Regional Imbalances in India

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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.

The reasons for these regional imbalances are rooted in historical processes and in varied levels of natural resource endowment in various regions of the country.

During the British rule, different regions had different levels and size of surplus creation and absorption because of the variation in production relations in different regions and variation in production levels due to differential efforts in different regions.

The process of urbanisation at that time was based on the strategy of exports of primary goods and consumption of machine-made imported goods. As a result of this, some port towns like Kolkata, Mumbai and Chennai and some princely state capitals got a head-start over other regions. These princely state capitals emerged as centres of consumer goods and generated centripetal development around them.

And the port towns of Kolkata, Mumbai and Chennai acted as nuclei of growth for the states of West Bengal, Maharashtra and Tamil Nadu respectively.

After the initial head-start, slowly a merchant- capitalist class with the capacity to invest in industry emerged and the twin processes of industrialisation and urbanisation moved hand in hand.

Progressively, education opportunities came up to support business and administration through a class of clerks and lower officials. Western education was quick to come because of the contacts between the hinterland and the European metropolis. Gradually, a middle class consisting of lawyers, doctors, intellectuals and skilled personnel came up.

While these regions were experiencing development on modern lines, other regions lagged behind due to decline of handicrafts and other non-agricultural professions with the advent of machine-made imports. Once a region gets an early start, infrastructure comes in and a cycle of development starts. Employment opportunities come up. These conditions attract migration from poorer regions.

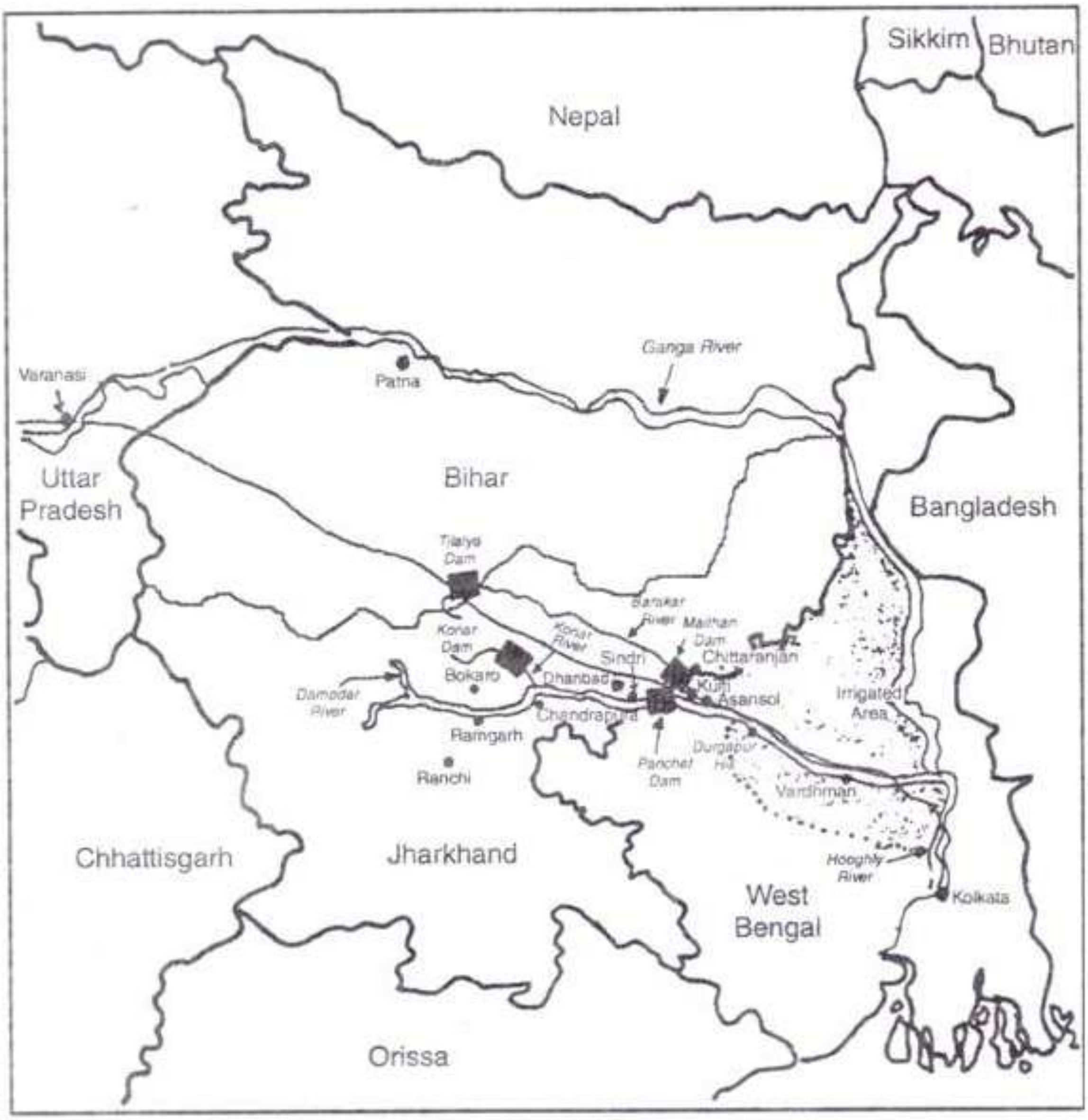
The migrants generally include healthy, dynamic and enterprising sections who also take their savings along with them. Those who are left behind include mainly women, children and the elderly.

As a result, the demographic structure of the underdeveloped regions gets distorted. The developed regions also attract most of the investment and credit. In contrast to the developed regions, a reverse cycle of underdevelopment gets initiated in the poorer regions.

At the time of independence, there were great regional disparities among various regions in terms of per capita income, per capita consumption education and health facilities, infrastructure, employment etc. Because of initial political instability, this disparity had serious implications.

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, but there was a drift away from these goals because of the strategic position of the ruling classes, and the macro and sectoral model of development which was adopted by our planners.

Two major institutions, which were expected to work towards reducing the regional imbalances after independence, were the Finance Commission and the Planning Commission. Although the recommendations of the Finance Commission have aroused interest in regional disparities, it has not had much role to play because of the following reasons.



Map showing the Damodar Valley Project.

1. The removal of disparities in the living conditions has not been a specific term of reference for the commission.

2. Planning Commission has been given greater say in disbursing funds to states.

3. It is also important, in this regard, to take into account the manner of utilisation of resources, which incidentally was not in the hands of Finance Commission.

Much was also expected from the Planning Commission, but it emphasised macro, sectoral, economic and the national aspects, while the regional thrust was missing. The plans, which were formulated by the Planning Commission, were in the form of sets of directives and goals for the orientation of the economy as a whole. Also, some erroneous assumptions gained currency.

One of these was that there is a conflict, at least in the short run, between national growth and reduction of disparities for a developing country like India. Another erroneous assumption was that, industrial development can be equated with economic development at the regional level.

Therefore, while there was a talk of industrial development and dispersal, there was no task of an overall development of these regions in plans. In Western Europe, an agricultural revolution had preceded the Industrial Revolution.

Spatial Pattern of Regional Imbalances in India:

Following is the hierarchy of pattern of regional inequalities in India:

1. Extensive areas of high level of development;

2. Isolated areas of development within low development region;

3. Linear pattern of development;

4. Extensive areas of low development with scattered market centres;

5. Extensive areas of low level of development;

6. Low development in hill areas.