st Non-Congress Govt. at the Centre 1977 (Janta Govt.) Govt.</li> <li>3. 1st Food for Work Programme by Janta Party—1978; it was 1st Nationwide Programme rather than regional wise.</li> <li>4. 1979 - Congress back on Power. Janta Party stopped the plan but Congress declared it a</li> </ol>
(These two plans were most successful plans in India)					
III	1961-66	John Sandy & declared fail	Self-Reliance and Self-sustained economy	2.7% (5.6 was target)	
	1966-69	Plan Holiday or Annual Plan			
IV	1969-74	Allen S. Manne & Ashok Rudra	Self-reliance and growth with stability	3.3% (target was 5.7%)	
V	1974-79	Planning Commission	Eradication of Poverty "The concept of Plan" was given by Janta Rolling	4.8% (target was 4.4%)	
	1979-80	Plan Holiday - Annual Plan			
VI	1980-85	Planning	Employment	5.5%	1. No. of employment

VII	1985-90	Commission (emphasis on structural change Share of Agriculture Industries)	generation Same Objective as V Plan	6.0%	schemes were started. (1st serious attempt towards employment generation) 2. 1st time the word "Perspective Plan" was used (i.e., long term perspective). 1st time the share of public sector in plan outlay was less than 50%. Economic reforms started in India 1991
	1990-92	Planning Commission (emphasis on liberalization)	"Modernization of our existing sector and to promote the Modern sector. "Towards 21st Century" slogan was given by PM Rajiv Gandhi i.e., A Modern Economy		
VIII	1992-97	Annual Plan	Human Resources Development (compt. (highest) within the country outside the world) Due to this policy, India is leading IT Sector.	6.7% (highest) till the 8th plan	1. Bofors issue 2. Economic crisis-1990 3. 3rd devaluation of Currency 1991 4. New Industrial Policy on 24th July, 1999 by declaring the liberalisation in Indian Economy. 1. highest growth rate 2. the base year was changed to i.e., 1991-92.
IX	1997-02	Planning Commission	Equitable distribution and growth with equality	5.4% (it was due to external factors)	1. Pokahran 2. South East Asia Crisis 3. Kargil war 4. 2001-02 major recession in the world economy.

### ENVIRONMENT

The role of Environment and forestry sector is very critical for inclusive growth and sustained economic development of the country. Human development cannot be delinked from the health of human, much of which depends on access to



clean water, air, food, medicine and natural resources. Apart from the efforts being made by the respective States for conservation and management of their Forests and Environment, there have been 12 thematic Central Schemes and 10 thematic Centrally Sponsored Schemes in the 11th Five Year Plan to carry out the mandate of the sector.

### National Green Tribunal (NGT)

The NGT has been established on 18.10.2011 under the National Green Tribunal Act, 2010 for the effective and expeditious of causes related to environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for damages to person and property and for matters connected therewith or incidental thereto. It is a special body equipped with the necessary expertise to handle environmental disputes involving multidisciplinary issues. The Tribunal shall not be bound by the procedure laid down under the Civil Procedure Code, 1908, but shall be guided by principles of natural justice.

The Tribunal's dedicated jurisdiction in environmental matters shall provide speedy environmental justice and help reduce the burden of litigation in the higher courts. The Tribunal is mandated to make an endeavour for disposal of applications or appeals finally within 6 months of filing of the same. Initially, NGT is proposed to be set up at 5 places of sittings and will follow circuit procedure for making itself more accessible. New Delhi is the principle place of sitting of the Tribunal.

### National Action Plan for Climate Change

- **National Solar Mission** seeks to deploy 20,000 MW of solar electricity capacity in the country by 2020. The first phase (2010-12) is currently underway during which 1,000 MW are planned to be installed.
- **National Mission for Enhanced Energy Efficiency** creates new institutional mechanisms to enable the development and strengthening of energy efficiency markets. Various programmes have been initiated, including the Perform, Achieve and Trade (PAT) mechanism to promote efficiency in large industries, and the Super-Efficient Equipment Programme (SEEP) to accelerate the introduction of deployment of super-efficient appliances.

- **National Mission on Sustainable Habitat** promotes the introduction of sustainable transport, energy-efficient buildings, and sustainable waste management in cities.
- **National Water Mission** promotes the integrated management of water resources and increase water use efficiency by 20 per cent.
- **National Mission for Sustaining the Himalayan Ecosystem** establishes an observational and monitoring network for the Himalayan environment so as to assess climate impacts on the Himalayan glacier and promote community-based management of these ecosystems.
- **National Mission for a "Green India"** seeks to afforest an additional 10 million hectare of forest lands, waste lands and community lands.
- **National Mission for Sustainable Agriculture** focuses on enhancing productivity and resilience of agriculture so as to reduce vulnerability to extremes of weather, long dry spells, flooding, and variable moisture availability.
- **National Mission on Strategic Knowledge for Climate Change** identifies challenges arising from climate change, promotes the development and diffusion of knowledge on responses to these challenges in the areas of health, demography, migration and livelihood of coastal communities.

### National River Conservation Plan (NRCP)

- Untreated sewage dumped into our rivers is a major cause of river pollution. The total sewage generation in the country is about 36000 MLD. Against this, the total average treatment capacity is about 7000 MLD and 40 per cent of that capacity is in Delhi. This underlines the urgent need to expand the sewage treatment capacity in the country. The NRCP has covered **164** towns along **35** polluted river stretches in **20** states and has created 7000 MLD including 4767 MLD capacity created under Ganga Action Plan (GAP).
- The major achievement of Eleventh Plan is formation of National Ganga River Basin Authority giving national status to river Ganga by the present Prime Minister on **20th February, 2009**. With the setting up of the Ganga River Basin Authority comprehensive management of the Ganga River

Basin will be possible and easier. The proposal was unanimously endorsed by all the five States.

**National Lake Conservation Plan (NLCP)**

- The NLCP provides assistance to states on 70-30 sharing basis. As on 31st March, 2009, a total of

**40** projects for conservation of **57 lakes** have been sanctioned in 13 states at a total cost of 856.76 crore Works for 12 lakes have been completed so far.