Impact of Low Social Spending on Human Development: Regional Disparity in Uttar Pradesh

Dr. Poonam Singh

Assistant professor, Dept. of Economics, SRS Girls PG College, Bareilly, UP

Abstract :   *The objective of the paper is to describe the low status of human development and increasing intra-state disparity regarding all the development indicators across the districts and regions in the state. The low income levels keep the expenditure on social sector at a low level which results in low status of human development. On the other hand, the low status of human development acts as a major economic constraint on economic development of the state.   The state presents a dismal scenario with regard to both economic growth and human development. It is characterized by low levels of per capita income, high incidence of poverty, sluggish economic growth, high population pressure along with high rates of population growth, high birth and fertility rates, widespread illiteracy, high infant mortality and death rates and low life expectancy. Social sector expenditure in U.P. is lower even as compared to other backward states. This was true for the different components of social sector as well. These figures are reflective of the low priority to social sector given by the policy makers in the state and underscore the need of substantial improvement in levels of social sector expenditure in U.P.*

Keywords: *Social Spending, Human Development, Regional Disparity, economic disparity, health*

I. INTRODUCTION

With the publication of the first Human Development Report in 1990 by the UNDP, a paradigm shift in the contemporary development discourse has taken place. The concept of human development has four important components, namely, productivity, equity, sustainability and employment. It is concerned with the rate of economic growth as well with equitable distribution of benefits from growth. It deals not only with the choice of the current generation but also with the sustainability of these choices for the future generations. In sum, human development is a holistic and an integrated concept (HDR-UP, 2006).

If the goal of development is to build societies that are socially inclusive, economically healthy and democratically anchored, then social policy related with public expenditure has a key role to play in relation to all these aspects. There have been many attempts to measure the quality of life of society across the countries in world (Human Development Index of UNDP, various years), or across the states in India (HDR of different States, various years). Inequality among states regarding their human development levels is also marked by several studies in India. Several studies with their different quantitative methodologies concluded that expenditures in the social sector can affect economic growth. Such social expenditures enhance productivity by providing infrastructure, education, health and harmonizing private and social interests (. Arora,2001; Mundle, 1998; Dev and Ravi (2007); Majumder,2005; Kannan and Pillai, 2007; Sen and Karmakar,2007; Guha and Chakraborty, 2003; etc.). The conclusion of so many studies cast doubt on the hypothesis that low HDI states are actually growing at a faster rate than high HDI states leading to convergence in terms of HDI. They concluded that planned allocation of resources in independent India was expected to rectify inter - regional disparities and imbalances in development but it could not fulfil its challenges (Roy and Bhattacharjee, 2009; Rao, Govinda et al, 1999; Chkravarty, 2009; etc.).

In the context of the ability of the States to spend on social services, which has important implications for human development has been found lowest in the Uttar Pradesh. As widely documented, States have experienced significant fiscal stress since 1998-99 due to a variety of factors like Pay Commission recommendations, decline in Central transfers, increase interest payments and pensions, and low economic growth rate account for the intensity of the ailment in all the states in general and in UP particular (Mohan Rakesh, 2005; Kripa Shankar ,2001).

In this purview the objective of the paper is to describe the low status of human development and increasing intra- state disparity regarding all the development indicators across the districts and regions in the state. The low income levels keep the expenditure on social sector at a low level both for the house hold and the state, which results in low status of human development. On the other hand, the low status of human development acts as a major economic constraint on economic development of the state.

The paper is divided into four sections including the introduction. Section II discusses the status of human development and related issues in the education and health sector with intra-state disparity. Section III deals with the failure of public policy as reflected in priorities in public expenditure. The main findings and assessment of the policy are summarized in the IV section.

Uttar Pradesh though well endowed in terms of resources the state is among the economically most backward and poor states of the country. The state presents a dismal scenario with regard to both economic growth and human development. It is characterized by low levels of per capita income (there is a huge gap between per capita income of the country and the state since mid 90s and increasing continuously- chart), high incidence of poverty, sluggish economic growth, high population pressure along with high rates of population growth, high birth and fertility rates, widespread illiteracy, high infant mortality and death rates and low life expectancy. In terms of most of the human development indicators U.P. ranks 13th or 14th out of the 15 major states of the country, while in terms of poverty ratio it ranks 11th (Table 1).
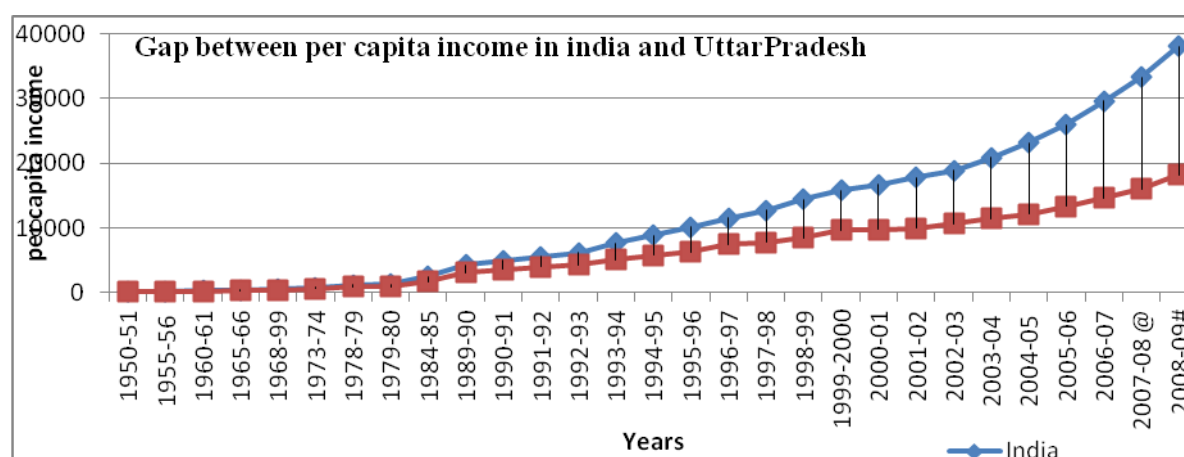
Chart -1

Table 1: **Selected Development Indicators for UP and Other States**

States	Infant Mortality Rate	Life Expectancy	Literacy Rate		Sex Ratio	Per Capita NSDP (Rs)	% Persons below Poverty Line
			Total	Female	0 to 6 yrs		
	2007	2008	2001	2001	2001	2003-04	1999-00
Andhra Pradesh	57	63.7	61.11	51.17	978	21372	15.8
Assam	68	58.0	64.28	56.03	932	12821	36.1
Bihar	61	61.0	47.53	33.57	921	7319	42.6
Gujarat	54	63.5	69.97	58.6	921	26672	14.1
Haryana	60	65.4	68.59	56.31	861	29504	8.7
Karnataka	50	64.6	67.04	57.45	964	21238	20.0
Kerala	14	73.6	90.92	87.86	1,058	13722	12.7
Madhya Pradesh	76	57.1	64.11	50.28	920	14784	37.4
Maharashtra	36	66.4	77.27	67.51	922	13732	25.0
Orissa	75	58.7	63.61	50.97	972	12645	47.2
Punjab	44	68.6	69.95	63.55	874	28607	6.2
Rajasthan	68	61.3	61.03	44.34	922	15738	15.3
Tamil Nadu	37	65.4	73.47	64.55	986	23358	21.1
Uttar Pradesh	73	59.3	57.36	42.98	898	11534	31.2
Rank of UP	**(13)**	**(12)**	**(14)**	**(14)**	**(13)**	**(14)**	**(11)**
West Bengal	38	64.1	69.22	60.22	934	20548	27.0
India	**58**	**62.7**	**65.38**	**54.16**	**933**	**20936**	**26.1**

Source: *Economic Survey, 2009.*

There are sharp variations in the levels of economic and social development across the four regions in the state. Economically **Western region** comprises 26 districts, is the most developed with higher levels of urbanization, grater diversification of the economy, better infrastructure higher agricultural productivity, higher per capita income levels and lower poverty levels. **Eastern region** and **Bundel khand** with 27 and 6

*districts are recognized as backward regions. Economic infrastructure is also relatively less developed in both the regions. **Central region** with 10 districts is relatively better in economic indicators as compared to the two backward regions. But poverty incidence in the region is quite high. In terms of social indicators like literacy level, inter regional differences are not so marked. A serious concern about intra-state disparity in the states in general and in U.P. particular regarding human development level and in economic well-being is also waging among economists (Dreze and Gazdar 1996; Singh, 1999, 2000,2004, Chakraborty, 2009).*

Table 2: **Indicators of Economic Development in Various Regions of U.P.**

Development Indicator	Eastern	Western	Central	Bundel khand	U.P.
Density Of population (per sq.km.), 2001	776	765	658	280	689
% Of Urban Population to total population, 2001	11.78	28.25	25.11	22.46	20.78
% Share in state's population, 2001	40.11	36.76	18.17	4.96	100.00
Total Literacy (%), 2001	55.22	58.44	59.04	60.32	57.36
Per capita power consumption (kwh), 1998-99	169.2	206.8	172.6	122.2	181.1
% of electrified villages to total villages, 1999-00	76.78	88.81	71.71	68.37	79.08
Average size of Holding (in Ha), 1995-96	0.65	1.02	0.83	1.72	0.86
Net sown area per capita rural (ha), 1998-99	0.10	0.14	0.14	0.26	0.11
Per capita gross value of industrial output in Rs., 1991-92	796	2845	1439	748	1663
Main workers engaged in agriculture to total main workers (1991)	77.3	66.7	72.9	78.4	72.8
Per rural person gross value of agricultural produce in Rs.,1997-98	2435	4876	3543	3949	3594
Per capita net output from commodity producing sector in Rs.,1997-98	6269	9882	7881	7910	8273

Source: *Tenth Five Year Plan*, U.P., Vol. 1, Part 1.

II. Status of Human Development in the State

As mentioned earlier, the record of U.P. in terms of human development is quite dismal. It is lagging behind all the states except Bihar in terms of major indicators of social development. According to Human Development Report, 2006, U.P. occupied the 15th rank in HDI in 2001. It slipped to 16th rank in 2005. Only Bihar ranks lower than U.P. in HDI in 2005. The value of HDI has, however, improved from 0.5442 in 2001 to 0.5709 in 2005.

Table 3: **Human Development Values and Ranks across the states in 2001 and 2005**

States	2001		2005	
	Value	Rank	Value	Rank
Andhra Pradesh	0.6220	9	0.6388	10
Assam	0.5831	12	0.6523	9
Bihar	0.5200	17	0.5538	17
Chhattisgarh	0.5976	11	0.6269	11
Gujarat	0.6663	6	0.7073	6
Haryana	0.6587	8	0.6875	7
Jharkhand	0.6005	10	0.6257	12
Karnataka	0.6646	7	0.6814	8
Kerala	0.8118	1	0.8243	1
Madhya Pradesh	0.5582	14	0.5902	14
Maharashtra	0.7241	2	0.7513	2
Orissa	0.5405	16	0.5863	15
Punjab	0.6943	4	0.7245	4
Rajasthan	0.5796	13	0.5957	13
Tamilnadu	0.6995	3	0.7348	3
Uttar Pradesh	**0.5442**	**15**	**0.5709**	**16**
West Bengal	0.6696	5	0.7109	5
India	**0.6281**		**0.6639**	

Source: *Human Development Report of Uttar Pradesh*, 2008

Intra-state disparity in terms of values as well as in ranks in the state of Uttar Pradesh is also depicts a depressing scenario of the state's social and economic development (Table 3 and Chart 2). Quite a large no. of the districts are in the medium and low human development level. Further, the districts recording the higher increase in HDI belonged to the category of backward districts; while some of the districts recording lower increment in HDI are developed ones, according to the Report. Thus, there is a tendency of convergence in terms of HDI among the districts of U.P.

The first inference that can be drawn is that all the districts as well as regions have remarkable increase in their human development index values over the time period of 1991 to 2005. However, the improvement in the values of HDI has not been across the districts. Meerut district of western region with HDI value of with 0.5735 ranked one in 1991. Bahraich and Budaun belonging to eastern region with an HDI of 0.2671 and 0.2752 were first and second from the bottom. Among the bottom ten districts 8 districts were from the Eastern region. In the top ten districts 6 were from the Western region, Kanpur Nagar and Lucknow from the Central region and Mau and Ballia from the Eastern region (UPHDR,2003). Shahjahanpur and Buduan district of West U.P. was also in this category. The positions did not change much in the year 2001. Gautam Buddha Nagar district with a HDI value of 0.6740 occupied the top rank, while Shrawasti with a HDI value of 0.4042 was at the bottom. Interestingly, Mau and Ballia districts that were among top ten slipped to lower position and were replaced by Auraiya and Jhansi (UPHDR 2003). Among the bottom ten districts, except Rampur and Mahoba, all other districts continued to be from the Eastern region.

But some reshuffling in the ranking of the districts regarding their HDI is clearly visible in the UPHDR, 2007. It is Bundel khand region, of which most of districts (specially Chitrakoot) has improved their HDI values as well as ranking in 2005. From this region, Jhansi is in the top ten districts, while Jalaun, Hamir Pur, and Banda occupy middle ranks and improve their ranking. Conversely, from the eastern region districts like Varanasi, Chandauli, Allahabad, Gorakh Pur, Deoria, Mirzapur and Mau have relatively lower rank in HDI. In this regard ten out of high value districts fall in the western region while only one i.e. state's capital- Lucknow, belongs to the eastern region, although, both the regions have same no. of districts. In terms of improvement, most of districts of western region and bundel khand are in the top ten. Most of districts of eastern and central region either don't improve their position or have detoriation in their ranks (UPHDR,2008).

Table 4: **Region wise Human Development Values**

years	Eastern	Western	Central	Bundel khand	UP
1991	0.405	0.452	0.429	0.429	0.425
2001	0.505	0.557	0.532	0.533	0.544
2005	0.531	0.584	0.560	0.576	0.571

Source*: calculated from the Human Development Report of Uttar Pradesh*, 2008

Chart: 2 **Top Ten Districts with Highest and Lowest Improvement in HDI (2001-2005)**
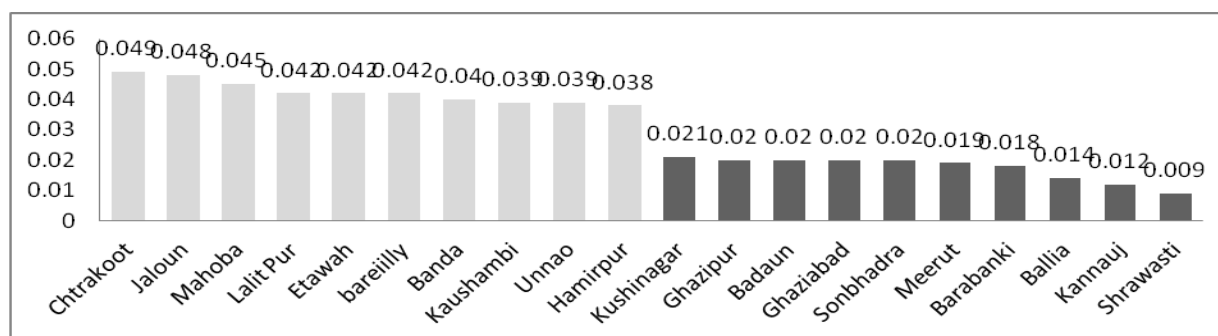
Source*: same as in Table 4*

(a) **Education:**

Education is considered as a key component of human development. It is an end itself as it enables people to lead a cultured and more satisfying life. At the same time it is a means for developing human capabilities for earning higher income. Educational levels are also found closely related with other indicators of human development like fertility and mortality rates, etc. Education status of the people of Uttar Pradesh is far from satisfactory. Across the regions much variation in the literacy level in male as well as in female cannot be seen. The percentage of literacy differs widely between rural and urban areas. In Bundel khand region no. of schools is much more than other regions so that their literacy level is also highest amongst all the regions.
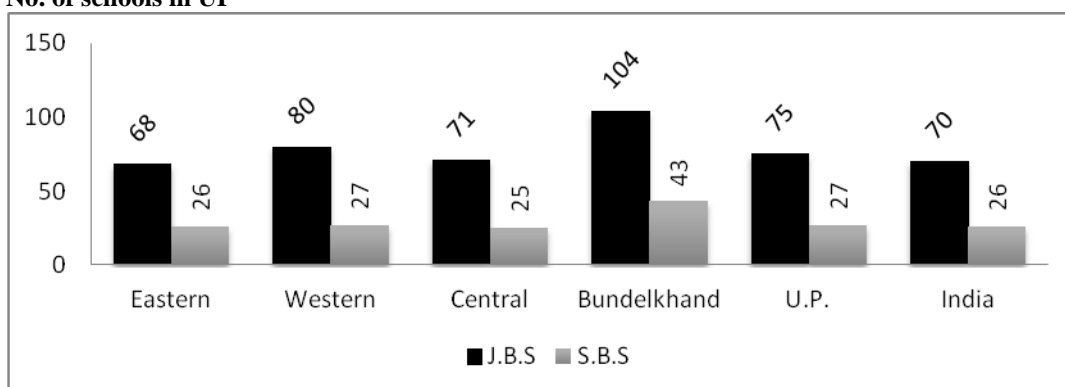
Literacy Percentage, 2011
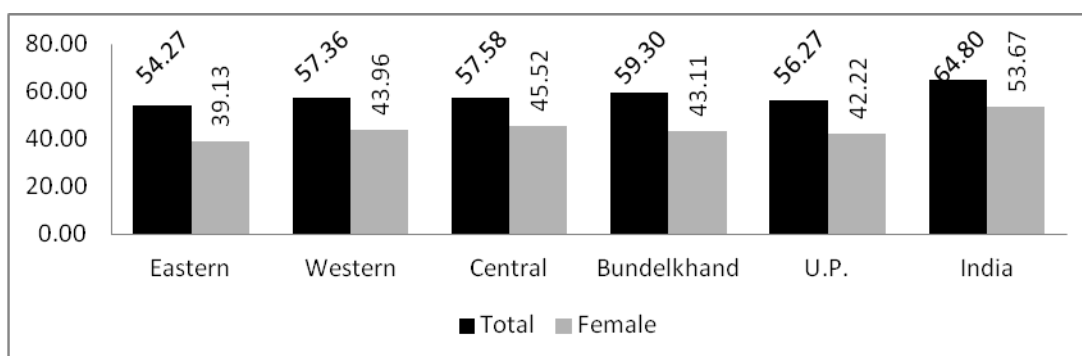
No. of schools in UP

Table 5: **Three major components of Human development index**

Regions	Education Index			Health Index			Income index		
	1991	2001	2005	1991	2001	2005	1991	2001	2005
Eastern	0.372	0.527	0.562	0.537	0.592	0.642	0.288	0.396	0.388
Western	0.429	0.583	0.621	0.577	0.602	0.484	0.352	0.654	0.475
Central	0.423	0.570	0.604	0.542	0.580	0.632	0.328	0.446	0.444
Bundel khand	0.404	0.585	0.629	0.548	0.574	0.627	0.335	0.440	0.473
UP	**.4071**	**.5627**	**.5985**	**.5316**	**.5911**	**.6314**	**.3360**	**.4489**	**.4458**

Source: *same as in Table 4*

Table 6: **% increase in no. of schools, teachers and in enrolment**

years	no. of schools			no. of teachers			growth of enrolment in		
	JBS	SBS	SS	LPS	UPS	SS	JBS	SBS	SS
1970-71	13.2	23.8	19.68	16.89	9.07	3.45	-4.12	22.11	17.83
1980-81	26.52	54.26	51.63	21.83	40.08	45.47	-11.75	30.68	48.91
1990-91	-1.9	11.19	15.86	7.43	35.88	8.9	27.68	52.26	38.05
2000-01	12	30.3	41.01	9.68	-0.41	-2.11	4.96	6.95	11.79
2005-06	55.69	103.78	50.92	2.06	-0.47	11.65	109.24	219.06	27.11

Source: Shiksha ki pragati in UP, Directorate of Education,UP

At the district level there are glaring disparities in literacy level, which varies from a low of 38.8% in Rampur to a high of 74.4 % in Kanpur Nagar. In as many as 20 districts more than half of the population is illiterate. In as many as 56 out of the 70 districts more than half of the females are illiterate. Literacy rates are generally lower in many eastern districts and some minority dominated districts in western UP (UPHDR, 2008).

According to NHFS II (1998-99) the most important reason for not going to school was 'not interested in studies'. This reflects poor quality of teaching and infrastructure in the schools. The second most important reason given was 'required for household work.' The high cost of schooling also prevented children from

attending school. Thus, poverty and burden of sharing domestic responsibilities in case of working parents are preventing children from poor families from attending school. In rural areas a good number of girls are unable to attend school due to its distant location. In terms of the number of schools per lakh of population sparsely populated Bundelkhand is the most developed region of the state and the more populous Eastern region the least developed. Since the early nineties the government has made especial efforts to increase school enrolments through programmes like DPEP and Sarva Shiksha Abhiyan and by offering various facilities and incentives to girl students and to students belonging to the weaker sections. As a result of these efforts the state has shown remarkable achievement in term of enrolment including girls' enrolment during the recent years (Tenth Plan, U.P. Government).

(b) Health

The state shows significant variation in health related indicators across various regions and various income groups. Both the rich and poor face a high burden of health related disability. During the last three decades considerable improvement has taken place in health indicators. Since the beginning of the plan period, birth rate in UP has come down significantly. Consequently the expectancy of life has gone up. On the other hand U.P. health indicators compare unfavourably not only with the national average but also some of the other poorer states.

IMR *: According to UPHDR, 2008, IMR shows significant intra-state variations in the state. During the 1990s, Bundel khand region showed highest IMR. But it improves significantly in 2005.Infant mortality rates increase substantially in eastern and central regions in this period. RCH data suggests that awareness about pneumonia and diarrhea management was very poor. Again the awareness level was a bigger challenge particularly in Central and Eastern regions.*

Table 7: IMR in U.P.

	Uttar Pradesh			India		
	Urban	Rural	Total	Urban	Rural	Total
1999	63	94	89	47	73	68
2005	64	75	73	42	62	57

Source: NFHS-2 and 3

Immunization*: Western region records lowest proportion of children who received complete immunization. Even the proportion of children recording partial immunization is also found to be low in western region. Eastern and central region present a much better scenario. It needs to be mentioned that while western region has a very high concentration of private providers, it lags behind in terms of public sector providers. As much of the immunization is the result of public sector driven campaigns, eastern and other regions seem to have performed much better.*

Other diseases*: The incidence of blindness, tuberculosis, leprosy and maternal morbidity is also high. Large proportion of babies is underweight across the regions. NFHS III data indicate that stunting declined from 56 to 46 during 1997–2005; wasting rose from 11% to 14.5%; and percentage of underweight children declined from 52% to 47% during the same period. Even now nearly half of the children in the state are undernourished (NFHS III 2006). The differences between the urban and rural areas in terms of availability of health facilities and health indicators are also noticeable.*

Quality of infrastructure in PHCs*: The quality of infrastructure available in the PHCs and CHCs in the state is far from adequate and well below the national average for each type of infrastructure facility (Table 8). Though the state had over 18 thousand PHCs in 2001, most of them are poorly equipped and do not even have proper drinking water facility. Only 40% of the PHCs in U.P. have electricity connection. Only 20 per cent of them have a labour room and barely around 31 per cent have a laboratory for conducting tests. However, with respect to CHCs the situation in Uttar Pradesh is somewhat better. But more funds need to be allocated to PHCs so that infrastructure available in them can be raised.*

(c) Economic Disparity: *There are sharp regional differences in economic prosperity. In 2004-05, economically the most prosperous region of the State was Western region, while Eastern region was the poorest, Central region and Bundel khand falling in the middle category because education index and health index have significant positive relation with income index and consequently with human development index. Bundel khand region is going in the right direction in comparison with other regions of the state. Its annual compound growth of per capita net regional domestic product is much higher than other regions for the period of 1993-94 to 2004-05.*

Table 8: **Status of Infrastructure in PHCs in U.P. and India (2002-03)**

State	No. of Centres surveyed	Type of Infrastructure						
		Water	Electricity	Labour Room	Laboratory	Telephone	Vehicle working	Deep freezer
		Primary Health Centres						
Uttar Pradesh	486	175	199	97	151	10	68	112
%With facility		36.0	40.9	20.0	31.1	2.1	14.0	23.0
All States	7654	4765	6222	3627	3474	1453	2141	4941
% with facility		62.3	81.3	47.4	45.4	19.0	28.0	64.6
		Community Health Centres						
Uttar Pradesh								NA
% with facility		.0	.8	.0	.3	.3	.7	NA
All States	1	6	6	9	8	1	4	NA
% with facility		.2	.4	.9	.7	.2	.4	NA

Source: *India Infrastructure Database,2007*

Per Capita Income at current prices (2005-06)
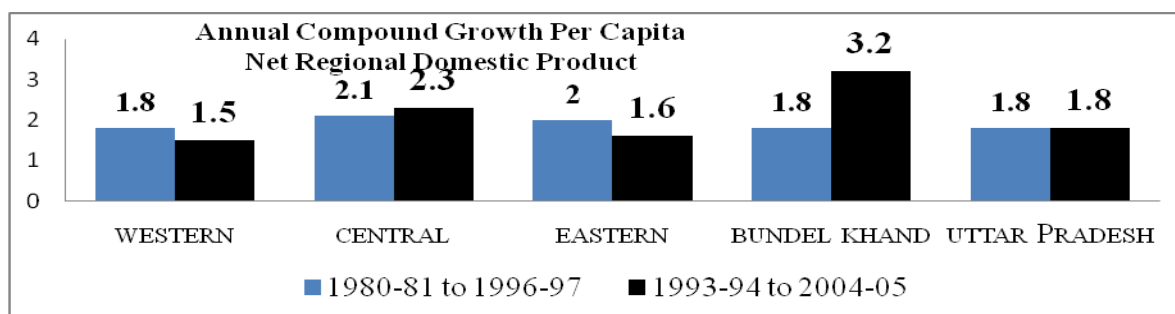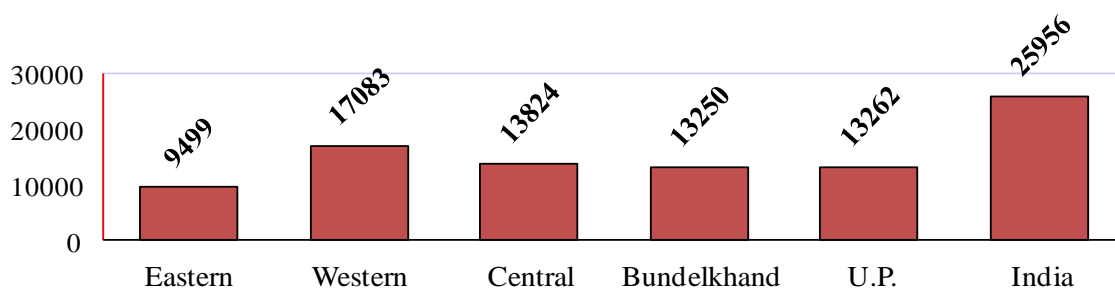
Trends in Expenditure on Social Sector in Uttar Pradesh

Per capita real expenditure on social services in U.P. and other states rose very significantly after 2000-01. But the chart demonstrates that there is a huge gap between the two lines. The social sector expenditure in other states increased significantly. Social sector expenditure in U.P. is lower even as compared to other backward states. Only Bihar is behind the U.P. in terms of social spending in real terms. This was true for the different components of social sector as well. These figures are reflective of the low priority to social sector given by the policy makers in the state and underscore the need of substantial improvement in levels of social sector expenditure in U.P. to bring it out of the current morass of poverty and low human development.
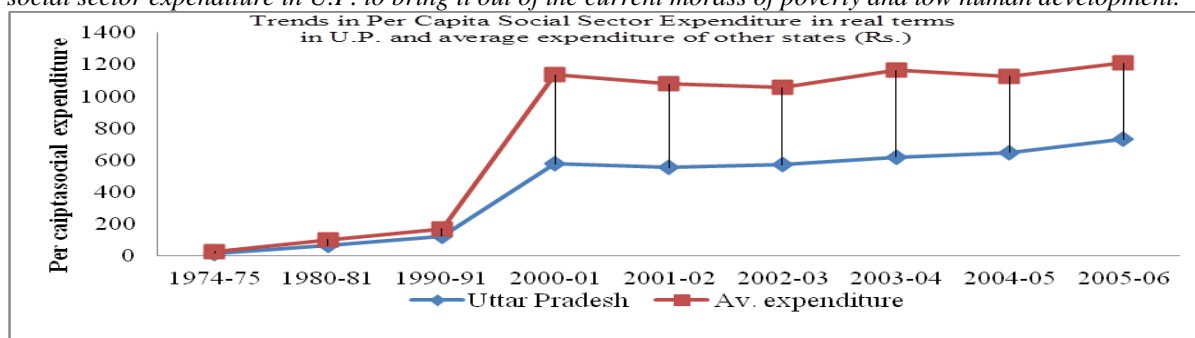
Table 10: Share of Revenue and Capital Expenditure in Total Expenditure on Selected Items in Uttar Pradesh (%)

Year	Total Expenditure		Social Services		Education, Sports, Art and Culture		Health I		Health II		Social Security and Welfare	
	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
1980-81	78.10	21.90	96.81	3.19	99.36	0.64	94.98	5.02	NA	NA	97.44	2.56
1981-82	78.94	21.06	95.38	4.62	NA	NA	92.50	7.50	NA	NA	94.98	5.02
1982-83	84.08	15.92	94.42	5.58	99.42	0.58	89.46	10.54	NA	NA	92.29	7.71
1983-84	83.61	16.39	94.56	5.44	99.03	0.97	91.26	8.74	NA	NA	88.94	11.06
1984-85	81.38	18.62	95.50	4.50	98.89	1.11	92.74	7.26	NA	NA	88.73	11.27
1985-86	83.49	16.51	94.88	5.12	98.89	1.11	90.11	9.89	74.40	25.60	97.77	2.23
1986-87	81.02	18.98	94.55	5.45	98.82	1.18	91.98	8.02	99.53	0.47	96.32	3.68
1987-88	82.71	17.29	94.13	5.87	98.23	1.77	92.09	7.91	97.67	2.33	98.61	1.39
1988-89	87.01	12.99	94.56	5.44	98.12	1.88	91.90	8.10	99.15	0.85	98.33	1.67
1989-90	88.73	11.27	97.41	2.59	99.03	0.97	96.56	3.44	99.86	0.14	99.75	0.25
1990-91	89.01	10.99	95.56	4.44	98.43	1.57	91.93	8.07	98.91	1.09	99.72	0.28
1991-92	93.58	6.42	94.85	5.15	97.80	2.20	91.34	8.66	99.21	0.79	99.07	0.93
1992-93	90.90	9.10	95.40	4.60	97.74	2.26	93.26	6.74	99.19	0.81	97.00	3.00
1993-94	93.33	6.67	96.23	3.77	98.46	1.54	94.55	5.45	99.56	0.44	99.12	0.88
1994-95	93.22	6.78	95.37	4.63	98.51	1.49	93.17	6.83	99.91	0.09	99.76	0.24
1995-96	93.96	6.04	96.43	3.57	98.70	1.30	94.89	5.11	99.82	0.18	99.29	0.71
1996-97	93.05	6.95	95.39	4.61	98.99	1.01	94.72	5.28	99.98	0.02	99.85	0.15
1997-98	93.01	6.99	95.11	4.89	98.71	1.29	94.53	5.47	99.28	0.72	100.00	0.00
1998-99	92.56	7.44	96.81	3.19	99.49	0.51	95.54	4.46	99.97	0.03	99.80	0.20
1999-00	91.90	8.10	96.88	3.12	99.63	0.37	95.27	4.73	98.40	1.60	99.95	0.05
2000-01	90.47	9.53	97.17	2.83	99.14	0.86	96.65	3.35	96.02	3.98	99.42	0.58
2001-02	89.34	10.66	98.10	1.90	99.23	0.77	97.11	2.89	100.00	0.00	99.69	0.31
2002-03	89.93	10.07	96.53	3.47	98.82	1.18	95.55	4.45	100.00	0.00	99.78	0.22
2003-04	81.62	18.38	96.62	3.38	98.34	1.66	94.70	5.30	90.76	9.24	99.34	0.66
2004-05	87.83	12.17	96.02	3.98	98.17	1.83	90.42	9.58	81.11	18.89	99.64	0.36
2005-06	83.69	16.31	93.59	6.41	96.43	3.57	85.27	14.73	80.85	19.15	99.64	0.36

Source: (Singh, 2007)

Within the social services, education expenditure includes expenditure on sports and youth affairs. Health expenditure is defined in two ways. Health I comprises expenditure on the heads of medical, public health and family welfare, where as Health II includes expenditure on water supply and sanitation These categories are kept separate as expenditure on water supply and sanitation contributes to health indirectly and is not considered as an integral part of health (Prabhu, 2001). The share of capital expenditure has declined from nearly 22 percent of total expenditure on social sector in 1980-81 to nearly 10 percent in 2002-03, whereas revenue expenditure has substantially increased from 78 percent to 90 percent in the same period. Thus the fiscal crisis has more impact on the capital expenditure in public account during the 1990s (Table 10). The same declining trend in capital expenditure is also observed in various components of social services such as education, health I, health II and social security. The share of health I and health II was quite low to begin with but increased to 15 percent during the recent years. Very low proportion of capital investment in essential social sectors like education, health shows the neglect of the social sector by the policy makers.
This study found that in none of the years PER was near the norm of 25 percent of the NSDP in the state except in 2003-04. This is largely reflective of low per capita income and low Tax-SDP ratio in the state. The share of social sector expenditure to the total revenue expenditure SAR has also declined sharply from 1980-81 to 2005-06. In the early eighties the ratio ranged between 53 and 57 percent. Since 1985-86, SAR has steadily declined and has been in the range of 30 to 35 percent. Thus, during the post reform period SAR has fallen below the norm of 40 percent for revenue expenditure in the social service suggested by the UNDP report. This is again related to the fiscal strains the state budget is facing due to very high proportion of expenditure being spent on salary component, pensions and interest payment.

SPR is, however, has been more than the norms of 40 percent as suggested by UNDP in most of the years in the state. It has increased from 54 % in 1980-81 to nearly 73% in 1990-91. During the post-reform period, SPR has remained constant around 70 % in most of the years with few exceptional years. Human Priority Expenditure (HER) as a proportion to NSDP looks disappointing as it has remain below the suggested norms of 5 percent in most of the years.

IV. Conclusion and Assessment of the Policy of Social Spending

Substantial progress has been made in the state during the last decade in the education especially at the primary level. There is wide spread illiteracy especially among the women and in the rural areas. Mortality rates are high. There is visible discrimination against the girl child in matters related to education and health. Economic growth in the state has been very slow to bring about a significant improvement in the social sector and the human development levels. So, the state lags behind all the states except Bihar, in the level of human development. Lack of economic development has affected improvement in social indicators, the low level of human development acts as a major constraint on rapid economic development in the state.

Intra-state disparity in terms of values as well as in ranks regarding human development index has deep penetration in the state development. It depicts a depressing scenario of the state's social and economic development. Quite a large no. of the districts are in the medium and low human development level. There is a tendency of convergence in terms of HDI among the districts of U.P. Bundel khand region shows significant development in recent years. Western region has performed well since 2001 to 2005.but the pace of development on social ground is low. On the other hand eastern as well as central region of the states have very slow growth in the terms of education, health and economic development. A large number of districts of these two regions are in the lowest level of human development index. This disparity in the development across the regions leads Uttar Pradesh to lag behind across to other states of the country.

The low achievements of U.P and intra-state disparity in social development can be blame to the failure of public policy, which accorded low priority to social sectors. The focus of the capital as well as revenue expenditure for infrastructure and social development of the present state government is only two or three districts of western U.P. Public investment in education and health sectors remained low throughout the planning period. As Dreze and Gazdar observe "whether we look at health care provisions, or at educational facilities, or at the public distribution system, or indeed at almost any essential public services for which relevant data are available, Uttar Pradesh stands out as a case of resilient government inertia as far as public provisioning is concerned" (Dreze and Gazdar, 1996).

There has been a visible deterioration in the functioning of public institutions in the state. The state of primary schools in U.P. has been well illustrated by Dreze and Gazdar (1996). Not only public schools and hospitals are understaffed and ill-equipped, the teachers and hospital staff are often found missing from their duty particularly in the rural areas (UPHDR 2003). Primary school teachers are often put on other official duties like preparation of ration cards, voters list, holding of election, etc., which leaves little time to them to devote to their primary duty of teaching. Public health services are also marked by inequality in access to different social groups, the richer sections getting more than proportionate access and skewed in favour of the urban areas (UPHDR 2003). Political leadership as well as the academia in the state has also not raised the issue of social progress in a forceful manner to put public pressure on the government. Socially U.P. presents a picture of deep crevice on caste and communal lines. Political mobilization has also been along caste and communal lines rather than on economic and social issues leading to emergence of new political regional parties. The deep social and economic divisions based on caste, class and gender inequalities have tended to retard social progress in U.P.

REFERENCES

[1]   *Chakroborty Pinaki (2009), "Intra- Regional Inequality and the Role of Public Policy: Lessons Learnt from Kerala," Economic and Political Weekly, Vol. 44, No. 26.*
[2]   *Department of Planning, Uttar Pradesh Human Development Report 2006 Lucknow.*
[3]   *Dreze and Gazdar (1996), "Uttar Pradesh: The Burden of Inertia," in Dreze, Jean and Amartya Sen (1996), Indian Development: Selected RegionalPerspectives, Oxford UniversityPress, New Delhi.*
[4]   *Department of Planning, Tenth Five Year Plan, U.P., Lucknow. Vol. 1, Part 1Annual Plan, U.P., 2003-04, Lucknow*
[5]   *Department of Planning Uttar Pradesh Human Development Report 2003, and 2008, Lucknow.*
[6]   *Directorate of Education, Shiksha ki Pragati (Annual), Lucknow*
[7]   *Guha, A. and D. Chakraborty (2003), "Relative Positions of Human Development Index Across Indian States: Some Exploratory Results", Artha Vision, Vol. 11, No. 4*
[8]   *India Infrastructure Database, 2007*

[9]   *K P, Kannan and Pillai N., Vijayamohanan(2007) "Social Security in India: The Long LaneTreaded and the Longer Road Ahead Towards Universalization" MPRA Paper No. 9601 Centre for Development Studies, Trivandrum, Kerala, India*

[10]   *Kripa Shankar (2001), "UP on the Financial Brink: State Government Budget 2001-02," Economic and Political Weekly, Vol. 36, No. 20.*

[11]   *Mundle, Sudipto (1998), 'Financing Human Development: Some Lessons from Advanced Asian Countries'. World Development, Vol. 26, No.4*

[12]   *Majumder, Rajarshi(2005) "Human Development in India: Regional Pattern and Policy Issues" Indian Journal f Applied Economics, Vol. 2, No. 1*

[13]   *Mohan Rakesh (2005) "Human Development and State Finances" Speech draft at the inaugural session of the 3rd Programme on"Human Development and State Finances" November 7, 2005 at Pune ,www.rbi.org.in*

[14]   *NFHS II and III, National Family Health Survey 1998-99and 2003: Uttar Pradesh, International Institute for Population Studies, Bombay*

[15]   *Roy Hiranmoy and Kaushik Bhattacharjee(2009) "Convergence of Human Development across Indian States:QuantitativeApproaches to Public Policy" Fourth Annual International Conference on "Public Policy and Management", IIM,Banglore,9-12 August*

[16]   *Rao, Govinda M, Shand R T and Kalirajan, K P (1999) "A Convergence of Income Across Indian States A   Divergent Issue", Economic and Political Weekly, Vol. 34, No. 13*

[17]   *Sen Tapas K. And Krishanu Karmakar(2007) "Reprioritisation of PublicExpenditure for HumanDevelopment"   working paper, NIPFP,New Delhi*

[18]   *Singh, Ajit Kumar (1999), "UP Finances: Budgetary Illusion and Reality," Economic and Political Weekly, Vol. 34, Nos. 16-17, April.*

[19]   *_____ (2000), "Uttar Pradesh Economy under the Plans: Low Growth and Structural Stagnation", Man and Development, Chandigarh.*

[20]   *_____(2004) "Deepening Fiscal Crisis in Uttar Pradesh and Suggested Measures to Control It," in Madhuri Srivastava (ed.), Economy of Uttar Pradesh: Emerging Challenges, Special Volume brought out at the occasion of Annual Conference of Indian Economic Association held at BHU, Varanasi during 21-23 December 2004.*

[21]   *Singh, Ajit Kumar(2007), "The Economy of Uttar Pradesh since the 1990s: Economic Stagnation and Fiscal Crisisis," in Pai, Sudha (ed.) (2007), Political Process in Uttar Pradesh: Identity, Economic Reforms and Governance, Pearson Longmans, New Delhi*

[22]   *S. Arora, (2001). "Health Human Productivity and Long-Term Economic Growth" Journal of Economic History, Vol. 61, No. 3*

[23]   *S. Mahendra Dev and C. Ravi (2007) "Poverty and Inequality: All India and States, 1983-2005", Economic and Political Weekly, Vol. 42 (6).*

[24]   *UNDP, Human Development Report 1990, 1996, 2001, Oxford University Press, New York*