# **Inter-Regional Disparities with Multi-Dimensional Aspect in India**

P.Ponmuthusaravanan\*, G.Ravi\*\*

\*Ph.D., Research Scholar, Dept. of Economics, Annamalai University, Tamil Nadu, India.

\*\*Professor, Dept. of Economics, Annamalai University, Tamil Nadu, India

## **Abstract**

The study explains the disparities with multi-dimensional aspects in India. Some of its major dimensions include: The level of economic growth, level of education, level of health services, status of women, level of nutrition, etc., the disparities almost exist in all aspects which mentioned above numerous measures have undertaken to reduce the disparities but still it wide in India.

### Introduction

Disparities in economic and social development across the regions and intra-regional disparities among different segments of the society have been the major planks for adopting planning process in India since independence. Apart from massive investments in backwards regions, various public policies directed at encouraging private investments in such regions have been pursued during the first three decades of planned development. The efforts taken to reduce regional disparities were not lacking but the achievements were not often commensurate with these efforts. Considerable level of regional disparities remained at the end of the seventies. The accelerated economic growth since the early eighties appears to have aggravated regional disparities. The on-going economic reforms since 1991 with stabilisation and deregulation policies as their central pieces seem to have further widened the regional disparities. The seriousness of the emerging acute regional imbalance has not yet received the public attention it deserves.

Development is a multi-dimensional phenomenon. Some of its major dimensions include: the level of economic growth, level of education, level of health services, degree of modernization status of women, level of nutrition, quality of housing, distribution of goods and services, and access to communication. In India, the progress of socio-economic development among major states is not uniform.

In India, the states are marked with wide disparity in socio-economic development. The factors, which are found out to be more important for the overall development process, relate to basic needs such as education, availability of food, minimum purchasing power and facilities like safe drinking water, health care infrastructure, etc., to attain true development. The government has to take necessary action to improve elementary education, safe drinking water facilities and health care, and to remove barriers against social minorities, especially women. The role of social

development such as education especially promoting female literacy is prerequisite for overall development.

### Level of Health and Nutrition

The health condition of a country depends on the level of nutrition, per head per day calories intake, vaccination, immunization, educational level, awareness and many more factors. Among these, calories intake is singly most important influencing factor of nutritional level which plays a big role in improving health condition of an individual and consequently uninterrupted supply of food to poorer section of the society should be given significance in understanding the health condition of an economy. Thus, food security is an important gradient of health status of a region. A health disparity should be viewed as a chain of events signified by a difference in: 1.environment, 2.access to, utilization of, and quality of care, 3. Health status or 4.A particular health outcome that deserves scrutiny. Such a difference should be evaluated in terms of both inequality and inequity, since what is unequal is not necessarily inequitable.

Investment in health along with education is an essential input in human resource development. It has been emphasized by Schultz as being the basis of an individual's economic productivity. Good health provides the capability to work and perform well in every sphere of economic activity. Health is important, both at the individual level as well as the economy level. In any scheme of poverty reduction and long-term development in low income countries, health occupies an important place. Apart from economic considerations, humanitarian concerns also given merit attention and aim at achieving the development of health of the global community. World Health Organisation (WHO) commission on Macroeconomics and Health (2000) has observed that development would not occur automatically without increased investment in health. The topic of health disparity has attained special significance recently. The USA has launched the so called 'Healthy

People 2010', in January 2000 by which the Department of Health and Human Services (DHHS) committed the nation to an overreaching goal, to eliminate health disparities.

### Level of Education

Education, on account of its highly pervasive nature has always remained an area of importance and concern since time immoral. The plausible reason for this could be its ability to transgress, influence and mould the human capability from very low levels to unprecedented heights, from being an unknown and unproductive class to becoming a highly competitive unit and from being a raw and uncultivated class to a highly refined value added finished product. Unfortunately the performance of education in developing region is far from satisfactory. High drop-out rates, marginalization of socially disadvantaged group, dilution in the quality of education, lack of supervision and monetary support are some of the concerned areas that have afflicted the overall performance of education, all this had held back the development in developing states while developed state-have marched ahead in this adding to the ongoing problem of regional disparities

Though the government has been concerned about it as exemplified by the setting up of various commission to look after its working and suggest appropriate remedial measures, however, it has receives scant attention as far as the allocation to it is concerned.

# **Concepts of Inter-Regional Disparities**

Regional inequality is a major concern in a large number of developing countries. Growth pole dynamics and inverted-U hypothesis sustain that regional inequalities within developing countries will be eventually reduced through factor mobility. "Reduction of socio-economic disparities is essential from the point of marinating National integration, political stability and unity also. If neglected and unchecked these disparities may assume menacing dimension, and threaten the very existence of this nation.

# **Neo-classical growth models**

Neo-classical growth theory highlights the mobility of supply side factors, in particular capital stock, technical change and labour, as the reason for the eventual reduction of such disparities. On the other hand the opposing theories, in particular dependency and structural change theories, postulate that regional inequality is an inevitable outcome of capital accumulation and profit maximisation.

The proposition of convergence in recent growth literature has been of much appeal to the analysis of disparities amongst developed countries. Would it be

equally applicable to the analysis of regional disparities within a developing country? Following Barro and Sala-Martin (1995) in the context of regions there are two views on how the process of catching up and convergence can take place: b-convergence, where poor regions will tend to grow faster than the more developed regions (as the diminishing marginal returns to capital prevails in the latter regions) and s-convergence concerning cross-regional dispersion (inequalities) which would tend to decrease over time.

### **Economic Growth**

Economic growth is essential for improving in the living standards of the population and to reduce absolute deprivation (poverty). It is through the process of trickle down that growth benefits percolate to the lowest strata of the society. The increased disparities in the distribution of income both across the population groups and between different regions, which are widely experienced in the developing countries, reflect the failure of the trickle down process. Income inequality is an outcome of skewed distribution of factors of production both in terms of quantity and quality, strategy of economic growth, inappropriate social and political institution, lack of or inadequate capabilities and functioning of the population, etc. A.K. Sen (1984) mentioned that to maintain absolute deprivation in terms of personal capability relates to relative deprivation in terms of commodities, income and resources.

Along with faster economic growth and reduction in poverty, there has been accelerated improvement in various indicators of human development since the early eighties whether it is in the case of demographic characteristics or social development indicators. During the last two decades, the country has made major strides in health and education sectors. The economy got diversified significantly and the share of the service sector in employment and incomes improved considerably. While there is a broad consensus on the overall improvement of the economy and quality of life during the period under consideration, there are significantly differing perceptions about the distributional impacts of these gains.

Most of the studies on inter-country and interregional differences in level of living and income are done within the theoretical framework of neoclassical growth models. These models, under plausible assumptions demonstrate convergence of incomes. Three notable recent studies, however, indicate that in the Indian context these convergence theories do not explain the ground realities. The scope of this study is restricted to a comparative analysis of the emerging trends in fifteen major states in respect of a few key parameters which have an intrinsic bearing on social and economic development. The variables chosen for examination include those which will have a bearing on gender and equity issues. The fifteen states together account for 96 percent of the total population and leaving out the remaining states and UTs from detailed study is mainly due to non-availability of all relevant data and also to keep the data sets analytically and logistically manageable. The fifteen states taken up for the detailed study have been grouped into two- a forward group consists of Andhra Pradesh, Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab and Tamil Nadu. The backward group comprises of Assam, Bihar, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh and West Bengal.

Geographically, the forward group of states fall in the Western and Southern parts of the country and are contiguous except for Punjab and Haryana which are separated by Rajasthan from the rest of the states in this group. The group of backward states are in the Eastern and Northern parts of the country and are geographically contiguous. 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. While the forward group of states accounts for about 42 percent 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.

The National Human Development Report 2001 for India (2002) reveals a clear statement about the disparities in India. The report note that there has been a wide disparity in human development and poverty between the states of India since 1981.

### Conclusion

In India too, area disparities in the level of poverty, unemployment, income infrastructure, agriculture industry and above all the level of living of the people exist substantially across the regions. Numerous measures have been undertaken in the last forty years of planning to achieve balanced regional development in terms of economic growth, education, health services, status of women, level of nutrition, distribution of goods and services, etc of the country. Yet, wide disparities in area development continue in this country. The most pitiable situation is that the most resources rich states such as Orissa, Bihar, Madhya Pradesh, Assam, and Uttar Pradesh are the regions with high poverty pockets.

A limitation of inter-regional analysis using states as units is the fact that this may not be able to capture the significant intra-state disparities in economic and social development which exists today. The larger states in both the groups have regions within themselves, which are vastly different in terms of various indicators of development. There are identifiable distinct region, at different stages of development, in several states.

### References:

Akita, T. (1988), "Regional development and Income Disparities in Indonesia", *Asian Economic Journal*, Vol.2, pp. 165-91.

Akita, T. and Lumkman, R.J.(1995), Interregional Inequalities in Indonesia; A Sectoral Decomposition Analysis for 1975-92", *Bulletin of Indonesian Economic Studies*, Vol.31, No.2, pp.61-81.

Barro, Robert and Sala-I-Martin, Xavier (1991), "Convergence Across States and Regions", *Brookings Papers on Economic Activity*, I, pp.107-81.

Barro, Robert and Sala-I-Martin, Xavier (1995), Economic Growth, New Yark: McGrow-Hill.

Birdsall, Nancy, David Ross, and Richard Sabot (1995), "Inequality and Growth Reconsidered: Lessons from East Asia", *World Bank Economic Review*, Vol.9, pp.477-508.

Breton, Albert (1996), Competitive Governments, Cambridge: Cambridge University Press.

Chhibber, Pradeep (1995), "political Parties, Electoral Competition, Government Expenditures and Economic Reform in India", *Journal of Development Studies*, Vol.32, pp.74-96.

Chang Alberto and Cesar Calderon(2000), "Institutional Quality and Income Distribution", *Economics Development and Cultural Change*, Vol.48, pp.761-86.

Mathur.A. (1983), "Regional Development and Income Disparities in India: A Sectoral Analysis", *Economic Development and Cultural Change*, Vol.31, No.3, pp.475-505.

Mahajan, O.P.(1982), Regional Economic Development in India. (New Delhi, Ess Ess Publishers).

World Bank (2000), World Band Development Indicators, The World Bank Group, Washington DC.

Noorbakhsh, F. (1999), "Standards of Living, Human Development Indices and Structural Adjustments in Developing Countries: An Empirical Investigation", *Journal of International Development*, Vol.11, pp.151-75.