

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:1488
ANSWERED ON:29.10.2008
DISPARITY IN PER CAPITA INCOME OF STATES
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Will the Minister of PLANNING be pleased to state:

- (a) the details of disparity, if any, in the per-capita income of various States alongwith the reasons therefor;
- (b) whether the Government proposes to bridge this disparity; and
- (c) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI V. NARAYANASAMY)

(a) : As per the information available from the Central Statistical Organisation, Ministry of Statistics and Programme Implementation, Government of India, the State-wise per-capita income (measured in terms of per capita net-domestic product) for the year 2005-06, is given in the Annexure. According to this, the per capita income is high in Goa, Chandigarh and Delhi and low in Bihar, Uttar Pradesh and Orissa. The disparities in the per-capita incomes among the States result from varying factors such as differences in resource endowments, geographical and historical characteristics and availability of infrastructure.

(b) & (c) : The Government has been taking several measures to reduce inter-state disparities in the per capita income. The policy instruments in this regard include plan and non-plan transfer of resources from the Centre to the States favouring less developed States, establishment of public sector units, tax incentives for setting up of private industries in backward regions, etc. A number of programmes have been initiated to reduce income disparity between States. These include, Backward Regions Grant Fund (BRGF), Hill Area Development Programme/Western Ghats Development Programme, Border Area Development Programme, etc.