CHAPTER - 7

SUMMARY AND CONCLUSIONS

The present research work was undertaken to examine the issue of regional disparities in India from a spatio-temporal perspective as an exercise in development geography. The basic preposition is that underdevelopment and large scale inequalities in India are rooted in its historical past, especially the colonial phase, and the issue has not been adequately addressed in the post-Independence period. This study is motivated by a contemporary debate on the impact of the New Economic Policy on regional disparities in India. In the light of the above, the main objectives of this study were to:

- analyze the trends in and patterns of regional disparities in India;
- trace the historical roots of these disparities;
- assess the efficacy of government policies in resolving the issue of regional disparities; and
- to offer a critique on the impact of the New Economic Policy in this context.

On the basis of the aforesaid objectives, the following research questions were framed: What were the patterns of regional disparities during different periods of Indian history and to what extent did these persist after Independence? How far were the successive Five Year Plans successful in the reduction of these disparities? How has the New Economic Policy impacted upon the regional disparities in India? Which model best explains the evolving scenario of regional disparities in India?
Based on the research objectives and questions, the study postulated the following hypotheses for testing:

(i) There is a positive relationship between diversity and quality of natural resources and the level of development of different regions.

(ii) The areas which were previously under British rule are more developed while others, which were under the rule of the princely states, are backward.

(iii) Districts along the international border are at lower levels of development, while, in contrast, the coastal districts are relatively more developed.

(iv) States having better provisions of infrastructure are more developed.

(v) The presence of the state capital/metropolitan city stimulates the development of the surrounding areas.

(vi) Areas enjoying strong urban-rural linkages are at a higher level of development.

(vii) Central Government fiscal allocations have a significant impact on regional patterns of development.

(viii) Regional disparities increased after the adoption of the New Economic Policy.

A study concerned with identification of regional disparities required a selection of appropriate indicators to represent various dimensions of development; adoption of an optimal basic spatial unit for discerning ground realities; an objective technique for compositing the variety of
data relating to different indicators for every spatial unit; and effective statistical and cartographic techniques to represent the process and patterns of development.

Considering these parameters appropriate methodology was evolved and four indicators namely, population above poverty line, female literacy, rural non-agricultural workers and urbanization were deemed appropriate. These were meant to represent the four most critical dimensions of development in the Indian context that is economic, social, rural development and overall modernization respectively. The district was taken as the basic spatial unit. Each indicator was assessed in terms of its relative weight and applied to the data to arrive at a composite index. The entire information and data were processed and mapped for all 593 districts of the country.

Standard historical works were searched for tracing the historical roots of regional disparities. A perusal of successive Five Year Plans helped in underlining their specific objectives and assessing what could or could not be achieved in each case. About 300 research studies on regional disparities in India over the last more than five decades were screened to obtain research premises of available literature. The post-Independence Census of India counts were also studied as were Statistical Abstracts of various states, Government Reports and publications of Non-Government Organizations.

The study was organized into seven chapters beginning with a comprehensive introduction to the conceptual framework and methodology, followed by a discussion on the historical roots of regional disparities and their persistence under the Five Year Plans in the second and third chapters respectively. Chapter four provided a decade-wise
comparative picture of regional disparities since Independence while the fifth chapter offered a critique on the impact of the New Economic Policy on regional disparities in India. A quantitative testing of the hypotheses was carried out in chapter six while the last offers conclusive findings of the study.

The evolution of a spatial framework of regional disparities in India is understood historically through six periods of its history. Each period having peculiarities of physical environment, resource base, settlement system, transport trade routes, and internal-external linkages, embedded in its political economy. Each period made its unique contribution to shaping the patterns of regional development.

The first period, from earliest times to 6th century B.C., witnessed the dawn of the Indus valley civilization in northwestern parts of India and later on the Aryan consolidation of the Gangetic plain. Abundant water resources of the Indus and its tributaries and easy accessibility to the Gangetic plain led to the development of the earliest settlements in these regions. A distinction between developed (ecumene) and undeveloped (non-ecumene) parts of the country took shape. Thus, physical conditions played a crucial role in the formation of the initial spatial patterns of regional development.

During the second period, from 6th century B.C. to 647 A.D., the Middle Ganga valley and the Magadha region were the core areas of development. Again physical factors including highly fertile soils, rainfall abundant enough to guarantee a good crop, but not so heavy as to make for dense and difficult to cut forests, as in Bengal; proximity to mineral resources, such as iron and building stone; and favorable situation for river navigation and trade operated together in determining the contours
of development during this period. The Indo-Gangetic core was strengthened.

Political instability led to stagnation in the development process of North Indian states during the third period of 647 A.D. to 1206 A. D. External invasions also drained the wealth. In contrast, Andhra, Tamil and Gujarat coasts were flourishing due to their maritime trade. The core of development shifted from the interior to coastal areas during this period.

During the fourth period of 1206 A.D. to 1757 A.D., the North-Central region or the doab (fertile land between two rivers) of Ganga and Yamuna having Delhi and Agra as the country’s capitals dominated the development scene. This region was central to the entire Indo-Gangetic plain or Hindustan proper which enabled it to extend its empire over most of India. The Ganga valley emerged yet again as the dominant core of development.

During the fifth period that is from 1757 A.D. to 1947 A.D. India became a colony of the British. Cities of Calcutta, Madras and Bombay had an early start and emerged as the nodes of development. Provincial and district headquarters also witnessed some development. Rest of India, however, remained a vast zone of underdevelopment. The territories under the princes suffered gross neglect and greater degrees of exploitation. The present day spatial structure of regional development is largely a legacy of the colonial rule.

The sixth period, the phase after Independence or 1947 onwards, witnessed India’s freedom from the colonial rule. As a welfare state, the country focused on economic growth and social justice through its Five Year and Annual Plans. A variety of Backward Area Development Programmes were also launched. The New Economic Policy adopted in
the early 1990’s had its own impact on regional disparities, as detailed later in the text.

Soon after Independence, the question of regional disparities became a serious concern for Indian democracy. Since the beginning of the planning process in 1951, the issue was focal in every plan document. It was voiced in the First and Second Plans while a full chapter was devoted on the theme in the Third Plan. Backward Area Development Programmes were conceived and launched during the Fourth and Fifth Plans. Removal of poverty emerged as a critical priority area in the Sixth and Seventh plans. The Ninth and Tenth plans emphasized the strengthening of Panchayati Raj Institutions and people’s participation as a measure for balanced regional development. The Rashtriya Sam Vikas Yojna (Backward Area Development Programme) was launched in 2003 to develop the most backward districts in India.

In terms of ranking of major states, on per capita income over the four decades since 1951, Punjab, Haryana, Maharashtra, Gujarat and West Bengal held one among top five positions for all the successive decades. Punjab remained first since 1961. Karnataka made an entry into this group only during the 1989-90 period on the sliding down of West Bengal. In contrast, Bihar, Madhya Pradesh, Uttar Pradesh, Rajasthan and Orissa were at the bottom five positions for most of the period, wherein Bihar remained last on all the counts. The economic distance between the top and bottom states increased steadily over time.

Patterns of development during the 1950’s, noted the existence of a few scattered, important administrative, manufacturing, and commercial pockets. These were the areas of economic diversification, advanced commercialization and large scale organization. On the other hand, there were extensive areas with isolated tribal economy and subsistence agriculture which were least developed. West Bengal and Vindhya Pradesh were two extremes on the development surface.
The spatial picture of the 1960’s displayed concentration of development in scattered metropolitan areas and their conurbations. Some agriculturally advanced areas like the Punjab-Haryana plain, Western Uttar Pradesh and the Godavari-Krishna delta were relatively more developed. A few changes had also started taking place on the development map. West Bengal, which was holding first position during the fifties slipped to third place with Punjab emerging at the top. Influx of migrants from East Pakistan and loss of jute producing areas to former East Pakistan, now Bangladesh, contributed to its downfall. Punjab made rapid strides in agriculture and Tamil Nadu climbed from fourteenth place to sixth position. One redeeming feature was that the regional disparities in India were not along ethnic or sub-cultural lines and the North-South polarization did not emerge.

An accentuation in the inter-regional disparities through agricultural development spear-headed by the Green Revolution was manifested in the 1970’s. The North-Western region and the Godavari-Krishna delta recorded remarkable progress in agriculture. Four metros, along with the Jamshedpur-Dhanbad and Ludhiana-Jalandhar tracts, emerged as new concentrations of industry. On the other hand, the central heartland of the country continued to be chronically underdeveloped. Less developed districts found concentration in the eastern region and interior peninsular parts of India while Punjab and the newly created Haryana attained first and second ranks. West Bengal slipped further to fifth place and Bihar stagnated in the last slot.

The 1980’s witnessed rapid pace of urbanization in conjunction with an expansion of the industrial sector. Metropolitan cities, like Bangalore, Hyderabad, Ahmadabad, along with the four national metros of Delhi, Mumbai, Kolkata and Chennai were prominent spots on the development map of India. A large number of sub-regional centers and a host of smaller centers were also marked for their dynamism. However, the developed districts were scattered and did not form a single contiguous region. A large part of India represented by most of the Ganga
plain, the Central and Eastern tribal belts, and the Rajasthan desert, remained backward.

On the eve of the adoption of the New Economic Policy in the early 1990’s, the agriculturally advanced states of Punjab and Haryana, the industrially forward states of Gujarat and Maharashtra, and the socially progressive states of Kerala and Tamil Nadu attained still higher levels of development. None the less, the variant spatial contours of a weak heart-land and a strong periphery, backward mainland and more advanced coastal regions, and the lagging tribal belts along with the modernizing metropolises persisted.

The post-reforms period of the 1990’s brought remarkable changes to the economic and political scenario of India. The New Economic policy, with the instrumentalities of liberalization, privatization and globalization, encouraged concentrations of new investments, including Foreign Direct Investment, at advantageous locations. On the other hand, the enactment of the 73rd and 74th Constitutional Amendments brought about political decentralization by empowering the local rural and urban bodies. This stimulated a change in favour of the diffusion of the development process.

In 2001, the development map of India depicts a rather mature phase of regional disparities in India. Evolving over time, the peripheral location of developed districts is manifest in development clusters occupying four corners of India. The north-western cluster of developed districts is found in Punjab, Haryana, Delhi, Chandigarh, and also in some parts of Himachal Pradesh and Jammu and Kashmir. Agricultural development based on irrigation, electrification, and road connectivity as well as horticulture and tourism are the main planks of higher development in this region. The southern cluster of developed districts includes the states of Kerala and Tamil Nadu and their offshoots in the adjoining state of Karnataka. Here social indicators of development are very strong. The western
cluster has Gujarat and Maharashtra in its ambit, where industrialization had a multiplier effect. The eastern cluster of higher level of development in India is found in the Kolkata-Haora conurbation and the Christian predominant area of Mizoram.

The patterns of change in the spatial contours of development during 1991-2001 show marked conformity to the already existing development levels of different parts of the country. Regions at low development levels witnessed marginal change, areas of medium development recorded moderate change, while those at high levels of development registered significant change over the decade. The coastal states and mega cities received big investments during this period. The role of infrastructure, the situation of law and order, and the quality of governance played a crucial role in this regard. In a way, the post-reforms period has witnessed an accentuation of regional disparity. The New Economic Policy too favoured the already developed areas much more than the backward ones.

Making a contrast with the behavior of the inter-regional or inter-state disparity, intra-state disparity declined virtually in all cases, with the sole example of Orissa. This represents efforts on the part of state governments to reduce internal disparity. In general, the performance of the southern states was superior to that of the northern states on this count. The decline was fairly pronounced in the newly formed states as also in their truncated parent states. The more developed states, which were already characterized by diffusion of the development process, recorded a lower order of decline.

Reduction in intra-state disparity in virtually every case shows the increasing concern of the state governments. The less developed states are, however, constrained in terms of resources in acquiring a fast pace of development. In addition to improving the quality of their governance, they require huge financial support from the Central government. Decentralization of power to Panchayati
Raj Institutions and urban local bodies through the 73rd and 74th Constitutional amendments is likely to stimulate their development process.

While testing the validation of certain sets of prepositions with regard to regional disparities in India, it is found that in the case of role of diversity and quality of natural resources as a factor of development, it is not strongly validated. At the macro-level, the eastern half of India is richer in natural resources than the western half of India, but their development levels are in reverse order. The highly structured society in the Middle Ganga plain and concentration of tribal population over vast areas (as in North-Eastern Peninsula and Chhota Nagpur plateau regions) led to the vicious circle of poverty and underdevelopment in this part of India, in particular.

The colonial experience caused the formation of two India's: one under the British and the other under the native princes. The level of development in the latter case was much lower, the index value being 82.27 against the national average of 100. It suffered misrule by rulers and was devoid of the impact of development on modern lines in most cases. It was, however, left with a greater potential of future development since resources had not been exploited to the extent as in the former British ruled territories.

The coastal districts are at a higher level of development while those on the international borders are generally backward. Collectively, the costal districts have index value of 128.8 against the 75.41 for border districts. Within each group, the pattern is further influenced by the level of development of the state in which a district is located. Border districts in more developed states are comparatively at a higher level of development than those in backward states. Similarly, coastal districts in backward states were comparatively at lower level of development than those in advanced states. The western coastal region is significantly more advanced than its eastern counterpart, the comparative index values being 110.96 and 93.86 respectively.
The spread effects of the capital/million cities were not uniform. They made a strong impact in developed areas but a weak one in the backward ones. All in all, the relative population size of a million city, infrastructure base of the region, and absence of physical constraints in proximity played a crucial role in the diffusion of development process from cities to their surrounding areas.

The development was strongly associated with the infrastructure provisions and urban-rural linkages. States endowed with better infrastructure also had intense urban-rural linkages and both moved together in promoting development.

A positive role of planning in lowering regional disparities was confirmed. The relative amount of Central fiscal transfers to states was crucial in this regard. States which received higher per capita plan outlays were noted for a higher level of development, barring the case of Special Category States.

The emerging picture of regional disparities in India is, however, not so bleak. Under the impact of the New Economic Policy, inter-state disparities did not accentuate to the extent apprehended by researchers. Moreover, the new milieu created by this policy geared up the states towards an accelerated development. During the post-reforms phase inter-state disparities did widen but intra-state disparities narrowed down virtually in every case.

A critical question posed for deliberation was: Which theoretical proposition or development model best explains the case of regional disparities in India. To answer this question, the Indian situation was placed under the spectrum of a variety of models available in development literature.
Here we first consider Rostow's (1960) five stages of economic transformation? It looks like having some validity. India remained a traditional society prior to the advent of the colonial rule. The British provided pre-conditions for modernization through the introduction of railways, irrigation canals, plantation crops and large scale mining. After Independence, India took to a systematic planning process for progress through which heavy industries were installed, the Green Revolution was launched, and infrastructure extended. By the mid-sixties, India had its take-off stage, but unfortunately it was a pre-mature one. The New Economic Policy was adopted for a second wind.

Meanwhile Frank's (1966) metropolitan-satellite model can be applied to pre-Independence India as it was a colony of Great Britain and there were metropole-satellite relations between the two. The colonizer metropole developed by exploiting the colonial satellite. The urban developments in India during colonial times were in the form of port cities and while provincial capitals also developed, their hinterlands remained backward.

Poverty in core areas of India nullifies the postulates of core-periphery model in the Indian context. The peripheral location of clusters of development in four corners is opposite to what is envisaged under its formulation. Also the Law of comparative advantage is seen as working in coastal areas which were more developed than the interior parts. Thus, the achievement motivation theory of McClelland finds support. The adventurous Punjabis, Gujaratis and Marwaris have been very dynamic and risk taking people. They made tremendous progress not only in their respective areas but also in the country and other parts of the world. Their enterprise validates Schumpeter's (1934) theory emphasizing the role of entrepreneurs and new innovations recognizing the role of large industrialists like Tatas, Birlas, Kirloskers, Ambanis and Oswals etc. in the development trajectory of India.
Boeke’s (1953) theory of social dualism, however, is also applicable as there are two circuits operating in India with the upper circuit having a smaller population, more resources and higher growth and identified with urban India while the lower circuit has a huge population, smaller resources and slow growth as symbolized by rural Bharat. Departing from the spatial justice prescriptions of Rondinelli and Ruddle (1978) planning in India has shown an urban bias.

Myrdal’s (1957) Circular and cumulative causation model explains the situation of India. The port cities of Calcutta, Bombay and Madras which were developed as trade centers emerged as metropolitan centers and nuclei of growth through cumulative causation and their hinterlands remained backward due to their backwash effects. The trickle down strategy adopted after Independence, through location of heavy industries in backward regions, did not meet the desired success. The experience of the Green Revolution, led to a realization that strong backward-forward linkages were necessary for spreading of agro-industrial development.

The urban systems theory of Berry (1968) linked levels of development in states like Punjab, Haryana, Gujarat and Kerala to their well integrated urban hierarchies. Contrarily Uttar Pradesh, Rajasthan, Bihar and the hill states have fragmented urban hierarchies. Such areas are noted for lower levels of development.

Finally it seems that Slater’s (1973) model, with some modifications, finds relatively the greatest validity in explanation in regional disparities in India. Defining colonialism as a formal device by which large parts of Latin America, Africa and Asia became incorporated into the international capitalist economy, he suggested that each colony trades largely or exclusively with its respective metropolitan country. The colonial monetary system, with no exchange controls,
allowed the ‘siphoning off of funds’ from the colony, and drain of surplus was further promoted by an ‘unequal exchange’ of agricultural commodities produced in the colonies for industrial goods produced in the metropolis. Following his ideas, four phases (Figure 7.1) could be discussed in the formation of development contours of India:

(i) Pre-colonial spatial structure, before 1757 A. D.

(ii) colonial penetration, initial concentration and beginning of internal expansion, 1757 to 1911

(iii) colonial organization and continued extension, 1911 to 1947; and

(iv) neo-colonial concentration and limited attempts at restructuring, 1947 onwards.

The first phase was characterized by developing inter-regional trading networks. The volume of both inter-regional and intra-regional trade was low but the pre-colonial spatial structure had some degree of internal cohesion and interdependence. In the second phase, capitalist (colonial) penetration resulted in the external integration and internal disintegration. In the third phase, the extension of the transportation system was an integral part of the consolidation and extension of colonial control. The alignment of routes transformed different parts of the country into hinterland economies converging on port cities of Calcutta in the East, Madras in the South and Bombay in the West. In the fourth phase following Independence, multi-line economies integrated with not only each other but attempted to integrate these to the national capital of Delhi. India opted for a mixed economy under democratic norms and during the early nineties the New Economic Policy was initiated for the integration of India with the global economy.
Figure 7.1 David Slater's model for Indian case

All these findings from the study of regional disparities in India raise many a research question having deep-rooted policy implications. These are:

- While most of the smaller states were performing better in terms of both growth rate and spatial equity but a purposeful recasting of India's administrative map is likely to facilitate a reduction of regional imbalances. Operationally it would involve the
reorganization of larger states like Andhra Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, and Uttar Pradesh into large numbers of states of manageable and also viable size. A similar and simultaneous administrative area reform is also called for at the district level, within the states, by carving out new districts out of the larger ones.

- Secondly, a strong relationship between infrastructure development and the overall levels of development is observed. Though the Golden Quadrilateral and North-South and East-West corridors are being laid out to improve connectivity some areas still remain as gaps in the Central India and peripheral belts. Provision of necessary infrastructure is the greatest imperative for backward areas. This asks for augmentation of infrastructure in the backward states and their integration with mainstream economy.

- Thirdly, there is need for rationalizing the urban system of the country. A dispersed pattern of urban development in a vast country like India is imperative. This fact is already proven with the validation of the hypothesis that areas with better urban-rural linkages have higher levels of development.

- Fourthly, the backwardness of most of the areas is rooted in their physical constraints of hilly and mountainous rugged topography, desert conditions and fragile ecologies through deforestation, soil erosion and water logging. Though Indian planning embarked upon several Backward Area Development Programmes, they have not yielded the desired results. This happened because of two main reasons: failure on the part of several state governments to implement such programmes effectively and secondly the inadequate amount of funds made available for the purpose. What
is needed is capacity building of the government functionaries in
development oriented administration of such regions.

- Finally, the local level democratic institutions, such as Panchayati
Raj institutions for rural areas, and local bodies for urban places
need to be strengthened. They should be actively involved in
micro-level planning and resource generation, as emphasized in
the 73rd and 74th Amendments of the Indian Constitution. This
would ensure a more equitable development of all areas.

After enunciating the policy implications of regional disparities in India,
there arises a vital question of addressing the issues that have been
raised. This calls for setting the agenda for the future and may be listed
as follows:

- First, if there is a recommendation for the reorganization of the
states then, what should be the optimum layout of the new
administration map of India? Which states need to be reorganized
and how? This requires a research based methodology.

- Secondly, if infrastructural gaps are to be filled, what would be the
design of the desired network in diverse regional settings? Which
areas need greater integration and at what cost? This would be an
exercise in spatial planning.

- Thirdly, if more dynamic urban hierarchy of urban systems is to be
promoted, then what should be the location and functional role of
different nodes in the regional and national hierarchy? This is a
study in spatial organization of settlements.

- Fourthly, if local resource based development is imperative, how
then is an optimal utilization of resources to be ensured? Herein
comes the role of spatial development administration.
Finally, if we have to strengthen people’s participation in the implementation of development works, then how is it to be strategized, planned and implemented? If sustainable development through micro-level planning is the goal, then what should be the parameters along which it should flow? And who are to be involved?

Geographers are best equipped to answer all the aforesaid questions through the process of micro-level and regional planning which primarily aims at all inclusive and balanced regional development. There is every reason that geographers should ensure an applied orientation to their learning and expertise. Two inspiring things that recently happened in favour of geography include the recognition of the ‘New Economic Geography’ with the conferring of 2008’s Noble Prize in Economics to Paul Krugman and with the title of 2009’s World Development Report appearing as the ‘Reshaping Economic Geography’. Notwithstanding the process of development in India, which is still in a state of flux, only the coming years will stand witness to the sustainability of equity-oriented efforts as envisioned in the ambitious India 2020 project. These concerns are to be addressed in the spirit of futuristic geography.