

REGIONAL IMBALANCE: A PROBLEM FOR INDIA

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ABSTRACT:

India's Growth rate was 7.6 % in 2016-17. It was because more emphasis was given on Industrial Development. India may be developed and increase their GDP more than 8% or 9%. If India is focus on all region/state equally. India's GDP will be increased from 9 %. Currently India is suffering a situation called regional Imbalance or Regional Disparities. It is because of India's some state are very well developed and some states are much undeveloped. That's why some state G.S.D.P is high and some state G.S.D.P is very low. If India focuses these backward states, India may be very developed and its growth rate also increase more than current growth rate. In my study I also focus on Regional Imbalance? What are the main parameters or indicator by which we can identify the Regional Imbalance? We also study about what is the cause or reason by which these problems arise? We also study about that what are the measures by which India can remove their problem of Regional imbalances. In last we study about the conclusion and suggestion by which we can develop backward regions.

Keywords: - GDP, Regional imbalance, Per Capita Income.

INTRODUCTION:

Regional Imbalance is a problem for our country. It arises when some states of a country are well developed, high per capita income and some states are under developed. This situation is called Regional Disparities or Regional imbalance. In India Maharashtra, U.P, Andhra Pradesh, Tamil Nadu, Gujarat, Punjab and Haryana are well developed and Assam, Jharkhand, Chhattisgarh, Odisha and Bihar are under developed, low per capita income. The differences between these states are problem of Regional imbalance. This problem is not occurring recent year, but it is a problem before the independence (1947) of India. Before Independence British ruled in India, British Developed some region of India for their benefit, they used these areas for commercial purpose; they developed Maharashtra and West Bengal and also developed their cities Kolkata, Mumbai and Chennai for trade.

That's why these states become very well developed and other states remain under developed. In present time, yet India is facing this problem. In India, Maharashtra is a very developed state with higher per capita income. Bihar and some other states are suffering from the problem of Regional imbalance. There are many reasons by which these problems arise in India. The main reason are historical factor, Geographical factor, failure of planning mechanism , lack of basis facilities , poor infrastructure , wrong allocation of resources in 5 year plan, defective lending policy of financial institutional and disparities in literacy rate. If we focus in all of these factors we can surely remove this problem from India. In 11th and 12th 5 year plan Govt. planned such policy by which we can remove this problem from India. In these plans special emphasis was given to removal of regional imbalance but at present Central Govt. can't remove this problem from backward region properly.

INDICATOR OF REGIONAL IMBALANCE

1. Contribution of different region in NDP.

Table 1: Contribution of different Regions in Net Domestic Product of India.

	State (High Income State)	Net Domestic Product (Rs. in Crore)	Share in Net Domestic Product of India (in %)
1	Maharashtra	11,96,754	14.3
2	Uttar Pradesh	6,93,539	8.3
3	Andhra Pradesh	6,78,524	8.1
4	Tamil Nadu	6,71,728	8.0
5	Gujarat	5,84,367	7.0
	State (Low Income State)	Net Domestic Product (In Crore)	Share in Net Domestic Product of India(in %)
1	Assam	1,26,149	1.5
2	Jharkhand	1,29,402	1.5
3	Chhattisgarh	1,37,756	1.6
4	Odisha	2,10,683	2.5
5	Bihar	2,71,439	3.2
	All India	83,72,744	100.00

Source: Secondary data

In table 1: Maharashtra, U.P., A.P., Tamil Nadu and Gujarat, NDP are very high in comparison to low NDP state (Assam, Jharkhand, Chhattisgarh, Orisha, Bihar) The differences between these states NDP show the regional disparities problem.

2. Per Capita Income:

Table2: Per Capita Income of different states(at current prices)(Year 2012-13)

States(high income states)	Per Capita Income (Rs. p.a.)	State (low income states)	Per Capita Income (Rs. p.a.)
1. Goa	2,00,514	1. Bihar	27,202
2. Haryana	1,19,158	2. Uttar Pradesh	33,616
3. Maharashtra	1,03,991	3. Jharkhand	40,238
4. Tamilnadu	98,628	4. Assam	40,475
5. Gujarat	96,976	5. Madhya Pradesh	44,989
6. Kerala	88,527	6. Orisha	49,241

Source: Secondary data

Per capita income is computed by dividing NDP of a state with its population. In Table2:- we can understand that some state are very high PCI and in comparison to low income state. The difference between these states PCI is a problem of Regional imbalance.

3. Literacy Rate:

Table 3: Literacy rate of selected states (in % age) (Year 2011)

Forward states	Literacy rates		Backward states	Literacy rate
1	93.9	1	Bihar	63.8
2	91.6	2	Arunachal Pradesh	67.0
3	87.8	3	Rajasthan	67.1
4	87.4	4	Jharkhand	67.6
5	83.8	5	Andhra Pradesh	67.7

Source: Secondary Data

Literacy rate of some state is very high in comparison to other state. Kerala, Mizoram, Tripura, Goa, Himachal Pradesh are very high literacy rate while Bihar, Jharkhand are low literacy state. The difference between these state literacy rate is a problem of Regional imbalance.

These are the some factor by which we can identify the Regional imbalance problem. Besides these some other factor also indicate regional disparities like poverty, in fact mortality rate, agriculture production, agriculture productivity, development of private Investment, development of infrastructural.

CAUSE OF REGIONAL INEQUALITY IN INDIA:

Geographical Factor:

Certain area of our country is suffering from their physical and geographical conditions. The land of some area is not fertile like Rajasthan, Bihar. Some areas are suffering from very low and very high temperature. That's why these areas remain undeveloped by their physical and geographical condition.

- Poor infrastructure is also a reason of Regional imbalance. Infrastructure includes, roads, electricity, railways, dams, irrigation facilities some state has no basic facilities, due to lack of proper infrastructure; these states remain under developed. These states having good infrastructure attract entrepreneur to set up industry units in backward area like Gujarat, Maharashtra, Punjab, Haryana, Andhra Pradesh etc.
- Wrong allocation of resources in five year plan is also creating a problem of regional disparities. In five year plan financial assistance is more given to developed states in comparison to backward states. Govt. Neglect backward state, when five year plan formulates that's why backward regions remains backward like Bihar, Orisha, U.P etc.
- Historical factor also creates a big difference between the states, in pre independence period Britishers rules in India and they developed some states and cities for their trade. They developed Maharashtra and West Bengal and preferred setting up their industries in Kolkata, Mumbai and Chennai that's why these area become more developed and other states neglected and these neglected area remains backward.
- Lack of basic facilities is also a big reason of regional Imbalance. If basic facilities such as education, health, housing, roads, drinking water, and electricity will be not provided in any states that state will be backward states. Because of lack of basic facilities people can't developed their skill and they remain under developed.
- Poor growth of Ancillary units in backward states:-
Lack of poor infrastructure, basic facilities and lack of skilled person; any entrepreneur is not interested to develop their unit in backward state. All industry is only going these areas which are well developed. The growth of ancillary unit is very low in backward regions that are why it is cause of regional imbalance.
- Defective land policy of financial institutions is also a reason of regional imbalance. These inst. Give finance assistance loan only those state which is fully developed like Maharashtra, Punjab, and Haryana. This financial institution are neglected to under developed or backward area for giving financial assistance like Assam, Bihar, Orisha that's why financial institution also promoted regional Imbalance.

- Disparities in literacy rates: - The states whose literacy rate is high, they are more developed in comparison to those state whose literacy rate is low. High literacy rate state is Kerala, Goa, and literacy rate state is Bihar, Jharkhand, U.P low. Literacy state remains undeveloped or backward.
- These are the factor by which regional Imbalance promoted in backward states. If we want to remove regional imbalance we should focus on these factors and we can remove regional imbalance from backward state.

MEASURE TAKEN BY GOVT. TO REMOVE REGIONAL IMBALANCE

1 More control assistance:-

Central Govt. should focus on poorer state /backward state by while making five year plan. Central Govt. should provide more financial assistance for backward should be made for their economic development while making plan special provision are made for the development of backward state e.g. location of public sector unit is preferred in backward areas.

2 Control Investment subsidy scheme:-

Central govt. has announced a subsidy scheme which is based on the level of regional development of the state. In the scheme; special subsidies is to be given those entrepreneur who develop or set up industrial unit in backward area. These categories are as follows:-

Category A:-

These are highly backward regions. In these regions investment subsidy of 25% is announced with a maximum limit of Rs. 25 lakh.

Category B:-

These are comparatively low backward areas than category A. In these areas, 15% subsidy is announced with a maximum limit of Rs. 15 lakh.

Category C:-

These are relatively less backward areas than category A and B. In these area 10% subsidy is announced with a maximum limit of Rs. 10 lakh.

3 Concessional loans by Financial Institution:-

The public sector financial institution like SIDBI, IFCI, SFC's SIDC also provides financial and technical assistance to those backward area. By this assistance backward area can remove their backwardness.

4 Special area Development program:-

Special area development program has been launched by central Govt. to develop hilly areas, and drought prone area. E.g. Special package for implementing drought mitigation of Bundelkhand region has been sanctioned.

5 Rashtriya Sam Vikas Yojana:-

In 10th plan this scheme called National equal Development plan was formulated to overcome in 147 most backward districts of the country. It has main three components.

- Special plan for Bihar.
 - Special plan for 8 backward district of Orisha.
 - Plan for 100 backward districts in the whole country.
- Now this Yojana has been replaced with BRGF.

6 Backward region Grant fund:-

For promoting development in 272 most backward districts of country, Govt. has created BRGF. BRGF has replaced Rashtriya Sam Vikas Yojana . In year 2013-14 , Rs. 11500 crore has been allocated to this fund.

7 North East Region Development programmes:-

For promoting development of north eastern regions comprising of 8 states named Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Sikkim, Tripura, Nagaland Govt. has started north eastern region development program for this Govt. has formed "North Eastern Council". This council works for the development of this region. Special infrastructure development efforts are being made to boost development of this region.

- 8 Sansad Adarsh Gram Yojana has been launched in which each member of Parliament is asked to adopt one village and promote its development.

CONCLUSION:

Regional imbalance is a very great barrier in overall development of India. Central Govt. also gave more emphasis in Eleventh and twelfth five year plan for removal of regional imbalance. PURA model also developed by Central Govt. by which we can remove the backwardness from the backward states. Central Govt. also provides financial, technical assistance for development of these areas. Special provisions are to be made for backward regional like Special area development program, Rashtiya Sam Vikas Yojana, North eastern regional development program, Sansad Adarsh Gram Yojana. Central Govt. is doing very positively for development of these areas. But still these areas are not fully developed. Some suggestions also given by which India can remove backwardness from backward areas.

- More development of infrastructure.
- More allocation of fund in five year plan for backward areas.
- Promoting education in backward areas.
- Special project for Dry land farming.
- Development of cottage and small scale industry in backward area.
- Better financial institution and their liberal policy.
- Development of public sector enterprises in backward area.
- Separate strategies for different backward region.

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