CHAPTER – 7

SUMMARY AND CONCLUSIONS

In this study we have made a modest attempt to measure the inter-regional disparities in the economic development of Haryana considering district as a region. On the basis of available authenticated data a few alarming facts have come to the fore. Few districts are in a very comfortable position in agriculture development but on the other hand a few districts have been neglected totally. It is a bitter fact that natural factors are more dominating in agriculture but man-made factors have also played a significant role in making the deplorable condition of these backward districts. Available resources or potential of these districts have not been fully exploited. Remaining districts could be adjudged as average in agriculture arena. A vast population of state is dependant on agriculture. Development of agricultural activities and agro based manufacturing units proportionately will not only lighten the burden of the government but also allow the inhabitants of the state to live a respectful life. No doubt standard of living can only be improved only by providing fruits of equitable economic development. What is a great matter of concern is the polarized development of industrial sector. One would be surprised with facts that more than half of the total industrial activities are enjoyed by only two or three districts. It may be because of proximity of NCT Delhi or historical industrial setup. It is on the part of policy makers that industrial activities could be dispersed to all parts of the state by diversion of funds. Entrepreneurs can be attracted to low development districts with the help of fiscal and monetary measures. Over the years though dispersal has taken place but it is of least
magnitude. Moreover this dispersal is again in the adjoining districts of already developed districts. Districts which actually need and deprived of industrial units have not so far attracted the entrepreneurs. Development in agriculture and industry must be achieved hand in hand. Development of one sector is not sufficient and it restricts the people of a particular area in developing the skill in other. Now-a-days agriculture has also become technology based. Dependence of people on one sector only sometimes becomes a cause of tension in that area. It is to be noted that without proper development of industrial sector, it is difficult to develop the service sector. Over the years of planning we have not been able to reduce these disparities particularly in the industrial sector. Migration of people from these districts leaves the people in dilemma. They have to forego the little bit income they earn from their piece of land. It is very much necessary to divert the resources so as to get industrial development in these backward districts.

Though the service sector developed along with industrial activities but it is commendable on the part of the government to some extent that the degree of disparities in infrastructural sector is not as in the case of industrial sector. It is difficult to have totally equitable development in all the areas. A lot of it depends on the work capacity and the will to work of the people. Government has been able to provide infrastructural facilities to all parts of the state. All the districts by and large enjoy all the facilities of road and transport, electricity for different uses, hospitals, schools, colleges, and banking and most important of all is drinking water. With honest efforts of the authorities the entire state is getting drinking water supply by water works department. Providing irrigational facilities have always been on the agenda of the government
but due to some unavoidable obstacles, the same has not been achieved which causes the disparities in agricultural development.

From this study we got an insight of the overall development of Haryana. This small state has varied regions even in physio-geographical terms. Marked with Shivalik Hills, Gangetic plain, the presence of the Aravalli range of mountain and arid strips in few districts, it speaks dense of problems to have smooth and equitable development. No doubt farmers, laborers or entrepreneurs of Haryana are known for their devotion to work. When combined deployment of the entire three sectors is analyzed, Haryana is not free from inter-regional disparities in overall economic development. Though Gurgaon and Panchkula have invited investment from entrepreneurs but the fruits of this investment have in no way benefited the rural area. Benefits of such investment have been realized by a particular class of rich people only. It is rightly accepted that lesser growth is acceptable if it benefits the poor sector of the people. Higher growth which does not reduce inter-regional disparities may prove harmful for a state as it gives birth to communal tensions or law and order problems.

These inter-regional disparities were inherited in Haryana at the time of the formation of the state as it received step motherly treatment in the distribution of resources. Comparatively the new state of Punjab got more share in almost all the spheres at the time of demarcation. This set back was particularly in the agricultural and industrial sectors. Sutlej-Yamuna link canal is still a disputed issue between the two states. Industrial hub like Ludhiana, Batala and Jallandhar are a part of Punjab. After the new state of Haryana coming into existence, it was a great challenge for the people of Haryana to compensate for the losses
incurred at the time of partition. Regional disparities were another grave problem. Proper planning was very much needed to advance on the path of development. Planning is only effective when regions are delineated as per levels of development. No such sincere effort has so far been made. Few studies at the individual level have been made but of least use. Many of these studies are incomplete in overall aspect. Either all the sectors are not included or entire period has been ignored. This study is a sincere effort in this regard taking all the three sectors of the economy covering the period from the birth of the state right up to the year 2000. Four periods were chosen for study. Year 1967-68 was taken to analyse the level of development and extent of disparities at the time of formation. Main purpose of selecting 1978-79 was to examine the effects of policies adopted at the time of states formation. A period of 10-12 years is sufficient enough to examine the entire outcome of policy implementation. One more reason to select 1978-79 as the period of study was to examine the effect of the gravity of emergency imposed in the country. Mixture of the effects of the green revolution and the negative effects of emergency in 1975-76 promoted us to select 1978-79 as the period of study. Sincere efforts were made in early 70s by the government of Haryana to achieve the higher level of development in the state. In the year 1990-91 New Economic Policy was implemented in the country. New Economic Policy initiated many structural reforms in the country. Obviously Haryana also shared those reforms. It becomes imperative to know the developmental status and extent of disparities in economic development in the state at the dawn of New Economic Policy. A period of about 12 years from 1978-79 to 1990-91 saw many political changes in the state. It is a fact that political changes in the state affect the regional variation because of biased distribution of funds. This period also witnessed the change of the Congress government for the first time.
in the state. This was enough reason to select the period 1990-91 as the period for study. The last period taken here is 2000-01. This is owing to the availability of data only up to 2000-01 when the work for this dissertation was taken up. Secondly nearly a decade had passed since the new policies had been started to be implemented. Haryana was still in the thrall of the impacts of the New Economic Policy.

In our study we have included the cause of regional disparities. These factors includes historical setup, availability of natural resources in select areas like sweet ground water, minerals fertile land etc and above all man-made social, economic and political factors. Growth Pole theory to some extent is also a factor behind regional disparities in Haryana. We have considered the district as a region just to facilitate the data collection and to some extent homogeneity in topography. Data related to most of the variables included in our study is available district wise only. Since Haryana is a small state, forming of regions from cluster of few districts was not considered appropriate in the context of this dissertation. However we have had a glance on the position taking a few districts direction-wise like Northern Haryana, Central Haryana, Western Haryana and Southern Haryana.

As already stated the purpose of this study has been to identify the development levels in various districts of Haryana and to measure the extent of disparities in the three sectors as well as overall economic development. Any plan prepared for development of a certain area is only effective when proper identification of backward areas is done. It is of utmost importance to judge the level of development and extent of disparities to realise the benefits of regional planning. Proper identification of regions is only possible when maximum number of
variables covering all the three sectors is included in the study. Assigning proper weights and standardisation of variables is a pre-requisite to identify the regions. Sixteen districts of Haryana have been included in the study. Districts formed after 1990-91 have been clubbed with the erstwhile districts. Data for the districts created after 1970 and before 1990-91 have been collected either on the Tehsil basis or by dividing the data of the erstwhile districts proportionately in case the Tehsil wise data was unavailable. Choice of indicators should be such that they suit the purpose the study. The very outcome and veracity of the study’s findings are completely relevant to the selection of these indicators. Given that this is a difficult and vital task, utmost attention has been paid so as to cover all the areas/ sectors which affect the level of overall economic development.

After the proper selection of indicators it becomes imperative to adopt a suitable methodology for the study. Methodology adopted by many eminent scholars in the past and their findings were studied and a suitable methodology in context of Haryana was arrived at. We have used the first Principle Component Analysis which is a method of factor analysis. The model used for study has already been explained in chapter-One.

Review of relative literature has been taken up in Chapter-Two. Studies related to inter-regional disparities were taken up by the various scholars and on the basis of different results, a conclusion was arrived at. Most of the studies have agreed that the planning process is ineffective without the proper identification of backward regions. Nath (1971) felt the need for surveys and studies in selected backward regions and study of inter-regional economic relation. Few studies have blamed the man-
made factors causing regional disparities. Kulwinder Kaur (1983)\(^2\) agreed for adequate provision of infrastructural facilities to bring about a balanced regional development. Ghosh and De (1998)\(^3\) and Ahluwalia(2000)\(^4\) stressed on the need for public investment in order to reduce inter-regional variation.

A brief presentation of economy of Haryana has been included in the study. Equipped with ample amount of knowledge about a region always helps in studying the economic development of that region. Haryana, a small state in area (44,212 sq. kms) has a long and chequered past. This piece of land has in the past been witness to the war of the Mahabharata and three battles of Panipat. It also has never been a single administrative unit in the past. Most of the state’s area was transferred to U.P. in 1832. Later, in 1857 as a consequence of the revolt against the ruling British, it was placed under the Punjab administration. Presently, Haryana has 20 districts and shares a common capital with Punjab in the Union Territory of Chandigarh. It has a respectable literacy rates for both males and females. Agriculture along with animal husbandry forms the mainstay of the state. Owing partially to this fact Haryana now is known all over the world for a high milk yielding breed of buffaloes named Murrah. The state boasts of the fourth highest number of livestock in the country. Haryana has the highest production and consumption per head of milk and milk products. There has been a significant increase in the food grain and non-food grain production by the use of modern technology in agriculture.

Districts have been classified into various categories as per the Average Range method. Average Range is the difference between highest value and lowest value divided by number of observations.
Districts have been grouped into 05 categories as per the acquired index value namely Highly Backward, Backward, Average Developed, Highly Developed and Very Highly Developed.

**Inter-regional Disparities in Agriculture**

Now, we shall look into the problems of inter-regional disparities in agricultural development. District wise indices of each district have been prepared by using the first Principle Component Analysis of factor loading. We have also tried to measure the directions of inter-regional disparities during the period under study. Our main findings are as follows:

i) Over the period of 33 years, there has certainly been development in the agriculture sector. Index value of the state has increased during the entire period of study. Index value of agriculture sector was 14.716193 in the year 1967-68 which has increased to 15.829407 in the year 1978-79 recording around 7% growth over the previous period. It has subsequently increased to 21.222226 in the year 1990-91 again recording more than 30% growth in comparison with 1978-79. This explains that the increase in agricultural production has been significant. It is noted with disappointment that agriculture sector in Haryana could not maintain the same tempo of growth and it slowed down in the year 2000-01. Index value decreased to 20.861394 in the year 2000-01 from 21.222226 in the year 1990-91. Even though there has been a negative growth during this decade it is albeit just negligible in magnitude.

ii) Extent in disparities in agricultural sector has shown a mixed trend. Extent in disparities in the agricultural development narrowed down in 1978-79 when compared to 1967-68. Range
between highest value and lowest value decreased to 16.2176 in the year 1978-79 from 17.4247 in 1967-68 but it has again increased significantly in the year 1990-91. Difference between highest value and lowest value increased to 21.3904 from 16.2176 in 1978-79. It can evidently be expressed that already developed districts in agriculture have grown faster where as Backward districts have not shown much increase in their index values. Degrees of inter-district disparities have decreased heavily in the next decade and it has attained the least ever range value. Range in 2000-01 has been 15.2193 which is the least over the entire period of study.

iii) Kurukshetra has maintained the top position in all the years of study followed by Karnal and Kaithal as no. 2 and no. 3. Rewari was the most backward district in terms of agriculture in 1967-68. From 1978-79 onwards Bhiwani started occupying the last position. There was negative growth in Bhiwani from 1967-68 to 1978-79. Mahendragarh continued to be on the 15th position till 1990-91 but improved its rank in 2000-01 (13th rank). Gurgaon district’s performance has continuously been sliding in agriculture since it slipped to the 15th position in 2000-01 from the previously held positions of 8th, 9th and 11th in the years 1967-68, 1978-79 and 1990-91 respectively. Bhiwani is the only district which occupied its place in Highly Backward Category and Kurukshetra and Karnal in Very Highly Developed Category throughout all the years of study rest of all the districts have more or less maintained with little or no change. On the whole Northern Haryana is quite developed in agriculture but the southern and western parts of Haryana continue to be backward and seek greater attention of government particularly in irrigation facilities and use of
technology in agriculture. Good quality of seeds and adequate supply of fertilizer can certainly raise the growth in agriculture particularly in backward districts.

Inter-regional Disparities in Industry

Industrial sector shows glaring inter-district disparities and demand immediate attention of the govt. Industrial sector is not much developed in Haryana and is restricted to a select few districts only. Our main findings in the industrial sector are as follows:

i) At the time of formation of the state, whatever little industrial development the state had to show was only restricted to Faridabad, Yamunanagar and Ambala districts only. About 60% of the total industrial set up was confined to just these three districts. There is a negligible development in the industrial sector in the state as a whole. Index value of industrial development of Haryana was 3.46428 in 1967-68 which came down to 3.19520 in 1978-79. It clearly explains that there has been a negative growth in the industry during this period. The deciding factors might have certainly been greater emphasis on agriculture and the adverse effect of the Emergency imposed in the country. As the state was new, it took time for new entrepreneurs to build up their mind to set up industries in the state. Inadequate standards of infrastructure could be the another reason for low level of industrial development in the state. In the starting of the eighties, Haryana started gearing up for development in the industrial sector. After a period of 12 years the state could record industrial growth and the index value reached 3.754947 in 1990-91. Haryana recorded about 16 % of growth in the industrial sector during this period. Growth trend continued in the next decade too but with a lesser percentage
ii) When we analyse the extent of these disparities among the various districts, we find very disappointing results. Inter-district disparities widened by a rate of nearly 50% over the last decade. Firstly there was negative growth and again increase in disparities and again increase in disparities left the backward districts with no hope of industrial setup. Range between highest and lowest value was 12.7958 which went up to 18.0745 in the year 1978-79. Widening disparities are a certain cause for worry among the masses. Degree of disparities continued with almost the same gait in the next decade too. Range value increased a bit to a value of 18.2673 as compared to 18.0745 in the year 1978-79. However it is a matter of satisfaction that few districts have recorded significant growth over the previous period. Marginal decrease was observed in the inter-regional disparities in the year 2000-01, when compared to the previous period. Almost all the districts managed to sustain their previously recorded industrial index values. On the whole the degree of disparities has increased during the entire period of study. The backward districts in particular have not received the benefits of these developmental activities.

iii) Faridabad and Yamunanagar have been the most developed districts maintaining the first and second ranks respectively. These two districts together own more than 50% of total industrial activities in the first two period of study. In the other two periods also, these two districts account for more than 40% of the total industrial activities of the state. Mahendragarh continued to be the most backward district along with other highly backward districts of Western and Southern Haryana. Kaithal and Kurukshetra are
the only districts in Northern Haryana to be highly backward in
the 33 years of period of study. However Karnal, Gurgaon,
Sonepat and Panipat have recorded significant growth because of
good infrastructural facilities available in these districts. Proximity
of NCT Delhi has specially helped Gurgaon to develop industrially. Rewari, Mahendragarh, Bhiwani, Jind, Hisar and
Sirsa have been highly backward throughout the study period. The
rest of the districts are by and large average developed.

It is desirous on the part of the policy makers, to strive for
narrowing down the inter-regional disparities in the industrial sector.
Haryana’s economy can record an appreciably high rate of growth
provided industries are established in backward areas. Agro based
industries need special focus and attention in order to be able to extract
maximum benefits from agriculture. Agricultural growth supplemented
by industrial one can certain help the state economy to be in a healthy
position. Growth without industrial development is incomplete in itself.

Inter-regional Disparities in Infrastructure

In the following paragraph we have put forward the trend and
extent of inter-district disparities and levels of development of various
districts in Haryana in the field of infrastructural facilities. For the
comparison in level of development in infrastructure, we have
constructed the indices of development taking indicators from education,
banking, road and transport and health sectors. The extents of disparities
among the districts have increased for the entire period of study and also
from decade to decade except 1978-79 to 1990-91. A fact is that the
degree of disparities in this sector is less than what has been observed in
the agriculture and industrial sectors.
The state of Haryana recorded about 22% growth in infrastructure sector during the period 1967-68 to 1978-79. After 1978-79 there is no growth in infrastructure sector, instead it exhibits negative growth. At the time of formation of the state infrastructural facilities were insufficient to meet the requirement of the state. The government started focusing in this sector in earnest in the early seventies and this bore fruit after nearly a decade.

i) The index value of infrastructural development which was 27.27852 in 1967-68 rose to 32.84407 in 1978-79. This growth was particularly in electricity and road & transport sector. Infrastructural facilities are indispensable when we need development in other two sectors. The state observed nearly 15% negative growth from 1978-79 to 1990-91 recording an index value of 28.51677. Disparities in the infrastructural development prove costly for simultaneous development to register in agriculture and industry. There has been absolutely no growth in infrastructure at the state level from 1990-91 to 2000-01.

ii) As stated earlier inter-regional disparities in the infrastructural sector are less as compared the other two sectors. This aspect is proved by the range between the highest and lowest value in 1967-68. In the other two sectors the range value was significantly more than the average value of the state. In the case of decade specific growth we find the inter-regional disparities increasing during the period 1978-79. The range value which was 23.2318 in 1967-68 went up to 26.8431 in 1978-79. It is proved from the facts that along with the development in the infrastructure the extent of disparities has also increased. This is owing to the growth recorded by Ambala district alone (20% over the previous period) which turned out to be much lesser in the case of backward
districts. The extent in disparities decreased significantly from 1978-79 to 1990-91. There was approximately 37% decrease in the extent of disparities during this period of 12 years. It is with irony that one observes that despite lesser growth registered in the infrastructural sector the other two traditionally dependant sectors registered better growth with agriculture toting up nearly 30% and industry nearly 16% growth. Degree of disparities in the next decade registered a huge increase. The range between highest and lowest indices values went up to 24.091 in 2000-01 from 17.8549 in 1990-91. Increasing disparities in infrastructural speaks truly about the lesser number of social and economic amenities in the backward areas.

iii) Ambala, in 1967-68 was the most developed district in infrastructure. Kaithal along with 05 other districts of the state was Highly Backward. These two districts continued to maintain their positions even after two periods of study. During the entire period of study Kaithal, Jind, Hisar and Sirsa have occupied their place in the Highly Backward Category. Ambala, Yamunanagar, Sonepat, Rohtak and Faridabad have been Highly Developed in infrastructure since the formation of the state. Remaining of all the districts are by and large Average Developed with marginal changes in their positions. Panipat and Rewari have improved significantly in their infrastructural development. Over the entire period of study there have been constant shifts in the infrastructure development. On the whole Northern and Central Haryana except Jind and Kaithal continued to be Highly Developed while except for Gurgaon and Faridabad the whole of Western Haryana have been Highly Backward.
In concluding one observes that the infrastructural facilities are the basic need for the development of agriculture and industry. And this is one of the foremost considerations taken up by any potential entrepreneur wishing to start an enterprise in an area. Needless to say these are the areas requiring more focus and efforts on the part of the government seeking to improve the fiscal and economic health of a state.

Inter-regional Disparities in Overall Economic Development

In the first section of chapter five, we have taken up the inter-regional disparities in overall economic development from 1967-68 to 2000-01 and typology of development has been discussed in section II. We used the indices of sectoral development as raw data for the construction of indices of overall economic development. It is observed that during the period 1967-68 to 2000-01, the level of development in the state though has recorded an upward trend but it has been very negligible. Our findings are as follows:

i) Index value of overall economic development, which was only 34.0504 in the year 1967-68, has just improved to 35.6938 in 2000-01. With the development extent in disparities has shown mixed trend. Regional analyses of overall economic development shows that a considerable number of economic backward districts have remained backward through out the period of study. It has been observed that industrially developed districts have occupied their place in Highly Developed or Very Highly Developed Category. Most of the agriculture developed districts are lacking behind in industrial development. A respectable growth recorded by infrastructure and agriculture could not help in the overall economic development due to negative growth in industry. There has been almost constant level of development during the period
1967-68 to 1978-79. There was about 4.5% growth in the overall economic development in the next period. Index value of overall economic development reached to 35.5057 in the year 1990-91 from 34.0670 in 1978-79.

ii) Extent of disparities has shown a mixed trend in the overall economic development. Range of disparities which was 24.3165 in the year 1967-68 recorded marginal increase in the next period of study with no increase in the level of development. This increasing trend in the extent of disparities forced the already backward districts to deteriorate their condition further but helps the already developed districts to develop at a faster rate. This trend of increase in the extent of disparities stops in the next decade. The value of range came down to 22.5779 in the year 1990-91 from 25.8765 in the year 1978-79. It can be noted that this decrease in the disparities was along with the growth recorded in overall economic development. Because of the huge growth in Faridabad (the most developed district) and deteriorating condition of Bhiwani (the most backward district) the value of range recorded a very high increase explaining the extent of disparities widening. There was about 60% increase in the extent of disparities in the year 2000-01 when it is compared with the previous period of study (1990-91). On the whole there was about 45% increase in the extent of disparities from 1967-68 to 2000-01.

iii) Faridabad has been the most developed district of state through the entire period of study. Index value of overall economic development recorded by Faridabad is 2.8 times of the index value of the most backward district Bhiwani. Deteriorating
condition of backward districts and huge growth by Faridabad and Yamunanagar over the previous period is the only factor behind increasing inter-regional disparities. Districts Kaithal, Rewari, Mahendragarh, Bhiwani, Jind, Hisar and Sirsa are the backward and Ambala & Yamunanagar are the highly developed districts of the state. Rest all the districts except Faridabad are average developed because it occupies its place in the Very Highly Developed Category. All the backward districts have exchanged their ranks between ten and sixteen in all the years of study. Level of overall economic development of Faridabad has been very high since the formation of Haryana because of its exceptional position in industrial sector. Kurukshetra and Karnal whose performance is commendable in agriculture have managed to reserve their places in Average Developed Category because of low level of development in industrial sector.

It can easily be inferred from the above facts that industrial development is indispensable for improving the overall economic development in a region. Industrial development is the most important particularly in those districts which are far away from NCT Delhi. High concentration of industrial activities in a particular region continued to attract the entrepreneurs and leave the backward regions in a state of poverty. We can arrive at a conclusion after assessing the level of overall economic development that agriculture alone is not high enough to raise the standard of living of the people of state. Absence of industrial activities forces the backward regions to have disguised unemployment. It may be inferred that suitable polices adopted by government can certainly help in narrowing down the inter-regional disparities.
Dimensions, Level And Typology Of Development

We have presented an overview of the dimensions, level and typology of development of various districts of Haryana. Following paragraphs provide the detail information about the various aspects of economic development. On the basis of dimensions and level of development we have divided the districts in four groups namely totally backward, uni-sector developed, bi-sector developed and all sector developed.

a) Bhiwani has been the totally backward district of state throughout all the four period of study. In 1967-68 Rewari, Mahendragarh, Bhiwani, Jind, and Sirsa were totally backward districts. After about 11 years of period in 1978-79 Mahendragarh, and Jind improved their positions but Rewari, Bhiwani, and Sirsa continued to be totally backward. Hisar was added to the list of the totally backward districts in 1990-91 clubbing with Bhiwani, and Sirsa. Rewari, Mahendragarh and Bhiwani have emerged the totally backward districts after the 33 years of formation of state. These districts need heavy amount of investment in all the three sectors of economy to get them set on the path of development. Regional planning from the root level can certainly help these districts to raise their standard of living.

b) Kaithal is developed only in one sector through out the entire period of study. Hisar, Sonepat and Rohtak are the other districts which are developed in one sector during the year 1967-68. None of these districts has been developed in industrial sector. Number of one sector developed districts increased to six in the year 1978-79. All these districts are highly backward in industry and Hisar, Jind, Kaithal and Mahendragarh are also highly backward in the overall economic development. There are total
five districts which are developed in one sector in the year 2000-01. Hisar, Jind, Kaithal and Sirsa are highly backward both in industrial and infrastructural sector.

c) No district other than Kurukshetra is bi-sector developed in all the four periods of study. Ambala, Kurukshetra are developed in two sectors in all the years other than 1978-79. Out of these districts Kurukshetra is very highly developed in agriculture. Gurgaon and Faridabad are very highly developed even though their performance is not better in agriculture. Faridabad is extremely highly developed only because of exceptional performance in industrial sector. Backwardness of Gurgaon and Faridabad in agriculture proves that the urban-rural disparities are higher because these two districts are very highly developed in the other two sectors.

d) Panipat has been placed in Highly Developed Category and this is the only district which is all sector developed over the four periods of study. Karnal, Sonepat, Panipat and Yamunanagar are all sector developed in the year 2000-01. Overall position of Karnal and Sonepat are Average Developed whereas Panipat and Yamunanagar are placed in Highly Developed Category.

On the whole districts of Northern Haryana along with Gurgaon and Faridabad from the South are either bi-sector or all sector developed. Districts of Western Haryana along with Jind Kaithal, Mahendragarh and Rewari are totally backward or just developed in one sector. Disparities in overall economic development are more in developed districts when compared to the disparities in the backward districts.
There has been significant increase in the Net State Domestic Product over the years and it has reached Rs.28,830.83 crores at constant prices in the year 2000-01 from Rs.6256.39 crores at constant prices in 1990-91. This increased State Domestic Product has not been able to narrow down the inter-regional disparities. This deteriorating condition makes planning at the root level all the more indispensable. It is on the part of the policy makers to divert the resources towards backward regions but not at the cost of developed ones. Another point of concern is the subsequent increase in the non-development expenditure over the years. Expenditure incurred on debt servicing and administrative services is certainly a mater of concern and economic condition of backward regions may get impetus in growth if this non-developmental expenditure could be diverted to developmental activities to some extent. Proper balanced regional development strategies should be brought into practice to meet the objective of balanced development among the regions. Available natural resources must be exploited to the optimum level to bring the level of development up particularly in the backward regions. When backward regions become self sufficient, it certainly add to the growth of the economy. By achieving smooth regional development, no doubt, state will be in a position to achieve political economic and socio-cultural harmony. Private investment must be encouraged by providing adequate infrastructural facilities particularly in those regions where the industrial development is minimal. Adopting proper fiscal measures could be another measure to narrow down inter-regional disparities. Providing industrial facilities in the backward areas will not only add to the growth of the state but also help in reducing the disguised unemployment mainly from the agricultural sector.