

Quadrant IV- Assessment (Module- wise)

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Notes:

Regional Disparity: India

Regional imbalances or disparities means wide differences in per capita income, literacy rates, health and education services, levels of industrialization, etc. between different regions. Regions may be either States or regions within a State. In India there are enormous imbalances on various accounts. The exploitative nature of British colonial rule either created or accentuated regional disparities. The planning in independent India has also not been able to remove these disparities. Balanced regional development has always been an essential component of the Indian development strategy. Since all parts of the country are not equally well endowed with physical and human resources to take advantage of growth opportunities, and since historical inequalities have not been eliminated, planned intervention is required to ensure that large regional imbalances do not occur. Spectacular growth attained by some regions and in some sectors in India, after independence, is in contrast to low levels of development still prevailing in many parts. Therefore, it was felt that the State had a major role to play in removing disparities. This commitment was reflected in the Constitution and in

planning objectives. Two major institutions, which were expected to work towards reducing the regional imbalances after independence, were the Finance Commission and the NITI Aayog (Planning Commission). The Finance Commission has only limited role to play. Hence, more responsibility is vested on the NITI Aayog (Planning Commission). India's successive Five Year Plans have stressed the need to develop backward regions of the country. In promoting regional balanced development, public sector enterprises were located in backward areas of the country during the early phase of economic planning. In spite of pro-backward areas policies and programmes, considerable economic and social inequalities exist among different States of India, as reflected in differences in per capita State Domestic Product. While income growth performance has diverged, there is welcome evidence of some convergence in education and health indicators across the states.

Types of Disparities/Imbalances: They are:

1. Global Disparity
2. Interstate Disparity (Disparity between States)
3. Intrastate Disparity (Disparity within States)
4. Rural-Urban Disparity

1. Global Disparity: The term global disparity describes the disparities that exist between the nations. Each country is at a different level of development, which causes disparity between countries. Some countries have been endowed with resources in abundance, while there are countries that are extremely poor in resources.

2. Inter - State Disparity: Like global disparities, there are also exist disparities between the states in India. Inter –state disparities or regional disparities or regional imbalances refers to a situation where a per capita income, standard of living, consumption situation, industrial and agriculture development are not uniform in different parts of a given region. Backwardness of state could be the result of either the regional diversity or disparity.

3. Intra-State Disparity: Intrastate disparity refers to disparity within the state. Intra-regional disparities in development can be identified through macro indicators of development like allocation of resources, quality of governance, agrarian structure, income, consumption patterns and estimates of poverty.

4. Rural-Urban disparity: Rural-urban disparity has been prevalent in India for ages. Rural areas are considered backward areas in terms of availability of basic infrastructure - roads, electricity, water and sanitation facilities, schools and hospitals etc. In contrast, these facilities are mostly available in urban areas. It is because of the absence of such facilities that rural areas lag behind urban areas in terms of the basic indicators of development - poverty, illiteracy, unemployment etc.

Indicators of Regional Imbalances in India:

1. State Per - Capita Income: The most important indicator of regional imbalances is difference in per capita income of States. In most of the years States like Punjab, Haryana, Maharashtra, Gujarat, Karnataka, Tamil Nadu and Kerala have achieved higher per capita income when compared with Orissa, Bihar, M.P, UP, Assam and Rajasthan. In 2016, Delhi's per capita income stood at Rs. 2,01,083 as compared to Bihar's Rs. 22,890. PCI for 6 Indian states is not available, including Gujarat, Kerala, Mizoram, Chandigarh, Rajasthan and Goa. In 2012, Goa had the highest Per Capita Income followed by Delhi.

2. Inter - State Disparities in Agricultural and Industrial Development: Punjab, Haryana and part of U. P. has recorded high rate of productivity due to its high proportion of irrigated area and higher level of fertilizer use. On the other hand, states like Assam, Bihar, Orissa and Uttar Pradesh have been lagging behind in respect of the pace of industrialization.

3. Intra - State imbalance: There is a growing tendency among most of the advanced states concentrate its development activities towards relatively more developed urban, and metropolitan of the states while allocating its industrial and infrastructural projects by neglecting the backward areas.

4. Spatial Distribution of Industries: Another Important Indicator of regional imbalance is the uneven distribution of industries. Though, the country as a whole has achieved industrial development at a fair rate since independence, but the spatial distribution of such industrial development between different states remained almost uneven. For example, States like Punjab, Haryana, Maharashtra, Gujarat, Kerala, and Karnataka have achieved considerable development in its industrial sector. But West Bengal could not keep pace in its industrial growth as much as other industrially developed states.

5. Population below poverty line: Percentage of population living below the poverty line in different states is an important indicator of regional Imbalance or disparities.

Causes of Regional Imbalances in India:

1. Historical factors: Historically regional imbalance started in India from British regime. British industrialist mostly preferred to concentrate their activities in two states like west Bengal and Maharashtra and more particularly to their metropolitan cities like Kolkata, Mumbai and Chennai. They concentrated all their industries in and around these cities neglecting the rest of the country to remain back ward.

2. Geographical factors: The difficult terrain surrounded by hills, rivers and dense forests, leads to increase in the cost of administration, cost of developmental projects, besides making mobilization of resources particularly difficult. Most of the Himalayan states of India, i.e., Himachal Pradesh. Northern Kashmir, the hill districts of Uttar Pradesh and Bihar, Arunachal Pradesh and other North-Eastern states, remained mostly backward due to its inaccessibility and other inherent difficulties. Adverse climate and proneness to flood are also responsible factors for poor rate of economic development of different regions of the country as reflected by low agricultural productivity and lack of industrialization. Thus, these natural factors have resulted uneven growth of different regions of India.

3. Failure of planning: Although balanced growth has been accepted as one of the major objectives of economic planning in India, since the second plan onwards, but it did not make much headway in achieving this object. On the other hand, the backward states like Bihar,

Assam, Orissa, UP, Rajasthan have been receiving the smallest allocation of per capita plan outlay in almost all the plans. Due to such divergent trend, imbalance between the different states in India has been continuously widening in spite of framing achievement of regional balance as one of the important objectives of economic planning in the country.

4. Financial: Financial sector reforms have led to a booming stock market that has helped large firms finance their expansion easily, however small and medium enterprises which are important engine of growth and productivity have not been able to access finance in rural areas.

5. Infrastructure: India's tier 1 cities i.e. Mumbai, Bangalore, Delhi, Chennai and Hyderabad are at breaking point regions bootlicks in basic infrastructure such as power, water, roads and airport exist. The concentrated mushrooming of out sourcing companies in these cities lead further higher growth, while as other areas do not pose the same situation prevailing in these metropolitan cities.

6. Disparities in Socio-Economic Development: Development is a multi-dimensional phenomenon. In India, the states are earmarked with wide disparity in socio-economic development. This in turn influences the regional imbalances in a country.