

MAY 2021

YOJANA SUMMARY

AN INITIATIVE BY THE PRAYAS INDIA

THE PRAYAS IAS

FEDERAL SYSTEM





Summary of Yojana

May 2021

Theme: Federal Structure

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NITI Aayog: Redefining Federalism

- NITI Aayog has turned out to be an institution which took over the mantle from Planning Commission in 2015 for exemplifying India's approach to development in the post-independence era.
- NITI Aayog is driven primarily through intellectual firepower as well as the mandate and capability of forging meaningful partnerships with State Governments, civil society organisations, the private sector, and innovators for accelerating the pace of India's development.
- NITI Aayog works as a thought partner with all stakeholders, especially the States, which are the principal agents for fostering economic development in the country.
- The Aayog works with State Governments to jointly prepare development blueprints that are suited to and take into account the special circumstances of each State.
- Unlike the Planning Commission with its erstwhile "one-size-fits-all" approach, NITI Aayog is guided by a "States-first" approach. Its founding principles are cooperative federalism and competitive federalism.
- Thus, instead of a straitjacket approach, NITI Aayog has adopted a decentralized and bottom-up strategy.
- NITI Aayog has also provided a platform for direct issue-based interaction between State Governments and Central Ministries thereby helping quick resolution of outstanding issues. The NITI Forum for North East has been constituted and it is envisaged that other regional councils of contiguous States could be formed in the coming months. The first step has been taken by forming the Himalayan States Regional Council.
- NITI promotes competitive federalism principally through pushing its sectoral indices which are put out in the public domain. The indices on water, education, health, innovation, export preparedness, and Sustainable Development Goals (SDGs) have attracted significant positive attention. Some important ones are the Composite Water Management Index and the School Education Quality Index.
- It has also introduced a competition element in our ambitious "Aspirational Districts Program" which aims to raise the human development indicators in these districts. These districts have shown significant improvement in indicators pertaining to health and nutrition, education, agriculture, and water management, financial inclusion, skill development, and basic infrastructure which NITI Aayog is monitoring on a real-time basis.



- The Aayog is continuously engaged in providing policy-related inputs in areas like Universal Health, agriculture sector modernization, renewable energy, electric mobility, reforms in the mining sector etc
 - It was involved with the drafting of the National Medical Commission Bill and the Bills for reforming the education system pertaining to Indian Systems of Medicine and Homeopathy.
 - NITI has also been closely involved with the design and monitoring of Ayushman Bharat.
 - Similarly, NITI has played a key role in POSHAN Abhiyaan
- Several policy suggestions are contained in NITI's document "Strategy for New India@75".
- One of NITI's key tasks and important mandates is to develop an output-outcome monitoring framework and rigorously evaluate Central Government schemes and initiatives. The Development Monitoring and Evaluation Office (DMEO) undertakes this.
- NITI Aayog is also focused on nurturing an innovation ecosystem across the country. The Atal Innovation Mission (AIM) is a flagship initiative of NITI for promoting innovation and entrepreneurship.

Conclusion

- NITI Aayog has a key role to play in helping India undertake structural reforms and implement policy initiatives in a scalable and impactful manner through partnerships with States.
- NITI Aayog will continue to work towards strengthening cooperative federalism in the country, thereby enabling the Centre and States to work in tandem as equal partners for ensuring India's success.

Transformation of a State

- Gujarat is well known as the manufacturing powerhouse of the country. The State's transformational model today is one of the key contributors towards 'Atmanirbhar Bharat'.
- In FY 2019-20, Gujarat saw the highest national increment of 240% in FDI inflows from the previous year. It has constantly progressed into a developed economy by focusing on proactive governance, transparent and investor-friendly relations, robust infrastructure, and conducive policies.
- Even in terms of domestic investment, which is reflected by the number of Industrial Entrepreneur Memorandums (IEMs), the State stands first in terms of the number of IEMs filed and actual investment reported for 2019.



- Gujarat has received FDI in diversified sectors including telecommunications, power, metallurgical industries, petroleum & natural gas, services sector, automobile, cement & gypsum products amongst others.
- Gujarat is also poised to become the “Metal Capital of India”. It offers industries to localize supply chains and de-risk their operations, and strengthen the local ecosystem that would help create cost-effective and sustainable solutions.
- Gujarat has been a front runner in implementing several reforms for improving and easing the environment for doing business. As a result, there has been a boost in the economic growth of the State.
- The Government of Gujarat undertook bold initiatives during the Covid-19 pandemic to address economic challenges and there has been a strong recovery in businesses with an increased investor and consumer sentiment.
- Additionally, initiatives such as exemption from the labor laws have also contributed to restoring normalcy.
- Infrastructure has always been one of Gujarat’s strengths in terms of road connectivity, railway networks, ports, airports, power supply, utility grids, etc.
- The State has digitized Land Bank (33,000 hectares) to facilitate and let investors choose the best possible location for their investment in industrial areas of the State.
- Apart from the announcement of Gujarat Solar Power Policy 2021, the state is also finalizing Gujarat’s first Integrated Logistics Policy and Service Sector Policy to promote sectors such as IT & Banking and Financial Services, Tourism, etc.
- With the recent budget announcement to set up a fintech hub at Gujarat International Finance Tec-City (GIFT) International Financial Services Centre (IFSC), Gujarat is set to attract global fintech firms and startups.
 - Also, several futuristic infrastructure development projects are already underway, such as Rail Corridors connecting major cities of Gujarat, Ahmedabad-Dholera Expressway, the world’s largest Solar & Wind Hybrid Energy Park with a capacity of 30 GWs in Kutch etc
- The Government of Gujarat recently launched the Industrial Policy 2020 to promote entrepreneurship and innovation, supported by export competitiveness (Vocal for Local to become Global).
- The Government of Gujarat also offers extensive support for developing micro, small and medium enterprises in the State. It is aligned with the vision of ‘First Production, Then Permission’. Accordingly, the State Government passed the Gujarat Micro Small and Medium Enterprises (Facilitation of Establishment and Operation) MSME Act, 2019.



- The State Government has also signed MoUs with banks for easy loan approval of MSMEs.
- Gujarat has witnessed a transformation in investment sectors and there has been a shift from traditional sectors like chemicals, metallurgical industries, transportation, etc. to sectors like telecommunication, automobile, renewable energy, technical textiles, etc.
- The significant increase in investment has enabled the reduction of the unemployment rate. The state has the lowest unemployment rate (3.4%), as per the Periodic Labour Force Survey (PLFS) 2018-19.

Conclusion

- Gujarat has established itself as a national leader in various industrial sectors.
- With further support from the Central Government and a new vision of 'Aatmanirbhar Bharat', the State is geared to attract investments and fuel the industrial growth to soar to newer heights.

Maharashtra : A Journey of Over Sixty Years

- The antiquity of human habitation in the state goes back to the stone age period (1.27 million years ago).

Historical Perspective

- Since the 6th century BCE, the region has seen the rule of major empires like Mauryas & the Satavahanas. The Satavahana rule expanded not only in the whole of modern state of Maharashtra but also in parts of Andhra Pradesh, Karnataka, and Madhya Pradesh.
- After the decline of the Satavahana rule, many small kingdoms were established in different parts of Maharashtra like the Abhiras, Traikutakas, etc. But in the 4th century CE, the Vakataka rulers came to prominence.
- A stable rule started in the 8th century CE when the Rashtrakutas came to power. They were also involved in creating the world-famous caves at Ellora.
- The Yadavas (10th century to 13th century CE) were the next rulers in the state. The Shilahara rulers were contemporary to them ruling in western and southern Maharashtra. Alauddin Khilji of the Delhi Sultanat defeated the Yadavas.
- After the decline of the Tughluqs, the Bahmani Sultanat started ruling over Maharashtra in the 14th century CE.
- After the disintegration of the Bahamani Empire, the Nizamshahi and Adilshahi rule over different parts of the state.



- In the 17th century CE, Chhatrapati Shivaji established his independent rule in Maharashtra. This local Maratha kingdom expanded into the Maratha Empire in the 18th and early 19th centuries CE until the Britishers took over it in 1819.
- On 1st May 1960, the separate Marathi-speaking state of Maharashtra was created on public demand.

Geography

- Maharashtra comprises 35 districts, which are grouped into six divisions – Amravati, Aurangabad, Konkan, Nashik, Nagpur and Pune divisions.
- The Western Ghats form the source of several major rivers of Maharashtra, notable among them being the Godavari and the Krishna. These rivers provide irrigation to most of central and eastern Maharashtra. The Ghats are also source of numerous small rivers.
- The Sahyadri range is the defining geographical feature of Maharashtra.
- The Konkan, lying between the Arabian sea and the Sahyadri Range is narrow coastal lowland.
- The topography of the state is the outcome of its geological structure. The state area is practically coterminous with the Deccan traps.

Natural Resources

- Maharashtra is rich in ore deposits. Granite, Granite gneiss, Quartzite, Conglomerates are found in the basement regions of the Konkan rivers.
- Nanded is another region where pink Granites are found.
- Kamti of the Nagpur region is famous for coal.
- Water is most unevenly distributed natural resource. Many villages lack drinking water, especially during the summer months.
- Tank irrigation, tube-wells in the Tapi-Purna alluvium and shallow wells in the coastal sands are the other main sources of water.
- The Chandrapur, Gadchiroli, Bhandara, and Nagpur Districts form the main mineral belt, with coal and manganese as the major minerals and iron ore and limestone as potential wealth.

Culture and Art

- The spirit of Maharashtra is cosmopolitan.
- There is enough heritage and cultural wealth in the state to keep connoisseurs of temples, forts, old monuments, and art gainfully preoccupied. Forts have played a vital role in the history of the state.



- Over 70 percent of India's rock-cave art is in the state. Of all these, Ajanta and Ellora, in the vicinity of Aurangabad, are world-famous heritage sites.
- All these have been carved out of solid rock with little more than a hammer and chisel and are an important repository of the essence of Buddhism.
- Meanwhile, the Elephanta Caves (of undated origin) are a network of sculpted caves on Elephanta Island, 10 kilometers to the east of Mumbai, and a tribute to the legend of Lord Shiva.
- The Bhakti movement – a medieval movement spread all over the country between the 13th and 17th centuries – found resonance in the soil of Maharashtra as well. The roll-call of honour includes saint poets like Dnyaneshwar, Namdev, Tukaram and Chokhamela.
- The Warkari movement that every year in June-July sees a plethora of farmers and myriad believers in Vitthoba propagate values of non-violence, charity, austerity, and vegetarianism. The Warkaris are an enduring symbol of tolerance in a chaotic world even today.
- The women of Maharashtra patronize the nine-yard saree as opposed to the six-yard version prevalent in the rest of the country.
- Musical forms like Powada and fishermen dance called 'Koli dance' are among symbols of Maharashtra's culture.



Women Empowerment

- Maharashtra is the pioneer of women's rights and the Indian feminist movement.
- Prominent names include the late Justice MG Ranade, his wife Ramabai Ranade, Savitribai Phule, and Pandita Ramabai.



- It is little wonder that India's first female doctor aka the Late Anandi Bai Joshi comes from the state.

Finally, Mumbai – the capital of Maharashtra, is seen as India's financial capital, but is literally the Gateway of India – secular, progressive yet rooted. It is also home to the largest film industry in the world.

One Nation – One Election

- India had concurrent elections for the first two decades. Several cycles of elections witnessed concurrent Lok Sabha and Legislative Assembly elections barring a few stray cases.
- The last occasion when we had near-simultaneous elections in the country was in 1967, all Legislative Assemblies except those of Nagaland and Pondicherry going to polls with the Lok Sabha.
- The fourth Lok Sabha constituted in 1967 was dissolved prematurely in 1971 ahead of its normal term resulting in a mid-term Lok Sabha election. This was the beginning of the end of simultaneous elections.
- After the two pre-mature dissolutions of the Lok Sabha in 1998 and 1999, only four State Assemblies have been going to polls along with the Lok Sabha elections in the last two decades.
- Elections to the Lok Sabha and Legislative Assemblies are held together if the terms of the Houses are ending around the same time
 - Sections 14 and 15 of the Representation of the People Act, 1951, empower the Election Commission to notify elections any time during the last six months of the term of the House and not earlier than that.
 - Practically, if the terms of the Houses are expiring within a window of three to four months, it would be legally possible to hold elections simultaneously to constitute the new Houses.
 - In other words, to contemplate simultaneous elections, we need, as a starting point, a situation where the Lok Sabha and the Legislative Assemblies of all States and Union Territories have their terms ending together.

Synchronising the Terms of the Houses

- Both the Lok Sabha and Legislative Assemblies (ordinarily) have a term of five years vide Article 83 (2) and Article 172 (1) respectively.
- Bringing the terms of all the Houses to sync with one another necessarily calls for either extending the terms of several of the Houses or curtailing of terms or a combination of both, that too by two or three



years in some cases. For enabling such curtailing or extension of the term, the relevant Articles of the Constitution mentioned above will have to be suitably amended.

- Even if the terms are synchronized as a one-time measure, we will need an adequate legal safeguarding place to avoid mid-term dissolution and protect the simultaneous cycle.
 - For this, the idea of a ‘constructive vote of confidence’ in case of a ‘no-confidence motion against the government in office. Here, even if the sitting government is voted out in the House, there would be an acceptable alternative in place.

Why Simultaneous Elections?

- Two benefits are expected :
 - Reduction in labour, time and expenditure in the conduct of elections and
 - Instances of pause in governance are addressed

Expenditure Issue – Areas of Saving

- Polling stations for Lok Sabha and Legislative Assembly elections are the same. So is the electoral roll.
- There is no duplication of work in preparing the electoral rolls for the two elections and hence no extra labour or expenditure is involved on this count.
- Also, it entails saving on transport, accommodation, storage arrangements, training, remuneration, and so on. This will also result in saving in terms of human resources.
- Another area of saving in simultaneous elections would be in the deployment of the Central Police Force.

Additional Expenditure for Simultaneous Elections

- One aspect that could offset the savings would be the doubling of expenses on electronic voting machines (EVMs)
- For conducting the elections simultaneously, each polling station needs two EVMs. This would mean that for a simultaneous nationwide election, the requirement of EVMs in terms of numbers would be double compared to separate elections. (At present, we have well over one million polling stations in the country.)
- The overall expenditure in holding elections may not see any substantial dip on account of simultaneous elections.
- However, simultaneous Lok Sabha and Assembly elections can bring considerable savings in their election propaganda campaign expenditure for the political parties.



- In simultaneous election, such outreach programs will serve for both the elections.

Model Code of Conduct – Impact on Governance

- Model Code of Conduct (MCC) is a set of behavior guidelines for candidates and political parties that comes into operation from the date election is announced by Election Commission.
- This is a check on the ruling party against using its position of power to woo the electors on the eve of elections and to provide a level playing turf to all stakeholders.
- If all elections are held together, the restrictions under MCC will be through in one go.
- However, the impact on governance on account of the enforcement of MCC during elections is minimal.

Local Bodies' Elections

- The Local Bodies' Elections are conducted under the superintendence, direction, and control of a different constitutional authority, namely, the respective State Election Commission.
- Holding local bodies' elections along with other elections will require the team of the same polling officials to report to and take instructions from two different authorities simultaneously. This may create confusion and hurdles in smooth conduct of elections.
- Also there is a distinct set of polling stations for local bodies' elections.
- Further, the judicial forum before which the local bodies' election can be challenged is the Court of District Judge and other lower Courts whereas an election petition challenging a Parliamentary or Assembly election is to be brought up before the High Court.

The Way Ahead

- A simultaneous nationwide election could push up the voter turnout since a once-in-five-year event is bound to attract more enthusiastic participation across all sections.
- Also, it will help in overcoming the election-fatigue factor among some sections of electors leading to better electors' participation – further adding to the credibility of the elections.

Fiscal Federalism in COVID-19

- The war against the new and deadly foe, a highly infectious virus named Severe Acute Respiratory Syndrome Coronavirus-2 (SARS-CoV-2). The Government of India responded in the true spirit of "Fiscal Federalism".



- The Government, led by the Prime Minister, has adopted the mantra of “Cooperative Federalism”, and has fought an exemplary battle against Covid-19. The Centre and the States have acted in unison to limit the human and economic impact of the pandemic.
- In the initial stages, the lockdown and social distancing measures to check the spread of the contagion had led to a near halt in economic activities. Revenues suffered massively while the expenditure obligations soared. The states needed fiscal support for their liquidity needs.
- The Centre made sufficient resources available to the States to fight the contagion, spur economic activity and maintain the standards of public service delivery:

Enhancement of Borrowing Limit of States

- In India, borrowing by States is governed by the provisions of Article 293 of the Constitution of India.
- To maintain fiscal prudence, the Union Government permitted the State Governments to borrow within the Net Borrowing Ceiling of 3% of their GSDP in a financial year.
- Half of the additional borrowing facility was unconditional while remaining was linked to specified, measurable and feasible reform actions.
 - Four citizen-centric areas – “One Nation One Ration Card”, ease of doing business, power sector and urban local bodies were identified for reforms.

Ways and Means Advances

- RBI has fixed the WMA limit of each State based on multiple factors including total expenditure, revenue deficit and fiscal position of the State.
- States are also allowed an overdraft facility, which is the amount drawn over the WMA limit.
- On the request of the Centre and the States, the RBI on April 7, 2020 increased the WMA limit of States by 60%.
- Increased WMA limit gave immediate liquidity to States to borrow short-term funds from RBI at a lower rate of interest.

Notified Disaster Declaration & Relaxation of SDRF Norms

- The Central Government contributes 75% of SDRF allocation for the general category, and 90% for the north-eastern and hill States.
- In view of the spread of Covid-19, the Government of India treated Covid-19 as a notified disaster.
- State governments could spend SDRF on quarantine related measures, procurement of essential equipment.



- Initially, the expenditure on this account was limited to 25% of SDRF allocation for the year which was later enhanced to 50%.

Financial Assistance to States

- Capital expenditure has a higher multiplier effect, enhances the future productive capacity of the economy, and results in a higher economic growth rate.
- Therefore, despite the adverse financial position of the Central Government, the Finance Minister announced the Scheme of Financial Assistance to States for Capital Expenditure in October 2020.

Special Window for Borrowings

- Due to economic slowdown, a shortfall of Rs. 1.10 lakh crore was estimated in the GST Compensation fund in 2020-21.
- On request of the States, the Central Government decided to set up a special window to borrow the estimated amount of shortfall on behalf of the States and passed it to them.

Maintaining Tax Devolution to States

- The first quarter of 2020-21, witnessed a sharp decline in Union's gross tax revenue collection. However, during this period, despite the decline, the Union government continued to devolve taxes to the States on the basis of budget estimates for the year 2020-21.
- The Centre devolved an additional amount of Rs. 45,000 crore to the States in the true spirit of fiscal federalism.

Conclusion

Besides taking care of our people, the country has provided critical medicines, vaccines, diagnostic kits, ventilators and personal protective equipment to over 150 countries. The fight against the virus is, thus, being successfully carried out with the remarkably coordinated efforts of the Centre and the States.

Challenges in Federalism and the Way Forward

- The Indian Constitution laid down a political system which is federal in nature.
- However, the Indian Constitution has structurally made the Union government more powerful than the states – therefore the paradox of “centralized federalism.”



- Leaders like Jawaharlal Nehru and others had held that a country like India needs a Centre capable of ensuring peace, of coordinating vital matters of common concern and of speaking effectively for the whole country in the international sphere.
- Thus, a strong Union government was demanded in the Constituent Assembly for India's survival and political stability, given its vast diversity based on religion, language, caste and ethnicity.
- However, there are some highly crucial federal features in the Indian Constitution. K.C. Wheare once described the Constitution of India as "quasi-federal".

Federal Governance During Covid-19

- India's response to the Covid-19 pandemic has shifted the balance of its federal structure.
- The pandemic has enabled the central government to implement far-reaching reforms traditionally considered the domain of states.
- Indian Constitution lays out a detailed scheme for the separation of powers between the centre and the states, albeit with a unitary bias.
- But the specific contours of this relationship have changed over time.
- The most important moment for federalism in this phase is the revelation of the vital role of state governments on the ground level in managing the Covid-19 crisis in India.
- As health remains a state subject, the states – regardless of their political equation with the Union government in most cases – worked as main agents of healthcare providers and governance providers within their jurisdiction, with the Centre playing the coordinating role.
- The initial stages of the Covid-19 response highlighted the unitary tilt in the Indian federal structure.
 - The Central government implemented a national lockdown using its powers under a central disaster management law.
 - The Ministry of Home Affairs issued extensive guidelines to states for controlling the pandemic.
 - State governments followed the Centre's orders even though they have independent powers under a more specific law, the Epidemic Diseases Act, 1897.
 - States ceded considerable decision-making power and political capital to the Central Government.
- Subsequent phases of the lockdown have seen the states' autonomy restored, but Indian states now have less functional power than the centre.
- Due to the shutting down of almost all economic activity, State Government had a drastic reduction in revenue.



- In May 2020, India's Finance Minister announced a series of reforms to facilitate India's post-lockdown economic recovery.
 - One such measures has been a conditional increase in the borrowing limit for states from 3 percent to 5 percent of their gross state domestic product. But only the first 0.5 percent of this increase is unconditional
- Reforms in the agricultural sector may impact state autonomy but are necessary for growth and prosperity. Agriculture is a state matter in India, and states oppose even modest reforms suggested by the Central Government.
- But the Centre has to consider the welfare of the entire country and its citizens in a long-term holistic view and note merely the interests of a single state.
- In addition to other effects, the pandemic may have merged to a new phase of federal relations, where states increasingly accept the reform priorities of the centre in a manner not seen in a generation.
- While drafting or enacting any legislation for the entire country, the consultative process with the State Governments takes the central stage. However, in such diversity it is often very difficult to find a common platform.
- Most times, seeking uniform consensus with all states in a proposed timeframe may become a challenge.
- The political leaning of the State Government may also influence its policy making process if it is not on good terms with the Central Government in power.
- The adoption of the market economy heralded a new era in which States came to occupy a strategic position in India's market led economy.
- The Centre has even gone to the extent of encouraging states to negotiate loans / FDI with overseas banks / institutions directly since the 1990s.
- States compete to attract FDI. And positively so, the Centre is not being seen as an obstacle but as a facilitator.
- Still, approval for FDIs are centralized with the DPIIT being the nodal Ministry.
- In proposals where land border issues or security issues arise, the concurrence of other nodal ministries may also be sought.

Paradiplomacy by the States

- Foreign economic policy is no longer a central preserve with the emergence of paradiplomacy by the States.



- Economic globalization has made it possible for the States to interact with respective investors in foreign countries.
- However, such enterprise may also raise issues for the sovereignty or security of the country considering that India is largely surrounded by neighbours who are hostile.
- The Centre, therefore, has a more responsible and complex role to perform.
- Often, the State Governments may feel that the Centre is interfering with its jurisdiction where the Centre has to adopt a larger view which will benefit most or all its citizens irrespective of the states' positions.
- Article 256 of the Constitution obligates the State government to exercise its executive power to ensure compliance with the laws made by Parliament and any existing laws which apply in that State.
- The President can impose President's Rule in the States which refuse to enforce the law against the Centre's directions under Article 356 or take cognizance of Article 365. This reading was well evident in S.R. Bommai v. Union of India positioned Indian federalism decisively.

Conclusion : The Way Forward

- A diverse and large country like India requires a proper balance between the six pillars of federalism: autonomy of states, national integration, centralization, decentralization, nationalization, and regionalization.
- Extreme political centralization or chaotic political decentralization can both lead to the weakening of Indian federalism.
- Controlling these extremes is a challenge, as federalism must reconcile the need for national unity on the one hand, and on the other, regional autonomy.

Progress in Human Development since Independence

- Eradication of poverty has been a major objective of planned development in India.
- Poor quality of life, deprivation, malnutrition, illiteracy and low human resource development are characteristics associated with poverty.
- During the 1950s and the 1960s, large investments in physical infrastructure were seen as the primary means of development. In fact, until the mid-1960s, the main thrust of development policies all over the world was to accelerate the growth process since the 'trickle down' mechanism was supposed to take care of distributional objectives.



Concept of Human Development

- The term “human development” is accepted in the development economics literature as an expansion of human capabilities, a widening of choices, an enhancement of freedom and the fulfilment of human rights.

Human Development Reports and Measurement

- The annual series of Human Development Reports – the first Human Development Report of UNDP was published in 1990.
- The Human Development Index (HDI) reflects the average achievements along three dimensions of human development: longevity, educational attainment and command over resources needed for a decent living.
- However, the HDI does not reflect the deprivation or the distributional aspects of development, particularly inequality. Hence, two other indexes evolved.
- A gender-related development index (GDI) and a gender empowerment measure (GEM) emerged in 1995. The GDI measures achievements in the same dimensions and variables as the HDI, but considers inequality in achievements between men and women.
- It focusses on participation, measuring gender inequality in key areas of economic and political participation and decision-making.
- In 1997, a composite measures for multi-dimensional poverty, the Human Poverty Index (HPI) was introduced.

India's Ranking in Human Development

- Out of 189 countries, India ranks 131 on the Human Development Index. The country fell into the medium human development category.
- The report stated that since 1990, the HDI value of India has increased by over 50%.
- The UNDP compared India's value in the HDI with other countries in South Asia, viz, Bangladesh and Pakistan. In the South Asian region, India's HDI is more than the region's average.
- The UNDP's Human Development Report of 2017 noted India's steady progress in improving its HDI value. It highlighted that the success of India's national development schemes like Beti Bachao Beti Padhao, Swachh Bharat, Make in India, and initiatives aimed at universalizing school education and health care, will be crucial in ensuring that the upward trend on human development accelerates.

Millennium Development Goals (MDGs)



- In September 2000, world leaders came together at the United Nations Headquarters in New York to adopt the United Nations Millennium Declaration. The UN Millennium Development Goals (MDGs) are the eight goals set by the 189 UN members states in September 2000 and agreed to be achieved by 2015.

Sustainable Development Goals (SDGs)

- The SDGs, otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These 17 goals are an inclusive agenda for ending poverty, hunger and ensure sustainability and equity across social dimensions.

Sustainable Development Goals (SDGs)³

Goal	Target
1. Eradicate extreme poverty and hunger	1. Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger
2. Achieve universal primary education	3. Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
3. Promote gender equality and empower women	4. Eliminate gender disparity in primary and school education, preferably by 2005 and in all levels of education no later than 2015
4. Reduce child mortality	5. Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate
5. Improve maternal health	6. Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio
6. Combat HIV/ AIDS, malaria and other diseases	7. Have halted by 2015 and begun to reverse the spread of HIV/ AIDS 8. Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases
7. Ensure environmental sustainability	9. Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources 10. Halve by 2015 the proportion of people without sustainable access to safe drinking water 11. Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers
8. Develop a global partnership for development	12. Develop further an open, rule-based, predictable, non-discriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction-both nationally and internationally) 13. Address the special needs of the least developed countries (includes tariff- and quota-free access for exports, enhanced programme of debt relief for and cancellation of official bilateral debt, and more generous official development assistance for countries committed to poverty reduction) 14. Address the special needs of landlocked countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and 22 nd General Assembly provisions) 15. Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term 16. In cooperation with developing countries, develop and implement strategies for decent and productive work of youth 17. In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries 18. In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies



Important Programme Initiatives/ Schemes launched in India having a bearing on MDGs

- Goal 1: Eradicate Extreme Poverty and Hunger
 - National Rural Employment Scheme (MGNREGA)
 - Pradhan Mantri Awas Yojana – Gramin etc
- Goal 2: Achieve Universal Primary Education
 - Sarva Shiksha Abhiyan
 - Mid Day Meal Scheme
- Goal 3: Promote Gender Equality and Empower Women
 - Sarva Shiksha Abhiyan
 - Beti Bachao Beti Padhao etc
- Goal 4: Reduce Child Mortality
 - National Health Mission
 - Integrated Child Development Services (ICDS)
- Goal 5: Improve Maternal Health
 - National Health Mission, ICDS
 - Pradhan Mantri Surakshit Matritva Yojana
- Goal 6: Combat HIV/AIDS, Malaria and other diseases
 - National AIDS Control Programme
 - National Vector-Borne Disease Control Programme
- Goal 7 Ensure Environmental Sustainability
 - National Afforestation Programme
 - National Mission for a Green India
 - Swachh Bharat Abhiyan etc
- Goal 8: Develop a Global Partnership for Development (including making available the benefits of new technologies)
 - National Knowledge Networks
 - National E-Governance Plan
 - Digital India Programme

Bare Necessities Index

- Availability of “bare necessities” such as housing, water, sanitation, electricity and clean cooking fuel, improved across all states in the country in 2018 compared to 2012, the Economic Survey for 2020-21



showed based on the first-ever BNI (bare necessities index), released on 28.02.2021 as part of the Economic Survey

- These cover areas like drinking water, sanitation, hygiene and housing conditions
- The Survey reports that improved access to “the bare necessities” has led to improvements in health indicators and correlates with future improvements in education indicators.

