

## From New Delhi by Susan Maitra

### New development plan on the boards

*Planners are rushing to issue the country's Seventh Five Year Plan by mid-December, a few weeks before the elections.*

In early July, the Indian Planning Commission, the governmental body in charge of the nation's developmental planning, presented the Draft Approach Paper for the Seventh Five Year Plan for the period 1985-90. The approach paper presents the guidelines for the plan due to be launched next year.

The plan envisages an aggregate investment of about \$300 billion over the next five years, to be shared by both the state and private sectors. The average growth rate for the period has been estimated to exceed 5%.

The theme for the plan is to alleviate poverty and create employment and social justice; the thrust of investment will be in the areas of agriculture and industry.

The paper has directly identified the constraints on development of both, pointing out that "agricultural and industrial growth will not be feasible without a sound and functioning infrastructure, such as power, coal, transportation, and communications." There is no question that this is the major problem India faces in its capability for industrial growth, and the lack of infrastructure has also placed constraints on investment from outside sources, such as Japan.

In the industrial sector, the planners observe: "The emphasis will have to be on the modernization and upgrading of our industrial technologies to raise output many-fold." The planners also correctly recognize that "In-

dia cannot afford to stay behind in crucial areas of high technology where fast growth is taking place."

"Moreover," the planners note, "the scientific and technical capabilities that have been built up have to be used more effectively to promote efficiency, productivity, and technological advance in all sectors."

The paper sketches a comprehensive technology development plan which will be based upon an integrated effort, "forging effective linkages between users, producers, research institutions, and engineering organizations." Such an effort will certainly be welcomed by all.

Compared to the Sixth Plan (1980-85), the Seventh Plan starts off on a much better footing. In 1980, when the present Congress-I administration had taken over power from the Janata government, the five-year plan was not ready, and the country, faced with the prolonged drought of 1979-80, had seen its food-grain production drop by 17%. In 1984, by contrast, India is expecting a bumper crop which may provide an estimated 15-million-ton surplus.

Although food-grain production has more than met demand, the same cannot be said of the other basic sectors. The power supply, which undergoes seasonal variation, is estimated to be chronically 20% short. For a growing nation, such a power shortage has crippling effects. The Seventh Plan, when completed, will add an-

other 25 gigawatts to installed capacity, or about 60% of present capacity. By all estimates, however, such an addition will *not* be able to clear the logjam that the power shortage is causing in the industrial and agricultural sectors. To accomplish this would require an integrated program for nuclear energy, the cheapest and most reliable source of power. This requires a national program; the decentralization of the electric grid has produced conditions under which the effects of the introduction of a single nuclear power plant in an area are blunted by the inefficiency of the entire grid.

The good news is in the petroleum sector, where India has made great advances in recent years. India is now on the threshold of making significant gains on the petrochemical front by the end of this decade. According to the Union Petroleum Ministry's projections, by the end of 1990 a total investment of more than \$37 billion will have been made in setting up four large petrochemical complexes—in Maharashtra, South Gujarat, Uttar Pradesh, and West Bengal—and possibly a fifth in Tamil Nadu.

In the petroleum sector, in particular, India is expected to reduce its dependency on imported crude to about 40% by 1990. Meanwhile, the Indians are also making a pretty penny (on the order of \$1 billion) by selling a particular variety of crude to the United States. It is a type of crude which the Indian refineries cannot handle.

Energy Minister P. Shiv Shankar has also indicated that the government is planning to set up three natural-gas-fired power plants with a total capacity of 5 gigawatts. The minister explained that a part of the gas that is now being flared will be piped in to generate electricity in Gujarat, Rajasthan, and Uttar Pradesh.