

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING**

**LOK SABHA
STARRED QUESTION NO. *301
TO BE ANSWERED ON 07-12-2016**

REGIONAL DISPARITY

*301 SHRI KAMAL NATH
SHRI JYOTIRADITYA M. SCINDIA

Will the Minister of PLANNING be pleased to state:

- (a) whether the Union Government is aware that regional disparity among States has been growing over the years and if so, the facts and details in this regard;
- (b) whether any study has been conducted to ascertain the factors responsible for such wide gap in regional disparity amongst States and if so, the details along with the findings in this regard; and
- (c) the key role played by various State Governments to bridge the aforesaid gap and bring parity amongst the States?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING
AND MINISTER OF STATE FOR MINISTRY OF URBAN DEVELOPMENT AND
MINISTRY OF HOUSING AND URBAN POVERTY ALLEVIATION**

(RAO INDERJIT SINGH)

(a) to (c) A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY OF THE LOK SABHA STARRED QUESTION.
NO. *301 REGARDING REGIONAL DISPARITY BY SHRI KAMAL NATH AND SHRI
JYOTIRADITYA M. SCINDIA DUE FOR ANSWER ON 7.12.2016**

(a)& (b) The sub-continental dimensions of India, with inherent differences in geographical parameters and historical developments, have led to regional disparities in the levels of development of different areas, owing to the differences in resource endowment, levels of infrastructure and socio-economic parameters. In view of this background, the Union Government's aim has been to promote inclusive and balanced growth. To redress growing regional imbalances, an Inter-Ministerial Task Group was constituted in August, 2004, which submitted its recommendation in January, 2005. This group identified 170 Districts as backward including 55 extremists affected districts. It was also recommended for setting up a Backward District Grant Fund over and above the then existing mechanisms. Further in May, 2013, a Committee under the Chairmanship of the then Chief Economic Adviser Dr. Raghuram G. Rajan was constituted to consider backwardness of the States and to suggest a Composite Development Index for States. This Committee submitted its report on 26th September, 2013. The Committee suggested a multi-dimensional index of backwardness, which is an average of 10 sub-components.

The details of the findings of the studies are at Annexure – I.

(c) Development of States is primarily the responsibility of the State Governments concerned. The States have been implementing their own schemes to address specific development needs to bridge intra-state and inter-state disparities. The steps taken by all the State Governments to bridge the aforesaid gaps is being collected from the States.

Inter Ministry Task Force observed that the concept of regional disparities can be understood in terms of unequal resource endowments, uneven human development, inadequate infrastructure and poor budgetary resources. This Task Force in its recommendation focussed on creating a backward district fund, integrated with a district level budget/plan developed from below through a system of village plans based on the perceived needs and real capacities of these areas. This Task Force adopted a backwardness criteria based on resource endowment and human development parameters related to per capita income, health indicators, education indicators, physical infrastructure and capacity to raise revenue etc. This Task Force identified 170 districts of various States as backward districts and recommended for setting up a Backward District Grant Fund over and above the then existing mechanisms for allocation of funds. This included 8 districts of Andhra Pradesh, 8 districts of Assam, 36 districts of Bihar, 9 districts of Chhattisgarh, 1 district of Gujarat, 17 districts of Jharkhand, 20 districts of Madhya Pradesh, 4 districts of Maharashtra, 2 districts of Manipur, 3 districts of Meghalaya, 3 districts of Nagaland, 15 districts of Odisha, 9 districts of Rajasthan, 30 districts of Uttar Pradesh and 5 districts of West Bengal.

The Dr. Raghuram G. Rajan Committee had evolved a under development index, which included the 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. This report recommended that the States that score 0.6 and above on the index are 'least developed' States, while States that score below 0.6 and above 0.4 are 'less developed' States, while States that score below 0.4 are 'relatively developed' States. Ten States namely, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Meghalaya, Odisha, Rajasthan and Uttar Pradesh have been classified as "Least Developed" by the Committee.
