Chapter 1

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Planners were concerned with regional development problems, particularly regional disparities in development, from the very beginning of planning in India. A reference to the need for reducing such disparities was made in the very First Plan (1951) document, viz, the draft Outline of the First Five Year Plan. Successive Five Year Plans have referred to the subject and to the related issue of dispersal of industries and other economic activities away from large cities. The Third Plan (1961) contained a chapter on Balanced Regional Development, in which these issues are discussed in detail. Despite the continued emphasis given to the attainment of regional balance, disparities still exist among the states in India and among districts within the state.

Review of literature on the issue of regional disparities, however, reveals that most of the studies are not comprehensive in nature. They are partial in the sense that regional disparities are expressed in terms of limited number of economic and social indicators. Development is a multidimensional process and its impact can't be explained by any single indicator. Moreover, a number of indicators, when analysed individually don't provide an integrated and easily comprehensive picture of the reality. Therefore, there is need for building up of a composite index of development combining the various socio-economic variables combined in an optimum manner.

In spite of nearly five decades of experience in development planning in India, very little constructive action has been made to regional aspects of economic development. Consequently, policies and programmes for economic development of backward areas and the distribution of income and employment over the whole country have been neglected. It is reflected in the words of Isard and Reiner (1961): "where adequate regional economic development plans and
programmes are lacking the likelihood of success of national economic
development programme is decreased and the over all gains from national
investments reduced. Hence the nation suffers and since each region is part of the
nation in general the region suffers too”.

A good number of studies have been done by individuals and different
agencies on inter-regional variations at different levels. The present study makes
an analysis of the various developmental issues of Malappuram District, with
respect to which no other studies are conducted so far. The district was formed in
1969 by taking backward taluks from Kozhikode and Palakkad districts of
Kerala. It is proposed to collect and analyse the data available from its inception

Statement of the Problem

One of the major objectives of the planning process is to achieve
balanced regional development. But planning in India tended to be highly
centralised. Consequently, the disparities between the regions widened. Kerala is
also characterised by inter-regional variations in economic development. The big
disparities will create the forces of discontent and disintegration in the society.
For implementing correct programmes for reducing regional imbalance, the
magnitude of inter district variations should be identified.

The state of Kerala is traditionally characterised by regional and
sectoral disparities in development. The concentration of economic activities in
some regions of the state had resulted in the emergence of backward agrarian
rural pockets in some other regions. The concentration of industries and thus
employment opportunities have pushed the population to such prospective
regions to experience better living conditions.
Compared to the districts of Travancore-Cochin area, the districts in Malabar region are considered to be the backward districts with inter-regional disparities in development. With an inherited imbalance, the developmental measures activities implemented in this area, had aggravated the situation. Any deliberate effort to reduce the disparities among the regions calls for such policy measures as to stimulate the lagging regions. This implies the need for identification of backward districts or regions. In a developing state like Kerala, the identification of backward districts or regions could be helpful for the government or any other development agencies in formulating regional plans to reduce disparities and strengthen the weak points and thus ensuring regional balance of the state economy in the process of development.

The inter-regional disparities in the process of economic development is not particular to developed or developing countries. It is common to all economies irrespective of their stages of development or size or geographical area, but may vary in accordance with their levels of growth. As Hemaletha Rao (1977) puts it, “The poor countries are characterised by large and growing regional disparities and the rich countries are generally characterised by small and diminishing gaps.”

It is a fact that, in India, low income, low skilled population tend to be concentrated in certain areas of some particular regions with agricultural and allied activities as their main occupation. As against this, high income, highly skilled professional population tend to be concentrated in high quality residential areas. For example, Punjab is comparatively more advanced in agricultural production, Gujarat and Maharashtra for industrial activities, Bombay for textiles and Kerala for educational achievements. What it implies is that, the facilities such as housing, water supply, sanitation, health care, educational institutions, banking etc. may vary in accordance with the level of a region’s development.
Malappuram is the most backward district in the state. But no effort was made to identify the relative backwardness of the district among the districts in Kerala. Since regional studies have made little attempt to explore the backwardness and the extent of regional variations among the districts in Kerala, it is essential to make a study in that direction.

To remove the inter-district regional imbalances, particular programmes have to be formulated keeping in view of a particular situation and policies have to be pursued. To formulate the programmes and pursue policies, identification of backward areas is necessary. Several scholars have used different techniques for the identification of the backward regions, viz., total rank score method, simple indices method, principal component analysis and backlog removal method.

Some other scholars have used per capita income as the best method for the identification of the backward regions, but this will not give correct picture of the backwardness. For instance, there are some states, with higher per capita income, but contains many backward areas in itself.

Some scholars have used 'sectoral income method' for the identification of backwardness. The districts, which possess higher percentage of tertiary sectoral income in the total income of the district is considered as developed. The regions which received higher percentage of income from primary sector are considered as backward districts.

In this study identification of backwardness of the districts in Kerala is made on the basis of over all composite index of development.

Available studies are not perfect because inter-regional variations are expressed in terms of limited number of indicators. It is a fact that unless we have an idea of the magnitude of the real problem, no proper and effective measures can be initiated. Therefore, the main problem is to find out the extent of
regional disparities among the districts of Kerala and to identify the position of Malappuram district in terms of important indicators of development.

Moreover, the planning process followed in Kerala during the last decades has not helped in bringing distributive justice in the distribution of the benefit of the economic development. For achieving the aim of balanced regional development, plan outlay will have to be allocated in such a way that backward districts get relatively larger share of plan outlay compared to developed districts. The present system of distributing funds to districts in Kerala is inequitable. The problem here is to find out the existing disparity in the distribution of plan funds to different districts in Kerala.

REVIEW OF LITERATURE

A number of studies were conducted by individuals, institutions, government and private agencies to identify the socio economic disparities at international, national and regional levels and to work out composite index of development at different levels. For example Adelman and Harris (1967) use forty indicators of socio-cultural, political and economic development to analyse the process of development in seventy four developing countries. Some of the indicators are traditional such as per capita GNP, some are distinctly non-traditional, e.g. strength of democratic institutions, degree of national integration etc. Their study underscores the importance of non-economic factors in explaining growth within and between different stages of development.

Morris and MC Alpin (1982) have developed a measure that can help policy makers determine the extent to which their policies actually do benefit greater or smaller proportions of their societies. The measures are called the Physical Quality of Life Index (PQLI). It is computed on the basis of infant mortality, life expectancy at age one and basic literacy. These three components are fairly sensitive to change in the distribution of benefits of development. Morris and Mc Alpin have computed PQLI for 150 countries.
Uphoff and Esman (1983) identify seven dimensions of rural development in their study of eighteen country cases, aimed at establishing relationships between local organisations and rural development.

1. Agricultural productivity measured in terms of average cereal yields per hectare and per capita total agricultural production.
2. Improved technology measured in terms of fertilisers per hectare, irrigated area as percent of cultivated area.
3. Rural welfare measured in terms of levels of nutrition, health and education.
4. Security measured in terms of protection from natural disaster, violence etc.
5. Income distribution measured in terms of the ratio of income accruing to the top 20 percent of households and the bottom 20 percent.
6. Rate of population growth and the levels of employment.
7. Political administrative participation measured in terms of electoral participation.

They have done an ingenious job of first making quantitative estimates of all these seven dimensions of rural development for a sample of eighteen countries and then ranking the countries in terms of each of these dimensions.

V.G. Bhatia (1998), in his analysis, reviews the economic performance of the developing countries in the Asian and Pacific region and assesses their future prospects. In this study he examines the causes of the inter-regional variations in economic growth rate. For convenience, he has grouped the Asian and Pacific developing countries into four sub regions. South Asia, South East Asia, East Asia and South Pacific. On the basis of his analysis he has come to the general conclusion that per capita income and life expectancy are correlated. He again found that per capita income is also correlated with literacy in the Asia and Pacific Region. Again countries like Sri Lanka, Burma, People’s Republic of China, Philippines and Thailand have achieved high levels of literacy.
with low per capita income. His analysis is confined to those countries for which relevant data are available. Moreover, he takes very limited number of indicators for identifying interregional variations.

N.N. Mikheera (1999) examines the divergence of Russian regional economic indicators in 1990-96. The author gives proof of growing interregional inequalities in income and average per capita gross regional product over the period of reform. The contribution of certain sectors to regional variations is given in a quantitative estimate. The limited effect of short and medium -term regional policies on inter-regional inequality is noted.

Hemalatha Rao (1972) has examined the interregional variations on the basis of composite indices of development, among the states in India. The study takes four specific sectors, viz; agriculture, industries, banking and education and uses 24 variables to construct the indices of development. Hemalatha Rao has looked into the question in a number of studies using the techniques of principal component analysis. She used ranks and the coefficient of variation to identify the inter state imbalances. However, the study is not comprehensive enough to present a clear picture of the pattern of change in inter-state disparities.

S.K. Rao (1973) examines the inter- regional variations in India on the basis of a composite index of development. The comparison of the performance the district has been made at two points of time- early 50's and early 60s. The study used six indicators for constructing composite index of development of a region. They are, (1) Per capita crop production (2) main workers in manufacturing (3) pr capita consumption of power in industry (4) per capita output of organised industry (5) Infant death rate and (6) Literacy rate. On the basis of above indicators the states were classified into a (1) well developed (2) not so developed and (3) least developed. The study shows that regional variations persist despite the efforts have been made under the Five Year Plans to
reduce the imbalances. The study uses only limited number of indicators, therefore composite index doesn't represent the socio-economic character of economic development.

Prof. V.K. R.V. Rao (1984) chooses to make a long term study of India's national income during the post independence period, and he used national accounts to an economic analysis of growth and change between 1950–51 and 1979-80. Several policy conclusions were drawn regarding the growth ratio, sectoral composition of income, savings behaviour and so on. According to Rao the growth pattern and distribution of national income substantially depends upon the policies of the government. In a federal country, it is the fiscal policy of not only of the federal govt. but also of the federating units that are important in reducing inequalities in the distribution of income and wealth and in promoting economic growth.

Chakradhar Sinha (1985) in his study, analyses the problem of regional imbalances in India with the help of selected indicators of development. This study is divided into four parts. The first part presents the theoretical framework explaining the nature and causes of regional disparities in the country. The third deals with the economic backwardness of Bihar, which presents a glaring case of regional disparity in economic development. Finally, an attempt is made in the fourth part to diagnose the problem under study and suggest certain measures within the framework of national objectives to serve as broad guidelines for evolving strategy for bringing about a progressive reduction in inequalities in the pace of development and thereby to achieve the goal of balanced regional development in the country. The study takes the following indicators of development to measure the regional imbalances.

1. Indices of income, poverty and unemployment
2. Per capita value added by manufacture
3. Infrastructure
4. Level of urbanisation
5. Level of literacy
6. Resource allocation indicators, and
7. Agricultural indicators.

The study has shown that state of Bihar is lagging behind the national average on almost all the fronts and much behind the progressive states of the country. The study is not comprehensive because it takes only a few indicators of development.

B.M. Joshi (1987) analysed the magnitude and trends in interstate disparity in infrastructural development over the period 1961-86. He took the state as the unit of analysis. A broader view of infrastructure was taken and all basic economic and social services were included under infrastructure. Power irrigation, transport, banking health and education were taken as items of study under infrastructure. A total of 12 indicators have been selected for the purpose of the study. The study used only limited number of indicators. It will not provide integrated picture of the reality.

C.K. Degaonkar (1990) makes an attempt to assess the process of regional growth- the growth poles and growth centres, their emergence and their role in the development of regions. He also attempts to identify the backward pockets of Gulbarga district in Karnataka. It is an attempt to develop a conceptual framework of a district plan in multi- level planning structure. He uses secondary data for his study. The regional development within the district economy is analysed with the help of 22 socio-economic indicators. The analysis is done at four points in time 1971-72, 1976-77, 1981-82, and 1985-86 to get a comparative picture of development. His analysis is purely on the basis of secondary data. But the non- availability of the data in respect of many comparative indicators for a period earlier than 1971-72 was a major problem.
Dietmar Rothermund (1991) analyses the regional disparities in India by taking certain social and economic indicators of development. He uses census data of 1971 and 1981 for the comparison. He examines six economic indicators and five social indicators and construct their respective ranking scales and makes comparison between this. Final relative positions of states are determined through the summation of individual ranks. The study considers only 15 states for comparisons and it is not multi-dimensional. Moreover, the degree of Inter-regional disparities is not identified.

Malini Karkal and S. Irudaya raja (1991) attempted to examine inter-state variations in economic development on the basis of Physical Quality of Life (PQLI) measure. They constructed PQLI for the states in India. They followed the method adopted by Morris D. Morris (1979). The three measures that are used to develop P.Q.L.I are infant mortality rates, life expectancy at age one and literacy of population aged fifteen and above. The main purpose of the study was to point out the distributional injustice in the gains of development among the different regions in India. The study also examines the relationship between GNP and PQLI in the states of India. This study takes state as a unit for the comparison. Regional variation in quality of life Index within the state were not examined.

Sharma (1993) in his empirical study examined the relative contribution of various sectors to G.D.P. His study shows that the growing contribution of tertiary and secondary sectors to G.D.P is a healthy trend in the direction of economic development in India. On the basis of sectoral contribution to G.D.P, he analysed the inter-regional disparities in economic development in the country.

Manish Sharma and Renu Gupta (1995) made an attempt to identify the inter-regional disparities among the states in India. They are considering economic development synonymous with industrial development. In their analysis they use 1) output indicators 2) Employment indicators and 3)
Infrastructural indicators. From the individual ranks of various indicators, they determined the composite index of development. This study shows that state of Madhya Pradesh belongs to relatively backward state excluding the indicator related to power development. The study also examines inter regional variation in economic development within the state. This study is considering only very limited number of indicators.

S.C. Rai and Shanti Sarup (1995) makes an attempt to identify the degree of backwardness in the eastern states of India. For this study, the states, usually takes as planning units at the country level and have been considered as the unit of analysis. The study utilizes 41 socio-economic development indicators for the year 1988-89. These indicators represent the development activities in various sectors of development like agriculture, industry, health, education, infrastructure and general.

The variables in respect of different indicators measured in different units have been standardised and their standardised values are used to build up the composite index of development. On the basis of this composite index inter-state variations are identified. This study is not considering all the states in India but only Eastern states in India.

A.R. Padoshi (1995), in his study makes an attempt to assess the performance of the 17 states in India in economic growth with respect to their 'Net Domestic Product'. The methodology used in this study is essentially a simple one and involves the use of basic statistical techniques. The comparison of the performance of the states has been made at two points of time- 1975-76 and 1986-87. The status of the states in India is measured by taking the ratio of percentage share of states in Net Domestic product to its share in total population. According to this study, if the share in the NDP to share in the population is unfavourable (Less than one) the percentage of population is likely
to be higher. This approach is not multi-dimensional and used very limited number of indicators.

B. Sudhakar Reddy (1995), in his paper tries to identify the backward state/region in India on the basis of share of sectoral income in the state net domestic product. For this purpose he takes two periods i.e. 1981 and 1989 covering 5th and 6th Five Year Plans. The study takes 1981 as base period because data of the state net Domestic product is available in 1980-81 prices. The study considered a backward state as the one, whose proportions of tertiary sector income in State Net Domestic Product (SNPD) is lower than all India average tertiary sector income. As per this analysis 13 states in the country. i.e., more than 50 per cent of the states in India were backward.

The study also makes use of another criterion to work out inter-state regional imbalances in India. It was ‘per worker sectoral state income”. According to this criterion, those states were considered as backward whose per worker tertiary sector income in the total income of the state is less than all India average service sector income. Of the 15 states considered (for which data were available) 12 states are backward. This approach lacks precision for measuring inter-regional variations because it takes only sectoral income to identify the inter-regional variations.

Study made by N. Durai Raj and D. Barathan (1995) shows that the regional disparities in economic development are due to the concentration of industries in few districts. That is disparities in development among region are intensified by differences in Industrial growth. By using Lorenz curve and the Gini coefficient, they proved the existence of wide disparities among the districts of Tamil Nadu. They also used the Hirschman-Herfindal (H.H) Index to find out the district-wise concentration of industries in Tamil Nadu.

The study is not multi-dimensional and uses only limited number of indicators of development.
Amartya Sen and Jean Dreze (1996) writing about economic development and social opportunity have dealt with the problem of sharp interregional differences in India. They remarked that India should learn from within, pointing out the achievements of Kerala in expanding social opportunities to the poorer sections and thereby achieving a faster pace in human development.

K.V. Narayana (1997) through his cross-sectoral analysis made an attempt to identify lagging sectors among the leading sectors in India. In studying the inter-sectoral linkages, the primary emphasis is on the relationship between health status, health care services and other components of socio-economic development such as education, status of women, infrastructure, agriculture and industry. His analysis involves the following steps.

(i) The development process is conceptually desegregated into six sectors: Health care, Education, Status of women, Infrastructure, Agriculture and Industry and sectoral indices are constructed on the basis of P.C.A. (Principal Component Analysis)

(ii) Pooling together the sectoral indices of development the composite index of socio-economic development is estimated at the state level and

(iii) On the basis of inter-state variations in the levels of sectoral and overall development, an attempt is made to establish inter-sectoral linkages in the process of development.

The study covers fifteen major Indian states and the small hilly states, Union territories are excluded from the study for lack of adequate data. He gives more importance to health care sectors and his study is not considering the disparities among the regions in the district.

N.J. Kurian (2000) in his study, assesses disparities in terms of demographic indicators, female literacy, state domestic product and poverty, development and non- development expenditure by state government, shares in
plan outlay, investments, banking activities and infrastructure development. The study also examines various dimensions of interstate disparities in India.

The analysis clearly establishes that there are considerable disparities in socio-economic development across the Indian states. Efforts through the planning process during the first three decades of the Indian Republic has only partially succeeded in reducing regional disparities. The accelerated economic growth since the early 1980s with increased participation by the private sector appears to have aggravated regional disparities. An important aspect of regional disparities in India, which couldn't be covered by this approach, is the significant level of regional disparities, which exist within different states.

Sankaranarayan and Karunakaran [1985] made an attempt to present a regional economic profile of the Kerala state. It attempts to analyse and explain various aspects of the problems of Kerala economy. The study surveys the past, assesses the present and provides guidelines for the future. This study deals with the physical features of Kerala, highlights the main demographic features, analyses income and employment, irrigation, fisheries, forests etc., The study also examines the causes of industrial backwardness and the role of large, small and traditional industries in the economic development of the state. This study surely, deals with the important problems faced by the state in detail. In this study no attempt was made to analyse comprehensively the district level indices of development.

In his study Regional Disparities in Kerala’s Economic Development Thomas George (1988) made an attempt to analyse the regional variation in Kerala’s economic development. His approach is a multi dimensional and he takes 25 indicators of development. It covers all the districts in the state. The indices are classified in to the following: agriculture, industry, human resource development, transport, health, banking, housing and income. The study is not comprehensive for it will not provide the measure of the extent of inter regional variations.
Samual P.J. (1997) in his study, analysed the economic development of Northern Kerala. The main objectives of the study are (1) to analyse the trend and pattern of economic development and extent of development disparities existing among the districts of Malabar and (2) indicate the development disparities existing among the blocks in districts. In the study no attempt is made to identify the extend of the inter district disparities in the state and the study is also not helpful to identify the backward districts on the basis of some composite index of development.

R. Anand Raj (1997) in his study, made an attempt to gain a better understanding of the process of development in Kerala especially at disaggregate levels. It is an attempt for the identification of the levels of the development of the districts in Kerala, a state which has received appreciation for its remarkable achievements in literacy, life expectancy, fertility level and other social indicators of development with relatively low per capita income. The important objectives of this study were:

a. Identification of the levels of development of districts in Kerala:

b. Computation of indices of development at sectoral as well as at aggregate levels to capture the relative status of the development of the districts.

The analysis was carried out at the sectoral as well as aggregate level. A distinction was made between input indicators and output indicators. The variations in the levels of development were identified by the ranking of the district by three different methods:

1. Ranking (2) indexing and (3) principal component analysis.

Indeed, the study can serve as a bench-mark for monitoring regional development in Kerala. However, the treatment is not comprehensive enough as the study is designed to facilitate inter-district comparisons that to identify the specifications of development status of different districts in Kerala. In this study no attempt was made to identify the extent of regional variations (backwardness) and
the causes of this variations. Moreover, analysis of the process of development was not comprehensive for in the study detailed analysis is not made about natural resources, human resources, physical infrastructure, human infrastructure etc. After all the study does not come up with any policy conclusions.

V.K. Ramachandran (1999) provides a major historical account of Kerala’s impressive record in eliminating basic deprivation at an early stage of economic development. The objective of this review is to investigate the sources of Kerala’s high profile performance in respect of living standard. The objectives of the study can be classified into (a) Try and draw lessons from Kerala’s experience. (b) Basic features of Kerala’s economy and society (c) Try to find out Kerala’s achievements in health status (d) analyse the role of literacy as a key facilitator of Kerala’s demographic achievements (e) Reviews the part played by the major agents of social change in Kerala. By taking certain indicators of development comparisons are made with Karnataka and Tamil Nadu and with all India figures. This is not an attempt to identify the status of the state taking all the indicators of development.

K.P. Kannan [2000], examines Kerala’s success in alleviating poverty to an extent that is considerably beyond what is warranted by its per-capita income. He highlights Kerala’s achievements by comparing them with the performance of six Asian countries- India, Sri Lanka, Tailand, Malaysia, Indonesia and china. The study also examines the crucial role of education in alleviating poverty in Kerala. In the study, the importance of historical factors of poverty alleviation has been investigated. Study is not an attempt to examine the inter-regional variations in the indicators of development.

Prof. Simon Kuznets (1971) on the basis of historical data put forward ‘tertiary sector employment absorption hypothesis’ in explaining structural changes and economic development. A study on the changing structure of employment in 48 states in the U.S.A observed a strong shift in employment from primary to the tertiary sector overcoming secondary sector. This shows that,
during the initial period, a decrease in wage and employment in the primary sector may be absorbed mainly in the tertiary sector than in secondary sector.

According to Prof. Schultz (1953) structural changes and organisation are also crucial factors, which determines economic development of the economy. In Agrarian countries, the structural changes means a reduction in the proportion of rural population, engaged in primary sector in comparison to other sectors. In other words, population in agriculture sector have to be reduced and simultaneously other non-agriculture sector will have to be expanded.

Colin Clark (1951) argues that there is close relationship between economic development and occupational structure. Development will take place with a reduction of the proportion of population engaged in primary sector and an increase in that employed in non-agricultural activities. This relationship between economic development and change in the structure of employment is empirically proved. The empirical studies conducted by Perloff (1960) of the U.S.A, Thriwall (1967) and Stilewel (1969) for the U.K. have proved the hypothesis.

Studies show that a few regions have experienced relatively a high rate of growth over time, resulting in a high level of development in comparison to other regions, which have experienced slow rate of growth and a low level of development. Economists often believe that regional imbalances are inherent in the process of development and the tendencies for disparity are stronger in the earlier stages of development. Myrdal (1958) and Kaldor (1960) feel that the basic forces inducing development are disequilibrating in nature. Once the process of divergence is started often it will be further accelerated as a result of new development. Myrdal recognises that the spread effects are stronger when the economy develops and the backwash effects are more powerful than the spread effects in the beginning.
Richard A Easterlin (1958) and Simon Kuznets (1955) have done some very promising inquiry into the long-range growth patterns of a number of countries in an international comparative framework. Kuznets has, for instance, advanced certain quite interesting empirical findings concerning the relation between the levels of development and equality among the region's per capita incomes after having studied the growth experience of the 48 states in the United States between 1870-1950. According to Kuznets' analysis the per capita income among the states is 1) negatively associated with the share of agriculture and related industries in income and labour force. 2) positively associated with the shares of mining, manufacturing and construction in income and labour force and 3) positively but tenuously associated with the shares of all service activities in income and labour force. The most interesting conclusion which Kuznets arrived at is that the faster the change in the industrial structure of a region, the faster is the rate of growth of its per capita income.

One of the important theories of regional disparities, is the "Concentration-cycle hypothesis" developed by Myrdal (1958), Hirschman (1958), Williamson (1965) and Alonso (1968). This hypothesis states that regional disparities diverge initially and converge later. Myrdal calls the forces of divergence as backwash effects and the forces of convergence as spread effects. Myrdal concentrates his attention on the divergent phase. Myrdal hypothesised the cumulative causation. He pointed out that economic and social forces will create cumulative expansion in the favoured multiplier effect will cause increasing return in one region at the expense of surrounding region. Alonso also keeps the same view and holds that the emergence of town and its growth as a feature of divergent phase.

Francois Perroux (1955) in his growth pole theorem made clear the fact that "growth doesn't appear everywhere at the same time, it manifests itself in points of 'poles' of growth with variable intensities, it spreads by different channels and with variable terminal effects for the economy as a whole". Once
the growth pole has appeared, powerful forces make for a spatial concentration of economic growth around the initial starting points. The growth pole is filled by one or more dynamic industries, which attract service and linked industries offering inputs or taking inputs from them and as this relationship grows, so do economies, which serve to attract a wider spectrum of industries.

Social indicators are often referred to as the basic needs for development. The direct provision of such basic needs as health, education, food, water, sanitation and housing affects poverty than per capita GNP strategy. Basic needs lead to a higher level of productivity and income through human development in the form of educated and healthy people. Hicks and Streeten (1979) consider six social indicators for basic needs.

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<tr>
<td>1. Health</td>
<td>Life expectancy at birth</td>
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<td>2. Education</td>
<td>Literacy signifying primary school involvement as percent of population</td>
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<td>3. Food</td>
<td>Calorie supply per head.</td>
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<td>4. Water supply</td>
<td>Infant mortality and percentage of population with access to potable water.</td>
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<tr>
<td>5. Sanitation</td>
<td>Infant mortality and percentage of population with access to sanitation.</td>
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<td>6. Housing</td>
<td>None.</td>
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Except for calorie supply per head, all other indicators are output indicators. Of these, infant mortality is both the indicator of sanitation and clean drinking water facilities because children are prone to water-born diseases. It is also related to life expectancy at birth and nutritional deficiencies among infants. Thus, the infant mortality rate measures four of the six basic needs.

Problems arise in constructing a composite index based on a rational weighting among economist as to the number and type of items to be included in such an index.
The phenomenon of regional economic inequality during the development process can be viewed from two distinct angles in terms of relative and absolute differentials. Williamsons (1965) has drawn a clear distinction between these differentials. Regional income differentials measured in terms of relatives refer to the per capita income of each region as a percentage of the average national income per capita. An inequality measurement of this sort implies a comparison of regional growth rates and is much more information and useful for the purpose of framing suitable regional development programmes and policies than the absolute differential measure which simply refers to the differences in levels of economic activity between the regions at a particular point of time.

More precisely, regional inequality may be estimated by the coefficient of variation measures, which can fruitfully be employed to determine the extent and regional variations in disparities at widely different levels of development. Williamson introduced the use of coefficient of variation as a measure of regional income dispersion, which was subsequently applied by Jensen (1969), and Harris (1971) to New Zealand and Queensland respectively. The coefficient of variation based on regional per capita income can be used for computing the different measures of inequality.

Tinbergen (1975) has used the 'geographical decile ratio' as a measure of income differences between different countries of the world. He has also applied this ratio to regions within countries but without correcting the price differences and has worked out certain geographical decile ratios for the period of 1960-70 in a number of countries.

Planning Commission appointed a working group in 1968 to go into the question of identification of backward areas. Popularly known as Pande Committee. It suggested six criteria for the identification of backward states, viz., total per capita income, per capita income in industry and mining, number
workers in registered factories, per capita annual consumption of electricity, length of surfaced roads in relation to population and railway mileage in relation to population and area. The committee identified 238 districts of India as industrially backward on the basis of six indicators.

Planning commission again setup a committee headed by Sri. B. Sivaraman in 1978 known as National Committee on the Development of backward Areas to examine the backward area programme in depth. It adopted the problem area approach for the identification of backward area and identified six types of problem areas as chronically drought prone, desert, tribal, hill, chronically flood affected and coastal areas affected by salinity. The report refers to the study of Chakravarty Working Group. The group has studied the problem using all the three methods, viz., simple ranking, indices and principal component analysis and has identified 164, 206 & 181 districts as backward districts by these three methods respectively in which 160 districts are common.

Ashok Mitra made a pioneering study of regional development at the district level, based on 1961 census data. Using a large number of indicators, the study divided the 327 districts of the country into 4 levels of development relying on simple ranking method. The study, apart from producing useful data, brought out the relationship between different indicators and the levels of development.

Hemalatha Rao (1977) has examined the inter-regional variations among the states in India, using the techniques of principal component analysis. The study takes four specific sectors, viz; agriculture, industries, banking and education and uses 24 variables to construct the composite index of development.

Review of literature shows that most of the studies were carried out at national level or macro level. So it has been felt that a micro level study at
district level considered to be more important for policy analysis. The present study mainly focuses on this.

**OBJECTIVES OF THE STUDY**

The objectives of the study are

1. To identify the position of economic development of Malappuram district in terms of development indicators
2. To examine the inter-district variations in economic development in Kerala, and
3. To analyse the inter-district imbalances in the distribution of plan funds in Kerala.

**Hypotheses**

1. Compared to other districts of Kerala, Malappuram is the most backward district,
2. There exists inter-district variations in Kerala, in terms of development indicators.
3. There exists inter district imbalances in the distribution of plan funds in Kerala and
4. The backwardness is associated with the low level of infrastructure

**METHODOLOGY**

The study makes an attempt to examine the inter regional variations in Kerala in economic development with respect to the important indicators of development over the period 1971 to 2001. The study takes district as the unit of analysis as it is an attempt to find out the status of districts in Kerala. To start with, the analysis is divided into seven broad sectors like a) Health care, b) Education, c) Status of women, d) Infrastructure e) Agriculture f) Industry and, g) Other development indicators.
For inter-regional comparisons of levels of development three methods are in use. (a) Simple ranking method (b) Indices method and (c) Principal component analysis. In the simple ranking method, each district is ranked as per the values of various indicators and the individual ranks are added to get the total rank for the district. In the indices method an index of development of each district is calculated on the basis of the selected indicators taking the value of each indicator as a percentage of the average value of the corresponding indicator at the state level.

In the principal component analysis method weights are assigned objectively and the index is prepared. The third one is a sophisticated method. But in the present study, indices method is used for determining composite indices of development. Combining the sectoral indices of development, the composite index of socio-economic development is estimated at district level. A total of 46 indicators are selected for the study.


The tools used in this study are simple and involve the use of elementary statistical techniques. The study will be making use of simple averages, ratios, standard deviations, coefficient of variations etc. This will include Hauser's method of measuring Index of relative growth (IRG), Karl
Pearson’s correlation coefficient, standard deviation and Williamson’s weighted coefficient of variation.

Williamson introduced the use of coefficient of variation as a measure of dispersion which was later applied by Haris C.P. (1971) to Queens: Land. The index is weighted by the region’s share in country’s population.

The formula used in

$$V_c = \frac{\sqrt{\sum_{i=1}^{n} (y_i - \bar{y})^2 \frac{n_i}{n}}}{\bar{y}}$$

Where

- $V_c$ = weighted coefficient of variation
- $Y$ = Index value for the district
- $\bar{y}$ = Index value of the state
- $n_i$ = population of the district
- $n$ = state population

Limitations of the study

This study is based on secondary data. The restrictions imposed by the non-availability of relevant information in some years forced the study to confine its analysis to a limited period emergence of new districts like Kasargod and Vynad during 1980’s created the problem of getting suitable data. Selection of indicators used in this analysis is based on the availability of the data.

Scheme of the study

For the purpose of the analysis the study is divided into six chapters. The first chapter introduces the topic and explains the objectives, hypotheses and methodology of the study. It also contains the review of literature.

Second chapter deals with the profile of Malapuram district.
Chapter three explains the trend and pattern of economic development of Malapuram district in terms of certain indicators of development relating to income and employment, population, agriculture, industry and service sector.

Chapter four examines the inter district variations in economic development in Kerala in terms of selected indicators of development and it also examines the position of Malapuram district among the district in Kerala.

Fifth chapter analyses the inter district differences in the distribution of plan funds in Kerala.

Chapter six presents the conclusions of the study.