"The term concrete universality must be understood ... as the sum total of men living in a given society. If the writers public could ever be extended to the point of embracing the total, the result would not be that he would necessarily have to limit the reverberations of his work to the present time, but rather he would oppose to the abstract eternity of glory, which is an impossible and hollow dream of the absolute, a concrete and finite duration which he would determine by the very choice of his subjects and which, far from uprooting him from history, would define his situation in social time."

J. P. Sartre
(What is Literature?)
THE SURVEY OF EXISTING LITERATURE

In the field of regional development in India one comes across two major types of work, (1) the official or the governmental outlook of the problem and (2) the academic research on the problem. In the present chapter, a brief review of the available literature for both the type of studies has been attempted.

The Official Account:

Since, the official policies of the Government of India are largely stated in the plan documents, naturally, it is from there that any comprehensive view can be taken. As it seems, consciousness regarding the most apparent and glaringly disparate conditions of development was quite in the minds of the founding leaders of the new India; but in the urgencies of the struggle for independence such ideas could be only kept in abeyance for the time being. But, once the country was independent, the constitution approved and became operational, the stocks and balances of the country appreciated, the country embarked upon a concert, still new to the Third World, i.e. 'planned development'. One cannot but find the presence of the astute consciousness of the problem
of regional disparities appearing along with other urgent matters of the Post-Independent India in the First Plan document.\(^1\) Naturally, the problem was obvious. However, with the other exigencies on the anvil, there was neither any clear ideology nor concrete measures to hinge on a problem of immense importance, but of equally immense confusion. Obviously, the problem of regional development had to be linked with the campaign for Grow-More-Food and many other such incipient schemes. The emphasis was on construction of the multipurpose projects like Bhakra-Nangal, Damodar Valley Corporation\(^2\) and Hirakud etc. It was not until the II Five Year Plan that the concept of Balanced Regional Development appeared in the Indian economy.\(^3\) The basis of the above concept lies in the Industrial Policy Resolution placed before the Parliament.

\(^1\)Planning Commission, Govt. of India (1951) First Five Year Plan: A Draft outline goes on saying, "A connection of regional dispar development must necessarily be a gradual process. It has to start by laying the foundation for development in areas where potential resources for expansion exist but have not been fully exploited. This would mean, in most cases, large-scale extensive irrigation facilities for agricultural development and adequate provisions for power and transport for industrial expansion.", p.42.

\(^2\)Damodar Valley Corporation (DVC) was conceived as a multipurpose project in the line of TVA(USA) in 1943 and for formal statutory status by an Act of Parliament in 1948.

\(^3\)Planning Commission, Govt. of India (1956) goes on to state, "This brings us to the question of regional disparities... In any plan of, it is axiomatic that the special needs of the less developed areas should receive due attention. The pattern of investment must be so derived as to lead to Balanced Regional Development." p.36.
on the 30th of April, 1956 and the latter being concretised into the latent concept of 'industrial dispersal' envisaged in the Industrial Policy Resolution of 1948, in which an active role of the State in the process of industrialisation was approved. 4 This is also, apparent in the on going debate of those days between the Public Vs. the Private sector. The snowballing effect was done by no other a personality than the dynamic Nehru on the 9th of November, 1954 in a meeting of the National Development Council at Delhi.

"The picture I have in mind is definitely and absolutely a socialistic picture of society.... I mean largely that the means of production should be socially owned and controlled for the benefit of the society as a whole." 5 What he meant was the big way participation of the public sector. These are interrelated events. The shape of an ever active Public Sector, emphasis on industrialisation of the country and industrialisation as a tool in bringing in large parts of the backward areas of the country into the mainstream of social and economic development was a much more concrete proposal than what has been heard during the First

Plan period of 'resource utilization' (etc.). NDC, the apex body of making important decisions since, the First Plan recommended the following clear cut programme:

1. de-centralised industrial production;
2. industries as nucleii in backward regions; and
3. greater mobility of labour, particularly from high density areas.

The Governmental concern for the backward regions is evident during this time on the parliamentary debates on the Second Plan by speeches of Nehru.

"It is admitted that there should be attempt to make every region, every part of India develop equally in so far we can, and that we should remove the disparities that exist in India. There are some tremendous disparities. Some of our provinces, I would not name them are extremely poor. They do not deserve to be poor."

An objective assessment upto the Second Plan would show the obvious sincerity of the Government in resolving the

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6Planning Commission, Govt. of India, (1956), ".... that in location of new enterprises, whether public or private, consideration should be given to the need for developing a balanced economy for different parts of the country. Some industries have to be located in certain areas due to availability of necessary natural resources. But, there are other industries in regard to the location of which, on economic considerations, there is a field of choice often, the disadvantages of comparative cost are only reflection of the basic development. Once this is taken in hand, the initial handicaps progressively disappear. A wide diffusion of development nucleii is essential from this point of view." p.37.

7J. Nehru (1956), Debate on the II Five Year Plan, Lok Sabha, 23rd May 1956, compiled in Speeches on Planning and Development, p.73.
problem of the glaring regional disparities, but the objectivity in the approaches of the Government could be said to be only very limited due to the enormity of the problem itself, the weak data base, a methodology of contradictions, between the 'factor mobility' of 'lessez faire theories' and the 'role of the Public Sector' in realising the goal of a socialistic pattern of society.

Taking into cognizance of the hither to efforts of 'project extensions' and industrial dispersal through licensing policy measures, the Third Five Year Plan makes additional concrete commitments, now a full section (Chapter-V, Section-3) dealing exclusively on the Balanced Regional Growth in the Draft Plan. The policies outlined are as the following:

1. "..... effort to secure dispersal of industries will be continued.....;"\(^9\n
2. Dispersal of technical education regionally;

3. Complimentary projects; i.e.
   (a) agricultural packages around the multi-purpose projects,
   (b) ancillary packages around large scale public sector firms;

\(^8\)Planning Commission, Govt. of India (1960), pp.71-78.
\(^9\)Ibid., p.73.
(4) Possibilities of technological advances in backward areas, as the nuclear power in fuel etc.; and

(5) Labour mobility, largely from high density areas to low density areas.\(^{10}\)

As it would seem the confrontations of the sixties, the three international wars and other failures like, the persistent droughts in the mid-sixties, stagnation in the industrial sector etc. have changed the perspectives before the country to such an extent, that the spirit of the first three plans, particularly, in relation to the regional development issues seem to have been quietly scuttled in the beginning of the new plan era of the seventies.

The Fourth Five Year Plan makes no firm commitment in regards to the balanced regional development leaving the issue as concern of the states concerned. Except the industrial licensing policy, the central assistance in terms of targeted problem areas like the drought-prone areas, the hill areas and the tribal areas, the central planning cannot afford to share the responsibilities.\(^{11}\) Quite obviously, the issues of regional development were

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\(^{10}\) Planning Commission, Op.cit., p.78. The Plan goes to say "... continuous study of economic trends and rates of growth in different regions is essential for securing more balanced regional development."

to some extent esoteric in bureaucratic circles and
naturally, treated expectedly, only to be scoffed at.
But, the stylization of Myrdal – Hirshchman has certainly
captured the imagination of the planners and the 'free
play of market' concept abandoned, which seemingly
creates 'backwash effects' on the already backward
regions. This change in ideology seems to be more
articulated in the Draft Fifth Plan. 12 Although, the
Fifth Plan devotes a full chapter on backward areas,
it does not say anything additional to the policy out-
lines of the Fourth Plan, which states in clear terms,
identification of 229 industrially backward districts
out of which 44 were made 'eligible' for cash subsidy
to the new industrial establishments. 13 It also, kept
the central commitments to the 'area oriented' plans,
as the 'sub-plans' of hill areas, (within the state plans),
tribal area plans, national minimum needs pro-
grame etc., but withdrew the explicit responsibility
of upliftment of backward regions, which has been the
hall-mark of the Nehru Era. 14 Despite the change in

12 Planning Commission, Govt. of India (1973),
"Development of backward areas, represents a very complex
problem in planning. Market forces normally operate in
such a way that growth tends to be attracted to the
already developed areas." p.282.

13 Ibid., pp.283-84.

14 Ibid., Op.cit., "That in view of the individuality of the plan & non-plan activities and the basic
administrative structure, the states would have to con-
tinue to bear the main responsibility for their backward
areas......" p.284.
the ideology of the Government, the official planning document for the Sixth Five Year Plan (1978-83), only indicates a policy hitherto followed in the post Nehru Era, i.e. the progressive 'peripherialisation' of all issues of regional development in India. The official document goes on to state,

"Our experience with large industrial projects in backward areas shows that their 'spread effects' are low and the surrounding areas continue to remain poor and underdeveloped.... Moreover, the barriers to development in the backward regions are such that integrated approach is required. Such an integrated approach underlies the proposals for rural development in this plan." 15

Academic Work on the Problem:

This is quite in contrary to the zeal and enthusiasm shown in the academic scene. The academic interests in the issues of regional disparities arise largely out of the frustrations expressed in the first three Five Year Plan documents regarding the data limitations and inadequacy in methodology in studying the problem. A committee of experts under the auspices of Planning Commission, first ever took up the problem of assessing

15 Planning Commission, Govt. of India (1978), p.111.
the problem of regional disparities in 1962. This report was largely, of an exploratory nature, studying the behaviour of income, public and private investment patterns from 1950-51 to 1960-61, in five broad zones of the country, defined by the State Reorganisation Act of 1956. Concern from academic circles could be seen gathering momentum from mid-sixties onwards to highest pitches of mid-seventies, which can be broadly broken up into two categories; (i) one set of studies dealing with the problem of 'identification' of backward regions at different levels of regional aggregation; and (ii) the second set, dealing with the magnitude of the regional inequalities and its behaviour inter-temporally and trying to explain any emergent hypothesis.

(i) The Identification Problem

As it would seem the criteria setforth by the Industrial Licensing Policy of 1956 and the Gadgil Formulae for locational policy and central assistance respectively, were either rudimentary and inadequate enough and there was general disagreement over using states as regions, being either too large or too

16 Planning Commission, Govt. of India (1962), goes on to state "Realising the limitations of data, in the report of the Third Plan, the Planning Commission has stressed on the importance of: (a) carrying out systematic surveys for identifying the problems of different regions, (b) careful watch on progress in different regions and additional steps to speed up development in particular areas which are found to be seriously lagging behind; (c) measures for the fullest development of the growth potentials of each region, having regard to its special needs, conditions and possibilities; and (d) close inter-dependence of and need for balance between national and regional development." p.2.
heterogeneous to be viable enough. The efforts of the Census Commissioner and his dynamism, led to new strides in this direction and the mimeograph prepared by the Census Organisation can therefore, be called a pioneering work. The elaborate data base and the disaggregate level of study (district level) was certainly, first of its kind in the country. But, as obvious, all pioneering works can, only be taken as first approximations. The Indo-Soviet collaborative study on 'Economic Regionalisation' of the country in mid-sixties can be taken as, only another pioneering effort, in understanding the process of economic 'region-formations process' on the basis of experience of the Soviet Planners in fifties and sixties. The project study of the Mysore State, under the group leadership of Learmonth, under the sponsorship of Planning Commission and Indian Statistical Institute and later, the byproducts in the form of the study on regionalisation of South India are also, some of the works of note. So also, the comprehensive and rigorous methodologies used by Pal and Dasgupta in the early seventies largely, on the study of district level variations of economic development, in line with the pioneering work of

Mitra (Registrar General of Census, 1961). The early seventies sees a spurt of such studies; i.e., Pathak, Aziz and Chattopadhyaya,\textsuperscript{22} Somasekhar,\textsuperscript{23} Basu,\textsuperscript{24} Sharma,\textsuperscript{25} Pal,\textsuperscript{26} Sharma,\textsuperscript{27} Patnaik and Chattopadhyay,\textsuperscript{28} Pandit\textsuperscript{29} and Nair\textsuperscript{30} are only a few to cite. Quite naturally, the objective has been limited, that of either providing a better methodology for classifying regional units (states, districts or further lower order administrative units) or of inter-temporal studies at the state level provide for only limited insight into the problem despite the growing sophistication in analytical methods. There have been various issues regarding the choice of indicators and method of classification. It would be important to note, that the technical issues involved were taken up by the Planning Commission itself, in a committee formed by it, to deal with the identification of backward areas, the report of the working group being published in 1969.\textsuperscript{31} to provide for an adequate background for the Fourth Five Year Plan. The Working Group accepted the district, as a practical unit of

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\item\textsuperscript{22} C.R. Pathak, A. Aziz and R.N. Chattopadhyay (1970), pp.64-91.
\item\textsuperscript{23} N. Somasekhara (1970), pp.157-174.
\item\textsuperscript{24} S.K. Basu (1972), pp.76-89.
\item\textsuperscript{25} P.S. Sharma (1973), pp.121-135.
\item\textsuperscript{26} M.N. Pal, Op.cit., p.29.
\item\textsuperscript{27} K.L. Sharma (1976), pp.88-98.
\item\textsuperscript{28} S. Patnaik and R.N. Chattopadhyay (1975), pp.99-110.
\item\textsuperscript{29} M.L. Pandit (1974), pp.124-136.
\item\textsuperscript{30} K.R.C. Nair (1977), pp.207-215.
\item\textsuperscript{31} Planning Commission, Government of India, (1969), pp.5-6.
\end{itemize}
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study for 'identification of backward areas' and recommended fifteen basic indicators for the purpose. On the other hand, they provided for five main 'practicable types' of backward areas namely:

(a) desert areas;
(b) chronically, drought affected areas;
(c) hill areas, including border areas;
(d) areas with high concentration of tribal population; and
(e) areas with high density of population, with low level of income, employment and level of living etc. 32

This seems quite in line with the governmental policies of the Fourth and Fifth Plan, of the 'target areas' and 'target population' oriented programmes.

(ii) Trend Studies in Regional Inequalities

Despite the limitations of availability of data, and the reliability problems, a number of studies have been undertaken to analyse the trend of regional inequalities over the first two decades of planning in India (1950 to 1970). Studies on the pattern and trend of regional inequalities, (particularly at the level of states as regions) have been carried out by Rao, 33 Gupta, 34 Choudhury, 35 Mahajan, 36

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Nair\textsuperscript{37} and Sampath.\textsuperscript{38} Rao's study covers the first three plan periods from 1951 to 1965 and uses proxy variables, instead of the per capita state domestic product, the latter being unsuitable due to comparison inadequacies. The study concerns at the level of 14 larger states, the composition of an index being done by using factor analysis technique at three points of time.\textsuperscript{39} The findings of Rao indicate no significant decline in the levels of regional inequality, in the sense, that within the frame of Myrdal - Hirschman, a stage of, what he calls to be 'stability' occurs during the period. Rao's study is rigorous from theoretical point of view, but empirically weak at the level of generalisation and the temporal analysis being at three points of time only. Nair in one of his earlier studies, comparing between 1950 and 1960 finds 'some divergence over the period.'\textsuperscript{40} Gupta estimates the coefficients of concentration for four different years, 1950-51, 1955-56, 1960-61 and 1964-65, corresponding to the first three plan period and infers, that disparities have converged. Mahajan, who studies the same first 15 years of the plans by using indices of state per capita incomes around the national average, infers that there is convergence of regional income inequalities.

\textsuperscript{38}R.K. Sampath (1977), pp.1-12.
\textsuperscript{39}S.K. Rao (1973), pp.793-800.
\textsuperscript{40}K.R.G. Nair (1971), pp.441-447.
However, Choudhury and Sampath cover by far the longest period, from 1950 to 1970, the former arriving out of the conclusions from the trend of coefficient of variations, that the disparities have remained more or less unchanged, while the latter argues, that the inequality levels have been converging.

Hemlata Rao studies 3 points of time from 1956 to 1965 using twentyfour variables and composited by factor analysis. On the basis of this study, it has been concluded, that the level of inequalities have come down.

A study by the author, stretching from 1960-61 to 1970-71 and a latter study covering the period from 1960-61 to 1974-75 on a continuous basis concludes, that there has been a tendency of reduction in inequality up to the mid-sixties which supports the results of the earlier studies. In the early seventies, the inequality level, however, seems to have been accentuated. This position has also, been supported by Sampath. The summary of the position is therefore, still unclear as some scholars argue for trend of divergence, others to no change (stability), and some others, still for convergence.

Studies in terms of different sectoral aspects and their trend of inequalities show important highlights

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41 Hemlata Rao (1972) "Identification of backward regions and the study of trends in regional disparities in India", paper presented at the Seminar on Regional Imbalances, the Problems and Policies, IIIPA, New Delhi, March.


of the issues involved. Raj examines the statewise rate of growth in agriculture to find the possible causes on inter-state variations, between 1949-50 and 1958-59, in terms of value added from seven major crops. He takes into consideration independent variables, like changes in area, and irrigation, size distribution of holdings and techniques used, as the use of chemical fertilisers, degree of mechanisation and infers, that the larger is the share of big farmers, larger is the growth of agricultural output. This position was refuted by Bagchi, with the help of some districtwise data for the states of Madras (Tamil Nadu), Punjab and West-Bengal. In a detailed analysis Rao infers, that the changes in growth of agricultural sector, is largely contributed by the differences in the changes in amount of irrigated land. This position is still held to be an important causal hypothesis. Majumdar concerns himself to the inter-state variations in differences in prices, productivity and crop-pattern and arrives at a conclusion after rigorous study that the variations are more significantly explained in terms of the cropping

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pattern. On the other hand, in a study by Minhas and Vaidyanathan and later, by Parikh try to understand the growth pattern in agriculture in its component structure. The 'Additive Model' of Minhas and Vaidyanathan does not lead to any definite conclusion, whereas Parikh's explanation is in terms of the extension of irrigated area, use of chemical fertilisers and changes in total area.

The studies made by Krishnaji and Jose are concerned with real wage rates in agriculture. Krishnaji considering agricultural wages from 1956-57, 1960-61 and 1964-65, infers that the inter-state variations in wage rates have come down. This is also, corroborated by the study of Jose between 1964-65 and 1971-72. Sukla in a study of relationship between output per acre and net income per agricultural worker, arrives at the conclusion that larger the stock of capital (including irrigation facilities), the more secure tenancy rights, greater pressure on land, the more is the income per worker and

52 Tara Sukla (1965), pp.1001-1006.
productivity of land.

Dhar and Sashtrý\textsuperscript{53} and Lahiri\textsuperscript{54} study the inter-state variations in industrial output. The former use power consumption as indicative of industrial output and calculating the coefficient of variations they find out that the inequalities have been reduced between 1951 and 1961. The latter, compares the share of employment in industrial sectors between 1956 and 1965 and only, comes to the previous conclusion. In a study on the economic development of states for 1951, Schwartzberg\textsuperscript{55} concludes, that the sectoral composition of states and the level of the economy are positively correlated. This is in line with Clark - Kuznets hypothesis.\textsuperscript{56} Gupta's study for the years of 1950-51, 1955-56 and 1960-61 further corroborate the position of Schwartzberg.

Other studies include Basu's on the regional concentrations of banks and bank deposits.\textsuperscript{57} He concludes, that there is not a significant correlation between the

\begin{itemize}
\item \textsuperscript{53}P.N. Dhar and D.U. Sashtrý (1969), pp.535-538.
\item \textsuperscript{54}R.K. Lahiri (1969), pp.523-532.
\item \textsuperscript{55}J.E. Schwartzberg (1963), Occupational Structure and Levels of economic development in India, a regional analysis, Census of India 1961, Monograph No.4, Office of the Registrar General, Govt of India, New Delhi.
\item \textsuperscript{56}C. Clark (1957), Conditions of Economic Progress, Macmillan, London; and Simon Kuznets (1969), Modern economic growth : rate, structure and spread, Yale University Press, London.
\item \textsuperscript{57}S.K. Basu (1972), pp.76-89.
\end{itemize}
number of banks and money deposits, but a very high correlation of deposits with level of development. Sharma studies the variations in rice output on a fairly disaggregated level (districts). He concludes that the variations in the production of the High Yielding Varieties which are free from the size and scale bias is mainly due to the level of development and thus corroborates the official position.58

In fact, there exists a host of published material on the subject and it is only selectivity which can help comprehension. It is generally felt that there is much less agreement on any single issue in regards to the inter-regional variation. The studies are largely fragmented, i.e., holding to only limited time periods and largely, on single points of time. On the other hand, there seems to be no methodological improvements in terms of the large scale use of the coefficient of variation which could measure variations from the centre of the distribution. It is also, felt that there exists a large gap in standardization of the use of data and agreed methods of study. In the present study, attempts have been made to improve upon many of the shortcomings discussed, hither to.