



## REGIONAL DISPARITIES IN INDIA: CAUSES, CONSEQUENCES AND REMEDIES

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### ABSTRACT

Regional imbalances have become global phenomenon. Disparities in the world have occurred among different continents, countries and regions, like geographical, political and manmade, etc. In the context of India, there has been a huge imbalance among inter-regions, inter-states and intra-states. As a result, there has been lopsided development in the country. As many as 29 states in India, each of these states has its own disparities regarding socio-economic indicators with other states; among them few states or regions have already attained rapid economic development (Punjab, Gujarat, Maharashtra and Tamil Nadu, etc.) Whereas, other regions or states have attained less development (Bihar, Odisha and Jharkhand, etc.) Interestingly, in the state of Karnataka, it has reflected major imbalances among Mumbai, North, South and Hyderabad regions. In the state, there are 30 districts, few of them have achieved rapid socioeconomic development (Bangalore, Mysore, Hassan and Udupi, etc.) comparatively to some other districts (Kalaburgi, Yadgir, Raichur and Koppal); it is bifurcated as southern Karnataka and Northern Karnataka. In this context, this paper examines partly the disparities in terms of aforementioned issues with special reference to state of Karnataka.

### Keywords

Causes; Consequences of disparities, Inter-regional, Inter-state, Intra-state

### 1. Introduction

Regional disparities are existed across the world. Even in developed nations, disparities are widening and in the context of developing countries are having huge imbalances in socioeconomic indicators. In the context of India, disparities are varying across regions, inter-state and intra-state on account of geographical, political and manmade causes. The economy of India is positioned 5th rank by nominal GDP in the year 2017. India is geographically a largest country, where in, there are regions, viz. North region, South region, East region and West region. Each of these regions is bestowed with their varieties of natural

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resources and contributing to GDP of India substantially. Similarly, there are 30 states in the country, every state has its own disparities depend upon availability of resources, viz. natural, finance and human resources etc. In support of this, a few states are called as forward states like, Maharashtra, Gujarat, Punjab and Tamil nadu, etc. On the other hand, a few states are called as backward, like Bihar, Uttar Pradesh, Jharkhand, and Odisha. The disparities of every state is characterized by differences in social and economic parameters, viz. state gross domestic product, per-capita income, literacy, infant mortality rate, life expectancy, etc. Therefore, this type of disparities is identified as inter-state disparities. In the same way, within the states, disparities are considered as intra-state disparities. Interestingly, one of the states of India is Karnataka; where in, there is lot more differences in social-economic indicators even among districts in the state. In Karnataka, regions are divided from administrative and dynasty rule point of view. Imbalances among regions (Hyderabad Karnataka, Bombay Karnataka, and South Karnataka) have drawn the attention of state government and central government. Through which, seeking financial assistance to reduce disparities in the state. In this regard, this paper examines the disparities between regions, interstate and intra-state associated with causes and consequences in the country.

### 3. Database and Methodology

This paper is descriptive only. For this study, objectives are fulfilled with help of data which has been collected from secondary sources, viz. research papers, books, news papers, reports and different websites. This paper discusses about disparities in respect of inter-regional, inter-state and intra-state Causes, Consequences and Solutions in India.

### 3. Objectives

1. To know the causes and consequences of disparities in inter-regions, inter-state and intra-regions in India
2. To study about inter-regions, inter-state and intra- regions disparities in the country with special reference to Karnataka state
3. To give suggestions to reduce the disparities in Indian context.

### 4. Causes and Consequences of Disparities

Regional disparities are widespread in India due to some causes. They are,

#### *Causes*

1. **Historical factor:** India was ruled by British over three decades. During their rule, they concentrated only on a few places viz., Maharashtra, Tamilnadu including capitals Kolkata, Mumbai and Chennai, etc. which were bestowed with plenty of natural resources and suitable for establishment of industries. Thus, they

mostly neglected other places which led to disparities among regions, states and intra-states. Moreover, land reforms were implemented by British was not favorable to farmers and created imbalances among different classes like, Zamindar and money launders and poor farmers. It also became cause for disparities across the country.

**2. Geographical factor:** In India, geographical factors play a significant role in economic development. Some regions in the county have developed progressively because of their potentiality of natural resources and other states have been backward due to poor resources availability.

**3. Inadequacy of economic overheads:** Economic overheads play pivotal role in economic development and growth. Some regions have adequate transport, communication, power, technology, banking and insurance, etc. So that, they are getting special favour in terms of projects sanctioned. On the other hand, some other regions don't have these economic overheads. Therefore, they lag behind in developmental process.

**4. Failure of planning mechanism:** Five year plans in India, caused wide disparities. Some states viz., Punjab, Haryana, Maharashtra and Madhya Pradesh received a huge amount of plan outlay under various developmental projects. Whereas, backward states like, Bihar, Assam, Orissa, Rajasthan and Uttar- Pradesh have been receiving less amount of plan outlay due to infrastructure constraints. Needless to say, planning mechanisms has been ineffective in reducing disparities.

**5. Lack of motivation on the part of background states:** Regional imbalances resulted on account of lack of motivation in terms of economic development among states in the country. In India, developed states like, Tamil Nadu, Maharashtra, Punjab, Haryana, Gujarat are possessed with lot of potentiality for achieving economic development. Whereas, backward states show interest only towards political conspiracy instead of economic development.

**6. Political instability:** Political instability is also responsible for regional imbalance in India. Some backward regions seem to be confronting the unstable government, failure of law and order, etc. which retards on the flow of investment into backward regions.

### Consequences

- 1. Inter-states and intra-state agitations:** Across India, number of agitations carried out within states and between states for balanced regional development. For example, Andhra Pradesh was bifurcated into two states viz., Andhra Pradesh and Telangana over inequality in socio-economic development.
- 2. Migration:** Regional imbalances caused for migration India. Masses usually migrate to developed urban areas in search of employment and urban provides them better quality life.
- 3. Social unrest:** Regional disparities have been responsible for social unrest across India and social unrest are seen in backward areas in general. For example, Naxalism has been in Odisha, Chattisgarh, and Bihar for having neglected these states regarding economic

development.

4. **Underdeveloped infrastructure:** Regional imbalances have been accountable for unimproved infrastructure in the country. In rural and backward areas, there are inadequate facilities like power, housing, safe drinking water and sanitation, etc.
5. **Aggregation of the imbalance:** Once any region is developed, then it attracts further investment by neglecting other regions. Obviously, metropolitan cities already prosperous and they are developing further viz., Mumbai, Delhi, Kolkata, Chennai, Bangalore and Hyderabad are more prosperous compared to other cities of the country.
6. **Frustration among rural youth:** In rural and backward areas, masses are frustrated because of less employment opportunities.

#### 5. Suggestions to Reduce Disparities in Inter-regional, Inter-state and Intra-state in India:

In India, regional disparities have been varying in inter-region, inter-state and intra-state ever since pre and post independence. Though government gave lot of importance for mitigating regional disparities and particularly post economic reforms in 1991, it led few regions developed faster and other regions lagged behind in terms of socio-economic indicators including indicators of human development. In this regard, below some factors seem to be solutions to bring down disparities in the country.

1. **Identification of the backward areas and allocation of funds:** For balanced regional development, government should attempt to know the areas which are most backward and it should also allot funds to these regions with due care.
2. **Need for investment in backward areas:** In India, backward regions need to be given priority under special developmental plans and programmes; it can only occur only if public and private show interest for attracting the investment in backward regions.
3. **Good governance:** Any country in the world must have good governance in order to reduce disparities by distributing development gains to each region. In India, government is extensively utilizing technology for propelling the growth in backward regions.
4. **Political will:** Above all, political will shall have greater role in minimising imbalances in the economy.
5. **Incentives:** Fundamentally, for development of any region, incentives should be provided. So, incentives should be given by both central and state government in the form of income tax concession, central investment subsidy scheme, and state government should attract the investors from abroad for backward regions in the country.
6. **Setting up of regional boards:** The govt in the country needs to establish regional boards to take special interest for backward regions; as a result, as per article 321 D of the constitution, government is setting up regional boards.
7. **Devolution of funds:** There is a federal government system in India, in which, govt. earmarks huge amount of funds to state and local governments in accordance with recommendations of finance commissions for providing the funds to backward regions.
8. **Strengthening of local governments:** As mentioned above, central govt should give more

freedom so as to empower and strengthen them to take decisions along with people's participation from gross root level.

9. **Additional funds for infrastructure:** Infrastructure is a vital for socio-economic development in the country. Therefore, government should allocate massive amount of funds to create basic infrastructure for facilitating the growth in backward regions.
10. **Provision of infrastructural facilities in backward districts:** India is a developing country, it is yet to spot some places to create basic infrastructure like, setting up of schools, colleges, hospitals, roads and railway lines, small and cottage industries to give impetus for removing disparities among regions, inter-state and intra-state in the country.
11. **A composite criteria** for identifying backward areas (Mandal /block as a unit) The govt should identify a few socio-economic indicators including human development indicators (literacy, infant mortality rate, maternal mortality rate, poverty); this should be done by NITI Aayog.

## 6. Conclusion

Regional disparities are varying across India. Indeed, it is one of the fastest growing economy, yet, there is need to give due importance in terms of emerging disparities. As the economy is rapidly growing, it attracted investment from across the world. In fact, public and private investments need to be invested; where, disparities are widening. In addition, from socioeconomic indicators point of view, there is still need to identify the backward areas from gross root level rather than district-wise and state wise disparities. In case of Karnataka state, there is still wide imbalances among regions due to differences in natural resources which led to huge disparities in the state. In the entire country, disparities can be brought down, only if there is less population, poverty and providing social and economic infrastructure, people's participation, good governance, etc. Thus, aforementioned factors should be done at earliest in order to reduce disparities in India to a great extent.

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