

CHAPTER I

INTRODUCTION

In developing countries several measures are undertaken to effect an all round development of the economy. When resource is limited, developmental efforts tend to slow down or there is the possibility of some areas and sectors developing faster and others lagging behind. This has been the experience witnessed world over and developing countries are no exception to this. Historically economic imbalance over a period of time sets in every country whether it is a free market economy or where centralised planning is adopted as a tool of economic development. In India such a general trend was developing right from the early days of planning.

No matter what the courses and processes of underdevelopment, the fact remains that the gap between resource rich and poor areas is not only wide but also a widening one. This is true at all levels; regional, national and international. The public policy had so far been concerned with the problems of income disparities among the individuals and groups. It is only recently that these disparities have come to be looked upon from areal point of view. The areal disparities like group disparities in socio-economic achievements are harmful to the national goals and objectives not only because they keep a large part of the society under an unbearable burden of poverty but also because the future of the 'have not' areas does not

hold much promise unless this problem is tackled at the national level and some remedial measures are taken to boost the sagging economies of the underdeveloped regions.

The Five Year Plans in India has ushered in a systematic development of all sectors. A new phase of agricultural revolution has come into being. Industrialisation had gone on in full swing in the whole country. Employment opportunities were created for the educated and others in a planned manner. Socio-economic measures which were initiated by the Central and State Governments through the different Five Year Plans yielded commendable results in all spheres. Side by side, problems of a different dimension have also cropped up. This has not only caused anguish and anxiety but also threatened to thwart future programmes enunciated by the Central and State Governments. At the threshold of the Eighth Five Year Plan, most of the states are faced with grave problems of unemployment, stagnation in agricultural and industrial sectors, widening gap between rural and urban incomes, environmental degradation etc.

An overall increase in national wealth does not necessarily mean a reduction in the spatial disparities in income - in fact they tend to increase. It is more so in the transitional societies like in India where development activities come to be concentrated at a few centres. These centres grow so rapidly as to create problems

of slums, delinquencies and lack of public utilities within themselves and also problems of brain drain and resource drain in the adjoining areas. They tend to act as suction pumps, pulling in the more dynamic elements from the more static regions. The remainder of the country is, thus, relegated to a second class peripheral position.

The experience with development in India as elsewhere had shown that while the overall growth of the economy was reasonably satisfactory, there have been disparities in growth between regions of the economy. The uneven growth among different regions led the planners to adopt a strategy of development which would promote an even development of region. One of the strategies thought of was industrialisation of the backward regions by locating industries in them.

In like manner, several programmes were introduced by the Central and State Governments to develop agriculture. During the planning period certain priorities were set for agriculture taking into consideration the problems of partition and the fall out of the food crisis management during the war years which had emphasised food production as a top priority item in agriculture. Furthermore, the concern about food security in the context of exploding population and the impending food crisis had led to the launching of intensive cultivation with massive investment under Intensive Agricultural District Programme and Intensive Agricultural Area

Programme in select areas. The food production had increased over years. The seed fertilizer technology has brought improvement in productivity in quantum jumps but the distribution of benefits are claimed to be rather skewed.

The nominal surplus of 16 million tons (mt) of food grains could not have occurred if income levels were realized either through additional employment opportunities or incremental wage income or poverty levels were reduced. This clearly indicates that inspite of the catching up effect over a period in the context of spread and adoption of technology, regional and class differences continue. This would imply a need for making region specific comprehensive approach for development.¹

Regional dimension of Indian Planning problems is too well known to be emphasized. In India, the claim for a regional development is based on several considerations. Geographically, the country comprises a vast area with significant variation in its natural endowment. Climatic and soil differences are very pronounced

1 *Isard, W and Chatterjee M. (1967) Potentialities of Regional Science, methods and techniques in attacking Indian regional problems; R.P.Misra (ed) Regional planning, concepts, techniques, policies and case studies; (New Delhi: Concept Publishing Company) 1992; pp 229-249.*

in different parts of the country demanding different patterns of economic development. From the economic stand point., the factors of production are not equally distributed. Capital and enterprises are available in large measures in certain provinces enabling them to steal a march over others in exploiting the available resources. There are also glaring differences in respect of social welfare, as the total quantum of the socially necessary work is not equitably distributed over the entire country due to the unevenness of its economic development.

However, the approach to regional planning can be either 'total' or 'selective'. In the total planning approach, an attempt is made to develop all regions of an economy , while in the selective approach the attention is concentrated on the development of select regions only. These regions will often be identified with or associated with leading sector. In these regions consideration would be given to those activities which might enjoy comparative advantages, if not now, then for a specified set of production levels in supplying and using sectors in the future.

Inspite of the special efforts the problems of regional imbalances continued to exist probably because of macro top-down planning that was practised so far has failed to identify and remove the root cause of the problem. There are vast implications for the development of a region in the fact that what appears to be

good for the nation is not necessarily good for each of the regions and what is good for a region is not necessarily good for a nation. Thus an alternative is needed which may not be bottom-up but a combination of top-down and bottom-up with resource base planning.

Need for Regional Approach

There is greater need for regional approach to development now than before. According to Siebert regional economics is the study of man's economic behaviour in space. It analyses economic processes in a spatial setting and enquires into the structure of the economic landscape.² Traditional theory has long ignored this spatial aspect of economic behaviour. Every region has its own special characteristics and problems which need to be looked into in all its perspectives. Therefore there can be no thumb rule for designing a development strategy as problems may differ from State to State and the economic status might vary widely. The classical models and the reasoning behind them were based on the assumption of "one point" economies without any spatial dimension.

2 *Horst Siebert. Regional Economic Growth, Theory and Policy; (Pennsylvania: International text book Company) (1969), pp. 1-5 and 185-200*

In recent years, the agricultural productivity has said to have reached a plateau. Therefore there is need for a regional approach to agricultural land use planning. Sharp differences in cropping pattern between different regions of the country need due consideration in preparing an investment and production plan for the country as a whole. Though much progress has been achieved during the last two and a half decades, still, the regional problem as such has aggravated.

The need for this new approach has been realised and a beginning has been made in this endeavour. The approach of regional planning for compact areas like a region comprising of blocks or districts and then integrating them into the state and national perspective plans is necessary, in the transitional phase of the Indian economy of today. To achieve this Agro-Climatic Regional Planning was launched in mid 1988 by the Union Planning Commission mainly with a view to help formulating perspective plan for agriculture and allied sectors, on the basis of agro-climatic regions. The emphasis was on the development of resources and their optimum utilisation in a sustainable manner within the framework of resource constraints and potentials of each region. This implied a departure from the previous practice of planning with the focus on constituent sub-sector, such as on specific crop or fertilizers, seeds etc. and treating the administrative boundary as the unit of planning. The agro-climatic regional planning approach considers an agro-climatic

zone having a greater degree of commonality of the relevant basic features of soil, topography, climate and water resources, as the more appropriate unit of planning.³

The country was delineated into 15 agro-climatic zones. Accordingly Tamil Nadu is covered by three agro-climatic zones. Since the districts grouped under each zone reflected heterogeneity in agro-climatic factors, they were further grouped in to seven sub regions.⁴

Hence, it is proposed to treat Tamil Nadu as a "Region" with further disaggregations in terms of subregions as adopted by Agro Climatic Regional Planning and to suggest suitable strategies for development. In this process it is proposed to estimate the current status of development in the field of agriculture, identify the gaps and evaluate the strategies adopted.

3 *Agro Climatic Regional Planning Project - Planning Commission A Status report, Agro-climatic Region Planning Unit, Planning Commission, GOI, Sardar Patel Institute of Economic and Social Research, Ahmedabad, Nov. 1991, p.1.*

4 *Subramanian S.R. and Chinnadurai M., "Development strategies for Agriculture in Tamilnadu, Dept. of Agricultural Economics CARDS, TNAU, Coimbatore 1994, pp. 11-12.*

Objectives

This study has been undertaken with the general objective to evaluate the performance of agriculture in the various agro-climatic sub regions of Tamilnadu and to suggest strategies for development.

The specific objectives are:

- to analyse the pattern of growth in agricultural sector,
- to study the impact of factors on the overall production of crops,
- to analyse the changes in aggregate output due to area, yield, cropping pattern and inter-action between them, and
- to suggest strategies for future agricultural development.

Scope

The study is an attempt to analyse the relationship between some select variables and the total agricultural output. It would reveal the contribution of the variables towards agricultural production. This would enable the policy makers to develop strategies for agricultural development. On the same analogy, similar regional development strategies can be designed for other sectors also.

Limitations

Details relating to some of the important variables like seed supply, credit etc. could not be gathered as they are not available continuously over a long period to make an indepth study. Similarly the level of use of variables were gathered from secondary sources and not from primary users. Thus the study has the impact due to the drawback of the use of secondary data. Hence the results of the study will have to be used with caution. Similarly the interaction between regions has not been taken up for analysis and also the movement of factors of production and the exchange of commodities was not considered in this study.

A small segment of a very large sector like agriculture is taken up for analysis. Even here focus is placed on resource endowment aspects rather than extension, research and others which are very important from the point of view of output. Another major problem was while figuring out important crops for estimating output/income from agriculture, major crops only are considered. Some of the districts like Kanniyakumari and The Nilgiris have not been taken up for analysis in view of the fact that these two districts are different from other districts in natural endowments and agro-climatic conditions. Besides, these two districts occupy only two percent of total geographical area of the state.

Organisation of Thesis

The thesis is organised into the following chapters keeping in mind the objectives set forth in the study.

Chapter I presents the importance of planning, need for regional planning, the objectives, scope and limitations of the study.

Chapter II gives the concepts used in the present study along with a review of earlier concepts.

Chapter III deals with the methodology and tools of analysis used in the study.

Chapter IV describes the agrarian economy of Tamil Nadu.

Chapter V presents the results of analysis and discussion along with inferences.

Chapter VI deals with the summaries of the findings with policy implications.

