



Region and Development; Some Conceptual and Measurement Issues

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ABSTRACT

The present paper discusses the idea of a region and the measurement issue involving capturing development. Region can be defined as a compact geographical area with a similarity in the levels of development attainment within. In economics, the term "development" is broadly understood as a process of persistent improvement in the standard of living for all sections of population in the society. Economic development is a multivariate concept and there is no single satisfactory definition of it. Per capita incomes (PCI), Physical Quality of Life Indices (PQLI), UNDP Human Development Index (HDI) are some of the popular measure of economic development. The conventional measure of development & disparity are often based on same set of parameters. For instance development measures are often based on per capita income (PCI), attainment of health & education, extend of access to basic services such as connectivity, power, clean environment etc. In the same vein, shortfalls in the same set of indicators can be & often are used to capture developmental disparities. Although development is universally desires, however all sections of population often cannot access of foods of economic growth underlying a development process in an equitable manner. So understanding the issue of the measurement of development assumes importance.

KEYWORDS

Region, development, measurement, disparity and HDI

1 INTRODUCTION

The aim of the present paper is to clarify the basic concepts of Region and Development. The present paper is an attempt to discuss the conceptual issues involve in this two aspects. The paper also discusses the idea of a region and the measurement issue involving capturing development.

2 CONCEPT OF A REGION

The word region is from the Latin "Regionem" which means "direction, boundary, district". Region is an area especially a part of a country or world having definable characteristics but not always fixed boundaries. In Geography, regions are areas broadly divided by physical characteristics, human impact characteristics and the interaction of humanity and the environment. Regions can be classified into – historical region, tourism region, natural resource region, religious region, political region, administrative region, functional region, military region, etc.

Perroux (1950) defined region as an entity based on abstract economic relations. According to him the region was not only a geographical or a political division, but also marked by the constituent structure of economic relations. He classified the economic space into three different categories, that is, economic space as defined by a *plan*, as a *field of forces* and as a *homogeneous aggregate*.

Malgavakar and Ghiara (1975), define region as a geographically contiguous area with subdivisions into plains, hilly track, coastal belt, etc. It should be under one administrative agency, and needs to be small enough to ensure local people's voice and participation in development. According to Romanelli and Khessina, regions are complex social entities, encompassing multiple types of social and business activity and existing within several levels of geographic location. According to Peter Hagget (1983) a region is any tract of the earth's surface with characteristics, either natural or human origin, which make it different from the areas around it.

A region can be defined as an area which is large enough to study the economic changes within the area by collecting data or compared with the other parts of the area. Regions exist in physical space at many levels, for example, cities, countries, states or provinces and nations and may not always be de-

fined by political boundaries. In view of the above discussion the region in the present study is defined as- "a compact geographical area with a similarity in the levels of development attainment within".

3 DISPARITIES: A CONCEPTUAL BACKGROUND

Disparity is divergence or inequality of character, phenomena or process. Disparity has also been defined as the condition of being unequal. Developmental disparities may manifest across income categories, social categories such as race, caste, religion and gender, and/or space such as continent, countries and region within countries. From the spatial point of view disparity may be viewed as the following four types-global disparities, interstate or regional disparity, intrastate disparity and rural-urban disparity.

Global Disparity: The term global disparity describes the disparities that exist between the nations. Each country has its own level of development; some grow faster than the others, which cause disparity between countries.

Regional disparity or Interstate Disparity: Disparities also exist between the states or region within a country. Inter-state disparities or regional disparities refer to a situation where developmental attainments are not uniform in different parts of a given region. Regional disparity can also be defines as the presence of socially and economically advanced and backward regions between nations or different state within a nation.

Intra-state Disparity: Intrastate disparity refers to disparity within the state at district, block, city, municipality or *panchayat* level.

Rural-urban disparity: 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.,.

The conventional measure of development & disparity are often based on same set of parameters. For instance development measures are often based on per capita income (PCI),

attainment of health & education, extend of access to basic services such as connectivity, power, clean environment etc. In the same vein, shortfalls in the same set of indicators can be & often are used to capture developmental disparities.

4 ECONOMIC DEVELOPMENTS AND ITS MEASUREMENT

Development is universally desired, but often defies a clear unambiguous definition. In economics, the term "development" is broadly understood as a process of persistent improvement in the standard of living for all sections of population in the society. Economic development is a multivariate concept and there is no single satisfactory definition of it. It involves qualitative and quantitative improvements in a country's economy.

Kuznets (1955) defines economic development in terms of a sustained and substantial rise in per capita production. In the words of Villard (1963) economic development means leisure, better health, more to read, even more time to contemplate the good life. In the words of Seers (1972): "What has been happening to poverty? What has been happening to unemployment? What has been happening to inequalities? If all three of these have become less severe, then beyond doubt this has been a period of development for the country concerned"

Meier (1976) defined development as the process whereby an economy's real national income increases over a long period of time. This definition fails to take into account changes in the growth of population. Singer and Ansari (1977) define development in terms of decrease of poverty.

Todaro (1977) defined the definition of economic development in terms of better human life. The main goal of economic development is the improvement in the standard of living of the people which depends not only on per capita income but also on social and welfare services, satisfaction, self-reliance, self-esteem and economic freedom.

Friedman defines economic development "as an innovative process leading to the structural transformation of the social system" while Schumpeter defines development in terms of a discontinuous and spontaneous change in the stationary state which forever alters and displaces the equilibrium state previously existing".

In 1990's development economists focused more directly on the development process. Mahbub-ul-Haq, a leading Pakistani economist has remarked, "The problem of development must be defined as a selective attack on the worst forms of poverty. Development must be defined in terms of progressive and eventual elimination of malnutrition, disease, illiteracy, squalor, unemployment and inequalities. We are taught to take care of our GDP because it would take care of poverty. Let us reverse this and take care of poverty because it will take care of the GNP. In other words, let us worry about the content of GNP more than its rates of increase".

World Bank (1991) looks at several indicators of development. To quote from its World Development Report 1991, "The challenge of development, in the broadest sense, is to improve the quality of life. Especially in the world's poor countries, a better quality of life generally calls for higher incomes but it involves much more. It encompasses, as ends in themselves better education, higher standard of health and nutrition, less poverty, a cleaner environment, more quality of opportunity, greater individual freedom, and a richer cultural life."

Sen (1999) pointed out that "Development requires the removal of major sources of unfreedom, poverty as well tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over activity of repressive states".

Thus, we conclude that development is a complex phenomenon, and aggregate and per capita real incomes are not suf-

ficient indicators of economic development. It encompasses several dimensions - economic, social, political, administrative and cultural.

Per capita income (PCI) has been one of the traditional and also a popular measure of economic development. But the per capita income as an index of development has both some merits and demerits. One of the limitations of PCI as a measure of economic development is that it does not reflect the structural and distributional patterns of income. Also a rise in PCI doesn't necessarily mean a rise in welfare in the society. Income entitles people with command over commodities, however how much wellbeing a person draws from a basket of commodities is also dependent on a person's capabilities.

In recognition of these criticisms there was a shift to measure of development which emphasized on attainment of human capabilities especially in the fields of health & education (PQLI). Physical Quality of Life Index(PQLI) was developed by Morris D. Morris in 1979, which combines three indicators-Life expectancy at age one, infant mortality rate and literacy rate. One drawback of PQLI is that it ignores the role of income completely. While the human capabilities are important, the capabilities without commodities can be as ineffective as commodities without capabilities.

The UNDP, Human Development Index (HDI) which first appeared in 1990 is an attempt to put the measure of development in balanced by including PCI with indicators of health & educational attainment. It is to be noted that in the HDI, the contribution of human income is subjected to diminishing returns with increase in the income level. Although the UNDP, HDI entirely free from criticism, it has come in popularity over the years & widely accepted as a measure of development.

While the basic component of the HDI mainly health attainment, educational attainment and income as a means for the standard of living have remain unchanged, the actual measurement of this component have got undergone changes over the years. The changes are sometimes arrival from data availability or lack of it. But more often than not the changes have come about because of refinement in the ways of capturing the basic components. Since 2010 Human Development Report, the UNDP began using a new method of calculating the HDI using the following three indices: Life Expectancy Index (LEI) -LEI is 1 when life expectancy at birth is 85 and 0 when life expectancy at birth is 20. Secondly, the Education Index (EI)-EI has two components Mean Years of Schooling Index (MYSI) (Fifteen is the projected maximum of this indicator for 2025) and Expected Years of Schooling Index (EYSI) (Eighteen is equivalent to achieving a master's degree in most countries) and the third index is the Income Index (II),II is 1 when GNI per capita is \$75,000 and 0 when GNI per capita is \$100.Finally, the HDI is the geometric mean of these three normalized indices.

5. CONCLUSION

Region is an area especially a part of a country or world having definable characteristics but not always fixed boundaries. Region can also be defined as a compact geographical area with a similarity in the levels of development attainment within.

Development is a complex phenomenon, and aggregate and per capita real incomes are not sufficient indicators of economic development. It encompasses several dimensions - economic, social, political, administrative and cultural.

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