

Available online at <http://www.ijims.com>

ISSN - (Print): 2519 – 7908 ; ISSN - (Electronic): 2348 – 0343

IF:4.335; Index Copernicus (IC) Value: 60.59; UGC Recognized -UGC Journal No.: 47192. 1st July

A Study on Impact of Fiscal Decentralization on Human Development in India and an Insight into the scenario of fiscal decentralization in Assam compared to India

Anuradha Gogoi

M. Phil., Research Scholar

Dibrugarh University

Abstract

Fiscal decentralization is an area which is getting attention globally in recent times. Moreover, a few studies are focused on the relation between fiscal decentralization and human development, but there are a limited number of studies which uses statistical methods to analyze the relationship between the two. So, this paper is an attempt to analyze the relationship between fiscal decentralization and human development in India. Despite it also tries to look into the scenario of fiscal decentralization in Assam and compared the impact of Fiscal Decentralization on Human Development in Assam with other states of the country. This paper intends to show the relative position of states in India with respect to their scores in Devolution Index of 2009 and Human Development Index of 2001 and 2011. The study has found that the relation between fiscal decentralization and human development is not so close; it is only a moderately positive correlation. The moderately positive correlation states that it is not necessary that by improvement in decentralization human development would automatically improve.

Keywords : Fiscal Decentralization, Human Development, Devolution Index

1. Introduction-

Over the last two decades many countries around the world have been embarking on the issues of decentralization which is an important aspect of Fiscal Federalism. Fiscal federalism is a more general concept that represent a vertical financial structure of the public sector (Oates, 1999), with revenue and expenditure assignment among different levels of government and a system of intergovernmental transfers. According to Dillinger (1994), out of 75 developing and transitional countries covered in a recent survey, 84 per cent have embarked on a certain type of decentralisation process. Decentralization in the current development scenario emerged as a key strategy of Government to address the long standing human development issues. Fiscal Decentralization as an important subset of decentralisation has attained significance, as it is believed that fiscal transfer to local self-governing institutions can produce effective result in addressing the development needs. Nonetheless, the theories of Fiscal Decentralisation have been evolved through different stages and the Fiscal Decentralisation Research Arena flourished significantly in the context of Globalization and extensive economic policy reforms, in developing and transitional countries. Thus the trend of devolution of spending and revenue raising powers to sub-national level of governments has gained considerable attention in the past decade (Sarkar, 2000). Authors such as Bahl and Linn (1992) and Bird and Wallich (1993) among others, have argued that this process can improve efficiency, strengthen public service delivery and encourage economic growth.

In a country like India, decentralization can play a prominent role because of vastness in size, population and diversified livelihood system. The decentralized governing institutions are believed to be provided an accountable and transparent administration by nurturing people's participation in implementation of development program. The emergence of Third Tier Governments (PRIs) and their Fiscal Issues have provided enough scope to re-look the existing pattern of Fiscal Decentralization, as it is argued that without Fiscal Devolution, the spirit of Self-Governance may be in serious difficulty. Human development issues like health, education, sanitation and drinking water, can also be redressed effectively, through effective and vibrant decentralized institutions like PRIs. It is also argued that appropriate power devolution with regards to Fiscal, political & administrative can enhance effectiveness of Decentralized Institutions. Sarkar (2000) argues that infrastructure, education and health care are more sensitive to local conditions and therefore may be better served by local governments. Therefore, *ceteris paribus*, one would expect fiscal decentralization to influence a human development indicator, such as the Human Development Index (HDI), positively.

This paper would examine the relationship between decentralization of Indian States after the emergence of 73rd constitutional amendment act or Panchayati Raj Act and their relative position in Human Development Index (HDI) report for various Indian states prepared by Planning Commission of India and additionally would show the relation between fiscal decentralization and human development in Assam compared to other states.

2. Review of Literature-

In an attempt to carry out any investigation it is very important to have an idea about the work that has already been done. The review of available literature gives an insight on various aspects of any investigation showing the extent of work done on various aspects of the problem. Review of literature also helps in knowing problems occurred in previous studies and designing possible ways of overcoming them. Fiscal decentralization as an emerging issue has attracted much attention worldwide and there is a good number of research works related to this area. The review of available literature in global and national context has been given chronologically-

2.1 The Global Context-

Sarkar (2000) examined the relationship between fiscal decentralization and human development in Argentina. He found the evidence to be mixed and that decentralization did not explicitly increase human development in education and health. He used macro level data from 1997-1994 and examined Argentinean provinces.

Habibi N., *et al.* (2003) used the panel data set and found positive impact of fiscal decentralisation on health and education among the provinces of Argentina. He observes that the disparity in educational output and infant mortality rate between high and low income provinces decreases significantly from 1970 to 1994 due to rise in per-capita health and education expenditure in low income provinces.

Fuller M. (2005), demonstrated by analyzing Bolivian Municipalities that fiscal decentralization can increase human development and mentioned three main findings. First, the improvement of municipality's own source revenue capabilities is crucial for increasing human development. Secondly, government transfers have a positive impact on the HDI. Thirdly, his results illustrate the negative multiplier effect on human development that is present in rural indigenous communities. He found that, on average, a rural indigenous community will have approximately a 40 per cent lower HDI than either an indigenous or rural municipality.

Mehmood R. and Sadiq S. (2010) have observed that the effectiveness of fiscal decentralization can increase the human development and also strengthens the federation in Pakistan. They have suggested that the fiscal decentralization at the expenditure and revenue side has positively attributed to the HDI and results further suggested that the urbanization variable has positive and significant impact on HDI because of the pull effects outweigh the push factors.

Soto V.E. et al. (2012) have observed that devolving the allocation of responsibilities to municipalities decreased infant mortality rates. However, this improved health outcome affect depended greatly on socio-economic condition of the localities.

Soejoto A., et al (2015) have found in their work of fiscal decentralization policy yield in promoting human development as an economic overview of democracy in Indonesian countries and cities based on review of theoretical and empirical that increased decentralization funds have positive effect on the amount of public expenditure and economic growth which positively effects the HDI and thus lead to decline in total poor population.

2.2 The National Context-

Asfaw A., et al. (2001) tests empirically the impact of fiscal decentralisation on rural mortality rate in India from 1990 to 1997. He argued that fiscal decentralisation could be more effective if it is done alongside political decentralisation. The results of random effect model show the statistically significant negative relation between fiscal decentralisation and infant mortality rate.

Bahl, R. et al (2010) have observed that the federal system as practiced in West Bengal State seems out of balance by comparison with one that would emphasize autonomy for rural local governments. Over 70 percent of the population in the state lives in rural areas, yet rural local governments account for less than 17 percent of total state and local government spending. Much of this amount is funded by conditional grants which limits the fiscal autonomy of rural local governments. The empirical analysis carried out here identifies a large variation among rural local governments in the level of per capita spending.

2.3 Research Gap-

From the review of existing literature it is clear that there are various studies already available in the context of fiscal decentralization in Indian states but only a limited number of works have concentrated on the relationship between fiscal decentralization and human development in India while in the mean time it has come up to be quite researchable globally. Moreover, such kind of research in the North- East India, particularly in Assam is few in number. So, the aim of this paper is to fulfill this gap in literature.

3. Objectives of the Study-

- To replicate the prevailing structure of fiscal decentralization in India as well as Assam.
- To examine the relationship between fiscal decentralization and human development.

4. Research Questions-

- Does fiscal decentralization matter for human development in India?
- How is the relation between fiscal decentralization and human development in Assam compared to other states of India?

5. Methodology-

This paper is mainly analytical and mainly based on secondary data on various variables of interest. All the data have been collected from various books, journals and various official statistical documents published by the Government of India, Planning Commission, Finance Commissions, and Ministry of Panchayati Raj etc.

This paper would examine the relationship between fiscal decentralization and human development in India by using the ranking of various states with respect to decentralization in the Devolution Index (DI) which is prepared by the National Council of Applied Economic Research (NCAER) and their relative position in Human Development Index (HDI) report for various Indian states prepared by Planning Commission of India.

Devolution Index is defined as an aggregate of the number of functions, funds and functionaries transferred by the state governments to the Panchayati Raj Institutions (PRI's). It was been calculated to measure the relative ranks of states and the extent of democratic decentralization. The preparation of the index was initiated in 2004 by the Ministry of Panchayati Raj. The computation of the index is carried out by an independent institution which is to be selected through the provisions of Ministry of Panchayati Raj. The devolution index considered in the present study was computed by National Council of Applied Economic Research in 2008-09. The institute had computed this index only for three years, i.e., 2006-07, 2007-08 and 2008-09. The indicators considered in computing devolution index are 3Fs, namely, functions, finances and functionaries by the respective states to the PRIs including framework. The concept of framework seeks to rank states in accordance with their adherence to the four basic constitutional mandates as enshrined in the 73rd Amendment Act. These four components include the presence and functioning of (i) state finance commission (SFC); (ii) regular elections (in a span of five years); (iii) state election commission (SEC) and (iv) district planning committee (DPC). These four components within the framework are not comprehensive enough to accommodate all the provisions envisaged in the Act but it has been assumed that the other mandatory provisions had been adhered to by all the states. In the calculation of devolution index NCAER has made it a stage-wise process and the first stage is the fulfillment of framework criterion. The second stage evaluates the devolution of funds, functionaries and finances.

The National Human Development Index (HDI) has been calculated by Planning Commission of India. There are three components covered in the HDI which includes education, health and living standards. The component of education has two sub components which includes (i) Mean years of schooling for adults aged 25 and (ii) Expected Years of schooling for children of school entering age. The second component of life expectancy is calculated using the minimum value of 20 years and a maximum value of 83.4 years. The maximum age is the observed maximum amongst all the countries within a time span of 1980-2010. The third component with respect to wealth component or living standard has a minimum of 100\$ PPP and a maximum of 107,721\$ PPP. This is calculated for a span of 1980-2010.

This paper intends to show the relative position of states in India with respect to their scores in Devolution Index of 2009 and Human Development Index of 2001 and 2011. The primary reason for choosing two reports of Human Development Index is to compare the change in the Human Development Index over a decade with Devolution index. In this report the focus is on specific states because it is out of scope of the paper to cover all the states of India.

The paper uses Spearman's Rank Correlation Technique to test the relationship between fiscal decentralization and human development. This method was developed by the British Psychologist Charles Edward Spearman in 1904. It is defined as-

$$(R) = 1 - \frac{6 \sum d^2}{n^3 - n}$$

Where R denotes rank coefficient of correlation and d refers to the difference of rank between paired items in two series. Thus this paper focuses on examining whether decentralization and human development go hand in hand?

6. Prevailing structure of fiscal decentralization in India-

Among developing countries, India with a federal constitution is a case with relatively greater degree of fiscal decentralization. However, in terms of delivering public services, mobilizing physical and human resources, harnessing the synergies and unleashing incentives to exploit the developmental potential, regional and local fiscal autonomy has worked with varying degrees of successes even within the country (Rao, 2000). Thus India is a federation with constitutional demarcation of functions and sources of finance between Union, State and local governments. The statutory introduction of the third tier is a recent phenomenon – after the 73rd and 74th amendments of the Constitution in 1992 gave the rural and urban local governments the constitutional status. India had evolved as a two-tiered federal structure with the powers and functions demarcated between the Union and the States until this development. Of course, informally some degree of decentralization below the state level existed for a long time, local government units existed both in urban and rural areas, which basically acted as agencies of the State government. In rural areas historically, Panchayati Raj (PR) institutions in villages provided basic community services and dispensed justice.

With the amendments of the constitution in 1992, each of the State governments was required to pass legislation appointing Panchayati Raj institutions. It was stipulated that election to these Panchayats was to be held within the stipulated period. If the elected governments at local levels are superseded, elections should be held within the six months. An illustrative list of functions and sources of finance for both rural and urban local bodies was also set out in the amendments. Each State government was required to appoint a State Finance Commission to assign taxes and fees to local governments, and recommend tax devolution and grants.

The evolution of urban local governments was on similar lines. By necessity, the States had to create local bodies though the Constitutional recognition came only after the 74th amendment in 1992. Each State legislated separate Municipal Acts assigning the civic functions and sources of revenue. In general the assignment of revenues was inadequate. Though all municipal bodies could levy property taxes, revenue productivity from the tax was low. Most of the States were allowed to levy "Octroi", a tax on the entry of goods into a local area for consumption, use or sale. In general, the standards of services provided by the municipal bodies were poor and the State governments had to create a number of independent agencies such as housing boards, water supply authorities, and various improvement trusts to ensure minimum services. The amendment of the Constitution also assigned 37 activities to urban local governments. The new arrangement, in addition to those functions that were already assigned, also gave the functions of secondary and adult education, housing and land use, promotion and development of industrial and commercial estates, and electricity distribution to the urban local bodies concurrently with the State governments.

6.1 The System:

Federalism in India is characterized by constitutional demarcation of revenue and expenditure powers among the three levels of government. The institutional structure of multilevel provision of public services is shown in Chart 1.

Thus, over 1.2 billion people in the country are spread over twenty nine States and seven centrally administered territories. The Seventh schedule to the Constitution specifies the legislative, executive, judicial and fiscal domains of Union and State governments in terms of Union, State and concurrent lists. The Constitution also requires the President to appoint a Finance Commission every five years or earlier to review the finances of the Union and States and recommend devolution of taxes and

grants-in aid of revenues to them for the ensuing five years. In addition to these transfers, the Planning Commission also gives assistance to the States based on a formula determined by the National Development Council and specific purpose transfers for various central schemes implemented by different ministries of the Union government.

Below the States, there are over a quarter million local governments. Of this about 3000 are in urban areas and the remaining in rural areas. Rural local governments again are at three levels, district panchayats, Taluk panchayats and village panchayats. Each State has legislated to create three levels of rural local governments at village, Taluk (block) and district levels. The urban local governments consist of municipal corporations in large cities, municipalities in smaller cities and towns and Nagar Panchayats in smaller towns. Each of the State governments has devolved powers to levy certain taxes and fees to village panchayats and urban local bodies. The States have also instituted a system of sharing of States' revenues and giving grants to both urban and rural local bodies. Each State government is required to appoint a State Finance Commission to review the finances of the local bodies and assign tax shares and make grants. In addition, a number of Central sector and centrally sponsored schemes are actually implemented by local governments and the funds earmarked for the purpose are passed on to them from the State governments for implementation.

Since the objective of the paper is not only to describe the prevailing system of fiscal decentralization in India but also in Assam, so an attempt has been made in the following section to picturize the prevailing system in Assam also.

6.2 The System in Assam-

In conformity with the 73rd Constitutional Amendments Act, the Assam Panchayat Act 1994 also adopted a three tier *Panchayati Raj System* comprising of Gaon Panchayat (GP) at the village level, Anchalik Panchayat (AP) at the block level and Zilla Parishad (ZP) at the district level. As of 31 March 2012, there are 20 ZPs, 185 APs and 2,202 GPs in the state. The total rural population covered by PRIs at all levels is 2, 01, 98,790 which constitutes nearly 88 percent of the total population of the State. The total rural area covered by PRIs at all level is 40658.64 sq km constituting nearly 52 percent of the total geographical area of the State Likewise, in consonance with the 74th Constitutional Amendment Act, 1992 the municipal administration in

Assam is based on three categories of Urban Local Bodies as noted below:

- (i) Town Committee (TC) for a transitional or emerging urban area;
- (ii) Municipal Board (MB) for a comparatively small urban area, and
- (iii) Municipal Corporation *i.e.*, Guwahati Municipal Corporation (GMC) for a larger urban area.

As of 31 March 2012, there were 89 ULBs in the State comprising of one Municipal Corporation, 33 MBs and 55 TCs (Comptroller and Auditor General of India, 2011-12). The total urban area of the State is 961.77 sq.km which accounts for 1.23 % of State's total geographical area. For the purpose of assessment of municipal finances, the MBs and TCs have been grouped under a single category because of similarity in their functions, finances and responsibilities. They are also governed by the provision of the same Act *i.e.*, the Assam Municipal Act, 1956 whereas the only Municipal Corporation in the state, GMC is treated as a separate category which is governed by the provisions of the Gauhati Municipal Corporation Act, 1971.

Thus multilevel provision of public services is going on within the entire Indian federation. Throughout the years the local governments have worked for development without following any particular pattern. By this system of fiscal decentralization there is huge possibility that decentralization would ultimately lead to better social development. It has significant impact in improving service delivery with respect to education, health and social security by improving accessibility, reducing delays, it develops self-respect among the lower levels of the government, tweaking development programmes according to local needs,

providing voice to the people, encouraging participation which would strengthen democracy at the grass roots that would ultimately enhance accountability. It would lead to better targeting of the poor and would help to reduce the inequities prevalent in the state. These inequities would be addressed by better prioritization of development programmes.

Considering the given system of decentralization the purpose of this paper is to find out whether the buzz word decentralization is the answer to all the problems of under development. It has been often cited that the best means of development is through democratic self-governance or decentralization. This paper would try to explore that whether there is any correlation between decentralization and human development index of various Indian states or not.

7. Analysis-

This section of the paper will focus on the comparative ranks of the states in both Human Development Index and Devolution Index and would try to find out the correlation between the two.

Taking into consideration the states mentioned in Table 1 the correlation between the ranks of devolution index (2009) and human development index (2011) is 0.38. This moderately positive correlation states that it is not necessary that by improvement in decentralization human development would automatically improve. Rather there might be certain other variables which determine the relationship between these two ranks.

The table-2 shows the scores of Indian states in two Human Development Reports (2001 and 2011) and the scores of these states in Devolution Index for 2009. It shows that states like Kerala, Andhra Pradesh and Gujarat have a higher devolution score than other states and simultaneously have a positive percentage change in their HDI over a decade by more than 10 per cent. While other states like Karnataka, Tamil Nadu and West Bengal have a positive percentage change in their HDI but by less than 10 per cent despite having scored more than 50 in devolution index scores. On the other hand, states like Assam and Punjab have a positive percentage change in their HDI over the decade more than 10 per cent but ironically have scored less than 50 in devolution index.

From the table 2 it has been seen that though Assam's HDI score of 0.39 in 2001 have increased to 0.44 in a decade (HDI 2011), this is quite low comparing to other states in 2011, for example, Karnataka (0.52), Tamil Nadu (0.57). The devolution scores of other states are quite high compared to the score of Assam. It can be said that compared to the devolution scores Assam has done really good within a very short span of time in respect to the HDI scores. When other states like Tamil Nadu and West Bengal failed to achieve more than 10 per cent increase in the HDI over a decade, Assam has achieved more than 10 per cent increase despite having low devolution scores.

8. Findings of the study-

The study has lead to some findings as mentioned below-

- ✓ The study has found that the relation between fiscal decentralization and human development is not so close; it is only a moderately positive correlation.
- ✓ The moderately positive correlation states that it is not necessary that by improvement in decentralization human development would automatically improve
- ✓ It is also found that it is not mandatory that states with higher scores in Devolution Index would be doing better in the HDI also. In case of Assam it is found that despite having a very low devolution score compared to other states of India, it has done far more better in the HDI scores than some of the states having higher devolution scores.

9. Limitations of the study-

- ✓ While collecting data there have been many difficulties because in different years the HDI and Devolution Index has undergone several changes, so it needed to be handled very carefully.
- ✓ Presence of time constraint, i.e., due to limited time given for the study, it failed to establish the relation more significantly with application of better econometric tool.

10. Conclusion-

This paper started with the purpose of describing the existing system of decentralization in India which revealed that India has a multilevel framework of decentralization which is working all this while for overall development of the country. However, the paper further intended to find out the relation between fiscal devolution index (2009) and human development index (2011) and the results from this revealed that there is only a moderate positive relation between these two. Despite these results of the study we can still say that fiscal decentralization has lots to do in the country which will help in overall development of the country.

References –

- Agarwal P. Fiscal Federalism in India. New Delhi, India; New Century Publications; (2012).
- Asfaw A., et al. Fiscal Decentralization and Infant Mortality: Empirical Evidence from rural India, The Journal of Developing Areas, (2007); 41(1):17-35.
- Bahl R., et al. Fiscal Decentralization to Rural Local Governments in India: A Case Study of West Bengal State, Publius, the Journal of Federalism, (2010); 40(2):312-331.
- Bahl, Roy W., and Johannes, L. Urban Public Finance in Developing Countries. New York: Oxford University Press. (1992).
- Bardhan P. Decentralization and Governance in Development. Journal of Economic Perspectives, (2002); 16(4):185-205.
- Bird M, Richard and Vaillancourt. Fiscal Decentralization in Developing Countries. Cambridge University Press, New York. (1998).
- Chauhan P.S. Fiscal Policy, Decentralization and Economic Growth in India. New Delhi, India; New Century Publications; (2010).
- Faguet, J.P. Does Decentralization Increase Government Responsiveness to Local Needs? Evidence from Bolivia, Journal of Public Economics, (2006); 88:867-893.
- Fuller, M. Fiscal Decentralization and Human Development: An Empirical Analysis of 314 Bolivian Municipalities. Library and Archives Canada, Published Heritage Branch; (2005).
- Government of India. National Human Development Report 2001. New Delhi, Planning Commission; (2002).
- Government of India. National Human Development Report: Towards Social Inclusion. Planning Commission, New Delhi; (2012).
- Gupta S.P. Statistical Methods. New Delhi; Sultan Chand and Sons Educational Publisher; (1969).
- Habibi, N., Huang, C., et al. Decentralization and Human Development in Argentina, Journal of Human Development, (2003); 4(1).
- Jamadi, Pudjiharjo M., et al. The Impact of Fiscal Decentralization on Local Economic Development in East Java, IOSR Journal of Humanities and Social Science, (2013); 13(1):01-07.

- Jha S. Strengthening Local Governments: Rural Fiscal Decentralization in India, *Economic and Political Weekly*, (2002); 37(26):2611-2623.
- Mehmood R. and Sadiq S. Impact of Fiscal Decentralization on Human Development: A Case Study of Pakistan, *The Pakistan Development Review*, (2010); 49(4) Part II: pp.513-530.
- Mukharjee S., et al. Three Decades of Human Development across Indian States: Inclusive Growth or Perpetual Disparity? *National Institute of Public Finance and Policy*, New Delhi. (2014).
- Mulyono. The Impact of Fiscal Decentralization on Regional Economic Development in Indonesia for the Periods 2005-2008. *Ritsumeikan Asia Pacific University*, Japan. (2002).
- Nayak P. Growth and Human Development in North East India. New Delhi; Oxford University Press; (2010).
- Oates. E. *Fiscal Federalism*. New York: Harcourt Brace Jovanovich; (1972).
- Rao M.G. *Fiscal Decentralization in Indian Federalism*. Institute for Social and Economic Change, Bangalore; (2000).
- Rao, Govinda M. State Finances in India: Issues and Challenges, *Economic and Political Weekly*, (2002); 38(29):3261-3271.
- Saavedra L.E.L. *Fiscal Decentralization as a Mechanism to Modernize the State: Truths and Myths*. CESifo DICE Report 1. (2004).
- Sarkar M. *Fiscal Decentralization and Human Development- Some Evidence from Argentina*, Department of Economics, Yale University; (2000).
- Smoke P. *Fiscal Decentralization in Developing Countries: A Review of Current Concepts and Practice*, Democracy, Governance and Human Rights Program Paper No.2, United Nations Research Institute for Social Development, (2001).
- Soejoto A., Subroto W. T., et al. Fiscal Decentralization Policy in Promoting Indonesia Human Development, *International Journal of Economics and Financial Issues*, (2015); 5(3):763-771.
- Soto V.E., et al. *Fiscal Decentralization and Infant Mortality Rate: The Colombian Case*, PubMed.gov., US National Library of Medicine, National Institute of Health; (2012).
- Thimmaiah G. *Decentralization and Economic Development: Indian Experience*, *Hitotsubashi Journal of Economics*, *International Symposium on Decentralization and Economic Development in Asian Countries*, (2000); 41(2):123-136.

Charts and Tables-

Chart 1: Structure of Multilevel Government in India

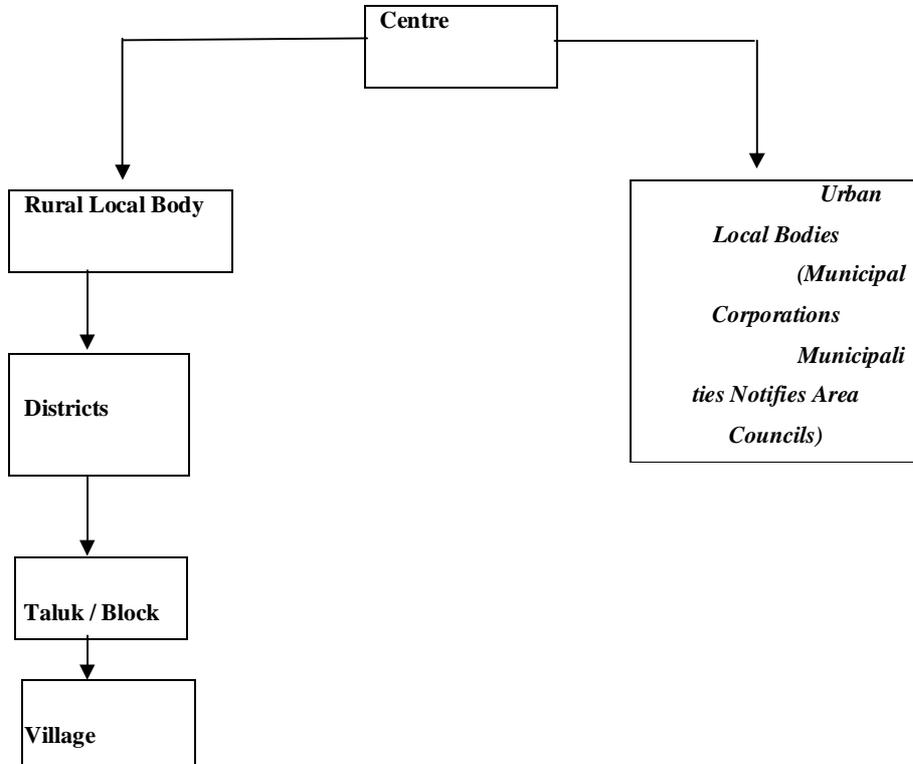


Table -1: HDI and Devolution Index of various Indian States

States	HDI 2011		Devolution Index 2009	
	Scores	Ranks	Scores	Ranks
Kerala	.79	0 1	74.4	1 3
Karnataka	.52	0 9	69.4	2 5
Tamil Nadu	.57	0 5	67.0	3 6
West Bengal	.49	0 1	66.5	4 1
Maharashtra	.57	0 6	61.4	5 9
Madhya Pradesh	.38	0 1	59.7	6 8
Gujarat		0 8	53.0	7

	.53		7	
Andhra Pradesh	0	1	50.1	8
	.47	2	0	
Himachal Pradesh	0	2	47.0	9
	.65		1	
Haryana	0	7	43.2	10
	.55		3	
Orissa	0	1	42.9	11
	.36	8	3	
Uttar Pradesh	0	1	41.7	12
	.38	6	3	
Bihar	0	1	41.2	13
	.37	7	0	
Rajasthan	0	1	37.5	14
	.43	5	6	
Goa	0	3	34.5	15
	.62		2	
Chhattisgarh	0	1	34.2	16
	.36	9	4	
Punjab	0	4	31.5	17
	.61		4	
Uttarakhand	0	1	28.9	18
	.49	1	2	
Assam	0	1	28.3	19
	.44	3	1	

Source – Ministry of Panchayati Raj, GoI, Planning Commission and NCAER

Table 2-

States	DI 2001	DI 2011	Net Scores HDI (2011-2001)	HDI Change (2001-11)	Percentage	Devolution Index Scores (2009)
KERALA	.64	.79	.15	0	23.82	74.73
KARNATAKA	.48	.52	.04	0	8.58	69.45
TAMIL NADU	.53	.57	.04	0	7.34	67.06
WEST BENGAL	.47	.49	.02	0	4.24	66.51
MAHARASTRA	.52	.57	.05	0	9.37	61.49
MADHYA PRADESH	.39	.38	0.02	-	-4.82	59.78
GUJARAT	.48	.53	.05	0	10.02	53.07
ANDHRA PRADESH	.42	.47	.06	0	13.70	50.1
HARYANA	.51	.55	.04	0	8.45	43.23
ORISSA	.40	.36	0.04	-	-10.40	42.93
UTTAR PRADESH	.39	.38	0.01	-	-2.06	41.73
BIHAR	.37	.37	.00	0	0.00	41.2
RAJASTHAN	.42	.43	.01	0	2.36	37.56
PUNJAB	.54	.61	.07	0	12.66	31.54
ASSAM	.39	.44	.06	0	15.03	28.31

Sources – Planning commission, Ministry of Panchayati Raj and NCAER

Acknowledgement

I am thankful to Dr. Pranjal Pratim Buragohain, Associate Professor, Dibrugarh University, for his guidance and suggestions in writing this paper.