

## District Development Indicators

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### 1. Introduction

Decentralisation of administrative and planning machinery, devolution of power and formation of district governments are priority areas of the present government. Meeting the needs of good governance and bringing in district government data at the district level have assumed a great deal of importance. The basic strategy behind devolution of power and decentralisation of administrative units in the state is people-centered, responsibility-based and service-oriented. In Andhra Pradesh (AP) increase of 1347 sq. kms. in forest cover from 1997 till date, fall in percentage of people below poverty line to 15.77% in 1999-2000, total number of Self-Help groups (at least one in all villages and 75% of villages have 15-20 groups) rising to 457526 as on August 2003 are some of the outstanding results of the strategies followed in the state. According to the Employment Market Information statistics available, a total of 20,422 establishments exist in the state giving employment to 20,53,544 persons as on December 2002. Presently there are 33 e-Seva centres (with over 250 service counters spread over the twin cities of Hyderabad and Secunderabad in the state of Andhra Pradesh) serving over 30,000 citizens on an average per day. All service counters are facilitated with an electronic queuing system. It is a one-stop-shop for over 51 G2C and B2C services.

The proposed change in the system and the process warrants availability of data and information at district level to facilitate job of district functionaries and elected representatives. District Development Indicators (DDIs) should contain important statistical data for all twenty three districts in AP. This working paper provides a framework for selecting and formulating DDIs. Keeping in view this objective, the data for all the districts in AP has been analysed for this exercise. It is hoped this working paper would be useful for district administrators, planners, elected representatives and researchers at every level.

### Transition in Economic Development

As an economy develops, so do its structural bases of national /district competitiveness. At low levels of development, economic growth is determined by the mobilisation of primary factors of production: land, primary commodities, and unskilled labour.

Year	Primary Sector	Secondary Sector	Tertiary Sector
1993-94	36	22	42
1994-95	33	24	43
1995-96	33	24	43
1996-97	33	23	44
1997-98	29	25	46
1998-99	32	24	45
1999-00	30	23	47
2000-01	31	22	46
2001-02	30	22	47

Source : Directorate of Economics & Statistics

Real economic growth also facilitates the fight against inequality and poverty, because people are always more ready to share part of an increasing income than to absorb an absolute reduction in a stagnant income. Growth is clearly not sufficient for all these things to happen, but it is certainly a necessary precondition (Fortin, 1999).

The transition is quite visible for AP, as primary sector contribution has gone down, secondary sector shows no variation, and as per the fast development in services sector, figures have shown a rise. According to NASSCOM (National Association of

Software and Service Companies) Hyderabad has achieved highest growth rate of 323% in IT enabled services in 2001-2002.

### **What are indicators?**

Indicators are measurements that tell us whether progress is being made in achieving our goals. They essentially describe the performance dimension key in measuring performance.

### **Why have Indicators?**

There is already a package of internationally accepted key economic indicators which are widely understood, and used to monitor how the economy is performing. These include growth in the economy, rate of inflation, level of interest rates, balance of payments, public sector borrowing and debt. The Government uses them in making its economic policy decisions. They are also widely reported in the media and are recognised by the public, who understand what levels of, or trends in, these indicators mean in terms of the performance of the economy.

### **Selection of the indicators**

A good indicator should satisfy a number of criteria. It should be scientifically sound and technically robust, easily understood, sensitive to the change that it is intended to represent, measurable and capable of being updated regularly. Ideally, we also need indicators which we can use now to report on progress, which means information must be available already, or can readily be collected. The selected indicators should give a broad overview of whether we are achieving a 'better quality of life for everyone, now and for future generations to come'. They should also cover the three pillars of sustainable development, namely social progress, economic growth and environmental protection, including people's everyday concerns like health, jobs, crime, air quality, traffic, housing, educational achievement, wildlife and economic prosperity.

### **Why Development Indicators System?**

An indicator system understands the linkages between economic strength and better quality of life. By deconstructing the components of district growth into discrete measurements, we can articulate the main drivers of economic progress, which in turn, reveal the necessary preconditions for a rising standard of living. The indicator system also serves as a tool for decision makers in government and sectors like industry, agriculture, etc. It identifies both problems and opportunities for policymakers and business leaders, and indicates possible initiatives for improvement. Used consistently over time, indicators can help track changes and trends in economic performance, thereby revealing where policy might best be employed to spur ongoing improvements in districts' quality of life.

Some sample based data (for example, employment data from ASI) is less reliable for small districts, especially when it is further disaggregated by sector of employment or ethnicity of employees. Other data, such as GDP, is simply not available below the sub-regional level. In these circumstances, smaller areas may still find regional or sub-regional data useful to provide contextual information. The indicators themselves also vary in reliability because of the way in which some of the data is estimated (for example, GDP at subregional level) and so require careful interpretation.

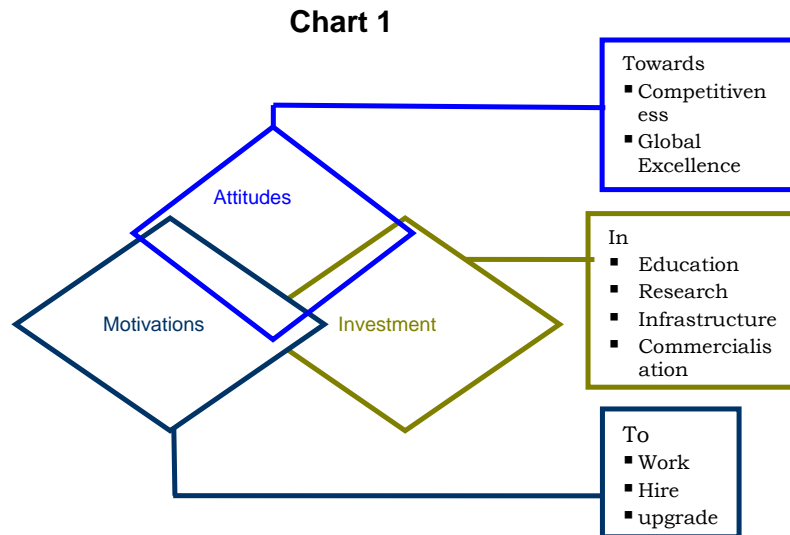
### **District Development Indicators (DDIs)**

A district's ability to increase its prosperity is the function of many factors including its macroeconomic environment, its microeconomic foundations for business and individual

success and its social and environmental health. The capacity for innovation and upgrading should be the core component of our indicator system. It should represent an *integrated* system of the following three elements:

- **Attitudes** towards competitiveness, growth and relative global excellence;
- **Investments** in education, research and development and commercialisation;
- **Motivations** for hiring, working and upgrading.

This gives the following AIM Model (Chart 1).



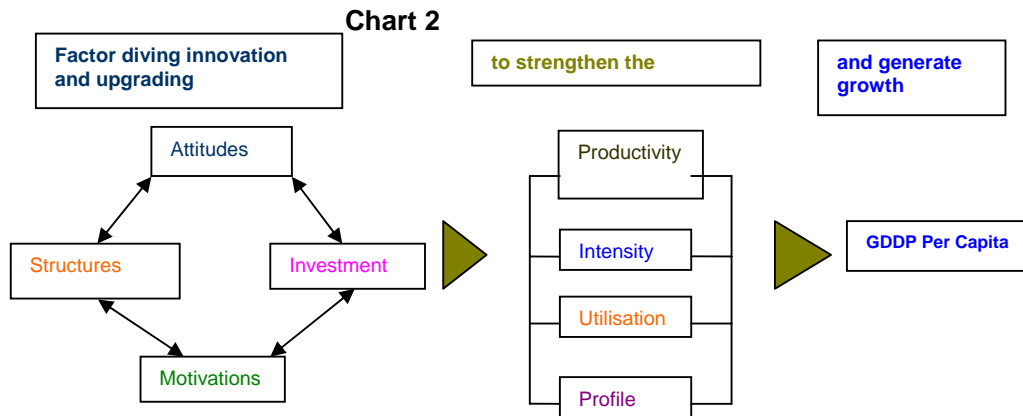
Although the presence of each one of these elements in a region is essential for building a district’s capacity for innovation and upgrading, it is their ongoing interaction that ensures the district’s ability to sustain economic prosperity. The key to close or narrow down the prosperity gap is to improve productivity. Four elements to drive the district growth or productivity are:

**Profile** – the proportion of total population who are contributing to its economic performance;

**Utilisation** – the proportion of working population who is actually employed;

**Intensity** – the amount of time those who do work are actually working;

**Productivity** – the success in translating working hours into products and services of value to people in district and around the state/country. The high correlation of productivity with urbanisation, wages around the world shows that it matters a lot in promoting growth in a region. Only productivity can grow indefinitely. Through continuous innovation and upgrading we can generate more output from the available resources. Raising productivity to reduce the prosperity gap – the ability of the people, firms and government to create value from our labour, intellectual, physical and natural resources. Increasing productivity does not mean we should all work longer hours for less money. In fact, it means the opposite. We should be creating higher value in our economy than ever before finding smarter ways for individuals to work. The following Chart 2 defines this more clearly:



Gross Value Added (GVA) is used in the estimation of Gross State Domestic Product (GSDP). GSDP is a key indicator of the state of the whole economy; similarly, Gross District Domestic Product (GDDP) indicates the overall health of the district, districts contribution to GSDP can also be used as a proxy to measure district growth.

### Goals to be considered while formulating DDIs

#### A. Sustainable Development

The Government intends that a set of DDIs in tune with sustainable development framework can help policymakers and people to understand what sustainable development means. They should also help businesses and individuals to understand how their own actions might contribute to a more sustainable future.

#### What is Sustainable Development?

Opportunities for change set out four broad objectives on which the Government's vision of sustainable development is based. These are:

- Maintenance of high and stable levels of economic growth and employment;
- Social progress which recognises the needs of everyone;
- Effective protection of the environment;
- Prudent use of natural resources.

Achieving sustainable development means addressing all of these objectives equally, both for present and future generations.

#### What is a Sustainable Economy?

To deliver a more sustainable economy we need:

- to do more with less: making better use of resources(improving resource efficiency);
- a stable and competitive economy;
- to develop skills and reward work;
- goods and services which meet consumers' needs and are produced, and can be used, ever more efficiently;
- the Government, producers and consumers working together to achieve long term change.

### **Building Sustainable Communities**

We need to build sustainable communities in our cities, towns and rural areas by:

- strengthening regional and local economies;
- meeting people's social needs: promoting better health, housing and access to services and recreation;
- improving local surroundings: revitalising town centres, tackling degraded urban environments, and ensuring that development respects the character of our countryside;
- reducing crime and the fear of crime;
- addressing problems of poverty and social exclusion in the most deprived communities;
- making it easier for people to get involved in their communities; and
- coordinating policies to bring these objectives together.

### **Why measure Sustainable Development?**

Societies measure what they care about. Measurement helps decision-makers and the public define social goals, link them to clear objectives and targets, and assess progress toward meeting those targets. It provides an empirical and numerical basis for evaluating performance, for calculating the impact of our activities on the environment and society, and for connecting past and present activities to attain future goals. Measuring sustainable development—just as we currently measure economic production—makes it possible for social and environmental goals to become part of mainstream political and economic discourse.

The principles of sustainable development underpin all Government policies and in particular those on the economy, health, education, welfare, employment, social exclusion, transport, agriculture and the environment. Key indicators are used or being developed in each of these specific areas. The purpose of the DDIs as a set of sustainable development indicators is to complement those more specific indicators by presenting a balanced set of measures which will allow sustainable development to be assessed.

Some of the indicators proposed here are already among the key measures to be used in these other areas, but different indicators may be more appropriate for different purposes. For example, the sustainable development indicator covering health will illustrate the highest level objectives of health policy, i.e., promoting better health and longer life for all the population. But additional, more detailed, indicators on reducing specific causes of ill health or premature death, etc., will figure in the health strategy.

### **B. Millennium Development Goals**

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria, and other diseases
- Ensure environmental sustainability
- Develop a global partnership for development

### C. Vision 2020

As per the vision, the Government is pursuing specific strategies to remove disparities between different categories of its people and between different regions of the State. The government, therefore, looks to the people to become its partners in progress, striving together to achieve the level of development that Vision 2020 stands for.

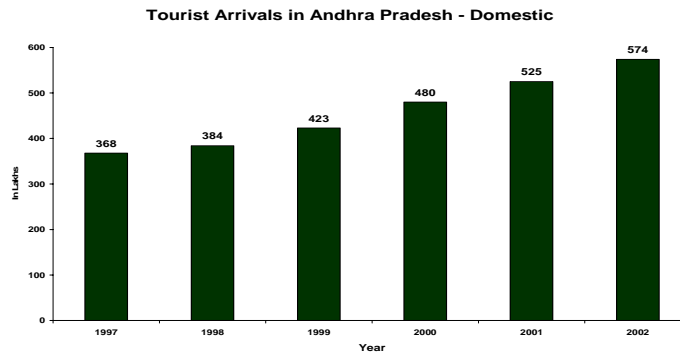
Drivers of Growth for each sectors discussed in earlier stages of this paper are very clearly defined in the vision.

Few drivers of growth/lead sector for districts in industrial sector are given below. The lead sector of a district economy is the sector which provides the large part of output and employment and contributes more than other sectors.

**Cement:** Adilabad, Cuddapah, Krishna, Karimnagar, Nalgonda, Kurnool, Guntur, Vishakapatnam.

**Sugar:** Vijayanagaram, West Godavari, Nizamabad, Visakhapatnam, East Godavari, Chittoor, Krishna, Srikakulam and Medak.

**Textile:** Chittoor, Anantapur, Kurnool, Ranga Reddy, Adilabad, Warangal, East and West Godavari.



**Tourism:** Hyderabad, Vishakapatnam, Vijayawada, Ananthapur, Nellore, Warangal, Chittoor

**Jute:** Vijayanagaram, Vishakapatnam, Srikakulam, Guntur and West Godavari.

**Major and medium scale industries:** Hyderabad, Vishakapatnam.

**Handicrafts Industries:** Karimnagar, Warangal, Srikakulam, Chittoor, Krishna.

The various measures taken by the Government are reflected in the rise in investment from Rs.4.35 crores in 1990-94 to Rs.1048 crores in 2000-02 in this sector. Similarly, drivers of growth in other sectors can be identified for each district.

**D. Agenda 21** is a statement of willingness by countries to strive for a form of development that recognises the essential links between economic growth, social equity and environmental protection.

### Classification of DDIs and position of Andhra Pradesh

DDIs can be classified into the following categories:

### **Economic growth**

Economic growth leads to higher living standards and greater prosperity for individuals, generally improving the quality of life. The measure for district overall growth is GDDP, and further showing the improvement in quality of life is GDDP per capita.

### **Social investment**

Social investment constitutes investment in public assets like transport, hospitals, schools, water supply, sewerage and waste disposal services, etc. Sustainable development means living off our income, not eroding our capital base, so that we are not storing up problems for future generations. Especially important is investment in "public" assets which benefits everyone. This indicator measures investment in public assets which means investment which benefits everyone. Net investment (after taking account of worn or obsolete assets) and capital stock is equally important, and the indicator will be developed to include these measures if reliable estimates can be made.

When assessing sustainability issues, this indicator should be considered alongside other indicators; for example, investment in education should be assessed together with changes in education standards; investment in health should be assessed with changes in people's health; investment in rail and roads needs to be considered together with changes in traffic volumes, and investment in sewage treatment needs to be considered with changes in river quality.

### **Employment: People of working age who are in work**

Giving people opportunities for work is a key objective underlying sustainable development. Employment provides income for individuals enabling them to improve living standards and meet their social needs, and makes the best use of human resources. Levels of employment are closely related to economic activity which is covered by the GSDP/GDDP indicator. To minimise unemployment in the longer term, people need the right skills to do the jobs available and this requires investment in education and training.

### **Human Development Indicators**

The Human Development Index is formulated for 15 principal states. HDI Ranking of 15 Principal States developed by me at Centre for Good Governance is shown in the table below. The methodology followed is same as followed in the United Nations Development Programme (UNDP), Human Development Report 2003. The index details will be provided in next assignment. This is based on the three following core indicators:

- i. **Per capita income of the states**
- ii. **Education:** Comprising of adult literacy rate and gross enrolment rate
- iii. **Health:** Comprises of life expectancy at birth indicator

Ensuring a better quality of life for everyone is central to sustainable development. A priority for most people is enjoying a long and healthy life. The indicator shows how life expectancy has been changing as a result of improvements in overall health and in health care systems. Socio-economic factors have a strong influence on people's health and expectation of long life. Expected years of healthy life are also influenced by factors such as a good diet, non-smoking and regular exercise and improvements in health will depend to some degree on people adopting healthier lifestyles.

Kerala tops the index and Bihar is at the lowest rank among the 15 major states. The low rank of Andhra Pradesh shows that we need to monitor and improve our position with respect to adult literacy rate, gross enrollment in school going age group and life expectancy at birth.

### Housing quality

Housing is another key component of a decent quality of life. 'Housing for all' strategy should focus on providing housing to poor and socially backward people in the district. The table gives overall number of house sites distributed to scheduled castes, scheduled tribes, backward classes and economically backward classes in the state (as on 31.3.2001). Further, the quality of housing do needs serious consideration as it causes harm to health, and is often linked with other social problems.

State	Extent of Land Acquired (Acres)	Number of Beneficiaries
Andhra Pradesh	34,289.59	10,36,969

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### Climate change: Emissions of greenhouse gases

Climate change is recognised as one of the greatest environmental threats facing the world today. All countries have acknowledged the need to reduce greenhouse gases like carbon dioxide, which are causing global temperatures to rise.

Carbon dioxide emissions are mainly driven by energy consumption. For business and the public sector, which account for most of the total emissions, there is considerable scope to improve energy efficiency cost effectively, which will also cut their costs. Households can help to reduce emissions and save money by being more energy efficient, by insulating their homes and using more energy efficient appliances.

### Air pollution: Days of air pollution

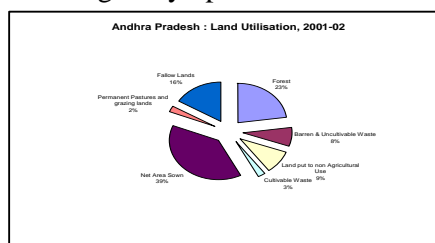
A key sustainable development objective is to control air pollution in order to reduce the risks of harm to human health, and to the natural environment.

### Transport: Road traffic

The key sustainable development objective is to strike the right balance between the ability of transport to assist economic progress and to meet people's needs for access, while protecting the environment. In the past traffic growth has been highly associated with economic growth, but now the resulting volume of traffic and congestion is at the heart of many of the problems we face. The total number of transport vehicles on road in the state has recorded a growth rate of 11.42% during 2001-02 over 2000-01 as on 31.3.2002.

### Wildlife: Population of wild birds

We value wildlife for its own sake and because it is an integral part of our surroundings and our quality of life. Birds are regarded as good indicators of wildlife and the health of the wider environment. Birds are generally believed to be good indicators of the broad state of wildlife and the countryside, as they are wide-ranging in habitat distribution and tend to be at or near the top of the food chain. Birds are well studied and monitored and reasonably reliable estimates of their populations are available annually, so unlike many other species of animals and plants, a bird indicator can be regularly updated.



Source: Directorate of Economics & Statistics





























