

The Backward Areas Development Board Bill, 2024

(Bill No. 100 of 2024)

Executive Summary

The Backward Areas Development Board Bill, 2024 seeks to establish a national-level board to identify and enable the rapid development of backward regions across India. Despite national economic growth, regional disparities persist. Many districts lack basic infrastructure, industries, or access to services, leading to migration, underdevelopment, and inequality.

Key Provisions

- ❖ Creation of a Backward Areas Development Board.
- ❖ Identification and classification of backward areas.
- ❖ Recommendations for area-specific development action plans.
- ❖ Central funding and periodic reporting to Parliament.

Background and Context

Current Situation:

- Growth is concentrated in metropolitan and select cities.
- Several regions lack even a single industry or basic services.
- Migration from backward areas to cities has intensified pressure on urban infrastructure.
- Rising urban-rural inequality, unemployment, and socio-economic disparity necessitate immediate, organized intervention from state.
- Failed flagship initiatives like Smart Cities Mission.

Previous Efforts:

- Past schemes like the Backward Regions Grant Fund (BRGF) lacked continuity and coordination.
- No centralized, empowered authority has existed to oversee and implement a focused national strategy.

Stakeholders

- ✓ Affected Populations: Residents of rural, tribal, and underdeveloped districts.
- ✓ Governments: State and local governments needing targeted assistance.
- ✓ Central Government: Responsible for funding and macroeconomic balance.

Key Sections

- Under Section 3, the Backward Areas Development Board comprises a Chairperson (a noted economist), five sectoral experts, and one representative per state with backward regions.
- Under Sections 4 & 5, the functions of the board include,
 - Identification of backward areas.
 - Propose Action Plans to both Central and State Governments.
 - Consider comprehensive criteria: geography, climate, employment, agriculture, industry, infrastructure, health, and education.
- Section 6 ensures adequate funding from the Consolidated Fund of India.
- Sections 7 & 8 require annual reports to be submitted to the Parliament.

Key Definitions

- ✚ Backward Areas: Initially includes specified districts across Tamil Nadu, Andhra Pradesh, NE States, islands, deserts, and hilly regions.
- ✚ No explicit timeline for reclassification after initial identification—an area for clarification.

Analysis of Impacts

- ❖ Economic: Short-term: Boost in public expenditure (₹1 lakh crore/year recurring; ₹3 lakh crore one-time). Long-term: Expected rise in regional GDPs, industrialization, and employment.
- ❖ Social: Reduction in migration pressure, improved access to healthcare and education. Potential upliftment of tribal and marginalized populations.
- ❖ Environmental: Dependent on project planning; eco-sensitive zones must be protected. Opportunities for sustainable development if green technologies and rural renewal are integrated.
- ❖ Operational: Requires robust inter-governmental coordination and strong monitoring systems. Risk of political capture or ineffective fund utilization if not transparently managed.

Arguments For and Against

For:

- Addresses Structural Inequality.
- Ensures attention and resources for neglected regions (Supported by regional MPs and social justice advocates).
- National Economic Integration
- Balanced growth fosters stability, and expands domestic markets (Industry and planning bodies support).
- Improves Governance
- Centralized oversight and targeted policy enhance efficiency (Administrative reform experts endorse).

Against:

- High Fiscal Burden
- Estimated cost may strain fiscal deficit (Critics in finance and opposition parties concerned).
- Vague Definitions and Criteria
- Ambiguity in identifying backwardness may lead to arbitrariness (Governance think tanks call for more clarity).
- Implementation Risk
- Centralized body may face local resistance or bureaucratic hurdles (Civil society warns of poor local engagement).

Fiscal Implications

- ❖ Estimated costs of implementation and enforcement: Recurring Expenditure: ₹1,00,000 crore per annum from the Consolidated Fund of India. Non-Recurring Expenditure: ₹3,00,000 crore for initial development outlays.
- ❖ Potential revenue changes: No direct revenue gain initially; long-term economic stimulation expected via employment and taxation.
- ❖ Budgetary impacts on government agencies or other entities: Requires phased funding plans and possibly reallocation from other welfare programs. Demands fiscal discipline to avoid inflationary pressure.

Conclusion

The Bill rightly identifies a major policy gap and proposes a strategic, centralized solution for regional inequality.

Recommendations

1. Define “backward areas” using transparent, measurable criteria and include a timeline for periodic review.

2. Establish performance metrics and accountability for state representatives and Board actions.
3. Include a grievance redressal and community engagement mechanism.

Next Steps

- Conduct parliamentary scrutiny of criteria, board structure, and funding mechanism.
- Align with ongoing rural and urban development programs to avoid duplication.
- Ensure third-party audits and public transparency in fund utilization.

Appendix

Navaskani, K. (2024, July 8). *The Backward Areas Development Board Bill, 2024*. Lok Sabha Bill No. 100 of 2024. Lok Sabha Secretariat.
<https://loksabha.nic.in>

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