Synopsis

“AN ECONOMIC STUDY OF INTERREGIONAL ECONOMIC INEQUALITIES OF GUJARAT”

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References
Synopsis

“AN ECONOMIC STUDY OF INTER REGIONAL ECONOMIC INEQUALITIES OF GUJARAT”

I. Introduction:

Economics subject is the mother of all other subjects, that a person can know on this earth. Its existence for an individual begins with the birth of a person. At the time of birth when the kid is weeping it shows the demand for feeding his/her belly. Thus we can say that is known without learning. The second is about the various activities in which one is involved, which are undertaken for the betterment of an individual growth.

Research is the heart of economics, which shows to lead a person, state or nation towards achievement of goals for progress and development. Various countries adopt the economic progress for development, with the political system it has been following say monetary, capitalism, consumerism – socialism democracy and planning (a mixture of public sector and private sector) both working on their own tracks and responsibilities.

Gujarat is a state, with multitude culture and regional disparities. Though it has a 1600 kms coastline, with world class ports, like Kandla and Mandvi handling 85% export – import business for India. With uneven weather and rainfall and land fertility in a few areas, has many regions with salinity, forest land slowly being turned over to barren land. Few villages have prospered due to real estate prices and town surrounding peripherals areas of larger cities like Ahmedabad, Rajkot, Baroda, Surat and others are becoming the jungles of concrete with high seape buldings.

Infrastructure in terms of facilities like electricity and irrigation water supply to agriculture, industry and household have improved, but still there are areas, where water buckets costs rupees. Even water supply provided by the local bodies have to depend and wait for tankers, even in bigger towns and cities like Rajkot, at present is facing water shortage. No doubt social and health facilities including educational facilities in terms of institutions - medical, engineering and other higher educational professionalism is on an increase, specially after the UGC have permitted starting private universities - colleges and institutes for professional courses. Gujju who are basically entreprenuers and used to send their wards to other states of India say in southern states and Maharashtra self finance donation seats are taking full advantage with the surplus seats than the number passing students in engineering, nursing, graduation in education, such institutions are facing danger of closure. Such infrastructure provisions super speciality medical services and
migratory trend appears to have slowed down with the melting down of U.S. and Europeans countries, that has affected the emerging markets of Asian countries. India is also facing burn to this situation and its GDP growth in the last two years have slowed down. Gold and Silver prices have come down along with petro prices going down reflects that the manufacturing has been affected seriously in 2011 and 2012-13. Still growth percentage that it has maintained is still more than that dedeveloped countries in their economies cozy days.

As discussed above the government policies, that are at work in Gujarat foreigners are attracted towards Gujarat and many countries particularly the multinationals and big corporates of India are forming an umbrella, bringing majority of the open land with landing and forecasting the products, have purchased land at subsidised rates from government of Gujarat. Subsidised land has been provided to the automobile industry – small four wheelers, plasma research, I.T. and communication, educational institutes, petroleum university. In and around Ahmedabad district (Dascro area), Gandhinagar, Mahesana, Nadiad, Kheda, Anand and Baroda. The renowned Indian Institute of Management(A), Mundra, CEPT, SPIER, GIFT, School of Architecture, Ahmedabad education society, St. Xaviers College, Entrepreneurship Development Institute – EDI (one of the institute is situated at Bhat), Occupational and Forensic Institute - Suraksha University (one of the institute is situated at Ahmedabad), giving education and training to students joing police department and security in true form.

There has been an extra development in less developed regions / districts, say road from Sarkhej cross road to Adalaj, Gandhinagar highway is a scene of any developed western country and even more than this, with world class clubs like Karnavati and Rajpath and countless new clubs coming up. Reacreation facilities in terms of multiplexes, multinational corporates, high standard eateries, multinational and national level malls. There is a competition among corporates, hotelliers (5 star and 7 star ones) to have a benchmark, educational institutions of mamangement temples, costly bunglows and apprtments have shot up the real estate prices in science city, Prahaldnagar, Bopal, Sola, Ranip, Thaltej to Sardar Patel ring road upto Sanand, Bavla and now up to Adalaj. There are the areas which are on the western side of Ahmedabad just developed in the last decade.

This is the discussion of Ahmedabad city. Similarly all such cities have undergone similar economic phase of pull and push, thereby regional disparities have increase particularly after the reforms period i.e. 1991 and thereafter, during the liberalised period it does not mean there were no national disparities in the earlier period 1990s and after independence. But we are concerned with Gujarat state only.

II. Choice of the study

Research as stated earlier is the heart of thesis, which gives in depth knowhow of the problem one undertakes for study. Research mainly depends upon the purpose of the study and availability of statistics and the way to know the problem and solve it.

Thus with this in mind the choice of the study is entitled.
“AN ECONOMIC STUDY OF INTER – REGIONAL ECONOMIC INEQUALITIES IN GUJARAT”

Gujarat is a developing state of the Indian sub continent, where a rich endowment of a physical and natural resources are scares. But with the peaceful political environment and a rich heritage of agriculture sector, industrial sector, infrastructure development, though the state has scarce water resources had generally received a low priority in the process of planned development in the earlier years, is now doing well with operation of Narmada Project through its serpentile like canals reaching 18 districts of Gujarat.

Inter – district inequalities can not be totally removed largely due to unequal distribution of resources. But, with better planning and deliberate policies, they can be reduced considerably. What is needed is the preparation on sectoral plans prepared for districts which have remained backward in the given sectors, Now it is Gujarat, that is floating its goodwill through vibrant summits every second year, where all the developed countries governments want to take part in this summit of Gujarat.

III. Importance of the study

In fact, inter district economic imbalance is a problem which was never addressed while formulating the five year plans of Gujarat. It was, therefore considered appropriate to undertake a study on the magnitude of this problem and quantify the existing level of inter district inequalities across the state.

IV. Literature Review

Some of the literature review from Ph.D. thesis are kept here.

Myrdal’s contemporary, Hirschman (1958) though independently in his own way arrived to the similar conclusions about the occurrence of development. While studying the spatial integration of activities at different locations, he found that transmission of growth can be viewed as a path of disequilibrated growth caused by forces of forward and backward linkages.

Myrdal and Hirschman came to conclusion that the automatic equilibrating forces generated through either by ‘spread and backwash effects’ or ‘forward and backward linkages’ would be quite weak in the sense that they are not strong enough to bring about spatial equity of development. Both opined that external intervention would be essential for bringing about spatial equity of development. This provided a sound reasoning for the planners to make a case for the active intervention by the state to bring about spatial equity of development, particularly in the areas of extensive inequalities.
(Panchmukhi, Nambiar and Mehta 1986) Two propositions have been generally advanced to explain such fast and a historical transition of an economy directly from an agriculture to a service economy, bypassing industrial development. One it is argued that technological advancement over the past few decades have led to increasing demand for services even at a relatively low level of per capita income and also the distinction between product and of per capita income and also the distinction between product and services has become blurred. Movements of people across countries have produced demonstration effect creating of demand in developing countries as in the developed countries leading to a larger demand for and consequently production of services.

(Satishkurnar and Mathur 1996) Their analysis for the 1980s decadeseems different from that of goods hut support the previous author’s (Datta’s) argument, intermediate demand for services declined from 41 per cent in 1978-79 to 38 per cent in 1989-90 while final demand for them increased from 59 to 62 per cent. In any case, reclassification of sub sectors help explain growth of services it does not negate their growth itself.

(Niti Mehta 2006) found tremendous imbalances in the levels of development in Gujarat. Lack of higher education and skill formation reduced the capacity of households to take up diversified activities and dictated the choice of occupation. She suggested to tighten the implementation of various policy reforms keeping in view the poorly developed districts as well.

Agriculture still holds predominance in the low developed districts of Gujarat, no sizeable investment have flowed into the agro industrial sector. Currently less than 1 per cent of the agricultural produce is processed in the state against 2 per cent in the country.

V. Objectives

1) To know and analyse population growth dipped down to 19.17% from 22.66% in 2001-2011 decade and have pushed rapid urbanisation in Gujarat, which have created imbalances among rural – urban areas.

2) To find out the gender literacy rate and to know to what extent there is the disparity among districts of Gujarat in literacy.

3) To know to what extent the unemployed workers are attracted for work, where job opportunities exist.

4) To analyse the infrastructure increased in Gujarat with the liberal and growth facilities, facilitated by the Gujarat government’s policy of fastening the development process.
5) To know agriculture and industrial sector both have benefitted by the provision of government’s policies but, more regional disparities in agriculture and industrial production among different districts in noticed.

VI. Hypothesis

1) Rapid urbanisation of Gujarat has taken place and there are few developed areas where population has concentrated.

2) Rate of illiteracy have come down in India and Gujarat is no expection, female literacy rate and enrolment to schools has increased.

3) Workers migrate to the area (cities) where more employment opportunities exist, higher number of workers are found in specific jobs/work for their earnings.

4) Gujarat has become the leader by focussing more on infrastructure facilities and providing incentives, loans (financial assistance) and providing inputs to both agriculture and industrial sector at subsidized rates on priority basis.

5) Provision of health services have further improved life expectancy and standard of living of citizens of Gujarat have improved. Different regions have different area potential of growth of different products. Different climate and natural resources create disparity among regions of the state.

VII. Data collection and Tabulation of data

Secondary data on GDP, on population, literacy (education) – primary, secondary, higher and professional level. This statistical information is from Economic survey, Reserve Bank of India publications, Annual reports of Central Statistical Organization - New Delhi, Books written by Different Scholars, Economic and Political Weekly Journal of different periods, Census data 2011, Statistical indicators, Socio-economic of Economics and Statistical Department – Gandhinagar, Gujarat have been put in use in this study.

Paper written by scholars and research undertaken, methodology and computer internet website was put in use for the work done on the subject at international level, World bank reports, Economic review – monthly reports, Yojana, Anvesak journal published by Sardar Patel Institute of economic and social research, data has been used, accepting it the final figures.

To go further deep at the state level data at the district level chosen for the study in terms of gender disparity, rural – urban disparities, health statistics, education, infrastructure data was collected from the socio-economic study, expenditure made by the state and various department having relevance to the study were approached for their expertise on the subject. The period taken in the study was 1981 to 2011 specially in demographic figure and in a few others, 1961 to 2011 for
which published data in available. The figure which are not available has not been taken in the study is the limitation of this study.

Tabulation means to put the collected bulk data in the organised forms of tables, charts or graphs. This would provide the features of the data in respective tables or charts (carried on for the successive tables or independently). The whole data is positioned into a few organised and manageable tables with informative figures to be analysed. Once the data is presented through charts or graphs comparision is made easy.

Statistical tables are formed in various ways. The selection depends upon the purpose to which they are to be put in use, which the data fulfills. The table in statistical form can be classified on the basis of purpose. Such tables can be divided into two types (1) general purpose table (2) social purpose table. The general purpose tables are with the original data on the same subject for reference. Thus, it contains actual and absolute figures and not rounded numbers or percentage. Special purpose tables are prepared for the purpose of any study.

VIII. Methodology/Tools used for the findings

Statistical analysis used as discussed earlier calculated performance score was undertaken using appropriate technique. Simple and two way frequency distribution was used to get the pattern of growth development. This was also undertaken to identifying the changed patterns to overcome inequalities. Many of the tables are taken up on ranking basis, based on arithmetic tools usage. The analysis of the gaps was not only done on performance score, but separate analysis was done for individual item for which information was inadequate. Frequency distribution was used to identify the economic and social expenditures during which items were not considered.

IX. Findings / Hypothesis testing

The districts were ranked to their average performance score for different factors. Separate chapter for the districts of Gujarat state was allotted for the aspects discussed earlier using the arithmetic equations as well as statistical techniques, which ever proved to give correct results. The main aspects pertaining to Gujarat economy leading to inequalities and again lead to higher inequalities during post liberalisation period have made the state government more open aged policy which the government has taken up with 2020. Gujarat vision for further development and removal of inequalities gap and making Gujarat a role model, making its place as the most developed state of the country.

X. Chapterisation

The first chapter focussing on the following emerging structure of Indian economy (Growing inter sectoral imbalances) The theoretical aspects as well as other practical changes leading to structural changes have brought increased growth in the economy leading to higher economic imbalances.
The second chapter is on Study literature in which various writers views are provided, which had led towards poverty and inequality. There are various other aspects on which different writers have written say on agriculture, industry, services and other factors like infrastructure inputs, socio-economic aspects, demographic and standard of living of people including consumption has been discussed in this chapter.

The third chapter highlights the approach of the study and research methodology used in the study in which the main heads discussed in second chapter as socio economic aspects, infrastructure and others are taken as factors showing us the development of the area in the study. This chapter shows other aspect like choice of the study, objectives as well as hypothesis and thereafter method used for hypothesis testing for finding out the results, using different statistical as well as arithmetic tools found to be fit for true results with the data provided by the government published figures from various departments.

The fourth chapter discusses on inequalities in Indian economy focusing more on demographic, gender inequalities, residential aspects, literacy (education) and/or which would prove to be useful in the chapter to follow for pointing out the real scenario of the subject.

The chapter to follow is on different aspects pertaining to various factors of Gujarat economy. The various factors like social, infrastructure are sub divided for better and true results to show the occurrence of inequalities among different regions which this study has taken up as districts of Gujarat state.

Next chapter shows the pre and post liberalised area results and to what extent regional inequalities have arisen. No doubt in the post liberalised period the role of open market is appreciated but, difference between have and have not appears to have increased in post liberalised era is discussed in this chapter. This chapter is embedded with the results or hypothesis testing, which are the results of the study.

Last chapter is on the conclusion of the study which recaptulates all the previous chapters discussed above along with the suggestions in the form of recommendations which the government or authorities or the society would be benefited. Limitations of the study is in the form of undone work in the study and lastly the scope of other research would fill the gap of the work not done.

**XI. Limitation of the study**

Secondary data has been used to derive results (findings) as primary data would not have had given true results in form of scatteredness of the Gujarat economy.
References


