

## Backward District Indicators - An Analysis

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India is a large country and divided into states and districts for revenue and development administration. Ever since planned development started, there has been thought process to identify backward areas/districts and develop them with focused attention. Accordingly, Government of India (GOI) has set up various committees to identify backward areas. These committees have identified and ranked different districts based on certain parameters. Over time, the parameters have changed, depending on the needs of the society. This Rural Pulse made an attempt to study the evolution of these parameters and highlight policy concerns.

### District as a unit of development interventions

1. In India economic development is generally analysed state wise. But the states in India are larger than some of the countries in Europe and Asia. This makes state level analysis not so effective in analysing backwardness. This has necessitated the focus to shift to district. Furthermore, district is a well-defined administrative unit for taking up developmental programmes effectively under the supervision of District Collector.

### Committees set up for classification of backward districts

2. Of course, the analysis of backwardness is relative and there are many backward districts in the so called developed states also. Similarly, even in backward states, some districts fare well on development. There are many reasons for backwardness despite uniform policy of the government. This geographical dualism of development and backwardness had led to regional imbalance. The First Five Year Plan, recognised this aspect even though the plan did not give emphasis on the development of local resources. Even the Second Five Year Plan also talked about “less developed areas” and resource constraints it had, for planning for the same. The Third Five Year Plan recognised the need for balanced development and discussed this at length and devoted a chapter on this subject. Further, India’s planners, administrators and politicians paid adequate attention to this issue and appointed various committees 1960 onward to study this phenomenon. These include: Committee on Dispersal of Industries, 1960; Patel Committee, 1964; Planning Commission Study Group, 1966-1971; Pande Committee, 1968; Wanchoo Committee, 1968; Sukhamoy Chakravarty Committee on Backward Areas, 1972; National Committee on Development of Backward Areas, 1978; Hyderabad

Karnataka Development Committee, 1981; Fact Finding Committee on Regional Imbalances, 1983; Committee for the Development of Backward Area, 1983 and E A S Sarma Committee for identification of 100 most Backward Districts, 1996. Simultaneously, Planning Commission also undertook an elaborate study on “Regional Variations in Social Development and Levels of Living- A Study on Impact of Plan Programmes” – 1967. Each of these committees sought to study, identify and recommend action on India’s most backward districts. Besides these committees, there have been some ad-hoc listings too of the worst districts like the no-industries list of 1983, the Planning Commission’s worst 100 list of 1997 or the rating done by the National Commission on Population (NCP) in 2001, districts for inclusion in programmes under Rashtriya Sama Vikas Yojana (RSVY) /Backward Region Grant Fund (BRGF), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Prime Minister’s Special Package for Agri-Distressed districts, 2006, Expert Group Report on Agricultural Indebtedness, 2007, Report of the Committee on Financial Inclusion, 2008, Nachiket Mor Committee on Comprehensive Financial Services for Small Businesses and Low Income Households, 2013, Inclusix by CRISIL 2016, etc., wherein districts have been ranked on different parameters of backwardness.

### Objectives of the Committees

3. Each of these committees has been set up with specific objectives. Pande Committee and Wanchoo Committee were formed (1968 and 1969, respectively) to identify and recommend fiscal incentives for setting up industries in the districts identified by Committee on Dispersal of Industries, 1960. The committee had identified 123 districts. The state wise analysis revealed that 82 per cent of districts were drawn from 4 states viz., Bihar, Madhya Pradesh, Uttar Pradesh and Rajasthan.

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## Criteria for Classification

4. Dr. Sukhamoy Chakravarty Committee on Backward Areas, 1972 identified 179 districts from different states. Again, more than 50 per cent of districts were drawn from the above mentioned states. Therein districts from Odisha and North East also figured in the list, together making about 79 per cent. The committee had classified districts based on different geographical features like central plain, desert, Himalayan foot hills, NER areas, etc.

5. Further, Planning Commission during the formulation of 4<sup>th</sup> Five Year Plan classified areas based on five categories: (i) desert areas, (ii) chronically drought affected areas, (iii) hilly areas including boarder areas, (iv) high concentration of tribal population, and (v) areas with high concentration of low income and employment. Subsequently, GOI set up Sivaraman committee during 1978, which recommended block to be the unit of development and classified areas as desert areas, drought affected areas, hilly areas, tribal areas, chronically flood affected areas and saline affected areas in coastal region. In 1994-95, Dr.Hanumantha Rao committee reviewed the backward areas identification parameters and recommended identification of areas based on moisture index. Different schemes like Desert Development Programme, Drought Prone Area Programme, Hill Area Development Programme, Western Ghat Development Programme and Tribal Sub Plan Programme have been designed and implemented in those identified areas based on this suggestion.

6. The GOI under the common minimum programme, decided to identify 100 most backward districts to implement special action plan for infrastructure development and set up committee in 1994. The committee considered indicators of deprivation, social infrastructure, economic infrastructure and assigned different weights to each variable. The variables were: i. incidence of poverty; ii. education; iii. health; iv. water supply; v. transport and communication; vi. power and electricity; vii. post offices and banks; viii. agriculture; and ix. industry.

7. The committee did not include J&K and NER as their problems were specific and peculiar. States like Andhra Pradesh, Gujarat, Punjab, Kerala, Tamil Nadu did not figure in the list of most backward districts by this committee and most of the districts identified were again from Bihar, Uttar Pradesh, Madhya Pradesh and Maharashtra, which together accounted for more than 84 per cent of the districts.

8. In order to implement wage employment programmes to provide alternative income sources and food security during lean agricultural season to rural poor, GOI set up a task force to identify 150

most backward districts. The task force identified districts based on parameters like incidence of poverty, unemployment rate, agricultural wage rate, per hectare agricultural productivity, productivity per agricultural worker, SC/ST population, drought proneness and desert proneness and rural connectivity, and worked out 3 different indices and a composite index for final selection of districts. Madhya Pradesh, Bihar, Odisha and Maharashtra accounted for about 70 per cent share. Andhra Pradesh, Uttar Pradesh, Gujarat, West Bengal, North Eastern States and Rajasthan had taken about 25 per cent share, rest followed by rest of the states.

9. In the meantime GOI had introduced Rashtriya Sama Vikas Yojana (RSVY) with an aim of removing barriers to growth, accelerate the development process and identified 100 most backward districts out of the list prepared by the task force. Districts from Uttar Pradesh, Madhya Pradesh, North Eastern States, Maharashtra and West Bengal had a share of more than 60 per cent. The programme was later converted to Backward Regions Grant Fund, expanded the number of districts to 246. Again this list of districts is dominated by Bihar, Madhya Pradesh and Uttar Pradesh which together accounted for more than 50 per cent of the districts. Surprisingly Tamil Nadu also finds a major place in the list with more than eight per cent share, followed by Odisha (7.72%), Andhra Pradesh (5.28%) Maharashtra and Rajasthan (each with 4.9%).

10. Further, in 1993, District Primary Education Programme used parameters focusing on: i. Enrolment of girls; ii. % SC ST children; iii. Children working; and iv. % Children out of school, etc., and identified 42 districts from seven states (Assam, Haryana, Kerala, Karnataka, Madhya Pradesh, Maharashtra and Tamilnadu) as the most backward. Again here, Madhya Pradesh and Maharashtra together have taken more than 50 per cent share.

11. National Population Policy- 2000, also used parameters like i. Maternal Mortality Rate; ii. Infant Mortality Rate; iii. Universal immunisation; and iv. Adoption of small family norm, and ranked the districts of the country to get focussed attention on backward districts. This programmes was later extended to all the districts.

12. Government of India had appointed an "Expert Group on Agricultural Indebtedness"(2007) under the Chairmanship of Prof.Radhakrishna. The committee identified 100 agriculturally less developed and distressed districts in India. This list also included 31 distressed districts covered by the Prime Minister's package. Accordingly, Madhya Pradesh, Andhra Pradesh, Bihar, Maharashtra took about 65 per cent. Rajasthan, Uttar Pradesh and Jammu and Kashmir

states accounted for another 20 per cent, while remaining districts were accounted by other states.

13. With change in focus, there was a shift from social to economic parameters, access to financial services; like bank accounts, loans, insurance, etc., and in order to prepare plan to bring all households in the financial front, GOI set up a committee under the Chairmanship of Dr. Rangarajan (2008). The committee measured backwardness of districts with respect to: i. Access to financial services on the basis of per branch population and ii. Credit gap of more than 95 per cent and ranked more than 250 districts as backward. However, districts which had more than 97 per cent adults not having a bank account came to 140. Accordingly, districts of North Eastern region, Bihar, Madhya Pradesh and Uttar Pradesh together accounted for 83 per cent. Maharashtra, Rajasthan, Gujarat and West Bengal were the other states which made a presence in the list.

14. The methodology developed by the Committee for Evolving a Composite Development Index of States (2013) under the Chairmanship of Dr.G.Raghuram Rajan proposed the following ten sub-components: (i) monthly per capita consumption expenditure; (ii) education; (iii) health; (iv) household amenities; (v) poverty rate; (vi) female literacy; (vii) percent of SC-ST population; (viii) urbanization rate; (ix) financial inclusion; and (x) connectivity, and rated States. Central Research Institute for Dryland Agriculture (CRIDA) ranked the districts based on aridity index (UNCCD, 1994). This is computed by annual average rainfall and PET (Average annual potential evapotranspiration). Further based on these values, the districts have been classified as arid, semi-arid, dry sub humid, moist to sub humid, pre humid etc., based on the value of aridity index.

15. Nachiket Mor, Committee report on “Comprehensive Financial Services (2013) for Small Business and Low Income Households” had identified the districts based on access to financial services using parameters like, access to bank account, deposit and affordable formal credit, insurance, etc., with access to redressal at district level for all financial services. According to this study, in the bottom 100 districts in the country, 80 per cent belong to North Eastern States, Bihar and Madhya Pradesh.

16. Credit Rating and Information Services of India Limited (CRISIL) brings out an index namely “Inclusix” to assess the degree of financial inclusion at the national, regional, state, and district levels based on parameters like a) branch penetration, b) credit penetration, and c) deposit penetration. The latest Inclusix -III (2016) indicated that from the bottom 50 districts, more than half fall in North Eastern states.

Another 40% fall in Madhya Pradesh and Bihar, with rest spread in Rajasthan and Uttar Pradesh.

17. Of late, various state governments also started ranking their districts. Government of Andhra Pradesh ranked its districts based on the following parameters: i. Gross Domestic Product; ii. Per Capita Income; iii. Per Capita Electricity Consumption; iv. Percentage of Households having drinking water at home; v. Percentage of villages declared as Open Defecation Free; vi. Additional Irrigation Created; vii. Children outside school viii. IMR; ix. MMR; x. Percentage of girls passed 10 class; xi. Implementation of Health Insurance; xii. Implementation of Pensions; xiii. New Roads development; and xiv. Government response on public complaints on state welfare schemes.

### Global Indicators

18. The World Bank had developed Indicators in 2003 for assessing nations on relative strength known as World Development Indicators (WDI). WDI include approximately 800 indicators organized in six sections: i. World View; ii. People iii. Environment; iv. Economy; v. States and Markets; and vi. Global Links. WDI presents a statistical snapshot of the world. These provide a larger picture of poverty trends and social welfare, the use of environmental resources, the performance of the public sector, and the integration of the global economy.

19. In 2000, United Nations adopted eight international development goals as Millennium Development Goals (MDGs). These are: 1. To eradicate extreme poverty and hunger; 2. To achieve universal primary education; 3. To promote gender equality and empower women; 4. To reduce child mortality; 5. To improve maternal health; 6. To combat HIV/AIDS, malaria, and other diseases; 7. To ensure environmental sustainability; and 8. To develop a global partnership for development.

20. On 25 September 2015, the UN General Assembly adopted the 2030 Development Agenda titled “Transforming our world: the 2030 Agenda for Sustainable Development”. Accordingly, 17 Sustainable Development Goals (SDGs) associated with 169 sub targets under these items have been identified. The 17 SDGs are presented in Diagram 1

### Concentration of backwardness

21. Coming back to the ranking of the districts in India it could be seen from the above analysis that whichever is the committee or whatever are the parameters, most of the districts from North East, Bihar (including Jharkhand), Uttar Pradesh, Madhya Pradesh (including Chhattisgarh) Rajasthan were in the list of the most backward districts. Surprisingly, districts from some

**Diagram 1 – Sustainable Development Goals**



states considered to be developed like Maharashtra, Andhra Pradesh (including Telangana) and West Bengal also had presence as backward in majority of the committee reports.

### Common features of the backward districts

22. The general features of the most backward districts are 'no linkage' to national highways or road networks, and lie in the Naxal belt that stretches from Bihar to Andhra Pradesh. Concentrated in the north and eastern region, these districts are not drought-hit but flood prone. Typically, most of these lack irrigation development. Neither can they boast of any industrial growth. These districts are the worst performers both in school enrolment and literacy. Due to low literacy, there is high infant mortality and lack of immunisation. In a sense, these districts provide a ghastly sight of both the cause and the effect of deprivation.

23. Analyses of these districts indicated that despite so many development programmes with special focus, many of the districts continue to remain backward even today.

### Policy Concerns

24. There is a need for tailor made strategy for each district based on socio-economic conditions. The first step would be to examine each district and formulate plans with people's participation. Further, considering the evolution of the parameters, the backwardness

of a district or an area can be classified based on endowments or environments – soil type arid and semi-arid, chronically drought prone, desert areas, tribal areas, hilly areas, chronically flood affected, chronically saline affected, etc. In addition, education levels among SC/STs, girls enrolment in schools, infant mortality rate, maternal mortality rate, related parameters, percentage of area under irrigation, percentage of scheduled caste and tribe population, percentage of urbanisation, density and connectivity of road and rail networks, and other social infrastructure like availability of water, toilets, financial services, incomes - both Gross Domestic Product (GDP) and per capita income, agri credit to agri to GDP ratio, internet penetration, mobile density, employment provided through MGNREGA, workers engaged in off farm activities, waste disposal, environmental quality and effects of climate change, welfare pensions, coverage of public distribution system (by household coverage), quantity, quality and items, grievance redress mechanism present, crime rate, etc., need to be considered for arriving at backwardness of the district. Reliable data on most of the parameters is not available at district level. Therefore, the immediate need is not only strengthening the data collection and management system at district level but also consolidate the same at one place to be used by all departments so that district selection for focussed development would be easier.

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