

Regional Imbalance in India



Economics

KEYWORDS :

Hasib Ahmed

PhD Scholar of Economics of Jammu University

ABSTRACT

Regional imbalance is a major economic issue in India. Had the benefit of economic growth been reaped equally by all the regions of the country the demand for new states and other regional conflicts might have been non-existent here. Hence a big thrust for inclusive growth has remained a cherish goal of our policy planner. Regionalism in Indian polity has deprived the inaccessible and mountain dominated region of the country from the various amenities of life which are enjoyed by the people of plain region. Geographically, the forward group of States fall in the Western and Southern parts of the country. The group of backward States are in the Eastern and Northern parts of the country. Another notable geographical feature is that while six out of eight States, except Haryana and Punjab, in the first group have vast sea coasts, only two out of the seven in the second group viz., Orissa and West Bengal are littoral. These relatively forward states have taken the benefit of their geographical position and international trade has benefitted them. While the forward group of States accounts for about 42 per cent of the national population, the backward group accounts for as much as 54 per cent of the population of the country. In terms of natural resources including mineral wealth, water resources and quality of soil, the latter has definite edge over the former but remain themselves hi and dry from enjoying the benefits.

Introduction:

The co-existence of relatively developed and economically depressed states and even regions within each state is known as Regional Imbalance. Regional disparities are the result of our unfinished task of nation building. These reflect essentially the inadequacies of the development strategy followed since independence and its failure to correct the distortions brought about by colonial rule. Of late, these tensions have acquired alarming proportions and are threatening to strike at the very roots of the nation state. This has brought to sharp focus the need of better understanding of the pattern of regionalization, the nature of regional imbalances and their changing structure over time. Hence, balanced regional development is necessary for the harmonious growth of federal state like India, however, presents a picture of wide regional variations, in terms of per capita income, proportion of population living below the poverty line, working population in agriculture, the percentage of urban population over total population, etc.

Literature Review

Rajarshi Majumdar (2004) in his paper entitled, "Human Development in India : Regional Pattern and Policy Issues" has made it clear that states like Kerala, Maharashtra and Himanchal Pradesh have performed well regarding social and human development indicators, however, Kerala has not been able to convert its social development into economic progress. On the other hand, Gujarat, despite having low Human Development

(HD) ranks, has good ranking in per capita Net State Domestic Product (PCNSDP).

N.G. Kurian in his paper entitled "Widening Regional Disparities in India" pointed out that the forward States are characterised by better demographic and social development higher per capita incomes and more developed economies, lower level of poverty. On the other hand, the backward States are characterised by lower level of demographic and social development, lower per capita incomes and backward economies, higher level of poverty.

Ravi Kanbur made it clear in his paper named "Regional Disparities and Indian Development" that even within state there is wide disparities he says that remarkable feature of Indian spatial disparities is the presence of backward areas even within states that have grown fast and are at relatively high income levels on average. Eastern and Northern

Karnataka, and Inland Eastern Maharashtra, are examples of lagging regions within prosperous states.

The World Bank (2008) in its release "The Growth Report Strategies for sustained Growth and Inclusive Development" has mentioned that disparity in income distribution in India has risen during 1993-2005.

Indices of regional imbalance:

1 Per capita State Net Domestic Product:

Net State Domestic Product at Factor Cost-State wise (At Constant Prices)									
States \ Year	1982-83	1986-87	1990-91	1994-95	1998-99	2002-03	2006-07	2010-11	2011-12
Andhra Pradesh	86.60	90.50	135.80	545.64	680.36	1347.49	2445.87	3407.92	3638.35
Arunachal Pradesh	1.16	1.65	2.31	7.96	9.10	17.75	34.58	51.19	53.27
Assam	26.76	29.07	34.26	137.96	145.74	357.08	507.97	651.02	706.83
Bihar	67.66	89.50	102.53	231.63	248.79	569.75	838.46	1324.88	1503.98
Goa	3.36	3.54	5.68	20.80	32.85	58.26	130.85	179.87	202.16
Gujarat	70.90	87.20	108.39	511.04	649.21	1016.03	2139.54	3094.09	-
Haryana	33.41	41.84	57.19	208.35	252.43	584.10	1047.05	1496.51	1619.37
Himachal Pradesh	7.41	8.92	11.51	46.64	59.66	146.17	248.19	318.77	343.79
Jammu & Kashmir	11.09	12.46	13.60	57.45	70.05	149.07	257.94	321.87	341.57
Jhar-khand	-	-	-	139.64	191.67	292.98	515.27	680.13	726.60

Karnataka	61.02	73.65	91.12	389.17	539.61	977.65	1810.86	2325.41	2483.54
Kerala	38.69	39.93	52.62	259.08	306.04	708.85	1246.25	1718.97	1854.34
Madhya Pradesh	75.11	78.09	111.07	345.29	438.15	677.95	1145.45	1605.49	-
Chhattisgarh	-	-	-	121.81	138.82	250.72	500.65	678.89	755.70
Mharashtra	161.16	189.69	272.24	1037.43	1313.68	2329.94	4880.79	7028.32	-
Manipur	2.14	2.61	3.16	11.10	13.96	29.21	49.92	64.58	68.68
Meghalaya	1.90	2.18	3.04	13.53	18.42	37.59	67.78	93.75	102.77
Mizoram	-	-	-			17.05	26.93	41.60	-
Nagaland	1.43	1.71	2.38	13.48	16.05	37.41	64.54	80.40	82.84
Orissa	32.32	41.84	43.45	169.74	194.82	393.77	798.45	1071.29	1135.87
Punjab	50.15	61.31	75.05	277.46	335.52	650.85	1000.72	1299.33	1380.61
Rajasthan	45.70	56.85	84.73	342.69	464.57	703.33	1343.50	1781.84	-
Sikkim	0.59	0.89	1.35	3.68	4.94	9.47	17.60	29.02	-
Tamil Nadu	75.78	93.10	124.23	579.43	705.05	1245.21	2562.86	3493.35	3822.29
Tripura	2.87	3.07	4.47	16.01	23.33	57.96	94.58	133.94	147.14
Uttar Pradesh	154.69	177.06	227.80	746.35	853.10	1681.98	2639.35	3458.48	3671.85
Uttrakhand	-	-	-	55.64	59.99	144.13	285.85	442.09	479.83
West Bangal	97.04	120.72	144.58	517.61	685.98	1439.31	2178.49	2873.37	3080.18
Andaman & Nicobar Islands	0.50	0.66	0.74	5.17	5.35	9.48	20.29	26.78	26.97
Chandhigarh	-	-	-	15.05	21.88	52.35	96.90	141.17	-
Delhi	29.90	37.48	50.46	212.50	300.16	594.54	1174.44	1809.74	2016.53
Poducherry	1.83	2.17	2.54	8.35	17.95	38.79	66.14	92.51	102.79

Source: Central Statistical organisation

Per capita income is the measure of development and standard of living commonly used in inter-country comparisons to determine existence of disparities. Within a country, measurement and comparison of the Net State Domestic Product (NSDP) of its constituent units offer an idea of prevailing imbalances. The following Table provides a reasonably accurate idea of the existing inter-State disparities through details of per capita NSDP and the State-wise averages for selected year. Imbalance is evident by the fact that there are regions like Maharashtra, tamil Nadu and Gujarat which are relatively better off than Bihar, Mizoram, Poducherry, Andaman Nicobar and Arunachal Pradesh.

2. State-level Poverty Trends

The poverty ratios for total population (rural + urban) in major states show a significant decline in almost all the states since 1983. In spite of this reduction, some of the states still have very high poverty ratios for total population. In the year 2004-05, it was more than 40 per cent in Orissa and Bihar and between 30-40 per cent in Madhya Pradesh and Uttar Pradesh and between 25-30 per cent in Maharashtra, Tamil Nadu, Karnataka and West Bengal. It may be noted that Orissa's poverty level (47 per cent) was almost six times that of Punjab (8 per cent) in 2004-05. Rural poverty has been high in all these states, except for Tamil Nadu. Urban poverty was 30 per cent or more in Bihar, M.P., Orissa, Rajasthan, Tamil Nadu and U.P in 2004-05.

The absolute number of rural poor increased in three states viz., M.P., Orissa and U.P in 2004-05 as compared to 1993-94. On the other hand, the number of urban poor increased in eight states. The number of poor for the total population (rural + urban) rose in M.P., Maharashtra, Orissa and U.P.

There appears to be an increasing concentration of poor in few states. A group of four states comprising Bihar, M.P., Orissa and

U.P. had a share of 49.8 per cent among the rural poor of the country in 1983. This share increased to 55 per cent in 1993-94 and further to 61 per cent in 2004-05. Similarly, the share of seven states (Bihar, Karnataka, M.P., Maharashtra, Rajasthan, Tamil Nadu and U.P.) among the urban poor rose from 61.6 per cent in 1983 to 70 per cent in 1993-94 and to 76 per cent in 2004-05. Poverty for total population (rural + urban) has got concentrated in five states viz., Bihar, M.P., Maharashtra, Orissa and U.P. – their share being 65 per cent of the total poor in 2004-05.

The states with high incidence of rural poverty, such as Bihar, Jharkhand, Orissa, M.P., U.P. and Maharashtra (except western Maharashtra) also have high percentages of workers engaged in agriculture sector (except Maharashtra) and at the same time have experienced low rate of agriculture growth at least till the middle of the last decade. These states also account for high proportion of the population of deprived social groups such as schedules castes, schedules tribes and minorities.

3. Expectation of life at birth

Expectancy of life has been rising, on an average, at the rate of half year per annum since Independence. Among the major states, Assam, Madhya Pradesh and Odisha have been lagging behind other states in this regard. The females are better placed on this indicator

Expectation of life at birth by sex State Wise (2002-2006)			
	Total	Male	Female
India	63.5	62.6	64.2
Andra Pradesh	64.4	62.9	65.5

Assam	58.9	58.6	59.3
Bihar	61.6	62.2	60.4
Gujarat	64.1	62.9	65.2
Haryana	66.2	65.9	66.3
Himachal Pradesh	67.0	66.5	67.3
Karnatka	65.3	63.6	67.1
Kerala	74.0	71.4	76.3
Madhya Pradesh	58.0	58.1	57.9
Maharashtra	67.2	66.0	68.4
Odisha	59.6	59.5	59.6
Punjab	69.4	68.4	70.4
Rajasthan	62.0	61.5	62.3
Tamil Nadu	66.2	65.0	67.4
Utter Pradesh	60.0	60.3	59.5
West Bengal	69.9	64.1	65.8
GOI, Ministry of Health & Family Welfare, Family Welfare Statistics in India 2011			

Conclusion:

Regional imbalance is threat to the to the goal of inclusive growth and reduction of poverty. An important cause of regional tensions which lead to popular agitation and at times militant activities is such regional disparities in economic and social development which exist within some of the States. Indeed, creation of some of the States in the past was in the wake of popular agitation based on perceived neglect of certain backward regions in some of the bigger States. There is a very strong case for strengthening governance in backward areas. Towards this end, it is necessary that local bodies in backward areas are empowered and strengthened.

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