Indicators of Disparities in Level of Economic and Human Development in Uttar Pradesh

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ABSTRACT Disparities in levels of economic and human development are contingent upon a number of factors, quantifiable and non-quantifiable. Besides this, the same indicator may have multiple definitions. The selection of indicators and their definitions have to be scientific and suitable to the objectives of the study. Before making a final choice, indicators should be tested for their relevance, objectivity and measurability which is not an easy task. Thus, it would be difficult to handle a large number of indicators, while a set of few indicators would be inadequate and may not reflect the multi-dimensionality of economic and human development. Therefore, the choice of indicators has to be judicious to correctly reflect the levels of regional development, both economic and social. On the basis of above theoretical consideration, the present study analyses the indicators to measure the disparities in terms of economic and human development in the State of Uttar-Pradesh.

INTRODUCTION

According to the Planning Commission, balanced regional development is the cherished goal of every nation in order to ensure its unity and integrity. Since, development is dimensional and its full essence and impact cannot be ascertained by using only a single indicator. Thus according to Rao (1987), '*There cannot obviously be any rigid formulation in regard to the desirable number of indicators. The planners usually prefer a short list of indicators capable of sharply presenting a summary view of socio-economic development. Too many indicators which cannot be combined into an overall indicator or a set of sectoral indicators fail to present a summary view'.*

1 Measures of Economic Development- For measuring disparities in economic development, mostly the income, employment and productivity based indicators from industry and agriculture have been incorporated and for human development, following UNDP outcomes indicators with certain adjustments at the State level have been used.

To quote Todaro(1987), 'Development must… be conceived as a multidimensional process involving changes in structures, attitudes as well as the acceleration of economic growth, the reduction of inequality and eradication of absolute poverty. In essence development must an entire social system tuned to the diverse basic needs and desires of individuals and social groups within that system, moves away from a condition of life widely perceived as unsatisfactory as materially and spiritually 'better'.''

For assessing regional development, a number of studies have been carried out in case of different countries including India. These studies have used different indicators ranging from 1(Williamson) to 191(Moonis Raza&Kundu). In India, the first important study for identifying less developed regions and to measure the unequal regional development was carried out by Ashok Mitra in 1961 on the basis of forty seven indicators, classified into six major groups; (i) general ecology, (ii) agricultural infrastructure, (iii) participation rates with special reference to traditional economy, (iv), potential of human resources, (v), distributive trade, manufacturing and infrastructure, and (vi) organized industry in the modern sector. He has used rank method and arranged the districts in quartiles in order of their observed values and then divided each quartile into two equal halves and ranked them. In this methodology, equal weightage has been given to all the indicators. A study by V. Nath (1970) attempted to highlight disparities between different regions in India by taking four indicators, namely, per capita income, proportion of urban population to total population, proportion of male workers in manufacturing industries to all male workers and literacy rate.

In a similar study, Dasgupta (1971) has selected twenty four indicators out of which twenty one are similar to those selected by Mitra. The study uses Principal Component analysis and ranking of districts is done on the basis of the values of the first component. Rao (1977) has used the principal component approach by taking 24 indicators representing the sectors of agriculture, industry, banking and educa-

tion for identification of backward regions and to examine the trends in regional disparities in India. Hemlata Rao's study(1984) for the period between 1974-75 and 1979-80 selected 24 variables covering agriculture, industry, education and banking sector. Mishra and Vajpayee (1991)analysed the disparity in the level of industrial activities in the Eastern and the Western Uttar-Pradesh (U.P.) taking various indicators of output and employment in agriculture as well as industry.

From the Third Five Year Plan, the problem of regional disparities and the need for its reduction became major policy focus; however, no attempt was made to identify the backward regions. A new chapter 'Balanced Regional Development' was added in the Third Five Year Plan document. Over the years, Planning Commission has identified backward districts through various Committees but with the different objectives. The first attempt was made by the **Committee on Dispersal of Industries (**1960) which made use of indicators, such as, per capita income, ratio of population to cultivable land, percentage of population engaged in secondary and tertiary sectors etc. and concluded that the districts which were 25percent below the national average in terms of composite index of these indicators were considered as backward. However, a major initiative for industrialization of backward regions was taken up in 1968 and 1969 when two groups were set up by the Government of India. **The Pandey Committee (1968)** was entrusted with the task of identification of backward areas through fiscal and financial incentives and adopted the following criteria i.e., total per capita income, number of workers in registered factories, length of surfaced roads etc. The **Wanchoo Committee (1968)** went into the question of fiscal incentives to industries that were set up in the backward areas by providing tax concessions and investment subsidies and identified backward areas on the basis of per capita availability of food grain, per capita industrial output, number of factory employees, consumption of power, roads etc. The Pandey Committee's recommendations were rationalized by the Planning Commission and three categories of backward districts were identified. Again in the context of the formulation of the draft Fourth Plan, backward areas were identified and classified into five categories. **The Hill Area Development (HADP**) was also introduced from the Fifth Plan which included two districts of Assam, Darjeeling district of West Bengal and Nilgiris district of Tamil Nadu and12 districts of Uttar-Pradesh.[1] **The Sarma Committee (1997)**, which submitted its report in November 1997, was given the task of identifying 100 most backward and poorest districts in the country for infrastructure development on the basis of direct as well as indirect indicators of human deprivation pertaining to the quality of life of the people i.e., Poverty, IMR etc. Further, the **National Commission on Population (NCP)** was set up in the year 2000 to review, monitor and give direction to the implementation of the National Population Policy with the main objective to control the population growth. The NCP has ranked all the districts of the country based on a composite index using variables like percentage of decadal population growth, percentage of registered births and deaths, sex ratio, female literacy rate, percentage of village not connected with pucca road etc. More recently, a **Task Force** (2004) was set up by the Ministry of Rural Development to identify backward districts to generate wage employment for the poor in

lean agricultural season on the basis of 17 chosen parameters relating to income deprivation, health and educational status and infrastructural inadequacy and arranged them on the basis of their combined ranking to focus on relative deprivation levels. Meanwhile, the Planning Commission formulated a new programme named as **Rashtriya Sam Vikas Yojana(2002-03)**which includes Sonbhadra, Raebareli, Unnao, Sitapur, Hardoi,Gorakhpur, Banda, Chitrakoot, Kushinagar, Fatehpur, Barabanki, Lalitpur, Mirzapur, Jaunpur, Hamirpur, Jalaun**,** Mahoba, Kausambi, Azamgarh, Pratapgarh (ii) special plan for Bihar, and (iii) special plan for the undivided Kalahandi, Bolangir, Koraput(KBK) districts of Orissa.

Similarily, there are various indicators which have been used by different economists and scholars to measure the human development i.e., Human Development Index, Human Deprivation Index, Human Empowerment Index etc.

1.2. Enhancing Human Development -
The focus of development has in recent times shifted from unidimensional material progress in terms of GNP (single choice) to multidimensional measure of socio-economic progress(multiple choices), incorporating in itself the indicators of human welfare as well. This is because human beings are not only economic agents of the growth process but, are also the main beneficiaries of the gains of its progress. Human development, per-se, is taken as an expansion of human capabilities, widening of choices, an enhancement of freedoms and a fulfillment of human rights, so that people can lead the live they have the reason to value the most. The most critical choices are (1) to lead long and healthy lives; (2) to be educated; and (3) to enjoy a decent standard of living.

UNDP has provided a standard methodology for measurement of human choices in terms of a summary measure called HDI with some margins for improvement and modification.. For arriving at the education index figures of literacy at age 7 is used. The indicator of gross enrollment data is not used due to inadequacies in the reported data. Most advanced countries do not produce literacy data and are assumed to have literacy rates closer to unity leading to bunching at top and almost similar index for educational attainment. It is also said that since literacy measures the stock of a Nation's education, it thus does not capture the flow of education being achieved. To take care of all these inadequacies and to discriminate between the countries at top a second indicator of gross enrollment ratio was incorporated. At the very basic capability levels, however, literacy rates are fairly representative of knowledge for a number of reasons. Firstly, literacy rates are found to be considerably less than unity with large inter-regional and intra-regional variations. Secondly, it follows from the above that many of these countries are still struggling with low level of literacy, and are, therefore, not in a position to think about the specialized knowledge in a big way. Thirdly, the literacy figures available for India and its States including Uttar Pradesh are for "person aged seven years and above." These figures for 1991 and 2001 are taken from the Census; whereas for 2005 these have been extrapolated (minimum and maximum values are taken as 0 and 100).

For estimating the health index, infant mortality rate (IMR) data has been used instead of life expectancy at birth. It has often been argued that life expectancy at birth is closely associated with both income and IMR. Hence, as income is already included in HDI, IMR should be used instead of life expectancy[9]. Besides, prevailing paucity of data at the micro-level makes the task of measuring longevity very difficult. District-wise data for U.P are available only for 1981 and 1991. In UPHDR IMR for 2001 and 2005 are the derived rates based on RCH surveys. Minimum and maximum values taken are 10 and 100 respectively based on current and past observed IMRs in India and U.P.

Income is taken as a surrogate of all those capabilities which are not captured in health and education index. For estimating the income index UPHDR makes use of adjusted per capita income in PPP$. The district per capita income in PPP$ equivalent is derived from district per capita income at constant prices in Rs, multiplying with ratio of per capita GDP in PPP$ in India and per capita GDP in Rs in India for several years. Further these figures are converted to logarithmic form by which income index is estimated with minimum and maximum values being log (100) and log (40000) respectively.

2. CONCLUSION
Balanced regional development has been one of the principal objectives of planned development in India. The existence of the backward regions in developing countries like ours, necessitates further emphasis on balanced regional development. The balanced and sustained growth also requires that the all the sectors should grow harmoniously over the different regions of the country. Various studies have been taken to measure and remove disparities at various levels. Uttar Pradesh, one of the most backward and populous State, still suffered from a large inter-regional and intra-regional imbalances. Prior to the 1970s, the level of development was measured only with the single indicator (income) and considered to be a material welfare. However, developments which consist of a multidimensional process, its impact can not be explained by a single indicator. Therefore, for the purpose of meaningful analysis, disaggregated data on a large number of variables need to be combined into composite index.