

Social Infrastructure, Employment, and Human Development

09 CHAPTER

Growth with equity has been the focus of Indian economic policy since the 1960s. By 2020, India is projected to be the youngest nation in the world in terms of size. While this 'youth bulge' provides India great opportunities, it also poses challenges. These young people need to be healthy, suitably educated, and appropriately skilled to contribute optimally to the economy. Despite global shocks, India has not compromised on expenditures on welfare activities, especially for the vulnerable population. The success of programmes and policies of the government lies in the strength of institutional structures with strong public delivery systems as well as in the attitudes and mindset of the people. To ensure conversion of outlays into outcomes the role of Panchayati Raj institutions is crucial. Though significant outcomes have been achieved in the areas of poverty reduction, health, and education, more remains to be done. Government, along with civil society, media, and other stakeholders, must work towards changing the patriarchal mindset of society and empowering women to realize their untapped potential and fulfil their aspirations.

9.2 As per provisional results of Census 2011, 2001-11 is the first decade in independent India where in the population momentum coupled with declining fertility has dampened the pace of net additions to population. Thus, the net addition (between 2001-2011) is less than that of the previous decade by 0.86 million. At present a little more than one out of every six persons in the world is an Indian. As per Sample Registration System (SRS) (2013) data, there has been a gradual decline in the share of population in the age group 0-14 from 41.2 to 38.1 per cent during 1971 to 1981 and from 36.3 to 28.4 per cent during 1991 to 2013. On the other hand, the proportion of economically active population (15-59 years) or, India's 'demographic dividend', has increased from 53.4 to 56.3 per cent during 1971 to 1981 and from 57.7 to 63.3 per cent during 1991 to

2013. On account of better education, health facilities, and increase in life expectancy, the percentage of elderly (60+) has gone up from 5.3 to 5.7 per cent and 6.0 to 8.3 per cent respectively in the same two periods.

9.3 The growth rate of the labour force will continue to be higher than that of the population until 2021. According to an Indian Labour Report (Time Lease, 2007), 300 million youth will enter the labour force by 2025, and 25 per cent of the world's workers in the next three years will be Indians. Population projections indicate that in 2020 the average age of India's population will be the lowest in the world—around 29 years compared to 37 years in China and the United States of America, 45 years in West Europe, and 48 years in Japan. Consequently, while the global economy is expected to witness a shortage of

young population of around 56 million by 2020, India will be the only country with a youth surplus of 47 million (Report on Education, Skill Development and Labour Force (2013-14) Volume III, Labour Bureau, 2014).

9.4 The main issue to address then is not just providing employment but increasing the employability of the labour force in India. Employability is contingent upon knowledge and skills developed through quality education and training. Thus any solution to the problem lies in a well-designed education and training regime that sets out to meet these objectives. The problem of low employability levels owing to poor quality of education is accentuated by the fact that fewer students opt for higher education.

EDUCATIONAL CHALLENGES

9.5 While only 73 per cent literacy has been achieved as per Census 2011, there has been marked improvement in female literacy. Male literacy at 80.9 per cent is still higher than female literacy at 64.6 per cent but the latter has increased by 10.9 percentage points compared to 5.6 percentage points for the former. The Right of Children to Free and Compulsory Education (RTE) Act 2009 was enacted by the centre to increase the quality as well as accessibility of elementary education in India in April 2010. Sarva Shiksha Abhiyan (SSA) is the designated scheme for implementation of the RTE Act. The framework of the SSA has been revised to include reimbursement for expenditure incurred for at least 25 per cent admissions of children belonging to disadvantaged and weaker sections in private unaided schools from the academic year 2014-15. Between 2007-08 and 2013-14, according to the DISE (District Information System for Education), total enrolment in primary schools increased from 134 million to 137 million in 2011-12 and then declined to 132 million in 2013-14 while upper primary enrolment grew from 51 million to about 67 million. This is in line with the changing demographic age structure. India has achieved near universal enrolment and enhanced

hard and soft infrastructure (schools, teachers, and academic support staff).

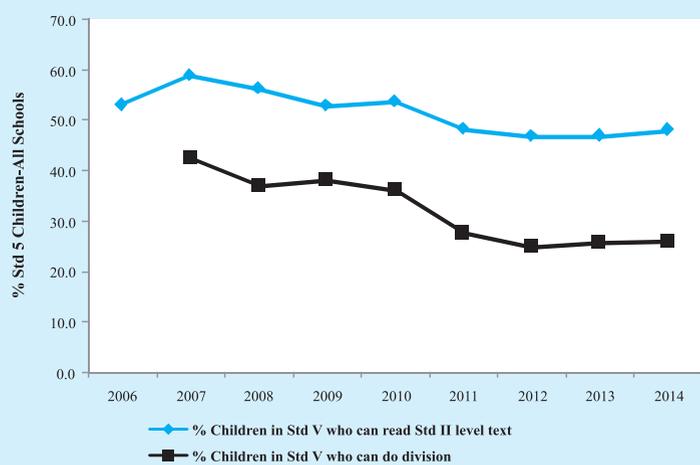
9.6 However, the overall standard of education is well below global standards: that PISA (Programme for International Student Assessment) 2009+ results ranked Tamil Nadu and Himachal Pradesh 72 and 73 out of 74 participants, higher only than Kyrgyzstan, exposes the gaps in our education system. PISA, which measures the knowledge and skills of 15-year-olds with questions designed to assess their problem-solving capabilities, rates these two states at the bottom, with the scores in mathematics and science falling way behind the OECD (Organisation for Economic Cooperation and Development) average. Shanghai-China tops the rankings followed by Singapore, while the Russian Federation is ranked at thirty-eighth position. "Countries where students near the end of compulsory schooling perform at high levels tend to maintain their lead after these students transition from school into young adulthood... There is considerable scope for post-secondary education and training systems, as well as workplaces, to intervene to improve the proficiency of young people who leave school with poor literacy and numeracy skills." Clearly, the policy prescription lies in shifting attention away from inputs to outcomes and focusing on building quality education and skill development infrastructure (Box: 9.1). India did not participate in PISA 2012.

9.7 ASER (Annual Status of Education Report) findings have been reporting low levels of learning amongst the 5 to 16 age group in rural India since 2005. The worrying fact is that these are floor-level tests (basic 2-digit carry-forward subtraction and division skills), without which one cannot progress in the school system.

9.8 With the changing demography and declining child population, the inadequacy of human capital at the base of the pyramid leading to a huge backlog in basic skills could become a big impediment in India's growth. The Padhe Bharat Badhe Bharat initiative to create a base for reading, writing, and math fluency is a good step. However,

Box 9.1 : School Education Outcomes : Critical Inputs for tapping the Demographic Dividend

- i. The single most significant ASER finding is that learning levels across the country, whether in public or private school, have not improved (Figure 9.1).
- ii. Another important finding is regarding school enrolment—from only 16 per cent children enrolled in private schools in 2005, enrolment has gone up to nearly 30 per cent. Present trends indicate that this number will increase to 50 per cent by the end of the current decade. During 2007-08 and 2013-14, enrolment in government schools (both primary and upper primary) declined by about 11.7 million, from 133.7 million to 121 million, while enrolment in private schools increased by 27 million, from 51 million to 78 million. It is a moot point whether the poor learning levels in government schools have contributed to this. Paradoxically this trend is observed in rural areas, which receive funding under the SSA and other programmes.
- iii. Some highlights of the survey of rural children conducted in 16,497 villages in 557 districts (569,229 children surveyed), are listed below:
 - **Marginal improvement in basic reading levels:** The percentage of children in Standard V who are able to read a Standard II-level text increased from 47.0 per cent in 2013 to 48.1 per cent in 2014.
 - **Decline in arithmetic levels:** The percentage of Standard III children able to solve simple two-digit subtraction problems fell from 26.1 per cent in 2013 to 25.3 per cent in 2014. The percentage of children in Standard II who cannot recognize numbers up to 9 has increased over time, from 11.3 per cent in 2009 to 19.5 per cent in 2014.
 - **Better provision of girls toilets:** The proportion of schools without toilets (girls + boys) declined from 7.2 per cent in 2013 to 6.3 per cent in 2014. The proportion of separate girls toilets (unlocked and useable) in schools has improved from 32.9 per cent in 2010 to 53.3 per cent in 2013 and further to 55.7 per cent in 2014.
 - **Increase in libraries in schools:** The proportion of schools without libraries has declined only one percentage point from 22.9 per cent during 2013 to 21.9 per cent during 2014.
 - **Compliance on pupil-teacher ratio:** There has been a consistent rise in the proportion of schools complying with RTE norms on pupil-teacher ratio, from 45.3 per cent in 2013 to 49.3 per cent in 2014.
 - **Improvement in drinking water facility:** The proportion of schools with no provision for drinking water declined from 17.0 per cent in 2010 to 15.2 per cent in 2013 and further to 13.9 per cent in 2014 but the proportion of schools with useable drinking water facility improved only marginally from 73.8 per cent in 2013 to 75.6 per cent in 2014.
 - **Stagnant enrolment in rural India:** Over one year the enrolment of 6-14-year old children in rural India remained dormant at 96.8 per cent, with the proportion not enrolled also unchanged at 3.3 per cent.
 - **Rising private school enrolment:** Private school enrolment of 6-14-year olds has risen marginally from 29.0 per cent in 2013 to 30.8 per cent in 2014. Among the major States which have higher private enrolment are Kerala followed by Haryana, UP, Punjab, and Rajasthan.
 - **Decline in classroom-teacher ratio (CTR):** The steady decline in the percentage of schools meeting the RTE norm for CTR continued; from 73.8 per cent in 2013 the ratio further declined to 72.8 per cent in 2014.
 - **Decline in attendance:** Children's attendance in both primary and upper primary schools shows a steady downward trend. In 2009, attendance was at 74.3 per cent in primary schools and 77 per cent in upper primary schools as compared to 71.4 per cent and 71.1 per cent respectively in 2014.
 - **Same classroom for different classes:** In 2014, Standard II students in about 63 per cent of schools and Standard IV students in about 57 per cent of schools were reported to be sitting with one or more other classes; the percentages have been increasing over the years.

Figure 9.1: Reading and Arithmetic Abilities of Children in Standard V ASER 2007-2014: All India Rural

Source: Annual Status of Education Report (Rural) 2014 – Provisional Results

for it to be fruitful, it is critical that the local administration is fully involved and sensitized.

9.9 While the RTE Act and the Juvenile Justice Act 2000 were promulgated to bring children into education rather than employment, they have allowed youth in the 15-18 age-group to slip through the cracks. India has about 100 million young people who fall in this category. Since there are educational and age requirements for entry into most vocational skilling programmes, and job placements are not possible before age 18, the vast majority of this population could land up in the unorganized sector. There is need for research into the type of knowledge or skills required to address the opportunity gaps and to improve productive capacity in the unorganized sector.

9.10 Concurrently, to build capacity in secondary schools on par with expanded primary enrolments, several schemes like the Mid-Day Meal (MDM) scheme, Rashtriya Madhyamik Shiksha Abhiyan (RMSA), Model School Scheme (MSS), and Saakshar Bharat (SB)/ Adult Education have also been implemented. The focus of SB is female literacy. Inter alia, the lack of trained teachers compounds the problem. To strengthen the cadre of teacher educators by providing early career choice to prospective teachers and to fill the vacancies in teacher education institutions, a new four-year integrated programme, i.e. BA/BEd. and BSc./BEd. has been introduced.

9.11 The Indian higher education system is one of the largest in the world in terms of the number of colleges and universities. From 350 universities and 16,982 colleges in 2005-06, the numbers have gone up to 713 universities, 36,739 colleges, and 11,343 diploma-level institutions in 2013-14. There is need to match the supply with demand and to dovetail education policy to employment opportunities. Therefore, higher education needs to be futuristic and envision areas that will generate future employment opportunities and accordingly offer suitable courses for students. The gross enrolment ratio (GER) in higher education has nearly doubled from around 11.6 per cent in 2005-06 to 21.1 per cent in 2012-13 (Provisional), with

29.6 million students enrolled in 2012-13 as compared to 14.3 million in 2005-06. However, the lower penetration into higher levels of education leads to higher dropouts, especially among the secondary and upper primary students, consequently to accumulation of less educated and less skilled job seekers at the bottom of the pyramid. The percentage educated also falls progressively with higher levels of education.

EMPLOYMENT MATTERS

Skilling the Youth

9.12 There is a dual challenge here of developing skills on the one hand and using skills on the other since skills that are not used are lost. As per the Labour Bureau Report 2014, the current size of India's formally skilled workforce is small, approximately 2 per cent. This number contrasts poorly with smaller countries like South Korea and Japan that report figures of 96 and 80 per cent respectively. At all-India level around 6.8 per cent persons aged 15 years and above are reported to have received/ be receiving vocational training.

9.13 As per studies conducted by National Skill Development Corporation (NSDC) for the period between 2013 and 2022, there is an incremental requirement of 120 million skilled people in the non-farm sector. The current capacity for skilling is grossly inadequate and needs to be speedily scaled up to meet immediate skill needs of the country. The poor skill levels among India's workforce are attributed to dearth of a formal vocational education framework, with wide variation in quality, high school dropout rates, inadequate skills training capacity, negative perception towards skilling, and lack of 'industry-ready' skills even in professional courses (Labour Bureau Report 2014). Some recent initiatives that aim to enhance access, equality, quality, innovation, etc. in the area of higher and vocational education are the Rashtriya Uchchar Shiksha Abhiyan (RUSA), Technical Education Quality Improvement Programme (TEQIP), and National Skill Qualification Framework (NSQF).

9.14 A dedicated Department of Skill Development and Entrepreneurship has been created under the Ministry of Skill Development, Entrepreneurship, Youth Affairs and Sports to accord focused attention in this area. In addition, the skilling programme for rural youth has been refocused and reprioritized to build the capacity of poor rural youth to address domestic and global skill requirements. The Deen Dayal Upadhyaya Grameen Koushalya Yojana (DDU-GKY) is a placement-linked skill development scheme for poor rural youth. A total of 51,956 candidates have been skilled under the DDU-GKY, of which 28,995 have been placed till November during 2014-15.

9.15 Other new programmes that aim at bringing minorities into mainstream development include Nai Manzil for education and skill development of dropouts; USTTAD (Upgrading Skills and Training in Traditional Arts/Crafts for Development) to conserve traditional arts/crafts and build capacity of traditional artisans and craftsmen belonging to minority communities; Nai Roshni, a leadership training programme for women; and MANAS for upgrading entrepreneurial skills of minority youths.

Sluggish employment growth

9.16 A cause for concern is the deceleration in the compound annual growth rate (CAGR) of employment during 2004-05 to 2011-12 to 0.5 per cent from 2.8 per cent during 1999-2000 to 2004-05 as against CAGRs of 2.9 per cent and 0.4 per cent respectively in the labour force for the same periods. As per the National Sample Survey Office (NSSO) data during 1999-2000 to 2004-05, employment on usual status (US) basis increased by 59.9 million persons from 398.0 million to 457.9 million as against the increase in labour force by 62.0 million persons from 407.0 million to 469.0 million. After a period of slow progress during 2004-05 to 2009-10, employment generation picked up during 2009-10 to 2011-12, adding 13.9 million persons to the workforce, but not keeping pace with the increase in labour force (14.9 million persons) (Table 9.1). Based on current daily status (CDS), CAGR in

Table 9.1 : Employment and Unemployment Scenario in India

Method	1999-2000	2004-05	2009-10	2011-12
Persons in the labour force (in millions)				
US	407.0	469.0	468.8	483.7
CDS	363.3	417.2	428.9	440.4
Persons and person days employed (in millions)				
US	398.0	457.9	459.0	472.9
CDS	336.9	382.8	400.8	415.7
Unemployment rate (in per cent)				
US	2.2	2.3	2.0	2.2
CDS	7.3	8.2	6.6	5.6

Source : Various survey rounds of the NSSO on employment and unemployment in India.

Note : US (principal + subsidiary) measures employment in persons, CDS measures employment in person days.

employment was 1.2 per cent and 2.6 per cent against 2.8 per cent and 0.8 per cent in the labour force respectively for the same periods.

9.17 There have also been structural changes: for the first time, the share of the primary sector in total employment has dipped below the halfway mark (declined from 58.5 per cent in 2004-05 to 48.9 per cent in 2011-12), while employment in the secondary and tertiary sectors increased to 24.3 per cent and 26.8 per cent respectively in 2011-12 from 18.1 per cent and 23.4 per cent respectively in 2004-05. Self-employment continues to dominate, with a 52.2 per cent share in total employment. What is critical is the significant share of workers engaged in low-income-generating activities.

9.18 There are other issues of concern like poor employment growth in rural areas, particularly among females. Though employment of rural males is slightly better than that of females, long-term trends indicate a low and stagnant growth. Such trends call for diversification of livelihood in rural areas from agriculture to non-agriculture activities. In order to improve generation of productive employment under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the Intensive and Participatory Planning Exercise (IPPE) has been initiated to prepare the labour

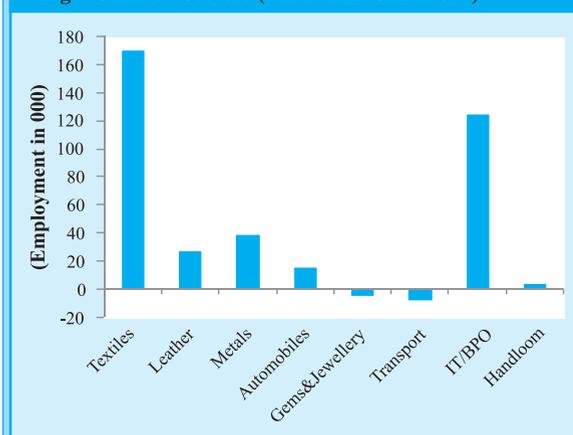
budget for financial year 2015-16 in selected 2500 backward blocks using participatory rural appraisal technique. Emphasis has been laid on agriculture and allied activities to ensure that at least 60 per cent of the works in a district in terms of cost is for creation of productive assets linked to agriculture and allied activities through development of land, water, and trees.

9.19 A major impediment to the pace of quality employment generation in India is the small share of manufacturing in total employment. However data from the sixty-eighth NSSO round (2011-12) indicates a revival in employment growth in manufacturing from 11 per cent in 2009-10 to 12.6 per cent in 2011-12. This is significant given that the National Manufacturing Policy 2011 has set a

Box 9.2 : Quarterly Survey Report on Employment in India

The twenty-second Quarterly Quick Employment Survey for the period April-June 2014 was conducted in the month of July 2014. A total of 2200 sample units were covered for the quarter ending June 2014. Comparing the result of last four surveys over the period June 2013 to June 2014 in the eight selected sectors, employment has increased by about 0.4 million (Figure 9.2). At overall level, employment increased by 182,000 (close to 0.2 million) during the quarter ended June 2014 over the quarter ended March 2014. At industry level, the highest jump in employment is observed in the textile including apparel sector, where employment has increased by 69,000 during June 2014 over March 2014, followed by 51,000 in IT/BPOs, 47,000 in metals, 7000 each in leather and gems & jewellery and 1000 in the automobiles sector.

Figure 9.2: Employment Generation (in 000) in Eight Selected Sectors (June 2013- June 2014)



Source : Labour Bureau.

target of creating 100 million jobs by 2022. Promoting growth of micro, small, and medium enterprises (MSME) is critical from the perspective of job creation which has been recognized as a prime mover of the development agenda in India. Although total informal employment increased by 9.5 million to 435.7 million between 2004-05 and 2011-12, it is significant that informal unorganized-sector employment declined by 5.8 million to 390.9 million, leading to an increase in informal organized-sector employment by 15.2 million. Consequently the share of unorganized labour has declined from 87 per cent to 82.7 per cent (Table 9.2).

Table 9.2 : Share of Formal-Informal Employment across Organized –Unorganized Sectors in 2011-12 and 2004-05 (in per cent)

	Organized	Unorganized	Total
Formal	45.4 (52)	0.4 (0.3)	8.1 (7.3)
Informal	54.6 (48)	99.6 (99.7)	91.9 (92.7)
Total	17.3 (13)	82.7 (87)	100

Source : Niti Aayog.

Note : Population projected for year 2004-05 and 2011-12 using decadal population growth rate between Census 2001 and 2011. Figures in brackets pertain to 2004-05

9.20 NSSO rounds are quinquennial and therefore information on the employment/unemployment situation in the country is available only after a gap of five years. To make available data in the interregnum, the Labour Bureau conducts household employment-unemployment surveys on annual basis and has also been bringing out quarterly survey reports on the effects of the economic slowdown on employment in select sectors in India since 2009. The results of the latest quarterly summary on employment, July 2014 (Box 9.2), indicate an increase in employment by 3.5 million since the first survey.

9.21 The US unemployment rate is generally regarded as the measure of chronic open unemployment during the reference year; while the CDS is considered a comprehensive measure of unemployment, including both chronic and invisible unemployment. Thus, while chronic open unemployment rate in India hovers around a low

of 2 per cent, it is significant in absolute terms. The number of unemployed people (under US) declined from 11.3 million during 2004-05 to 9.8 million in 2009-10 but again increased to 10.8 million in 2011-12. However, based on the CDS the number of unemployed person days declined from 34.3 million in 2004-05 to 28.0 million in 2009-10 and further to 24.7 million in 2011-12. Thus there has been a significant reduction in chronic and invisible unemployment from 8.2 per

cent in 2004-05 to 5.6 per cent in 2011-12 (Table 9.1). Despite only a marginal growth in employment between 2009-10 and 2011-12, the reason for the decline in unemployment levels could be that an increasing proportion of the young population opts for education rather than participating in the labour market. This is reflected in the rise in enrolment growth in higher education from 4.9 million in 1990-91 to 29.6 million in 2012-13 (Provisional).

Box 9.3 : Labour reform measures

- (1) The Apprentice Act 1961 was amended on 18.12.2014 to make it more responsive to industry and youth. The Apprentice Protsahan Yojana was also launched to support MSMEs in the manufacturing sector in engaging apprentices. Government is also working affirmatively to bring a single uniform law for the MSME sector to ensure operational efficiency and improve productivity while ensuring job creation on a large scale.
- (2) A unified labour portal scheme called ShramSuvudha Portal has been launched for timely redressal of grievances and for creating a conducive environment for industrial development. Its main features are: (i) Unique Labour Identification Number (LIN) allotted to around 0.7 million units facilitating online registration; (ii) filing of self-certified, simplified single online return instead of 16 separate returns by industry; (iii) transparent labour inspection scheme via computerized system as per risk-based criteria and uploading of inspection reports within 72 hours by labour inspectors.
- (3) **Under Employees' State Insurance Corporation (ESIC) Project Panchdeep:** Digitization of internal and external processes to ensure efficiency in operations, especially services to employers and insured persons. The portal enables employers to file monthly contributions, generate temporary identity cards and create monthly contribution challans online, issue of pehchan card for insured persons for fast and convenient delivery of services. Through the IP Portal, insured persons can check contributions paid/payable by employers, family details, entitlement to various benefits, and status of claims. Integration of its services will promote ease of business and curb transaction costs.
- (4) **Under Employees Provident Fund (EPF):** Digitization of complete database of 42.3 million EPF subscribers and allotment of universal account number (UAN) to each member, which facilitates portability of member accounts. UAN is being seeded with bank account, Aadhar Card and other KYC details to promote financial inclusion. Direct access to EPF accounts will enable members to access and consolidate previous accounts. Online pensioners can view their account and disbursement details online. The statutory wage ceiling under the Employees Provident Fund and Miscellaneous Provisions (EPF&MP) Act was enhanced to Rs. 15000 per month from 01.09.2014. A minimum pension of Rs.1000 has been introduced for pensioners under the Employees' Pension Scheme 1995 w.e.f 01.09.2014.
- (5) **For Unorganized Workers:** The Rashtriya Swasthya Bima Yojana (RSBY) is a scheme under the Unorganized Workers' Social Security Act 2008. It is a smart card-based cashless health insurance scheme, including maternity benefit, which provides a cover of Rs 30,000 per family per annum on a family floater basis to below poverty line (BPL) families in the unorganized sector. It is proposed to extend the RSBY to all unorganized workers in a phased manner.
- (6) A **National Council for Vocational Training-Management Information System (NCVT-MIS)** portal has been developed for streamlining the functioning of Industrial Training Institutes (ITI), Apprenticeship Scheme, and assessment/certification of all NCVT training courses.
- (7) **The National Career Service(NCS)** is being implemented as a mission mode project to transform the National Employment Service and provide various job-related services such as online registration of job seekers and job vacancies, career counselling, vocational guidance, and information on skills development courses, internships, and apprenticeship.

Source : Ministry of Labour and Employment.

Labour Reforms

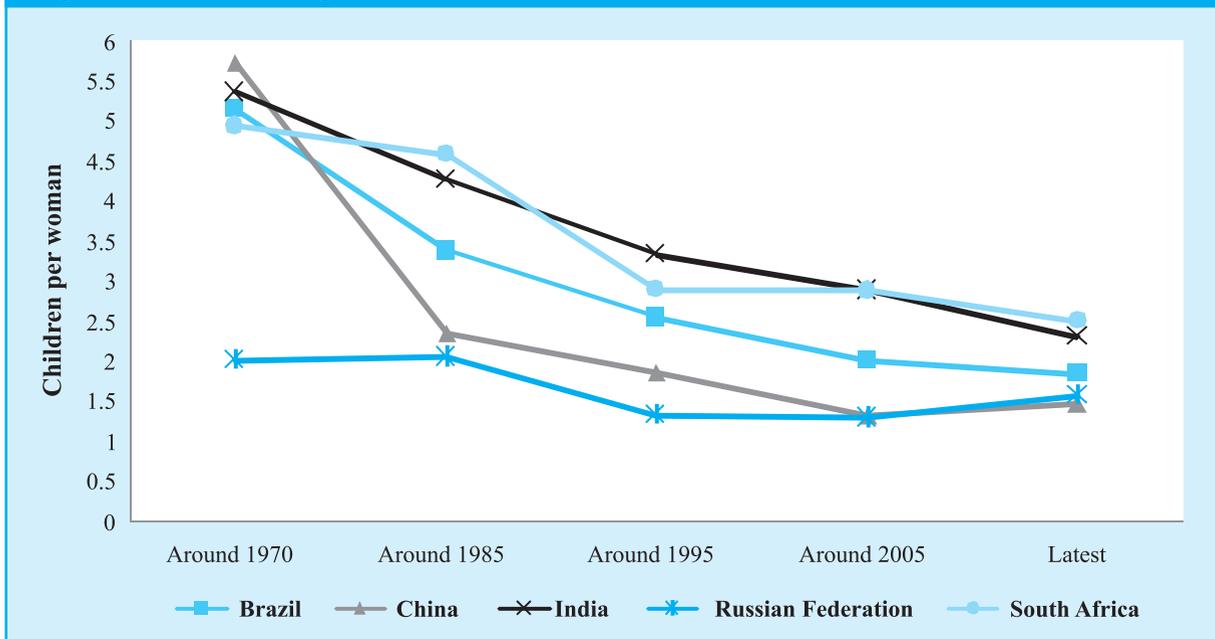
9.22 Significant improvement in industrial harmony in India is evident from the fact that mandays lost on account of strikes and lockout have been steadily declining: from 17.6 million in 2009 to 14.46 million in 2011, and further to 3.65 million (Provisional) during 2013 and 1.79 million (Provisional) from January 2014 to 9 December 2014.

9.23 The multiplicity of labour laws and difficulty in complying with them has always been cited as an impediment to industrial development in India. In a major initiative for ensuring compliance and promoting ease of doing business, the government has initiated a number of labour reform measures (Box 9.3). Thus amendments have been proposed to labour laws to align them with the demands of a changing labour market. Individually, states like Rajasthan have also introduced major reforms in three labour legislations: the Industrial Disputes Act, Factories Act, and Contract Labour Act.

TOWARDS A HEALTHY INDIA

9.24 It is noteworthy that India's total fertility rate (TFR) has been steadily declining and is now at 2.3; while state-wise disparities exist, a declining trend is recorded across states, explaining the declining growth rate of population. Figure 9.3 gives the comparative trends in TFR across BRICS nations (Brazil, Russia, India, China and South Africa). India is set to reach the UN Millennium Development Goals (MDG) with respect to maternal and child survival. The MDG for maternal mortality ratio (MMR) is 140 per 100,000 live births, while India had achieved 178 by 2010-12 and is estimated to reach 141 by 2015. The under-5 mortality rate (U5MR) MDG is 42, while India has an U5MR of 52 and is expected to reach 42 by 2015. This is particularly creditable as in 1990 India's MMR and U5MR were 47 per cent and 40 per cent above the international average respectively. However, significant effort is required to improve the rate of decline of still-births and neonatal mortality, which have been lower/ stagnant in some states. While overall death rates have been

Figure 9.3: TFR among BRICS Nations



Source : World Fertility Data 2012, United Nations, Department of Economic and Social Affairs Population Division, Fertility and Family Planning Section; Census of India 2011.

Note : The reference year for the latest data varies – it is 2006 for South Africa, 2008 for Brazil and China, 2010 for the Russian Federation, and 2011 for India taken from Census data.

declining, owing to improvement in health accessibility and facilities, SRS (2013) reports that a significant 30 per cent of all deaths occur in the age group 0-4 years; the percentages are higher for girl children in both rural and urban areas.

9.25 A direct relationship exists between water, sanitation, health, nutrition, and human well-being. Consumption of contaminated drinking water, improper disposal of human excreta, lack of personal and food hygiene, and improper disposal of solid and liquid waste are major causes of diseases in developing countries like India. The Swachh Bharat Mission (Gramin) launched on 2 October 2014 aims at attaining an open defecation free (ODF) India by 2 October 2019, by providing access to toilet facilities to all rural households and initiating Solid and Liquid Waste Management activities in all gram panchayats to promote cleanliness. **Box 9.4** provides examples of good practices that have replication potential. Together with capacity building efforts by multiple agencies including Panchayati Raj institutions (PRIs), field-level implementers, organizations of high repute identified as key resource centres (KRCs), self-help groups, women's groups, convergence with other state departments like Health, Women & Child Development, and Panchayati Raj, provision has been made for incentivizing accredited social health activists (ASHAs) and anganwadi workers to promote sanitation. Guidelines are also in place to involve corporates in the sanitation sector through corporate social responsibility.

9.26 In order to improve the availability of drinking water in rural areas, 20,000 solar power based water supply schemes have been approved under the National Rural Drinking Water Programme (NRDWP) across all the states for their habitations located in far-flung / hilly areas or where availability of electricity is a constraint.

9.27 Mission Indradhanush was launched on 25 December 2014 with the aim of covering all those children who are either unvaccinated or are partially vaccinated against seven vaccine-preventable diseases which include diphtheria, whooping cough, tetanus, polio, tuberculosis, measles, and

Box 9.4 : Examples of Good Practices

Mundla Village of Ichawar Block in Sehore district – 100 per cent sanitized village

Before the launch of the Global Water, Sanitation and Hygiene for All (WASH) campaign in Mundla village on in February 2014, there were four functional toilets in the village. As of 2 October 2014, the village has been declared an ODF village. The efforts of villagers have converted it into a hygienic and 100 per cent sanitized village.

Asia's Cleanest Village

Mawlynnong in Meghalaya is a model that showcases how collective effort can help a village find a place on the tourism map. The village has 80 households, of which 29 are below poverty line (BPL). Being awarded the Asia's Cleanest Village award has resulted in an increase in the number of tourists to this village. The villagers have also constructed two tree houses with eco-friendly materials such as bamboo, which provide a magnificent bird's-eye view of the beautiful and clean village and a panoramic view of Bangladesh villages, a few miles away.

Source : Ministry of Drinking Water and Sanitation.

hepatitis B by 2020. The intensification of immunization activities will be carried out in 201 high focus districts in the first phase and 297 districts will be targeted for the second phase in 2015.

9.28 With the goal of providing holistic health solutions, the erstwhile Department of AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy) has been elevated to a full-fledged ministry from 9 November 2014. The basic objective of the National AYUSH Mission (NAM) is to promote AYUSH medical systems through cost-effective AYUSH services and strengthening of educational systems. Steps are also underway for including yoga in the regular education curriculum. Paying heed to the Prime Minister's exhortation during his address to the UN General Assembly in September 2014, the UN has declared 21 June International Yoga Day.

9.29 Given the multiple determinants of health, it is clear that a prevention agenda that addresses the social and economic environment requires cross-sectoral, multi-level interventions that involve

Table 9.3 : Number and Percentage of Poor*

Year	Poverty line (in ₹)		Number of poor (million)			Poverty ratio (per cent)		
	Rural	Urban	Rural	Urban	Total	Rural	Urban	Total
2004-05	446.68	578.80	326.3	80.8	407.1	41.8	25.7	37.2
2011-12	816.00	1000.00	216.5	52.8	269.3	25.7	13.7	21.9

Source: Neeti Aayog, * Estimated by Tendulkar Method.

sectors such as food and nutrition, education, drinking water and sanitation, housing, employment, industrial and occupational safety, welfare including social protection, family and community services, tribal affairs, and communications.

POVERTY

9.30 The latest estimates of poverty are available for the year 2011-12. These estimates have been made following Tendulkar Committee methodology using household consumption expenditure survey data collected by the NSSO in its sixty-eighth round (2011-12). Over a span of seven years the incidence of poverty declined from 37.2 per cent to 21.9 per cent in 2011-12 for the country as a whole, with a sharper decline in the number of rural poor (Table 9.3).

HUMAN DEVELOPMENT: INTERNATIONAL COMPARISON

9.31 The 2014 Human Development Report (HDR) presents the Human Development Index (HDI) values and ranks for 187 countries in terms of three basic parameters: to live a long and healthy life, to be educated and knowledgeable, and to enjoy a decent standard of living. India's HDI value for 2013 is 0.586, positioning the country at 135 out of 187 countries and territories—the lowest among the BRICS countries, with Russia at 57, Brazil at 79, China at 91, and South Africa at 118, and slightly ahead of Bangladesh and Pakistan. Significantly, while China improved its ranking by ten places between 2008 and 2013, India's position improved by just one rank (Table 9.4). Thus a lot remains to be done to bridge the gap.

Table 9.4 : Trends and India's Position in Global HDI 2013

Country	HDI 2013		Change in rank		GNI per capita 2013(\$)	LEB (years) 2013	Mean year of schooling (years) 2012 a	Expected year of schooling (years) 2012 a	Income Inequality		GII 2013	
	Value	Rank	over 2012-13	Between 2008 & 2013					Quintile income ratio 2003-12	Gini-co-efficient 2003-12	Value	Rank
Norway	0.944	1	0	0	63,909	81.5	12.6	17.6	...	25.8	0.068	9
US	0.914	5	0	-2	52,308	78.9	12.9	16.5	...	40.8	0.262	47
Germany	0.911	6	0	-1	43,049	80.7	12.9	16.3	...	28.3	0.046	3
UK	0.892	14	0	-2	35,002	80.5	12.3	16.2	7.2	36.0	0.193	35
Russian Fed.	0.778	57	0	0	22,617	68.0	11.7	14.0	7.3	40.1	0.314	52
Sri Lanka	0.750	73	2	5	9,250	74.3	10.8	13.6	5.8	36.4	0.383	75
Brazil	0.744	79	1	-4	14,275	73.9	7.2	15.2	20.6	54.7	0.441	85
China	0.719	91	2	10	11,477	75.3	7.5	12.9	10.1	42.1	0.202	37
South Africa	0.658	118	1	2	11,788	56.9	9.9	13.1	25.3	63.1	0.461	94
India	0.586	135	0	1	5,150	66.4	4.4	11.7	5.0	33.9	0.563	127
Bangladesh	0.558	142	1	2	2,713	70.7	5.1	10.0	4.7	32.1	0.529	115
Pakistan	0.537	146	0	-1	4,652	66.6	4.7	7.7	4.2	30.0	0.563	127
World	0.702	-	-	-	13,723	70.8	7.7	12.2			0.451	-

Source : HDR 2014.

Notes : \$: GNI (gross national income) is based on 2011 dollar purchasing power parity (PPP).

GII is Gender Inequality Index. LEB is life expectancy at birth : Data refers to 2012 or the most recent year available.

9.32 India's HDI is also below the average of countries in both the medium human development group (0.614) and in South Asia (0.588). Between 1980 and 2013, India's life expectancy at birth (LEB) increased by 11.0 years, mean years of schooling increased by 2.5 years, and expected years of schooling increased by 5.3 years while gross national income (GNI) per capita increased by about 306.2 per cent. As compared to BRICS nations and some neighbouring countries, India reports the least mean years of schooling and an LEB that is just above that of South Africa. Bangladesh, with less GNI per capita than India, has a much higher LEB and mean years of schooling. China, which recorded a slightly higher HDI than India in 1980, has widened the margin in 2013 (Table 9.5). The existing gap in health and education indicators between India and developed countries and also many developing countries

highlights the need for much faster and wider spread of basic health and education, as reflected by China and Sri Lanka.

9.33 In terms of gender equality, the HDR ranks India 127 out of 152 countries with a Gender Inequality Index (GII) of 0.563. The GII for 149 countries reveals the extent to which gender inequality erodes national achievements in reproductive health, empowerment and labour market participation. A comparison with India's developing country peers in the G20 grouping also shows India in poor light on gender equality issues. Unlike the HDI, a higher GII value indicates poor performance (Table 9.6).

9.34 The Gender Development Index (GDI), defined as a ratio of the female to male HDI measures gender inequality according to three basic parameters of human development: health (LEB),

Table 9.5 : HDI Component Indices of Select Countries 2013 and 1980

Country	HDI 2013					HDI 1980				
	LEB (years)	Expected years of schooling (years)	Mean years of schooling (years)	GNI per capita (\$)	HDI Value	LEB (years)	Expected years of schooling (years)	Mean years of schooling (years)	GNI per capita (\$)	HDI Value
Russian Fed.	68.0	14.0	11.7	22,617	0.778	67.4	12.2	7.1		
Sri Lanka	74.3	13.6	10.8	9,250	0.750	68.2	10.0	7.1	2,475	0.569
Brazil	73.9	15.2	7.2	14,275	0.744	62.7	9.9	2.6	9,154	0.545
China	75.3	12.9	7.5	11,477	0.719	67.0	8.4	3.7	690	0.423
South Africa	56.9	13.1	9.9	11,788	0.658	56.9	11.1	4.8	9,756	0.569
India	66.4	11.7	4.4	5,150	0.586	55.4	6.4	1.9	1,268	0.369
Bangladesh	70.7	10.0	5.1	2,713	0.558	54.9	4.9	2.0	1,021	0.336
Pakistan	66.6	7.7	4.7	4,652	0.537	58.0	3.7	1.8	2,376	0.356

Source : HDR 2014.

Notes : \$: GNI (gross national income) is based on 2011 dollar purchasing power parity (PPP).

LEB is life expectancy at birth : Data refers to 2012 or the most recent year available.

Table 9.6 : GII Component Indices of Select Countries 2013

Country	Gender Inequality Index		MMR 2010 (death per 1 lakh life birth)	Adolescent birth rate 2010-2015 (per 1000 women ages 15-19)	Share of women seats in parliament 2013 (%)	25+, female population with at least some secondary education 2005-2012 (%)	25+, male population with at least some secondary education 2005-2012 (%)	15+, female labour force participation rate 2012 (%)	15+, male labour force participation rate 2012 (%)
	value 2013	rank 2013							
Argentina	0.381	74	77	54.4	37.7	57.0	54.9	47.3	75.0
Russian Federation	0.314	52	34	25.7	12.1	89.6	92.5	57.0	71.4
Brazil	0.441	85	56	70.8	9.6	51.9	49.0	59.5	80.9
China	0.202	37	37	8.6	23.4	58.7	71.9	63.8	78.1
Indonesia	0.500	103	220	48.3	18.6	39.9	49.2	51.3	84.4
South Africa	0.461	94	300	50.9	41.1	72.7	75.9	44.2	60.0
India	0.563	127	200	32.8	10.9	26.6	50.4	28.8	80.9

Source : HDR 2014.

education (expected years of schooling for children and mean years for adults aged 25 years and older); and command over economic resources (estimated GNI per capita). Country rankings are based on absolute deviation from gender parity in HDI. The GDI is calculated for 148 countries. The female HDI value for India is 0.52 as compared to 0.63 for males, resulting in a GDI value of 0.828. In comparison, Bangladesh and China are ranked higher with values of 0.908 and 0.939 respectively (Table 9.7).

9.35 Thus, while India is in the bottom 25 per cent of all countries on the HDI, it ranks in the bottom 20 per cent on the GII. These statistics reflect the high levels of gender inequality in India and the poor status of women and girls in Indian society. India is a signatory to the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), which is often described as an international bill of rights for women. It defines discrimination against women and sets the agenda for national action to end violations of women's rights. An important element of CEDAW is its affirmation of women's reproductive rights, including the right to determine the number and spacing of children and equal access to family planning. Unfortunately in India there is an increasingly disproportionate emphasis on women's sterilization; thus tubectomies account for a whopping 97.5 per cent of all sterilization operations in 2013-14 (a massive jump from 78.6 per cent in the 1980s). This runs counter to our

goals of achieving gender equality and women's empowerment. Sterilization constitutes 75 per cent of India's contraceptive use. It is unparalleled in any country in the world today. The closest is Latin America where it forms 40 per cent of all contraceptive methods.

9.36 Another concern is the secular decline in the child sex ratio (CSR— girls per 1000 boys aged 0-4 or 0-6) in India from 976 in 1961 to 918 in 2011; the SRS (2013) reports a figure of 909 for 2011-13. Globally CSR is calculated as boys per 100 girls. Comparatively, in Asia and the Pacific, the CSR (boys per 100 girls aged 0-14) was 110 in 2012, much higher than the sex ratio under natural conditions (105). While China's CSR declined from 121 in 2010 to 117 in 2012, India's CSR increased from 109 to 111 over the same period. Figure 9.4 gives the trends in CSR in select countries in Asia between 1990 and 2012.

9.37 The UN General Assembly in 1993 defined violence against women as "any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women." Consequently, apart from violence against married/adult women, excess female child mortality, female infanticide, and child marriage are also considered violence against the female gender. The implementation of the Protection of Women from Domestic Violence Act 2005 (PWDVA) is weak, as nineteen states have no planned schemes.

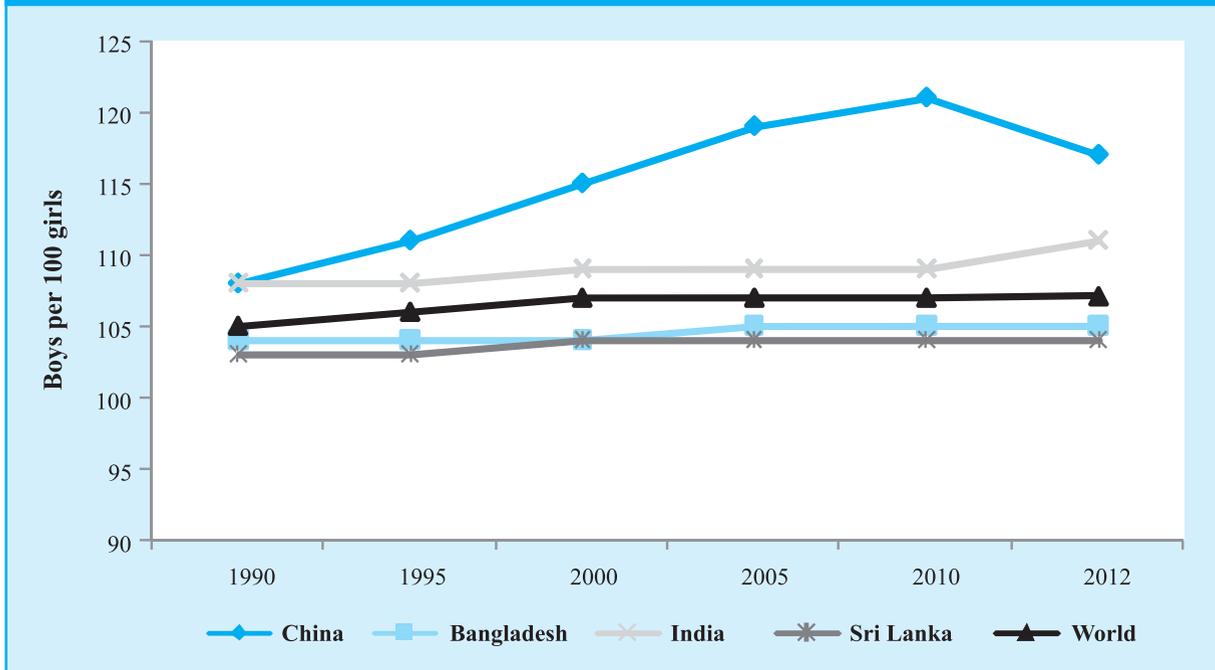
Table 9.7 : GDI Component Indices of Select Countries 2013

Country	GDI 2013		HDI value		LEB	Mean years		Expected years		Estimated GNI		
	Ratio of	Rank	2013		(years)	of schooling		of schooling		per capita (\$)		
	Female		Female	Male	2013	2002-2012	2000-2012	2000-2012	2013	Female	Male	
	HDI 2013					Female	Male	Female	Male	Female	Male	
Sri Lanka	0.961	66	0.72	0.75	77.4	71.2	10.7	9.4	13.9	13.4	5078	13616
China	0.939	88	0.70	0.74	76.7	74.1	6.9	8.2	13.0	12.8	9288	13512
India	0.828	132	0.52	0.63	68.3	64.7	3.2	5.6	11.3	11.8	2277	7833
Bangladesh	0.908	107	0.53	0.58	71.5	69.9	4.6	5.6	10.3	9.7	1928	3480
Pakistan	0.750	145	0.45	0.60	67.5	65.7	3.3	6.1	6.9	8.4	1707	7439

Source : HDR 2014.

Notes : \$: GNI (gross national income) is based on 2011 dollar purchasing power parity (PPP).

GDI is Gender Development Index. LEB is life expectancy at birth : Data refers to 2012 or the most recent year available.

Figure 9.4: Trends in Child Sex Ratio in Select Asian Countries

Source : Statistical Yearbook for Asia and the Pacific 2013.

9.38 Appropriately a new scheme, Beti Bachao Beti Padhao (BBBP) Programme, for promoting survival, protection, and education of the girl child was launched on 22 January 2015 at Panipat, Haryana, a state that is noted for the lowest CSR – 835 (SRS 2013). It aims to address declining CSR through a mass campaign targeted at changing social mind set and creating awareness about the criticality of the issue. The overall goal of the BBBP programme is to celebrate the girl child and facilitate her education with the objectives of preventing gender-biased sex-selective elimination, ensuring survival and protection, and education of the girl child.

9.39 Comparison of select socio-economic development indicators of states is given in Appendix Table 9.8.

FOSTERING INCLUSIVE GROWTH

9.40 Indian development planning has focused on formulation of programmes and policies aimed at bringing the marginalized and poor sections of society into the main stream. The government has been implementing many such programmes for social and financial inclusion. The disbursement of

benefits needs a systematic channel which will provide for financial empowerment and make monitoring easier and the local bodies more accountable. The Pradhan Mantri Jan Dhan Yojna (PMJDY) launched on 28 August 2014 and the RuPay Card, which is a payment solution, are important schemes in this regard. These two schemes are complementary and will enable achievement of multiple objectives such as financial inclusion, insurance penetration, and digitalization.

9.41 Government has restructured and fine-tuned a number of ongoing programmes based on the field experience to make them need based. These are listed in Appendix Page A141-A145. To facilitate coordinated functioning of various social infrastructure and human development programmes, the government has launched the Sansad Adarsh Gram Yojna (SAGY) which will be implemented through the convergence and implementation of existing government programmes. In addition, the Vanbandhu Kalyan Yojna will be implemented in one block each of ten states that have Fifth Schedule areas.

9.42 Given the multiple schemes implemented to foster inclusive growth, the role of Panchayati

Box 9.5 : Need to Strengthen Village Panchayats and ULGs

The 73rd and 74th Constitutional Amendments marked a watershed in the history of decentralized governance, planning, and development in India as these made panchayats and ULGs the third tier of government with reasonable power and authority in addition to creating space for women and marginalized groups in the federal set-up. Decentralized democracy was also extended to Fifth Schedule areas through the provisions of another Panchayat (Extension to the Scheduled Areas) Act 1996 known as the Extension Act which not only made the gram sabha a strong body, but also put '*jal, jungle, and jamin*' (water, forest, and land) under its control. These central acts, however, instead of clearly specifying the powers and functions of panchayats and municipalities, have left it to the discretion of state governments. Articles 243 G and 243 W of these acts decree that the legislature of a state may, by law, endow the panchayats/municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government. Such law may also contain provisions for devolution of powers and responsibilities upon panchayats/ municipalities, subject to such conditions as may be specified therein, with respect to the preparation of plans and implementation of such schemes for economic development and social justice as may be entrusted to them. These may include inter alia schemes and plans in relation to socio-economic development and providing basic services as listed in the Eleventh and Twelfth Schedules of the constitution.

Article 243 ZD of the 74th Amendment Act providing for constitution of district planning committees (DPC) by the state government in every district is a milestone in decentralized planning with people's participation. These committees are expected to consolidate the plans prepared by the panchayats and municipalities in the district and prepare a draft development plan for the district as a whole. DPCs have been set up in most of the states. Much of implementation of these panchayat acts, i.e. power-sharing with panchayats / ULGs, is left to the states. Over the years panchayats and ULGs have not been strengthened in terms of functions, finances and functionaries (triple Fs) with regard to preparation of plans and the listed subjects.

These amendment acts have the potential of becoming true vehicles for carrying out the government's slogan of less government—more governance if an atmosphere of general consensus to adopt it is created among all the states. In order to convert outlays of the panchayat /municipality-centric programmes into outcomes, these institutions need greater awareness, responsibility, and accountability, which will also enable better connect of these programmes with the common man. There needs to be greater devolution of powers to the panchayats and municipalities in respect of the triple Fs in a phased manner. The majority of panchayat/municipality-centric programmes do have earmarked funds for awareness generation and capacity building. These funds across ministries need to be pooled together under the Panchayati Raj Ministry and Ministry of Urban Development to make infrastructure and capacity building of panchayats and municipalities a continuous and regular process. This will enable panchayats and municipalities to understand not only their role and rights but also their responsibilities and will make them accountable, bringing about qualitative improvement in governance at decentralized level. Such facilitation by the government will transform panchayats and municipalities into vibrant institutions and enable them to perform their envisaged role in participatory planning, implementation, execution, monitoring, and supervision and also carry out social audit of all panchayat/ municipality-centric programmes including the Swachh Bharat Mission.

Raj institutions and urban local governments (ULG) is critical (**Box 9.5**).

DEMOGRAPHIC DIVIDEND AND RELATED POLICY INTERVENTIONS

9.43 A declining 0-14 population will impact both elementary (5-14 age group) and higher education (15-29 age group). Elementary education can be further subdivided into primary (5-9 age group) and middle/upper primary (10-

14 age group). The first stage of impact will be felt in declining enrolment in primary schools. As stated earlier, total enrolment in primary schools has fallen in 2013-14 while upper primary enrolment has grown. The dependency ratio for India is expected to fall from 54 per cent in 2010 to 49 per cent in 2020. In this scenario, given interstate disparities, states that are already facing this situation need to adopt specific policy measures in the field of education, wherein, instead of expanding the number of primary schools, focus should be on (i)

improving access to education considering the high dropout rates among senior students; (ii) removing gender disparity especially in the higher age group and in rural areas; and (iii) improving quality of education, including pupil-teacher ratios and provision of amenities in schools, especially in view of the declining learning levels.

9.44 The lag in demographic transition between different states that necessitates state-specific policies to optimally garner the benefits of the demographic dividend. Owing to substantial fertility decline in the south during the last two decades, the south is ahead in the demographic transition compared to the north, thereby the window is already wide open in the south compared to the north. For instance, the projected average age of 29 years in 2020 has already been surpassed in some states like Kerala (33 years), Goa (32.3), Tamil Nadu (31.3), Himachal Pradesh

(30.4), Punjab (29.9), Andhra Pradesh (29.3), and West Bengal (29.1). Comparative picture of five states each with lowest and highest average age is shown in Figure 9.5.

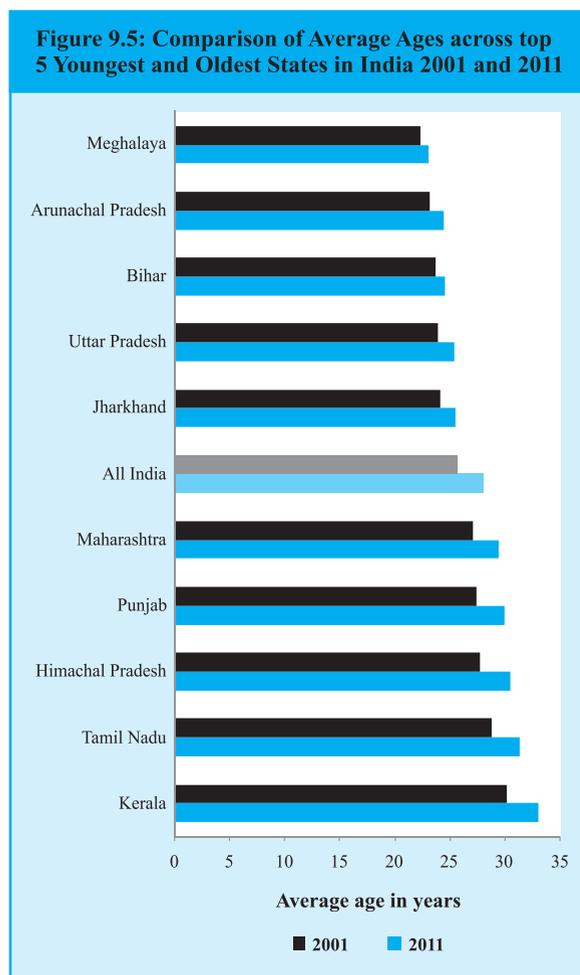
9.45 This lag in demographic transition among states in India could turn out to be a great blessing from the point of view of coping with the problem of declining population. India is better placed in this respect than most other countries. Thus states already well into the demographic window should actively pursue policies for employment generation to the already bulging labour force, while states just entering the window period have some time to plan and must pursue policies simultaneously in several areas like education, health (including reproductive health), gender issues, and employment generation from now on so that they can fully utilize the opportunity.

TRENDS IN INDIA'S SOCIAL-SECTOR

EXPENDITURE

9.46 Reserve Bank of India (RBI) data on expenditure on social services by the general government (centre and states) as a proportion of total expenditure has also been showing a mixed trend. It had declined to 22.9 per cent in 2012-13 from 24.7 per cent in 2010-11 but increased to 24.1 per cent in 2013-14 (RE) and declined again to 22.3 per cent in 2014-15 (BE). As a percentage of the GDP, expenditure on social services has declined from 6.9 per cent in 2009-10 to 6.7 per cent in 2014-15 (BE), with expenditure on education increasing from 3.0 per cent to 3.1 per cent and on health declining from 1.4 per cent to 1.2 per cent. There was a consistent rise in absolute social-sector expenditure by the general government (centre+state) even during the global crisis of 2008-09 and Euro area crisis of 2011-12, from ₹ 3,80,628 crore during 2008-09 to ₹ 5,80,868 crore in 2011-12 and further to ₹ 8,68,476 crore (BE) during 2014-15 (Appendix Table 9.9).

9.47 Government spending on healthcare in India is only 1.2 per cent of GDP which is about 4 per cent of total government expenditure, less than



Source : Based on census 2001 and 2011.

30 per cent of total health spending. The failure to reach minimum levels of public health expenditure remains the single most important constraint to attaining desired health outcomes. While it is important to recognize the growth and potential of a rapidly expanding private sector, international experience shows that health outcomes and financial protection are closely related to absolute and relative levels of public health expenditure.

CONCLUSION

9.48 With women accounting for nearly 48 per cent of India's population (Census 2011), there is need to ensure and safeguard their place in the socio-economic milieu. Since this requires a change in the patriarchal mindset of the larger population, government has to continue to be a proactive facilitator of this change through consistent policies. India aims to be in the top 50 countries of the Doing Business ranking; it must at the same time endeavour to be in the top 50 countries in HDI

and GII rankings. Low levels of education and skill deficit are responsible for low income levels of a large majority of the labour force, thereby perpetuating inequality. Consequently, the government's thrust on skill development as well as 'Make in India' aims at improving employability and generating employment avenues. Since demographic predictions warn that the promise of the demographic dividend will not last long, in any case not beyond 2050, India needs to take advantage of this demographic window in the next couple of decades. The challenge for the country now is in planning and acting towards converting its demographic 'burden' into enhanced opportunities for growth by dovetailing the quality of manpower to the requirements of employers (off-farm, industry, and services sectors), both domestic and international. For this intention to translate into reality, a 'bottom-up' approach using Panchayati Raj institutions and ULBs as agents of change is the need of the hour.