

# Economic Problems of Rajasthan

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THOSE Rajasthani Micawbers who had been expecting something to turn up must have been rudely awakened from their slumber by recent developments which leave no room for doubt that if Rajasthan is to raise itself in near future, it must do so by its own boot-straps. Otherwise, Rajasthan will continue to be in economic backwaters.

Much sand has blown over Rajasthan since the integration of former States into the Union. At that time, the Government of India made certain promises which were incorporated as important provisions of the Federal Financial Integration Agreement. Unfortunately economic history of Rajasthan of recent years is a woeful tale of unfulfilled promises and hopes unrealised.

The Planning and the Finance Commissions, which set out to rebuild the economic and financial structure of the country, both failed to gauge the degree of economic friction prevailing in Rajasthan and also to devise suitable correctives for its socio-economic disequilibrium. They have also departed from the accepted canon that in a cohesive, coherent and systematic pattern of national economy, backward States should be brought on a par with the more advanced ones.

With an area of 130,000 square miles and a population of 152,000,000, Rajasthan, which is three-fourth desert, is undoubtedly much less developed in comparison with other States, Part A and Part B, of the Indian Union.

Vast expanse of barren tracts, thin forest coverage, low rainfall, soil erosion, flood and famine, absence of industry worth the name, inadequate transport and communications, and an administrative machinery incapable of applying the modern technique of welfare economics—this is Rajasthan today.

## AGRICULTURE

Out of a total area of 828 lakh acres, Rajasthan has only 199 lakh acres under some form of cultivation. Of this again, only 31 lakh acres get the benefit of irrigation. Cultivable waste accounts for

233 lakh acres. Forests cover about 11.7 per cent of the area, that is, 12,000 acres, but they have very little timber value. And as regards their ability to check erosion, we know well the menace of the inarching Rajasthan desert. Rainfall which varies from 5" to 15" in the west and 20" to 30" in the hilly north is unevenly distributed, erratic and precarious.

So acute is the problem of water supply that at least Rs 5 crores are needed to ensure supply of chinking water at its minimum to the sandy western parts and for limited irrigational facilities for other parts of the State. The Government of Rajasthan had such a plan. But it still hangs fire for want of funds. Added to these natural deficiencies is the defective land tenure system. Recently some legislation has been passed but it takes long for its effect to be visible.

## TRANSPORT AND COMMUNICATIONS

Rajasthan has the lowest road mileage, not to speak of railroad mileage, for any State in India. At the time of integration, it had only 8,755 miles of roads of all types of which 3,432 miles were metalled. This works out to 6.70 miles of roads of all kinds and 2.70 of metalled roads for every 100 square miles. Even important places are not linked with each other. The condition of district and tehsil headquarters is deplorable in this respect. Big tracts like Shckhawati and Malani do not have any road system at all. The Road Development Advisor to the Government of India, who went into this question, recommended a plan of Rs 7 crores which he regarded as 'the barest minimum' to rectify the deficiency of roads in the State. This plan has not yet seen the light of day.

## INDUSTRY

Rajasthan has very few large industrial concerns. A couple of textile mills, engineering and metal works and a score of mining ventures, especially, in mica and gypsum, talc and soapstone, copper and tungsten, etc., that dot the State are like ripples in a vast ocean. In all, it is estimated, industries and mines employ 34,000

and 15,000 respectively. About 6 to 7 lakh of people subsist on cottage industries. But handicrafts have been on the decline—as a result of the abolition of patronage of the extinct princely classes and impact of modern technical advancement.

## SOCIAL SERVICES

Social services in Rajasthan are meagre. The *per capita* expenditure of Rs 5.6 was the estimate in 1952-53 social, educational and health services all put together. The corresponding figures for Mysore and Madhya Bharat are Rs 12.0 and Rs 9.0 respectively. The Finance Commission have recorded that out of 19, 20,000 children in Rajasthan in the age group 6-11 years, only 2, 06,000 were attending schools. This works out to 10.6 per cent for Rajasthan as compared to 98.8 per cent for Travancore-Cochin, 42.4 for Saurashtra, 57.0 for Mysore, 34.0 for UP and 26.2 for Punjab. Health services were no doubt adequate and up-to-date in the capital towns of former States, but there is a woeful lack of medical services in the rural areas. A measure of the deficiency in health services can be found from the fact that as many as 19,000 people are catered for by one single dispensary in the State!

Other social welfare movements like co-operation, child, women and labour welfare are still in infancy, nay in the incubation stage, if that term is permitted to be used.

## FINANCES

Finances have their own pitiable tale. From its inception, Rajasthan inherited a legacy of deficit budgets. Deficits, of all the former States comprising Rajasthan, in 1947-48 amounted to Rs 111.93 lakhs and to Rs 84.6b lakhs in 1948-49. Thus the new State of Rajasthan started with a deficit of Rs 85 lakhs. The year that followed showed a surplus of Rs 62 lakhs. But deficits of the order of Rs 4 lakhs occurred in 1951-52 and a deficit of Rs 107 lakhs is estimated for 1952-53-

The budget for 1953-54 has as yet not been presented. But the problem of balancing it is definitely a difficult one. Straws in the wind

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indicate a still bigger deficit. Authoritative circles compute an overall deficit of Rs 1,041.43 lakhs for the quinquennium 1952-53 to 1956-57

The pattern of finances in Rajasthan, like that of other Part B States, is different from Part A States. Income-tax allocations and sales tax have been important soums of revenue in the Part A States. For Bombay and Madias sales tax has been the largest revenue item. In the Part B States, however, land revenue and excise are the mainstay, Inter-State transit duties are very important items of revenue in Rajasthan. Hyderabad and Madhya Bharat. In the revised budget estimate for Rajasthan for 1951-52. Rs 400 lakhs were credited under this head.

Rajasthan also distinguishes itself from other Part B States inasmuch as its *per capita* levenue is the lowest amongst Pail B States. being Rs 9.5 in 1950-51 and Rs 10.2 in 1951-72 as also its *per capita* expenditure, being Rs 9.1 in 1950-51, Rs 10.1 in 1951-52 and Rs11.3 in 1952-53. This in comparison with Rs 11.8 1952-53) for Part A States, Rs 15.5 for Part B States and Rs 12.6 for both Part A and Part B States. Rajasthan's *per capita* expenditure on social service is also the lowest so far as Part B States ate concerned.

But in tax revenue *per capita*, Rajasthan stands fairly high. It was Rs 7.39 in 1950-51 and Rs 7.25 in 1951-52 as compared with Rs 9.28 and Rs 8.62 of Bombay or these years and Rs 8.91 in 1951-52 for Saurashtra.

And then Rajasthan had its own peculiar post-integration problems. It had to strengthen its holder security arrangements to meet the defence exigencies. It had also its problem of fighting lawlessness in the countryside. It had also to fight famines. It is still lighting all these powerful enemies of orderly

social existence

Hitherto, Rajasthan had been importing at least 50,000 tons of food-grains yearly and has been subsidising the same at the rate of Rs 16.20 lakhs per 10,000 tons.

The end of these struggles is not to be seen anywhere. The inter-State transit duties will have to be abolished in accordance with Article 360 of the Constitution. And it would he very difficult to find a substitute even in the sales tax. It has been estimated that to get Rs 410 lakhs from sales tax. to fill the gap, fresh taxes will have to be imposed amounting to Rs 2.6 per head.

Recently the Rajasthan Government had approached the Centre for a loan of Rs 3 crores to tide over its difficulties. About Rs 1.5 crores have been sanctioned, pending an enquiry into the affairs of the State. It is hoped that this committee of enquiry will thoroughly investigate the financial condition of the State, and it will be much better if it is appointed under the provisions of the Federal Financial Integration Agreement.

#### PLANNING COMMISSION

Rajasthan has been allocated Rs 16.8 ' crores for development under the Final Plan, instead of Rs 35 crores which it thought to be tile minimum under the circumstances, If we co-relate this allocation with the population and the area of the State, we find the truth of the allegation that Rajasthan lias only got a ' lamb's share '

The table below gives the shares of different Part B States under the Plan.

Even when the allocation is taken in absolute figures, the table brings out the inadequacy of the allocation to Rajasthan. The discrepancy become more glaring if *per capita* share and the share per sq mile are worked out. Let us take three States only. For Rajasthan,

allocation per sq

and it is Rs 10 *per per capita*. The figures for Mysore are Rs 12,000 *per sq* mile and Rs 40 *per capita* and for Travancore-Cochin the respective figures are Rs 28,000 and Rs 29.

In all fairness to the Finano Commission it can he conceded that their findings and recoinnendations, accepted by the Government of India, are favourable enough for Rajasthan. But the limitation of Article 360 of the Constitution under which the Finance Commission were working had definitely a deplorable effect on the Part B States. The Chief Minister of Saurashtra was more than correct in insisting on an enquiry under the FFI Agreement, which envisaged a thorough enquiry into the finances of Part B States and financial assistance to these States to balance their budgets and to ' start on an even keel '

Apart from the political ethics that the Government of India should honour the assurances given to the covenanting States, there is further justification for special assistance to Part B States on economic grounds. The modern tendency in federal finance is towards equalisation by meeting the needs of the less developed units. Practice in Australia, Canada and the USA corroborate this. In Australia, for example, there is the Commonwealth Giants Commission to assess the needs of different units and to give them liberal grants. There is no reason why such a procedure cannot be adopted in India.

To conclude, it may be conceded that in view of the present circumstances when the Plan is being launched, it is absurd to take a sectional view of the problems. But the case of mute millions of undeveloped States should not go by default. The Plan does not stand by itself. It stands or falls by what it does to the people, particularly the less fortunate. And lastly, the Government of India and those who preside over the destiny of the country should win public co-operation for the implementation of the Plan, even from those who live in the States which are just emerging from the throes of feudal rule. '

Rajasthan has immense possibilities for development. It is waiting to be developed. And earlier such a start is made, the better it is for all.

States	Area ( <sup>'000</sup> sq miles)	Population (lakhs)	Allocation Rs crores
Rajasthan .. .. .	130	153	16.81
Hyderabad .. .. .	82	187	41.55
Madhya Bharat .. .. .	47	79	22.42
Mysore .. .. .	29	91	36.60
PEPSU .. .. .	10	35	81.42
Saurashtra .. .. .	21	41	20.40
Travancore-Cochin .. .. .	9	93	27.31

# CRITICAL MACHINERY

What do we mean by 'planned lubrication' in industry?

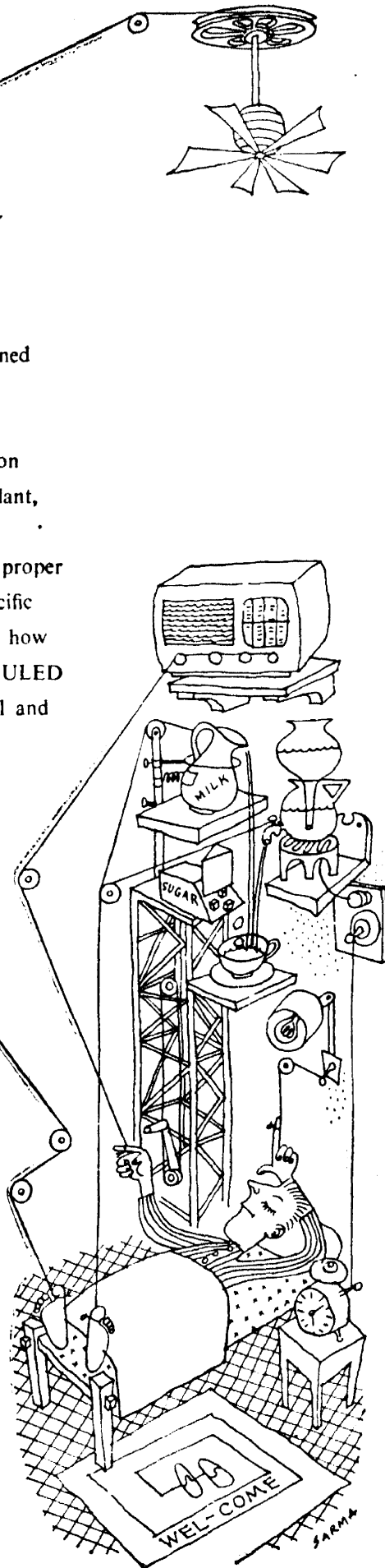
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