

Topic – Need and Measures for balanced development in India

Subject – Geography (Hons.)

Course – PG 401 – Regional Planning and Development

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1. Balanced Regional Development – An Introduction:

Each and every developed and developing nation has their own problems of regional development. Some parts of the country are highly developed and some parts are severely affected by lack of resources and facilities. Some regions are quite rich in natural resources but they are poor because they are unable to utilise their existing resources. Similarly some regions are lacking in natural resources even then they are ensuring their development through technological development. So there is a need for stability in the development process of the country by adopting the process of balanced regional development of the country.

Balanced development of different parts of the country, extension of the benefits of economic progress to the less developed regions and widespread diffusion of industry are among the major aims of planned development. Expansion of the economy and more rapid growth increase progressively the capacity to achieve a better balance between national and regional development. In striving for such a balance, certain inherent difficulties have to be met, especially in the early phases of economic development. In the interest of development itself, the maximum increase in national income should be achieved and resources obtained for further investment. The process is a cumulative one, each stage determining the shape of the next. In some fields, as in industry, intensive and localised development may be inevitable. In other areas, also efforts are required to provide for more dispersed advance in sectors like agriculture, small industries, power, communications and social services. Sufficient investment is also needed in economic and social overheads to create numerous promising centres for growth. Once a minimum in terms of national income and growth in different sectors is reached, it becomes possible to provide in many directions for a larger scale of development in the less developed regions.

2. Balanced Regional Development – Nature:

Balanced regional development does not mean equal development of regions in the State. It simply implies the fullest realization of a region's potential so that the benefits of overall economic growth are shared by the inhabitants of the region. The present wave of globalisation is expected to free the Indian consumer from the exploitation of the incompetent domestic producers. The challenge posed by globalisation must be converted into an opportunity under the multilateral trade system. The New Economy producers in the software sector are already doing it. Those in the Old Economy sector must be facilitated to accept this challenge and to adapt to the new trade environment.

“Globalisation has to deliver what working people and their families everywhere aspire to – a decent job, security and a voice in the decision making process.” Globalisation is the only process through which we can remove regional imbalances. It ensures free flow of investment opportunities to exploit the natural resources and unemployed population of poor regions of the country. The objective should, therefore, be to make globalisation work and not to shoot it down, which will render living conditions in the developing world even more unacceptable.

3. Balanced Regional Development – Objectives:

The main objectives of regional development are to increase national income and more balanced development of different parts of the country – are thus related to one another and, step-by-step, it

becomes possible to create conditions in which resources in terms of natural endowment, skill and capital in each region are fully utilised.

In each region the nature of the problem and the impediments to rapid development in particular fields should be carefully studied and appropriate measures devised for accelerated development. The essential object should be to secure the fullest possible utilisation of the resources of each region, so that it can contribute its best to the national pool and take its due share from the benefits accruing from national development.

4. Balanced Regional Development – Need:

Need for balanced regional development arises due to following reasons:

1. To Accelerate the Development of Economy: Balanced regional development is required to ensure accelerated pace of development. It also facilitates the development of every region based on the availability of natural resources in that particular area. Maximum utilization of manpower available in that area can also be ensured for the development.

2. To Develop the Economy Smoothly: It facilitates hassle-free development of the economy. If all areas are equally developed then there is possibility of mutual co-operation in these areas. In case of regional imbalances, lower level of income of backward areas will succeed in diluting the growth achieved by the developed areas. It will affect the goods and service being produced in the developed areas. Secondly with the help of balanced regional development barriers affecting transport and supply of goods etc. can be also removed. It will also help in minimizing the inflationary pressure in the economy.

3. To Develop and Conserve Resources: The major objective of regional development is to ensure maximum utilization of available local resources. Process of regional development also put control on the destructive use of resources. Establishment of different industrial units makes possible for the better utilization and conservation of natural and human resources available at local level.

4. To Promote Large Employment Opportunities: Availability of regional disparities in underdeveloped economy encourages income employment and production at low level. Establishment of industries in different areas and development of infrastructure facilities in backward areas create more employment opportunities. It also improves per capita production and income.

5. To Maintain Political Stability: Balanced Regional Development is also required to maintain political stability. If regional disparity exist in some areas and increase in income in other areas then it may become a danger point for the nation as a whole. Backward areas demand separation from the main stream to fulfill their dream of development.

6. To Defend the Country: Regional development is quite important from the point to save the country from foreign aggression. If all areas are equally developed and industries are quite dispersed then air attack can be faced without any hurdles. If some regions have been developed and industries are concentrated in some areas the external aggression can put the economy in problem. Thus, balanced regional development is necessary from the view point of National Defence and its safety.

7. To Control Social Evils: With the help of balanced regional development concentration of industries in big towns and cities can be easily controlled and it also helps in removing social evils in these areas. Industrial concentration encourages different types of pollution and thus, adversely affects the health and efficiency of people living in that particular area. Cost of living also increases which ultimately improves poverty and public unrest. Balanced Regional Development is necessary to control all these social evils.

5. Balanced Regional Development – Strategies:

Main strategies for balance regional development are as follows:

- (i) The growth potential of each region should be fully developed, but in the precise manner in which this goal is achieved and the stages of growth will not be identical.
- (ii) Some regional factors, such as those connected with physical features and geographical location, cannot be easily altered, but there are others which can be influenced by raising levels of education and skill, developing power and, generally, by applying science and technology on a larger scale.
- (iii) Large scale industries, especially basic and heavy industries, frequently serve as a spearhead of intensive and broad-based development. However, not all regions can offer equally favourable conditions for the development of industry.
- (iv) It is also possible to over-estimate the significance of the location of large industrial units in relation to the living standards of the bulk of the population.
- (v) To initiate infrastructure development and diversified programmes for the basic and capital goods industries and other large industries.
- (vi) Keeping in mind the availability of related raw materials possibility to develop other industries need to be fully explored, such as labour intensive industries of the traditional type, small scale industries of the modern type, agricultural processing industries, forest industries, assembly operations and recreational industries.
- (vii) Each region should endeavour to identify, plan for and promote industries which are specially suited to its conditions and for which it can provide relatively greater facilities.

6. Problem of Balanced Regional Disparities in India:

India presents a picture of extreme regional disparities in terms of such indicators of economic development/growth as per capita income, the proportion of population living below poverty line, working population in agriculture for living, the percentage of urban population of total population, percentage of workers in manufacturing industry and services sectors. In India, inter-regional disparities are so wide and persisting that they cannot be ignored. Economic activities which spell prosperity are not evenly spread throughout the country. In some states industries, financial institutions are concentrated whereas in some states or regions even infrastructure like roads, banks, electricity and water are not available. In some regions infrastructure facilities are in huge quantities, but there is no proper use. Per capita State Domestic Products (SDP) are in variation. Some States such as Punjab, Haryana, Maharashtra are having higher per capita SDP whereas M.P., Bihar, Jharkhand have less per capita SDP. Bihar, J&K, M.P. and Orissa recorded a lower growth rate and this contributed to the slow growth in their per capita income. An important reason contributing to widespread regional economic disparities in India is the effect of Green Revolution and uneven development of infrastructural facilities.

The planning commission has tried to overcome the problem of regional disparities in the following three ways:

- (i) The recognition of backwardness a factor to be taken into account in the transfer of financial resources from the centre to states;
- (ii) Special area development programmes directed at development of backward areas;
- (iii) Measures to promote private investment.

7. Globalisation and Regional Imbalances:

In the present era of economic development, no economy can stand alone and immune from the developments in the foreign countries. Each and every country is therefore legitimately affected by what happens in the rest of the world. The international transmission effect is more-speedy, more substantial and more sustained than ever before. Now each country specially developing economy like

India is trying to survive in the context of global scenario. Globalisation has given a new orientation to the world economies. Globalisation deals with opening up of the economy for world market by attaining international competitiveness. It simply indicates interaction of the country relating to production, trading and financial transactions with the developed industrialised countries of the world. It offers both challenges and opportunities to the developing countries.

To maintain their economic and political identity, developing countries are trying to reorganise their economic, legal, social and political structure for facing the challenges of international competitiveness. India is also reorienting itself to globalise its systems for improving its international competitive strength. Indian economy had experienced major policy changes in early 1990s. The new economic reform, popularly known as, Liberalization, Privatization and Globalization (LPG model) aimed at making the Indian economy as fastest growing economy and globally competitive. The series of reforms undertaken with respect to industrial sector, trade as well as financial sector aimed at making the economy more efficient.

With the onset of reforms to liberalize the Indian economy in July of 1991. This period of economic transition has had a tremendous impact on the overall economic development of almost all major sectors of the economy, and its effects over the last decade can hardly be overlooked. Besides, it also marks the advent of the real integration of the Indian economy into the global economy.

All the countries of the world developed in equally. Some countries are highly developed economically and some other countries are still developing and some more are under developed.

Regional imbalances are the by-products of several factors - (i) The availability of sufficient natural resources, (ii) The quality of human resources and also its quantity, (iii) Abundance of financial resources, and (iv) Technological skills, efficient management skills among the people. The problem of regional imbalances is highly critical for almost all the countries of the world. There have always existed a variety of inter-regional and inter-state variations in terms of all macro indices linked with economic and social issues. There is what is known as 'declining areas' or 'special areas' within the frontiers of each country. These typical areas qualify for special government assistance to uplift them from a state of stagnation or near stagnation, resulting from local unemployment, industrial imbalance, declining industries, over-population, and a variety of other economic and social 'pulling' factors. The problem is highly alarming in developing countries most of which suffer from acute and lasting differences in prosperity between geographical regions. This phenomenon of regional income differentials is termed as 'regional dualism'. India is no exception to this.

In India, regional imbalance has been one of the major concerns before policy makers and planners. There had been a huge gap between active and vibrant regions and hinterland during pre-independence period in terms of availability of facilities and this has resulted in the form of unequal levels of development both in terms of economic and human. The foremost problems of regional development are concerned with- (a) classifying regions, (b) measuring the inter-regional differences in prosperity/poverty, and (c) pulling, through economic and other measures, the declining areas so that are bestowed with equitable and balanced distribution of national prosperity and well-being. One of the main consequences of regional imbalances is the migration of people to the developed areas. For instance many skilled people from India migrate to the developed nations. Similarly within India, people from rural areas or under developed regions have been migrating to highly developed cities or regions. Hence the developed regions has been facing the menace of population pressure on its resources. Violence, law and order problems are the other consequences of such migrations to the developed regions from the under developed or developing regions. Almost all the major cities in India do face the very high intensity of population. Some of such cities are New Delhi, Kolkata, Chennai, Mumbai, Bangalore, Hyderabad, Pune, Ahmedabad, etc.

11. Suggestions for Removing Regional Disparities:

Following steps are to be taken to remove regional disparities:

1. Review of the Problem: Neutral evaluation is necessary for the problem of regional disparities. The Central Government or State Government both are required to use any equal measurement to identify the level of regional disparities.

2. Arrangement of Adequate Capital: The Central Government should sanction adequate fund to the State Government for the development backward areas. The Central Government should take its own initiative for the development of big projects in the identified area. However, funding and other facilities are to be supplemented by the Central Government to the State Government.

3. Special Development Programme: Separate development programme for each area should be prepared on the basis of Techno-economic survey of the area. These development programmes should integrate the project like use of technology in agriculture, water conservation, food control, transport and telecommunication etc. Social and institutions reforms should also be included in these programmes.

4. Establishment of Industrial Estates: Industrial estates should be developed to remove regional disparities. New industrial infrastructure policy should be formulated to enable the small towns to have big industrial estates. It will facilitate the removal of regional disparities. At the initial stage, government should provide all support for the development of industrial estates.

5. Arrangement of Integrated Programme: Integrated development programme should be prepared for the development of village and small industries in backward areas. All infrastructural facilities like power, water supply, transport, communication training institutions and finance etc. are to be arranged by the State Government.

6. Development of Growing Point: Establishment of growing points is the best incentives for industrial development in backward areas. This type of policy assures the establishment of urban dwellings will encourage migration of labour from neighbouring villages to the cities for livelihood. It will reduce manufacturing or construction costs and increases the inflow of income earned from cities for the funding of rural development. It will also ensure new thoughts and new product techniques for the development of rural areas.