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## **Meaning of Regional imbalance**

In India, the level of economic development varies from State to State and region to region. balanced growth is considered as an important strategy for achieving a harmonious development of all the regions of the country. But in spite of more than fifty-five years of economic planning, pattern of regional development of Indian economy is far from being the balanced one.

In India, a huge regional disparity or imbalance exists between the various States or regions of the country. In relative terms, some States are advanced economically while some other states are backward. Even within the same State, some regions are more developed while some others remain less advanced and almost primitive in certain respects. This sort of co-existence of comparatively developed and backward or economically depressed States and even such co-existence prevailing in different regions within each State is termed as regional imbalance.

## **Indicators of regional imbalance**

In a country like India there are a number of socio-economic indicators which are very prominent to reflect the regional imbalances. It may be inter-State or intra-State; total or sectoral. "The fact that there are vast areas of the country

which have remained backward over the year is both a challenge and an opportunity. Some important indicators of regional imbalance in India are as below:

1. Per capita income
2. Population
3. Agriculture production and agricultural productivity
4. Net domestic product
5. Infrastructure disparities
6. Social infrastructure and human development
7. Inequality of Income
8. Trends of investment and financial assistance
9. Regional disparities in poverty

## **CAUSES OF REGIONAL IMBALANCES IN INDIA**

There are various physical, natural and man-made factors responsible for regional imbalances. But in these factors, human factors is the most important which often is ignored in analysis of regional imbalances.

**1. Historical Factors:** During British rule Bombay, Ahmedabad, Calcutta, Madras and Delhi and to a certain extent Cochin developed for trade and for administrative control of India. Goa could develop due to Portuguese rule and recently Chandigarh

due to partition of Punjab. These historical facts made these cities important business, administrative and industrial centres also. On the other hand, the uneven pattern of investment had resulted in uneven growth of some areas keeping other areas neglected.

**2. Geographical Factors :** Geographical factors have impact on developmental activities of a developing economy. Adverse climatic factors are responsible for poor rate of economic development. Hilly area of North-East, J&K, Uttarakhand and Himachal Pradesh having hilly terrain are difficult to approach and so they have been left behind. In India there are wide climatic differences, in some cases within the state like Rajasthan, there are desert areas, hilly areas and plain areas.

There are certain areas which are flood prone like Assam, Bihar and Orissa due to excessive rain, overflowing of Brahmaputra and Ganga. Hence, neither agriculture nor industry could be developed to optimum extent.

**3. Natural Resources :** Natural resources are also responsible for regional imbalances. The mineral resources have not been equally gifted for all states. Oil in Assam, coal and iron ore in Jharkhand, W.B. and Orissa and non-ferrous metal in Rajasthan helped them to grow fast but unfortunately they are among the

poorest states of India because of bad environment and lack of investment opportunities.

Some States like Bihar, M.P., Orrisa, Chhattisgarhi, Andhra Pradesh, Karnatka, Kerala and W.B. are rich in forest resources to support paper and other forest-based industries. A number of paper mills have been established in these states but still the income level of these states is lower than the average for the country. This is because forest resources have not been properly developed and high value added forest-based industries have not been established. Hilly regions of North-West like H.P., U.K. are having water as a big resource for Hydro-power and irrigation. But these resources have been utilised for irrigation in Punjab, Haryana and U.P.

**4. The Density of Population:** The density of population varies widely from State to State and region to region. In U.P. density of population is more than other States. Thus, putting the pressure on land, reducing the size of farm holding are making people poor. In area where density of population is high, the labour should be cheaper but it is not so because of labour laws. Therefore, industry does not benefit from high labour availability,

**5. Inadequacy of Economic Overheads:** Economic overheads like transport, communication facilities power, finance, technology and insurance etc, are considered as important factors for development of a particular region. Due to adequacy of such economic resources, some regions are getting good

development whereas due to inadequacy of such economic overheads some regions of the country i.e., N.E. region, H.P., Bihar etc. are remained much backward.

**6. Failure of Planning Mechanism :** Although balanced growth has been accepted as one of the major objective of economic planning in India but in fact bad planning enlarged the disparity among states. In respect of allocating plan outlay developed states get much favour than less developed states. Due to such type of biased planning, imbalance between the different regions has been continuously widening and some areas are remained backward.

**7. Political Factors:** The political factors have also affected growth because politics has created instability in certain states. That's why a lot of time spent in quarrels rather than pushing development. Thus this political instability of the country is standing as a hurdle in the path of balanced development.

**8. Disparities in Literacy Rate :** The level of literacy differs from state to state and even for the country as whole. There are many states and areas where literacy rate is very low particularly in rural areas and these wide differences have created imbalances in development with low literacy rate, skilled workers, engineers, doctors are low percentage of population. Bihar, Jharkhand, U.P., Rajasthan etc, are less developed because literacy rate is low.

# Effects of Regional and sectoral imbalances

## **(A) Economic effects**

1. Resources are not full harnessed
2. Increase in unemployment
3. Unfair utilisation of resources
4. Variation in living standards
5. Lop sided development of labour
6. Other economic effects

## **(B) Social effects**

1. Increase in income and wealth inequality
2. Encouragement of unsocial activity
3. Increase in social cost

## **(C) Political effects**

1. Political instability
2. Encouragement to regionalism
3. Adverse effects on defence

# Measures adopted for regional balanced development

1. Resource transfer
2. Special area development programme
3. Incentive to promote investment in backwards areas

## **(A)By India Government**

1. By introduction of licencing system
2. Industrial estates
3. Development of public enterprises
4. Central subsidy plan
5. Exemption from income tax
6. Transport subsidy plan
7. Import facilities

## **(B) by State government**

1. Concessional arrangement of land and building
2. Exemption from sale tax
3. Production of electricity
4. Interest subsidy
5. Capital investment subsidy

## **(C) by financial corporation and institutions**

1. Preparation of project report
2. Loan facilities at cheap interest rate
3. Branch expansion by nationalised bank
4. Technical counseling
5. Machine facilities to small industries

## Questions

### Short

1. What do you mean by regional imbalance?
2. Explain any four indicators of regional imbalance

### Long :

1. What is regional imbalance? What are causes of regional imbalance in India?
2. What are regional imbalances? Explain measures adopted for regional balanced development.

## Keywords

1. Disparities
2. Regionalism
3. Balanced growth
4. Inter-state

## **References**

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**Thanks**