

***There is at present no single indicator of rural development which adequately captures its multilateral nature. A variety of indicators have been used by economists, to reflect the multiplicity of goals which characterize rural development.

Katar Singh (2012) categorizes the measures of levels of rural development as follows:

- Per Capita Real Gross National Product (GNP)
- Per Capita Consumption Expenditure
- Per Capita Public Expenditure on Community Facilities and Services
- Physical Quality of Life Index (PQLI)
- Composite Index of Rural Development
- Human Development Index (HDI)

1.Per Capita Real Gross National Product (GNP)

The GNP is the market value of all final goods and services produced in a year, and attribute to the factors of production supplied by the normal residents of the country concerns.

So Real GNP is adjusted for changes in prices, and is computed by dividing GNP by then general price index (GPI).

Per capita real GNP is the most widely used measure of the economic well being of people.

If computed for the rural people It could be used as a means of the economic component of rural development, increase in the average real GNP per capita means that ceteris paribus, we are economically better off. But in reality, GNP has the following weaknesses as a measure of economic well-being:

1. It does not include the value of physical and mental satisfaction.
2. It does not include the value of non-paid housewives' services and home labor.
3. It does not assign any negative values to those side effects of economic activities.
- 4.It does not give any negative weight to the 'disamenities' of living in dirty, noisy and crowded cities and slums.
5. It is not only difficult but also time-consuming and expensive to determine per capita income of rural people.

But despite all its weaknesses, per capita real GNP is the only quantitative indicator of the economic component of rural development available for intra-national and international comparisons over time and over space.

2.Per Capita Consumption Expenditure

Given the weaknesses of per-capita income as a measure of rural development, per-capita consumption expenditure of rural people is considered a better measure of rural development. The several reasons are:

- *relative ease of recall by the respondent of the expenditure incurred, and
- *the general tendency of rural people not to hide any expenditure, as compared to income.

Per capita consumption expenditure is a reasonably good proxy variable for per capita income.

3.Per Capita Public Expenditure on Community Facilities and Services

The level of rural development in a country is a function of the per capita quantity of various goods and services consumed by its rural population, in a particular reference period of time.

It does not matter whether the goods and services consumed are purchased by a person with his personal income or he receives them without specific expenditure on his part.

Certain services, facilities and civic amenities, such as schools, hospitals, roads, parks, police protection and street lights, are provided free by the government or cost to its people.

Per capita public expenditure on such services and amenities is a good measure of socio-economic welfare.

For comparisons over time and space, this measure should also be adjusted for changes and differences in the GPI.

This measure, used in conjunction with per capita income or expenditure

4.Physical Quality of Life Index (PQLI)

Physical quality of life index (PQLI) developed by Morris and McAlpin (1982) **to determine the impact of development projects on their target**

groups. The measure is called the PQLI that supplements the per capita real GNP, which is the most widely used measure of economic growth.

It has three components, namely,

- infant mortality,
- life expectancy at age one and
- literacy.

These three component indicators lend themselves to intra-international comparisons, are simple to compute and understand, are fairly sensitive to changes in distribution of benefits of development, do not reflect the values of any specific cultures and reflect results not inputs.

For each indicator, the performance of individual state/ country is evaluated on a scale of 0 to 100, where zero represents an absolutely performance, and 100 represents the 'best' performance.

Once the per indicator is scaled to this common measure, a composite index is calculated by averaging the three indicators, giving equal weight to each of them. The resulting PQLI, thus is also scaled 0 to 100.

5.Composite Index of Rural Development

Duly recognizing the multidimensional nature of rural development, a composite index of rural development was developed by Mathur (2005).

For deriving an overall composite index of state level rural development based on the 25 indicators, a two-step procedure is followed. The nine composite indices thus computed portray different facets of rural development.

The Composite Rural Development Index (CRDI) thus computed is called Simple Index.

In this alternative, an equal weight is assigned to each of the nine group indices.

In the second alternative, a weighted average is computed for combining the nine indices. The weights are derived from a variant of the First Principal

Human Development Index (HDI)

Human Development Report 1990 addresses the question of how economic growth does or does not promote human development. It discusses the meaning and measurement of human development,

proposes a new composite index of human development, summarizes the record of human development over the past three decades and sets forth strategies for human development in the 1990s (UNDP 1990). The Human Development Report 1990 defined human development as the process of increasing people's options.

The HDI is by far the most widely accepted indicator of human development (and lack of development or poverty). In 1994, Canada had the highest HDI (0.960) and Sierra Leone the lowest (0.176).

The HDI has been used to

1. Stimulate national political debate;
2. Give priority to human development;
3. Highlight disparities within countries; and
4. Open new avenues for analysis.

The HDI is, however, not a perfect measure of human development. It does not include important indicators such as gender or income inequality, respect for human rights, and freedom.