
UNIT 11 INTER STATE AND INTER DISTRICT IMBALANCES

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11.0 OBJECTIVES

After studying this unit, you should be able to:

- Explain the conceptual bases for the analysis of the inter-state and inter-district imbalances at different levels of regional development of a country.
- Describe the various indicators to analyse the regional, district and sub-district imbalances.

11.1 INTRODUCTION

During last two decades the nature of development administration has radically changed keeping in view the changing requirements of the macro economic policy in the South Asian countries. The policy mix of decentralisation and globalisation mainly guided the changes in development administration. Under globalisation, the state's role and interference into the economic activities has been reduced. The market has become more important. However, this has created problems for the poor and the disadvantaged who have been neglected in this scenario. Also one finds regional imbalances in these countries operating at the state and district level. It also goes beyond these levels. One needs to understand and identify the suitable interventions in the context of sectoral priorities and integrated development to address the issues of regional imbalances. The effective strategy could only emerge out of the understanding and analysis of the variations in the development level of various spatial units, that is, the state, district and block.

The regional imbalances can be seen in two ways: Macro view which is limited to the identification of broad regions or group of states having different levels of development. The micro view includes the analysis of the level of development among various regions delineated within the broad zone/state. Both the macro and micro views are important in the analysis of regional development.

The issue of regional imbalance is manifested in the policy framework of any country. In the South Asian context, inter regional imbalances have been identified as one of the priority concerns. In Pakistan there are variations in the levels of development in the areas of Sindh, Baluchistan and Punjab provinces and Nepal has imbalances in the 'tarai', the 'hills' and the 'mountainous' regions.

India has the whole issue of interstate variations in the development between the north, west, east and southern regions. This has figured in the plan documents also. It is important to note that the issue of regional imbalances is crucial for reduction in the socio-economic inequalities. In many of the countries special regional development authorities have been constituted to focus on the specific issue of regional imbalances and development. The political implication of the regional imbalances and neglecting the marginalised would be more troublesome resulting into demands for separate state sometimes.

The above mentioned analysis points out the fundamental necessity to understand the variation in the levels of development among different regions and to design appropriate strategies to promote equitable development. The whole question of balanced regional development should be given central place in the discussion on development planning. This can only be done if we analyse the levels of development both at the micro (district, block and village level) and at the macro (state and group of states) level. Interestingly, the macro level aggregates are many times available to the administrators but in most of the cases the micro level analytical understanding is found missing.

11.2 CONCEPTUAL BASES TO UNDERSTAND THE ISSUES OF REGIONAL IMBALANCES

The state (geographic and political unit within the country), district (administrative unit within the state) and block (administrative unit within the district) are fundamentally seen as the regions delineated for the purpose of development.

The region could be delineated on the basis of the objectives of the development. Mainly, there are three types of regions, namely, 'homogenous', 'nodal' and 'planning' region. The homogeneity aspect highlights the similarity in the geographic, social and economic conditions of various spatial units and delineating all of them into a region. The agro – climatic regions are excellent examples of a homogeneous region. The nodal region is identified on the basis of identifying a 'node' (like urban centre) around which economic activities take place. This type of delineation of region puts emphasis on the core and periphery relations between various spatial units. In the context of regional development and analysing the imbalances, the nodality aspect plays a critical role. The delineation of planning region integrates both the aspects of homogeneity and nodality along with the administrative conveniences. The planning region mainly focuses on the administrative boundaries of the spatial units and then the region is delineated keeping in view the objectives of the development programmes. The state, district, block and even a group of villages could be identified as the planning region.

In this way, the development of these regions is a very complex issue, which requires to be tackled through various policy interventions and regional planning. It is equally important to mention that both the nodality and homogeneity aspects are essential for framing a development policy for any underdeveloped state and district or any other sub-district spatial units. The homogeneity aspect indicates towards the opportunities inherited within the state and district in terms of the natural resources, agro-climatic conditions and the entrepreneurial skills. Similarly, the nodality aspect provides the planners and development administrators with the need for developing infrastructure and backward – forward

linkages to improve the income and employment levels within these regions. In the context of the regional development, the micro level initiatives are equally important as the macro level interventions. As pointed out above, the macro level interventions for equitable regional development always found its place in the planning documents, whereas the micro level analysis have not been given proper attention. The quality of these interventions will be enhanced if the development administrators are well equipped with the analytical capabilities to analyse the regional variation in the selected sectors within their administrative jurisdiction.

11.3 INDICATORS TO ANALYSE THE INTER-STATE AND INTER-DISTRICT IMBALANCES

The major indicators to analyse the inter-state and inter-district imbalances, include:

Per capita gross National Product (GNP)

The indicators selected for analysing the regional imbalances could be identified according to the need of the planning. There could be a range of economic indicators, social indicators and other indicators. Conventionally, the per-capita income (in a more precise way per capita GNP) has been identified as one of the composite indicators to compare the different economies. The World Development Report, World Bank, has laid down indicators to compare the levels of development based on the per capita GNP. Accordingly, all the countries have been grouped into 'low' (having less than 755\$ per capita GNP), 'lower middle' (\$756 to \$2995), 'upper middle' (\$2996 to \$9265) and 'high' (more than \$9266 per capita GNP). It is a very important methodology used to analyse the levels of economic development in different countries. The methodology used at the national level has been standardised during last thirty years and using the same methodology each country calculates its GNP that is comparable with other countries. The theoretical framework for national income accounting has helped the countries to use it to assess their economic status. Every item in the theoretical framework calculating the income has been justified with its economic rationale and relevance. Only after demonstrating its utility and strong theoretical logic the comparative analysis is possible.

On the basis of the computation of the per capita GNP, it could be said that India holds 162nd position, with per capita GNP \$450, Pakistan holds 160th position, with per capita GNP \$470, Bangladesh is at 167th position, with per capita GNP \$370, Sri Lanka has 137th position, with per capita GNP \$820 and Nepal holds 220th position, with per capita GNP \$220.

This indicates the utility of the composite indicator of development and the theoretical soundness of the indicator, which makes it robust and comparable with the other set of indicators. The example of per capita GNP, as one of the important composite indicators, gives us an idea that the selection of the indicator and the methodology to calculate the indicator should have comparability.

State Domestic Product (SDP)

Similarly, on the basis of the data on per capita SDP, various states have been compared. The methodology for computing the SDP is almost the same as it is for GNP. The difference is related to the spatial units within the country. In the case

of India, every year, the Government of India publishes Economic Survey that contains the information on various aspects including the SDP. Based on the recent Economic Survey (2001-02), it could be said that Delhi is the richest state in terms of per capita SDP of Rs 35705 and the poorest state is Bihar with a per capita SDP of Rs. 6328. It can further be seen that some groups can be formed on the basis of the levels of development, like, the richer states- Delhi (Rs.35705), Maharashtra (Rs. 23398), Haryana (Rs. 21114), Punjab (Rs. 23040); the middle income states like Tamilnadu (Rs. 19141), West Bengal (Rs. 15569), Andhra Pradesh (Rs. 14338), Kerala (Rs. 16262) and the poorer states like Assam (Rs. 9612), Bihar (Rs. 6328), Orissa (Rs. 9162) and Uttar Pradesh (Rs. 9765).

At the state/province level, the statistics department provides the database for analysing variation in the levels of development. In this context the adequacy, reliability and the overall quality of data and other information are important. The problem is that the macro level indicators, like the per capita GNP, are produced by more professional organisations, but as we go down to the state, district and block level, the quality of data and the analysis suffer. It happens due to lack of professionalism and inadequacy on the part of officials concerned with such data at the district and block level. Keeping in view these factors, the development administrators' role becomes crucial to facilitate the process in which the suitable indicators can be identified at the spatial units below the district level.

District Domestic Product (DDP)

Similar exercises have also been attempted in many of the countries to identify the DDP and variation in the level of economic development is analysed at the district and below level. In many cases some interventions have also been initiated. It is very important to mention that the reliability of these estimates is sometimes questionable. It has already been pointed out that the macro estimates like the per capita GNP of the whole country and the per capita SDP are prepared by the central level organisation, which has more professional competency. But, the district level estimates prepared by the state and district officials in many times have reliability problems. More over while calculating the district level estimates the methodological precision cannot be ensured. It is because the national income accounting system was basically developed for the whole economy, and not for any specific component. These factors should be taken into consideration while interpreting the data at the lower levels.

There are some more ways through which the regional imbalances can be analysed and effective interventions can be recommended. One of the important methods is concerned with the specific sector and its development, like agriculture, industry and service. This type of analysis of regional imbalances will be helpful in understanding the sectoral imbalance within the country, state and district. The imbalances can be analysed on the basis of the data like per hectare productivity or net irrigated area and even the cropping intensity can be taken as the variable over which the level of agricultural development is analysed. In some case studies, the composite index or indicator of agricultural development has been identified after integrating the other variables. In one such effort the gross cropped area, fertiliser consumption, irrigated area, agricultural output, productivity of different crops, cropping intensity and land holding distribution have been clubbed by using statistical package for principal component analysis. On the basis of such analysis major states have been ranked to represent the level of agricultural development.

The results of the study are given in the Table 11.1.

Table 11.1
Inter-state variation in the agricultural development in India 1997

Name of state	% Of total food grains produced	% Of total population	Rank of the state	Type of delineation
Punjab	11.81	2.39	1	Highest Level
Haryana	5.63	1.94	2	Highest Level
Uttar Pradesh	20.3	16.82	3	Middle Level
Gujarat	2.07	5.17	4	Middle Level
Andhra Pradesh	6.61	8.12	5	Middle Level
Karnataka	4.65	5.63	6	Middle Level
Tamil Nadu	4.7	7.34	7	Middle Level
Rajasthan	3.87	5.2	8	Lower Middle Level
Maharashtra	7.35	9.52	9	Lower Middle Level
Madhya Pradesh	10.19	7.91	10	Lower Middle Level
Orissa	3.94	4.00	11	Lower Middle Level
West Bengal	6.83	8.28	12	Lower Middle Level
Bihar	6.99	10.6	13	Lower Level
Kerala	.56	3.86	14	Lower Level
Assam	1.94	2.7	15	Lowest Level
Himachal Pradesh	.68	.45	16	Lowest Level
Jammu & Kashmir	.76	.5	17	Lowest Level

Note: This level of development is computed on the basis of the principal component analysis using seven major variables, namely, gross cropped area, fertiliser utilisation, irrigated area, agricultural output of various crops including cereals, pulses, oil seeds, potato, sugarcane; the other variables used are cropping intensity, population pressure on cultivated area and marginal and small holdings.

Inter-state variation in the level of development in agricultural sector can be used by the respective states to promote agricultural development by laying down requisite policies. Using the data available at the district level can do similar exercise.

11.3.1 Human Development Index (HDI): A new measure to analyse inter-state and inter-district variation in the level of development

The income-based approach to analyse the levels of development has been criticised on the basis of its limited utility in the context of human development. Amartya Sen has criticised the use of the per capita GNP to understand and

analyse the overall development. On the basis of this approach a new conceptual framework to analyse and understand the dynamics of development has been generated. Amartya Sen pointed out that income is a means to achieve the ends of a better quality of life but there is no connection between material prosperity and welfare of the people. The fundamental argument is to visualise the development well beyond the per capita GNP. There are certain dimensions, which are neglected in GNP computation, such as, the issue of negative externality, distribution of income and wealth and non-marketability of many of development indicators. (For details please refer Amartya Sen's *Development as Freedom*). The search for alternative indicator of development has led to the concept of human development index.

The HDI is a composite index prepared after integrating the three important components, namely, the real per capita income, and the health index in the form of life expectancy at birth and cumulative index of education including literacy and enrolment at the primary and tertiary sector. Our purpose is not to go into the statistical details of computing the human development index, rather we would like to discuss the relevance of the human development index and think about similar indicators to be used at a more decentralised level. Although in many of the developed countries a positive correlation is found between the real income and quality of life. But in the context of underdeveloped countries variation in the income based ranking and human development based ranking is found. Presently, the debate on these issues is going on and more weightage is being assigned to those indicators concerned with the quality of life, poverty and literacy including gender empowerment.

In the South Asian countries, like, India, Pakistan, Sri Lanka, Nepal and Bangladesh, successful efforts have been made to analyse the inter-state and inter-district development based on this methodology. In these countries the federal government has been preparing the inter-state report on human development and the federal government is putting pressure on the state government to prepare the district and block level human development report. The example of India can be taken in this regard where many states, like, Madhya Pradesh have started preparing the district level human development reports. Still the block (sub district unit) level human development reports need to be prepared and it is expected that in future the block level analysis will also be made available to make more appropriate and suitable programme for human development. In the context of human development the role of development administrators is crucial.

It is important to mention here that the Human Development Report published by the UNDP is one of the core references that need to be consulted for computing and aggregating the education, health and real income indicators.

The Government of India has carried out an important follow-up and recently they have published the National Human Development Report, 2002. Some of the salient features of this report are in its comprehensive nature and reference to decentralised governance, disability related issues and efforts made to reduce the incidence of crimes, which have not been found in the human development report prepared by the UNDP. The human development dimension is also expressed through the human poverty. The human poverty has been defined as the cumulative of the people living below the poverty line along with the illiteracy rates and the health factors. For more details on poverty in South Asia, please refer to Unit – 7. Poverty eradication is one of the basic necessities to improve the quality of human development. HDI will help the development administrators to take appropriate policy initiatives to improve the standards of living of people, especially the women and children.

Literacy as the Important Indicator of Human Development

The literacy, especially the female literacy, has been identified as one of the critical variables in the context of human development. This indicator has been given fundamental importance in designing social sector development programmes. One of the contributing factors to human poverty is illiteracy. The social development programmes sponsored by the World Bank or other multilateral agencies has taken the female literacy as the only indicator to select any district for the development assistance. The District Primary Education Programme in India takes the national average of the female literacy at district level as the cut off mark to select a district under this programme. It means that those districts were selected for primary education development, which was having female literacy less than the national average. A positive correlation has been observed between the female literacy and level of human development. The human development is comparatively high in places having high level of female literacy.

The important aspect is concerned with its simplicity and easy availability of the reliable data and other information related to the indicator at the district and block level. The policy planners and development administrators to understand the intensity of specific problems and to design suitable strategy for effective development have extensively carried out the use of this indicator to analyse the inter-state and inter-district variation in the level of development.

The development administrators can also analyse the levels of development by preparing maps showing the lower level spatial units, like, community development blocks, and villages, with the help of census data. A Policy framework can be prepared at the macro level by analysing the inter-state imbalances and the micro level interventions can also be identified at the district and even below district level. However, it has also been observed that although the census data is available, it has been generally ignored and not used to take appropriate decisions at the district level.

11.4 ACTIVITY

Undertake the activities given below:

1. Discuss the conceptual bases to understand the regional imbalances in your country.
2. Examine the indicators to analyse the inter-state and inter-district imbalances in your country.
3. Take a district and analyse the inter-district imbalances using the HDI.

11.5 CONCLUSION

The role of development administrators in analysing the regional imbalances and identifying suitable strategies to improve the quality of life is important. There are many ways to study the variation in the level of development. Variables such as per capita GNP and HDI have been used to analyse regional imbalances. A simple and effective indicator has been identified in terms of female literacy. The female literacy data are available at every level and can be used to design suitable measures.

It depends on the initiative of the development administrators to plan suitable strategies and interventions on the basis of the findings of the analysis based on these indicators.

11.6 FURTHER READINGS

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