

First Five Year Plan Strategy

Planning means thinking before action! It is a scientific process based on information and reasoning. Two of its principal aims are the determination of priorities and the optimum utilization of resources. Planned economic development started in India with the First Five Year Plan (which commenced from April 1, 1951).

The First Five Year Plan (1951-56) of Himachal Pradesh did not make any explicit mention of the objectives underlying it, but simply followed the national pattern. At the national level, the First Five Year Plan of India had a two-fold objective: (a) correcting the disequilibrium in the economy caused by the war and partition of the country and (b) initiating a process of all-round balanced development to ensure a rising national income and a steady improvement in living standards over a period. The aim was not merely to plan within the existing socioeconomic framework, but to change this framework progressively and by democratic methods.

In brief, the central objective of the First Five Year Plan of Himachal Pradesh was *"to initiate a process of development which will raise living standards and open out to people new opportunities for a richer and varied life."*¹

The first and foremost problem which required immediate attention was food shortage prevailing in many parts of the State. Looking towards other important and pressing needs of the State, it was imperative to lay emphasis on the development of roads and road-transport; provision of medical and public health facilities; improvement of livestock; expansion and improvement of existing education facilities; land reforms; and cottage industries, etc.²

The approach to the First Plan of Himachal Pradesh was: (a) top priority to transport and communications followed by social and community services and (b) agricultural development and cooperation. Transport and Communication programmes accounted for 46.2 per cent of the total plan outlay of Rs 52.7 million. Social and Community services got 19.8 per cent of the total budget. Agriculture and allied activities received 14.1 per cent, industries 1.7 per cent, and water power development 4.1 per cent of the total budget.

While assessing the achievements under the Plan for a State like Himachal Pradesh, with a difficult hilly terrain and lacking in resources, requiring trained and technical personnel for

1. First Five Year Plan: An Appraisal, p.1. Shimla: Directorate of Economics and Statistics, Himachal Pradesh Administration, 1958.
2. Ibid, p.3.

undertaking a maiden venture like the Plan, it has to be admitted that the State, despite unfavourable shortcomings in certain sectors, made spectacular advances in various spheres during the First Plan. Activities in respect to certain important sectors which occupied a prominent place in the development programme, undertaken during the First Plan are highlighted below.

Agriculture

Realising that the State was not self-sufficient in foodgrains, much emphasis was laid on raising the tempo of foodgrain production. Increases in agricultural production were envisaged through wider use of manure fertilizers, improved seeds, provision of more irrigation facilities, and consolidation of holdings. The impact of the extension service and cooperative movement was also contemplated to go a long way towards promoting the development of agriculture by mobilizing local resources and providing more credit for investment. Potato is the most important cash crop in the context of the State economy. Owing to their excellent quality and higher yields, a vigorous seed production drive was undertaken in Himachal Pradesh. Development of horticulture, for which the State is best suited, was another important feature of the Plan in terms of agricultural development. A scheme envisaging research on fruit plants, was drawn up and implemented during the Plan in various regions of the State. To increase vegetable cultivation in the State, a vegetable multiplication scheme was implemented so as to select and multiply high-yielding types of vegetables that suited different climatic regions of the State.

Livestock

In a predominantly rural based economy, the importance of livestock, in supplying motive power, and of milk, meat, wool, dung, and other raw materials needs no emphasis. Having cognizance of the low yield of milk, meat, and wool in Himachal Pradesh, improvement of livestock received the attention of the Government under the First Five Year Plan. The development programme regarding the animal husbandry sector in the State, envisaged improvement of livestock through scientific breeding and expansion of curative and preventive measures for disease control.

Forests

Forests occupy an important place in the economy of hilly areas. They provide timber, fuel, fodder, and various kinds of raw materials for industrial use. They serve as a very useful means of conserving soil and water resources. Most of the erstwhile Princely States, which merged into Himachal Pradesh in 1948, did not possess any forest administration in the sense in which it is visualised at present. In these States, forests were managed by the Revenue Department and were treated merely as revenue sources. No attention was paid to the maintenance and development of the much needed tree growth. Unplanned and indiscriminate exploitation of forest wealth resulted in an undesirable change on the face of the earth from green to naked barrenness³. Upon the formation of Himachal Pradesh in 1948, the Forest Department was organised under the administrative control of the Chief Conservator of Forests. Realising the importance of the demarcation of forest boundaries as a step towards avoiding encroachment and disputes, resulting in unnecessary litigations with private owners of land adjoining the forests, forest demarcation

3. First Five Year Plan: An Appraisal, H. P. Admn. p.25.

and fixation of *pucca* boundary-pillars took place. Besides, with a view to providing access to unaccessible forest areas in order to tap the unexplored forest resources, forest roads and paths were constructed. Other schemes drawn up under the First Plan were propagation of *bhabhar* grass, widely used as raw material for paper manufacture, in the low hills of Sirmaur District, and expansion and improvement of tourist traffic facilities in the State.

Power

In the development of the economy, power plays an important role. Besides, it is essential for providing present day amenities to the people. Before the First Plan, only a few places in the State could boast of having electricity. Due to high mountain ranges running across the State, the entire region lies divided into isolated valleys. In such a situation, a more practical and economic approach to the power problem had to be taken by treating the upper valleys and lower valleys separately. The lower valleys of Himachal Pradesh, lying near the plains of the Punjab and Uttar Pradesh, were left to be served by the big power projects of these States and, for the upper valleys, it was proposed that the streams flowing down from the snow lines be harnessed for power generation. In remote, interior areas of the State, where high costs of transmission were involved, local hydro-electric stations were planned to cater to the needs of such areas. Load surveys for hydro-power schemes were conducted throughout the State. No contractor to undertake the execution of schemes in this terrain was available. Therefore, the development work was undertaken departmentally. At the end of the First Five Year Plan, the amount of power generated from both hydel and diesel generating sets was as much as 520 kw, excluding 230 kw purchased from the Punjab⁴. The difficulties experienced by the Government in planning and undertaking power projects in this difficult hilly terrain were insurmountable and resulted in slow development (as envisaged).

Road Transport

Economic development, in a mountainous region like Himachal Pradesh, can hardly be visualised without an efficient road system. Prior to the nationalisation of transport in Himachal Pradesh in 1949, motor vehicles used to ply on 307 miles in the State, and the means of transport in larger interior areas of the State were mules, sheep, and goats. The chances for economic development, therefore, were very dim as long as the trade operations continued through headloads and pack animals. On motorable roads, too, the transport services were run by private bodies who had an insufficient number of vehicles that were mostly old and ill-suited for hill roads. Having cognizance of the inadequate transport arrangements, the Himachal Pradesh Government took a bold step by nationalising the transport system in the State. In view of the lack of developed road links, the development of roads was, therefore, the first need, and it was rightly allotted as high as 41.6 per cent of the total outlay of the First Plan. The main bottlenecks in the implementation of this programme were: (a) short span of time available for work at higher altitudes due to frequent suspension of work caused by rain and snowfall and (b) paucity of trained and experienced labour.

4. First Five Year Plan: An Appraisal, p 42.

Education, Medical Facilities, and Public Health

In Himachal Pradesh, development of education has received adequate attention from the beginning of the First Five Year Plan. Such action was necessary owing to the lack of a developed and organised educational system. In places where educational facilities existed, these were unevenly distributed between urban and rural areas, generally to the disadvantage of the latter. Education of women was sadly neglected. It was as a result of these inadequate educational facilities that the percentage of literacy was found to be as low as 5 per cent by the 1951 Census. The First Five Year Plan took cognizance of the much needed educational development in the State and 8.9 per cent of the total Plan provision was set aside for this purpose.

Physical health is an essential prerequisite for the prosperity of a region. The standard of health of the people of Himachal Pradesh, at the time of the preparation of the First Plan, did not stand in favourable comparison with that prevailing in many other States in India. The causes of ill health were low standard of nutrition and lack of adequate medical facilities. Under the First Plan, 11.1 per cent of the total plan provision was earmarked for medical and public health purposes⁵. A systematic approach was taken to combat various infectious diseases effectively. Action was taken to solve the long standing problem of drinking water supply as well.

A common criticism of the First Five Year Plan was that it had limited coverage and, as such, fell short of the requirements of the situation. Broadly, the policy laid down was one of balanced development - balance between (a) agriculture and industry and (b) between the private and public sectors. The investment programme in the public sector gave a comparatively high priority to transport and communications to the neglect of agriculture. Agriculture was the mainstay of life for about 90 per cent of the population, and productivity in this sector was exceedingly low. The Plan put great emphasis on long-term, slow-yielding projects (viz. transport and communications) which had little relevance to the immediate problems of 'grow more food' or 'agricultural development'. These road construction projects helped in diverting a substantial working population away from agriculture, since the most serious drawback in the State was in the field of employment. The agriculturists, therefore, were not in a position to utilize fully the benefits of these projects.

As far as specific achievements are concerned, there were quite a few fields in which achievements were significant. Something more vital has to be read into the aforesaid statistics than is manifest on the surface. It was the foundation laid for future growth by developing the infrastructural facilities of transport and communications and social and community services.

A significant achievement was made in the agricultural field through land reforms, and this helped to prepare the ground for increased productivity. An important cause of low productivity in agriculture was that few of those who actually cultivated the land had any proprietary interest in it. They were either tenants-at-will or share-croppers only. So reform of the agrarian structure was essential to build up an efficient agricultural economy. Particular emphasis was laid on the abolition of intermediary tenancy, reform and reduction of rents in the First Plan.

5. First Five Year Plan: An Appraisal, p.63.

Zamindari abolition was itself a great act, a kind of silent revolution. Through legislation, intermediate interests such as *Zamindari*, *jagris*, and *inams* were done away with. This improved the social and economic position of the tenants.