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Nilgiris tops Economic Environment Index

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CHENNAI: The Economic Environment Index (EEI) to be released by the Centre for Finance Development (IFMR) on Tuesday has questioned several conventional concepts and touched a political raw nerve. The study, funded by the British High Commission has left the government unhappy, as it ranks some of the pet cities of the government low. The Economic Environment Index, the first such report to be compiled in the country, puts the Nilgiris on top and Dindigul at the bottom.

"The results were discussed by a panel comprising Dr E S Krishnamurthy of VHS, VIT chancellor G Viswanathan, finance secretary K Gnanadesikan, former CII chairman Manickam Ramaswamy and CII Tamil Nadu chapter chairman C K Ranganathan. Many were surprised with the results," said IFMR senior researcher Santosh Singh.

The study used seven broad parameters with different weights: Physical infrastructure (20%), social infrastructure (12%), governance (11%), law and order (9%), business establishment (18%), doing business (18%) and environment (12%). The survey, outsourced to the Centre for Monitoring Indian

Economy, included interviews with 3,200 families and 1,600 business firms over six months.

Sub-indices of physical infrastructure include length of roads, time taken for travel, electricity and telecommunication, which social infrastructure include teacher-pupil ratio, percentage of children out of school, literacy rate, hospitals and PHCs and infant mortality rate. Business establishment considers into months waited to start business, licenses and permits required, land acquisition process. Cost of business looks also into additional informal payment' to district authorities and extra legal payments.'

The law and order index studies pending cases in courts, police strength, property crime and perceived problems in legal system and conflict resolution. Under the governance head, the report mentions procurement of identity documents, transparency of procedures and time taken for getting power and telephone connections. Environmental sustainability deals with change in forest cover, depth of water table, grazing land, population density and population growth.

Namakkal, which came second in the overall rating, ranked first in physical infrastructure, with a score of 0.8 on a scale of 0 to 1. Virudhunagar came last under this head with a score of 0.38. The top 10 ranked districts in terms of overall economic governance also have high ranks for infrasture. In social infrastructure, Nilgiris topped with a score of 0.78 and Villupuram came last with a dismal score of 0.35. Kanyakumari scored the highest of 0.8 in governance, while Pudukkottai got

the least score of 0.25. Theni, Kancheepuram and Erode did well in law and order, while Dharmapuri, Karur, Tiruvannamalai and Tiruvarur faired poor.

In Environmental sustainability, Nagapattinam came first, followed by Theni, Villupuram, Madurai and Ramanathapuram. Namakkal, Erode and Coimbatore which has good overall ratings, have worst environmental sustainability, ranking 25th, 20th and 23rd. What clinched the deal for Nilgiris was it topping the business establishment cost. Namakkal, Nagapattinam, Salem and Tirvarur are in the top five in environment.

While Chennai was excluded from the study since it would, as the state capital enjoys several benefits, some of the recently formed districts were clubbed with the parent districts, to make a list of 30 districts for the study.

IFMR now plans to take up similar studies in Andhra Pradesh, Karnataka, Gujarat and Kerala.