Regional Disparity in India
Meaning of Regional Disparities/Imbalances

Regional Imbalances implies that there is difference in ‘economic development’ of different regions. In India ‘region’ means a state or district or union territory. Regional imbalances may be inter-state or intrastate.

Regional imbalances or disparities means wide differences in per capita income, literacy rates, health and education services, levels of industrialization, infrastructural facilities etc. between different regions. Regions may be either States or regions within a State.
Regional Disparities/Imbalances

It refers to difference in economic development and uneven economic achievement in different geographical regions.

It is reflected by the indicators like per capita income, the proportion of population living below the poverty line, the percentage of urban population, percentage of population engaged in agriculture vis-à-vis engaged in industries, infrastructural development of different states.
The co-existence of relatively developed & economically depressed states and even regions within each state is known as regional Disparity or regional imbalance.

or

In general regional disparities or imbalances we meant wide differences in per capita income, literacy rates, availability of health and education services, levels of industrialisation, infrastructural facilities etc between different regions.
Regional imbalances may be:

(i) Natural Regional Imbalances:
These are the imbalances in inter regional or intra-regional development due to unequal distribution of natural resources by the nature. Each region is different from the other region in respect of natural resources, water capacity, forest etc.

(ii) Man Made Regional Imbalances:
There may be some regions where more efforts have been made for development by giving preference for investment and other development efforts like – subsidies, grants, special status etc.
Types of Disparities/Imbalances

1. Global Disparity (Disparity between Nations)
2. Inter-State Disparity (Disparity between States)
3. Intra-State Disparity (Disparity within States)
4. Rural-Urban Disparity (Disparity between Rural & Urban)
Causes of Regional Imbalances or Disparities in India:

1. Historical factors: British regime

2. Geographical factors: Natural factors

3. Failure of planning: Although balanced growth has been accepted as one of the major objectives of economic planning in India, since the second plan onwards, but it did not make much headway in achieving this object.

4. Financial: Small and Medium enterprises which are important engine of growth and productivity have not been able to access finance in rural areas.
5. Infrastructure

6. Disparities in Socio-Economic Development:

7. Political

8. Predominance of Agriculture:

9. Lack of Motivation on the Part of Backward States

10. Locational Advantages
Causes of Regional Imbalances or Disparities

1. Historical Factors:
   Regional imbalances in India started from its British regime. British industrialists mostly preferred to concentrate their activities in two states like West Bengal and Maharashtra and more particularly to three cities like Calcutta, Bombay and Madras and neglecting the rest of the country to remain backward. The uneven pattern of investment had resulted in uneven growth of some areas keeping other areas neglected.
2. Geographical Factors:

Geographical factors play an important role in the developmental activities of a developing economy. Adverse climate and floods are also responsible factors for poor rate of economic development of different regions of the country which is shown by low productivity and lack of industrialization. Natural factors resulted in uneven growth of different regions of India.
3. Locational Advantage:

Due to some locational advantages, some regions are getting special favour in respect of site selections of various developmental projects. Regional imbalances arise due to such locational advantages accrue to some regions and the locational disadvantages to some other regions.
4. Inadequacy of Economic Overheads:

Economic overheads like transport and communication facilities, power, technology and insurance etc. are considered very important for the development of a particular region. Due to adequacy of such economic overheads, some regions are getting a special favour in respect of settlement of some developmental projects whereas due to inadequacy of such economic overheads some regions of the country i.e. North-Eastern region, Himachal Pradesh, Bihar etc. remained much backward.
5. Failure of Planning Mechanism:

Although balanced growth has been accepted as one of the major objectives of economic planning in India, since, it did not make much headway in achieving this object. In fact planning enlarged the disparity among states. In respect of allocating plan outlay developed states get much favour than less developed states. Due to such divergent trend, imbalance between the different states in India has been continuously widening, inspite of framing achievement of regional balance as one of the important objective of economic planning in the country.
6. Lack of Growth of Ancillary Industries in Backward States:
The Government of India has been following a decentralised approach for the development of backward regions through its investment programmes on public sector industrial enterprises located in backward areas like Rourkela, Barauni, Bhilai etc. But due to lack of growth of ancillary industries in these areas, these areas remained backward in spite of huge investment by the centre.
7. Lack of Motivation on the Part of Backward States:

Growing regional imbalances in India have also resulted from lack of motivation on the part of the backward states or industrial development while the developed states like Maharashtra, Punjab, Haryana, Gujarat, Tamil Nadu etc. are trying to attain further industrial development, but the backward states have been showing their interest on political interferences and manipulations instead of industrial development.
8. Political Instability:
Political instability in the form of unstable Government, law and order problem etc. have been obstructing the flow of investment into these backward regions besides making flight of capital from these backward states. Thus this political instability prevailing in some backward regions of the country are standing as a hurdle in the path of development of these regions.
Indicators of Regional Imbalances in India

1. State Per Capita Income: States like Punjab, Haryana, Maharashtra, Gujarat, Karnataka, Tamil Nadu and Kerala have achieved higher per capita income when compared with Orissa, Bihar, M.P, UP, Assam and Rajasthan. In 2016, Delhi’s per capita income stood at Rs. 2,01,083 as compared to Bihar’s Rs. 22,890. PCI for 6 Indian states is not available, including Gujarat, Kerala, Mizoram, Chandigarh, Rajasthan and Goa. In 2012, Goa had the highest Per Capita Income followed by Delhi.
2. Inter - State Disparities in Agricultural and Industrial Development: Punjab, Haryana and part of U. P has recorded high rate of productivity due to its high proportion of irrigated area and higher level of fertilizer use. On the other hand, states like Assam, Bihar, Orissa and part of U.P. have been lagging behind in respect of the pace of industrialization.
3. **Intra-State imbalance:** There is a growing tendency among most of the advanced states to concentrate its development activities towards relatively more developed urban, and metro cities of the states while allocating its industrial and infrastructural projects by neglecting the backward areas.
4. **Spatial Distribution of Industries:** States like Punjab, Haryana, Maharashtra, Gujarat, Kerala, and Karnataka have achieved considerable development in its industrial sector. But West Bengal could not keep pace in its industrial growth as much as other industrially developed states.
5. Population below poverty line: The high rural poverty can be attributed to lower farm incomes due to subsistence agriculture, lack of sustainable livelihoods in rural areas, impact of rise in prices of food products on rural incomes, lack of skills, underemployment and unemployment. Total poverty (Rural & Urban) is more in M.P, Assam, Odisha, Arunachal Pradesh, Manipur, Jharkhand and Chhattisgarh.
6. **Degree of Urbanization:** In respect of urbanization the percentage of urban population to total population is an important indicator. The all India percentage share of urban population stands at 27.81% in 2001 and 31.6 in 2011.
7. Per Capita Consumption of Electricity: Punjab, Gujarat, Haryana, Maharashtra etc., having higher degree of industrialization and mechanization of agriculture, have recorded a higher per capita consumption of electricity than the economically backward states like Assam, Bihar, Orissa, Madhya Pradesh and Uttar Pradesh.
8. **Employment Pattern:** Rajasthan etc. Maharashtra, Gujarat, Haryana, Punjab, Tamil Nadu and West Bengal are maintaining a higher average daily employment of factory workers per lakh of population as compared to that of lower average maintained in industrially backward states like Assam, Orissa, Uttar Pradesh.
9. Foreign Direct Investment:

10. Human Development Index:

It is a composite statistic of life expectancy, education, and income per capita indicators. It is also an important indicator of regional disparities. Kerala, Delhi, H.P, Goa, Punjab are very highly developed. NE (excluding Assam), Tamilnadu, Haryana, J&K, Gujarat, Karnataka are highly developed. West Bengal, Uttarakhand, Andhra Pradesh, Assam, Rajasthan are medium developed. UP, Jharkhand. M.P, Bihar, Chhattisgarh are low developed, which clearly shows regional imbalances between the States in India.
Consequences of Regional Imbalances

1. Inter-States and Intra-State Agitations: Uneven regional development or regional imbalances lead to several agitations within a State or between the States. The erstwhile combined State of Andhra Pradesh can be cited as the best example of the consequences of intra-state regional imbalance in terms of development. According to HDI (2005-06), Telangana Region had only 3 districts namely Hyderabad, Ranga Reddy and Karimnagar with in 10 HDI Ranks. Whereas, Seemaandhra Region had 6 districts (i.e. double the districts than the Telangana had with in 10 HDI Ranks), namely Krishna, Guntur, Nellore, Chittore, West Godavari, and Kadapa. There were several agitations for separate Telangana State for several decades from 1969-2014 finally it was formed as a separate State on 2-06-2014 as 29th State of India. Still now and then, there are agitations for separate Vidhrbha State in Maharashtra and Bodoland movement in Assam for separate Bodo State for Bodos.
2. **Migration:** Migration takes from backward areas to the developed areas in search of livelihood. For example, migration from rural to urban. Because, urban areas will provide better quality of life and more job opportunities when compared to rural.

3. **Social Unrest:** Differences in prosperity and development leads to friction between different sections of the society causing social unrest. For example Naxalism. Naxalites in India function in areas which have been neglected for long time for want of development and economic prosperity.
4. **Pollution:** Centralization of industrial development at one place leads to air, sound and water pollution.

5. **Housing & Water Problem:** Establishment of several industries at one place leads to shortage of houses as a result rental charges will increase abnormally. For example, Mumbai, New Delhi, Chennai and Hyderabad and over population leads to water crisis.

6. **Frustration among Rural Youth:** In the absence of employment opportunities in rural and backward areas leads to frustration especially among educated youth.

7. **Under-Developed Infrastructure:** Rural and backward areas do not have 24 hours power, proper houses, safe drinking water, sanitation, hospitals, doctors, telephone and internet facilities.
8. Aggregation of the imbalance: Once an area is prosperous and has adequate infrastructure for development, more investments pour-in neglecting the less developed regions. So an area which is already prosperous develops further.

For examples, the rate of growth of the metropolitan cities like Mumbai, Delhi, Kolkata, Chennai, Bangalore and Hyderabad is higher compared to other metro cities of India.
Suggestions:

1. Identification of the Backward Areas and Allocation of funds: First of all, government must identify all the backward areas within the country and special attention should be paid by preparing and implementing special plans and models suited to these for the overall development. Due care also to be taken by allotting sufficient funds.

2. Need for Investments in Backward Areas: Government and the private sector must realize that regional disparities can be removed only, if greater attention is paid towards backward areas, which need more investments. It is also important to formulate special policies and programmes for the development of backward areas like - north- eastern regions.
3. **Good Governance:** Good governance refers to equitable distribution of the gains of development to all the regions without any prejudice so that over all development takes place in a country. Thus, the better the governance, the less would be the disparities in country.

4. **Political Will:** Political will is vital for the balanced regional development i.e. to remove regional imbalances in a country.
5. **Incentives:** Incentives should be provided for promoting investments in the backward regions. Incentives may be broadly divided in to

(a) Central Government Incentives: Income Tax concession, Tax Holiday, Central Investment Subsidy Scheme, Transport Subsidy Scheme should be provided to all the identified backward and Hill areas to correct the regional imbalances.

(b) State Government Incentives: In order to attract private sector investment in backward regions, the State Governments have also been offering several incentives in different forms. The State Governments should review all these schemes time to time for further development of their backward regions.
6. Promoting New Financial Institution in Backward Region: In order to accelerate the pace of industrialization in backward areas, the Government of India should promote new financial institutions. Government must see that these Institutions functional well for all round development of the backward areas.

7. Setting Up of Regional Boards: As per Article 321 D of Indian Constitution, Regional Boards with necessary legal powers, funds should be instituted to remove regional disparities in the States.
8. Growth Corridors comprised of education zones, agricultural zones and industrial zones should be operationalized for the rapid development of backward areas in the states.

9. Strict restrictions on usage of productive agricultural lands for nonagricultural purposes to be implemented. If required, permissions for non-agricultural usage should be granted only after the farmers have been guaranteed a better life.

10. Usage of natural resources for the development of tribal areas to be implemented. There should be guaranteed share for the tribals in the income generated from the use of natural resources.
11. A composite criteria for identifying backward areas (with the Mandal/Block as a unit) based on indicators of human development including poverty, literacy and infant mortality rates, along with indices of social and economic infrastructure should be developed by the NITI Aayog.

12. Devolution of funds: Union and State Governments should adopt a formula for Mandal/Block-wise devolution of funds targeted at more backward areas.

13. Strengthening of local governments and making them responsible and accountable.

14. A system of rewarding States (including developed States) achieving significant reduction in intra-State disparities should be introduced.
15. Additional funds for Infrastructure: Additional funds need to be provided to build core infrastructure at the inter-district level in less developed States and backward regions. The quantum of assistance should be made proportionate to the number of people living in such areas.

16. Greater share of central pool of funds should be allocated to backward states.

17. Provision of Grant-in-aid by the Central Government to the backward states.

18. Launching of Special Area Programmes like Desert Development Programme, Drought Prone Area Programme, etc.

19. Propagation and use of improved dry farming technology.

20. Provision of infrastructural facilities in backward districts.

22. Special grants are to be given to the backward and tribal areas.

23. Schools to be opened providing free and compulsory education to remove illiteracy.

24. Hospitals and dispensaries to be set up to give medical care to the people.

25. Water facilities to be provided for domestic purposes and agriculture.

26. Cottage and small industries are to be promoted to provide employment opportunities.

27. Roads and railway lines have to be laid down to link different places.
28. Shedding Caste and Religion politics and marching towards “Balanced Regional Development” is the need of the hour to reduce “Regional Imbalances in India”.

29. Government must speed up developmental works in backward areas: In the next few days to come the government must swing into action to free up blocked investment and projects. It must work with the relevant ministries and courts. If norms have been violated fines need to be imposed, or if additional environment standards need to be imposed the government must get that done as soon as possible. If developmental works are not implemented with speed, especially in backward areas, they remain backward and regional disparities will increase further.
Conclusion:

Regional imbalance is a threat to the goal of inclusive growth and reduction of poverty. The growing regional disparities have dampened the speed of further economic reforms, and hence may pose a barrier to India’s future economic growth. Regional disparities will result in regional tensions, which in turn may lead to popular agitations and at some times militant activities also. Regional disparities in economic and social development which exist within some of the States due to the neglect of certain backward regions have created and creating demand for separate States like in the past for separate Telangana and now and then for Vidhrbha and for Bodo land. As such, there is a strong need for strengthening of good governance in the backward areas. Towards this end, it is necessary that the local bodies in the backward areas are empowered and strengthened to reduce the regional imbalances in the country.