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REGIONAL DISPARITIES IN INDIA: AN ECONOMIC PERSPECTIVE

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ABSTRACT:

Regional disparities are a common phenomenon in the world. It exists in every country of the world. It is a curse for the development of economy of the country. It is an economic and development related problems. A Balanced regional growth is necessary for the harmonious development of a federal state such as India. India, however, presents a picture of wide regional variations in terms of such indicators of economic growth as per-capita income, the proportion of population living below the poverty line, working population in agriculture, female literacy rate, and access to electricity, water and sanitation, banking facility, the percentage of workers in manufacturing industries etc. Relatively speaking some states are economically advanced while the others are backward. Even within each state, some regions are more developed while the others are almost primitive.



The regional disparities, if not addressed consciously may lead to serious problems - both socially and democratically. This is essential to promote the inclusive growth agenda. It is significant to know that the problems of regional disparities and backwardness are needed to be addressed on priority basis. This paper is based on secondary sources. It will cover different dimensions of regional disparities in the world in general and India in particular.

KEYWORDS: development of economy , sanitation, banking facility.

PREAMBLE

Regional disparities are a common phenomenon in the world. It exists in every country of the world. It is a curse for the development of economy of the country. The removal of regional disparity is a Constitutional responsibility. The Indian Constitution in Article 15 has prohibited all the discriminations in Indian

society. This is what the first Article of the Declaration on the Right to Development has to say about Development Right. A Balanced regional growth is necessary for the harmonious development of a federal state such as India. India, however, presents a picture of wide regional variations in terms of such indicators of economic growth as per-capita income, the proportion of population living below the

poverty line, human development index, access to health facilities, water and sanitation, banking facility, the percentage of workers in manufacturing industries etc. Relatively speaking some states are economically advanced while the others are backward. Even within each state, some regions are more developed while the others are almost primitive. Regional disparity in India is now a matter of serious concern. It is

well known that in a large economy, different regions with different resource bases and endowments would have a dissimilar growth path over time. One of the reasons why centralized planning was advocated earlier was that it could restrain the regional disparity. In spite of planning however, regional disparity remained a serious problem in India.

Balanced regional development is an important objective in the country's planning and various measures including fiscal incentives, industrial policies and directly targeted measures have been used in the past to achieve the objective. In fact, the adoption of planning as a strategy of state-led industrialization with plans and policies designed to facilitate more investments in relatively backward area, was intended to lead to a more balanced growth. The Union Government had launched a programme- the Backward Region Grant Fund (BRGF) in 2007. This programme was designed to redress regional imbalances in development. It would provide financial resources to implement and execute development projects so as to bridge critical gaps in local infrastructure and other developmental requirements that are not being adequately met through existing inflows. The Principle of Social Justice implies that there should be egalitarian distribution of gains from development. More and more benefits of development must reach the least advantaged sections of the society. Development process has a tendency to concentrate in few regions. This gives rise to regional imbalances.

CONCEPTUAL ISSUES OF REGIONAL DISPARITY

The co-existence of relatively developed states on one side and economically depressed states on the other and even regions within each state is known as regional imbalance. It may be natural due to unequal natural endowments or man-made in the sense of negligence of some regions and preference for others as for as investment and development efforts are concerned. Regional imbalance may be inter-state or intra-state; it may be total or sectoral. Economic backwardness of a region is indicated by symptoms like high pressure of population on land, excessive dependence on agriculture leading to high incidence of rural poverty and unemployment, absence of large scale industry, low productivity in agriculture and cottage industries etc. In the changed economic scenario, the widening disparities have become a very serious concern for the economists as well as the policy makers in India. Regional imbalances are not desirable for the healthy growth of the country. Interchangeably, we can use the regional imbalance and disparity in this paper.

OBJECTIVES OF THE PAPER

Some of the important objectives of the paper are as follows:

1. To study the regional disparity in India.
2. To highlight on the extent of regional disparity.
3. To make important suggestions for eradication of regional disparity.

METHODOLOGY

The present paper is based on secondary sources. Related materials and data are collected from the Southern Economist, Economic and Political weekly journals, books, census and survey reports. Descriptive and analytical methods employed. Further, the percentage and average techniques are applied to draw the conclusion.

ANALYSIS AND DISCUSSION

The current paper discusses various dimensions of regional disparities In Karnataka in particular and in India in general. Further, it could focus on socio-economic dimension of regional disparity of National Income, per capita income, poverty level, human development index and medical facilities etc. The categorization of states / union territories on the basis of growth rates of Net State Domestic Product (current price) is presented in table below.

Table-1
Growth Rate of Net State Domestic Product in Current Price

Sl. No.	States / Union territories	Growth Rate
I.	Above average growth rate of states (16%)	
1.	Sikkim	27.00
2.	Bihar	19.49
3.	Haryana	17.58
4.	Delhi	17.01
5.	Gujarat	16.55
6.	Maharashtra	16.37
7.	Uttarakhand	20.55
8.	Rajasthan	17.67
9.	Arunachal Pradesh	17.23
10.	Tamil Nadu	16.87
11.	Andhra Pradesh	16.46
12.	Madhya Pradesh	16.31
II	Above average growth rate of states (15%)	
13.	Pondicherry	15.99
14.	Karnataka	15.45
15.	Chandigarh	15.26
16.	Chhattisgarh	15.82
17.	Odisha	15.39
III	Below average growth rate of States (15%)	
18.	Mizoram	14.90
19.	Punjab	14.66
20.	Kerala	14.50
21.	Goa	13.70
22.	Tripura	13.52
23.	Meghalaya	13.38
24.	Jammu & Kashmir	12.97
25.	Manipur	10.87
26.	West Bengal	14.68
27.	Uttar Pradesh	14.54
28.	Andaman & Nicobar	13.98
29.	Himachal Pradesh	13.55
30.	Jharkhand	13.40
31.	Assam	13.14
32.	Nagaland	12.29

Source: Economic Survey, 2013-14

The table above depicts the growth rate of net state domestic product in current prices among the Indian states and union territories. Chhattisgarh (15.26%), Karnataka (15.45%), Odisha (15.39%), Chandigarh (15.26%) and Pondicherry (15.99%) belonged to the category of average growth states / UTs. There were five States / UTs in second category. Twelve States / UTs are in the first category of above average growth States / UTs.

Sikkim stood first with an average growth rate of 27% per year. Uttarakhand (20.55%) stood in the descending order of growth. There were fifteen states / UTs in the category of below average states / UTs. Manipur was at the bottom of the list with an average growth rate of 10.87 percent in 2014.

Nagaland (12.29%), J&K (12.97%), Assam (13.14%) was in the ascending order of growth. The growth rate of country depends on State income and per capita income. On the basis of income the States can be divided into two categories i.e., 1) developed State and 2) under developed State. The level of State income and per capita income of the States is shown in table below.

Table-2
Comparison of State Income and per capita Income

Sl. No.	States	State Income in Rs. Crores	Rank	Per Capita Income in Rs.	Rank
1.	Andhra Pradesh	6,09,934	7	1,08,163	10
2.	Bihar	3,81,501	14	31,454	16
3.	Gujarat	10,33,791	4	1,41,504	06
4.	Haryana	4,85,184	12	1,62,034	2
5.	Karnataka	10,12,804	5	1,42,267	5
6.	Kerala	5,56,616	9	1,47,190	4
7.	Madhya Pradesh	5,43,975	11	62,334	14
8.	Maharashtra	20,01,223	1	1,47,399	3
9.	Odisha	3,41,887	15	68,293	13
10.	Punjab	3,91,543	13	1,19,261	9
11.	Rajasthan	6,72,707	6	82,325	12
12.	Tamil Nadu	11,61,963	2	1,37,837	8
13.	Telangana	5,67,588	8	1,37,955	7
14.	Uttar Pradesh	11,20,836	3	46,299	15
15.	Delhi	5,51,963	10	2,73,618	1
16.	All India	1,66,27,585	--	94,731	11

Source: Karnataka Directorate of Economics and Statistics, Govt. of Karnataka, Central Statistical Office, Govt. of India, 2015.

This is a list of States and Union Territories of India ranked according to poverty in 2013. The is compiled from the Annual Report of Reserve Bank of India (RBI) published in 2013. The rank is calculated according to the percentage of people below poverty line and is based on Manufacturing retail Price of consumption. The Goa ranks best with least poverty of 5.09 percent while national average stands at 21.92 percent.

Table-3
State-wise Size of Poverty in India

Sl.No	Indian States	Level Poverty (%)
1	Goa	5.09
2	Kerala	7.05
3	Himachal Pradesh	8.06
4	Sikkim	8.19
5	Punjab	8.26
6	Andhra Pradesh	9.20
7	Jammu and Kashmir	11.35
8	Haryana	11.116
9	Uttarakhanda	11.26
10	Tamil Nadu	11.28
11	Meghalaya	11.87

12	Tripura	14.05
13	Rajasthan	14.71
14	Gujarat	16.63
15	Maharashtra	17.35
16	Nagaland	18.88
17	West Bengal	19.98
18	Mizoram	20.87
19	Karnataka	20.91
20	Uttar Pradesh	29.43
21	Madhya Pradesh	31.65
22	Assam	31.98
23	Odisha	32.59
24	Bihar	33.74
25	Arunachal Pradesh	34.67
26	Manipur	36.89
27	Jharkhand	36.96
28	Chhattisgarh	39.93
29	Chandigarha	21.81
30	Delhi	9.91
	All India	21.92

Source: Annual Report of Reserve Bank of India (RBI) published in 2013.

DISPARITIES IN HUMAN DEVELOPMENT:

Human development indicators show greater convergence than income across States. The India Human Development Report 2011(IHDI-2011), which estimates the Human Development Index (HDI) for States at beginning of the decade and for the year 2007-08, allows us to compare HDI across States and over time.

Table-4
Human Development Index in India

Sl.No	Name of State	HDI (2007-08)	HDI (1999-2000)	Change in HDI	Percentage Change
1	Uttarakhand	0.49	0.339	0.151	44.54
2	Kerala	0.79	0.677	0.113	16.69
3	Assam	0.444	0.336	0.108	32.114
4	Jharkhand	0.376	0.268	0.108	32.14
5	Andhra Pradesh	0.473	0.368	0.105	28.53
6	North East States	0.573	0.473	0.100	21.14
7	Madhya Pradesh	0.375	0.285	0.090	31.58
8	Tamil Nadu	0.57	0.48	0.090	18.75
9	Karnataka	0.519	0.432	0.087	31.64
10	Odisha	0.362	0.275	0.087	31.64
11	Chhattisgarh	0.358	0.278	0.080	28.78
12	Bihar	0.367	0.292	0.075	25.68
13	Himachal Pradesh	0.652	0.581	0.071	12.22
14	Maharashtra	0.572	0.501	0.071	14.17
15	West Bengal	0.492	0.422	0.070	16.59
16	Jammu & Kashmir	0.529	0.465	0.064	13.76

17	Uttar Pradesh	0.38	0.316	0.064	20.25
18	Punjab	0.605	0.543	0.062	11.42
19	Gujarat	0.527	0.466	0.061	13.09
20	Haryana	0.552	0.501	0.051	10.18
21	Rajasthan	0.434	0.387	0.047	12.14
22	Goa	0.617	0.595	0.022	3.70
23	Delhi	0.75	0.783	-0.033	-4.21
24	All India	0.467	0.387	0.080	20.72

Source: Human Development Report, 2011.

The table above analyzes the human development index in India. The top five ranks in HDI in both years are occupied by Kerala, Delhi, Himachal Pradesh, Goa and Punjab. At the other end of the spectrum are States such as Chhattisgarh, Odisha, Bihar, Madhya Pradesh, Jharkhand, Uttar Pradesh and Rajasthan. These States have shown tremendous improvement in their HDI and its component indices over time, leading to a convergence in HDI across States. The coefficient of variation of the HDI for States in 2000 was 0.313. This fell sharply to 0.235 in 2008. Furthermore, the IHDI-2011 finds that the absolute improvements in health and education indices for low PCI States such as Chhattisgarh, Jharkhand, Madhya Pradesh, and Odisha have been better than for all India, with their gaps with the all-India average narrowing over time. In six of the low HDI States- Bihar, Andhra Pradesh, Chhattisgarh, MP, Odisha and Assam- the improvement in HDI (in absolute terms) is considerably more than the average.

DISPARITY IN MEDICAL FACILITIES

We all know well that 'health is wealth' in economics. Because, our production depends upon good health of the workers. If they have good hygiene facilities in the society they will automatically produce more and more goods. That's what social scientists call Sound mind in sound body. Therefore, good medical facilities are necessary for improving the production and productivity. Karnataka is among the worst states in the country when it comes to availability of doctors in government clinics and hospitals. In the economically rich southern State, one government doctor caters to 13,556 people- a number much below the national doctor-patient average of 1:11,082. Karnataka's doctor-patient ratio is the worst in Southern India, says the latest National Health Profile, released by the Union Health Ministry earlier this week. This can be seen in table below.

Table-5
No of People for each Government Doctors in India

Sl.No	Name of the State	Population
1	Bihar	28391
2	Uttar Pradesh	19962
3	Jharkhand	18518
4	Madhya Pradesh	17192
5	Maharashtra	19996
6	Chhattishgarh	15961
7	Karnataka	13556
8	Andhra Pradesh	10189
9	Tamil Nadu	9544
10	Telangana	9343
11	Kerala	6810
12	Goa	3883
13	All India	11082

Source: National Health Profile, 2018

Such a poor doctor-patient ratio in the government sector is seen despite Karnataka being one of the three States with more than one lakh registered doctors. While, Maharashtra has 1,53,513 doctors registered with the State Medical Council and Medical Council of India, the corresponding numbers for Tamil Nadu and Karnataka are 1,26,399 and 1,04,794 respectively. Assuming 80 percent availability of the doctors, Karnataka should have nearly 80,000 doctors for a population of more than six crores. According to the 2017 edition of the National Health Profile, one government doctor served a population of 13,257. The number rose to 13,556 a year later. In Karnataka, there are only 2,136 doctors at the Primary healthcare centers and 498 specialists at the community Health centres. In the last one year, not a single specialist joined the CHC. There are at least seven States and Union Territories including Delhi where there are no Specialists in the CHC. In another six States, the numbers are single digits. India's doctors-patient ratio is one of the worst in the world and nowhere close to the 1:1000 ratios.

Impact of Disparity on Indian Economy

The widespread disparities at various levels of development can have serious economic, social and even political consequences. If this particularly persists for long periods of time, it creates the feeling of negligence, discrimination and deprivation. These disparities also become cause of social conflicts leading to political and administrative problem. Its impact can be seen on income, wealth, health, access to human development, levels of development, sectoral development, level of technology, etc. They are shown below and brief note is given on each of them.

Disparity in Income and Wealth

Income distribution across different spatial units and across different social groups may be considered as one important aspect of disparity. Spatially a large proportion of the total national income or wealth gets located in some developed units, either states in the country or districts in the states. At the social level, a large proportion of the income or wealth gets controlled by small segments of the population both in rural and urban areas.

Disparity in Human Development

Two important constituents on human development being health and education, one can observe disparity across spatial units concerning level of facilities and the nature of their development overtime. Similarly, across the social groups there may be differential access to health and education facilities.

Disparity in Economic Development

Different spatial units have differential level as well as growth in the development profile which gets perpetuated due to unevenness in the material resource and human resource endowments and the inadequacy of the planning processes. One important feature of such a disparity can also be seen in terms of rural-urban divide. Great many portions of the fruits of planned economic development get centred towards and around the urban cities, towns and in those rural regions where natural resources are abundantly available. Thus, rural regions devoid of natural resources lagged far behind in the run of economic development and remained either undeveloped or insignificantly developed in comparison to other urban and natural resourced regions.

Disparity in Sectoral Development

Disparity across spatial units can be seen in terms of various sectors of the economy. Overall growth of the economy depends on integrated development of various sectors making the sequencing of development of different sectors an important feature of development process. Various spatial units in the Indian context continue with wrong sequencing of sectorial development resulting in the perpetuation of disparity.

Disparity in Technology

Various spatial units and various production organizations continue the production process with differential level of technology, given unequal resource endowments, which results in differential growth process.

Policy Measures

Following measures are required to tackle the problems of regional disparities. While transferring financial resources from the centre to the state / UTs backwardness as a factor has to be given preference. Special area development programmes have to be implemented for the development of backward States / UTs in the country. The government has to take measures to promote private investment in backward States / UTs. The government has to take steps to develop social and economic infrastructure in the backward States / UTs, to formulate regional development policy and to create investment and business friendly environment in India.

CONCLUDING REMARKS

In a nutshell, the above discussion instigates the immediate intervention of policy measures to eradicate the regional disparity in Karnataka in particular and India in general. Balanced regional growth is necessary for the harmonious development of the country. There exist wide regional variations in plans. Planners have to pay attention to accelerate the growth process in the below average growth states / UTs in order to achieve the plan objective of balanced regional development. The former Prime Minister of India opined that the real development cannot ultimately take place in one corner of India while the other is neglected. There is an urgent need to re-think strategies of development for these regions with a greater focus on sustainable and equitable distribution of natural resources and financial resources within a framework of greater devolution of powers and participatory development planning. The regional disparities, if not addressed consciously may lead to serious problems-both socially and democratically. This is essential to promote the inclusive growth agenda. It is significant to know that the problems of regional disparities and backwardness are needed to be addressed on priority basis. 'Precaution is better than cure' is workable solution for worsening situation that prevails in the State due to regional disparities. The regional disparities are global phenomenon. India is no exception. Regional disparities sharply exist in India. It is a threat to integrity and unity of the country. Government should take corrective measures to eradicate regional disparities in India.

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