

# Preface

It is a well-accepted fact that the development strategy which does not give adequate attention to the distributional aspects of developmental outcome hardly succeeds to achieve a balanced and sustained growth path. Rather, it aggravates the inequality and polarization which, in turn, leads to economic, social and political instability. Balanced and inclusive development is the prime need of the hour for most of the developing countries. However, the experience of globalization and economic reform of many countries failed to pursue the twin objectives of both growth and development simultaneously. Most of the Latin American and African countries had not succeeded to achieve equal development after reform. India is also not an exception. India's experience with globalization and liberalization shows a dismal picture of widening inequality with higher growth in spite of pursuing the objective of balanced development since independence. Jean Dreze and Amartyo Sen (1995) pointed out 'Four decades of allegedly interventionist planning did little to make the country literate, provide wide based health services, achieve comprehensive land reform or end the rampant social inequality that blight the material prospects of the underprivileged'. This concern is felt by Indian planners and policymakers as it is reflected in the 11th Five Year Plan document of 'Inclusive Growth'.

At this point of time, it is necessary to analyse the regional disparities prevailing in different parts of India to frame policies for inclusive development. India is a country characterized by wide diversity in economic, political, social, regional, cultural and traditional aspects. Its state policy is guided by different elected regional political parties. So the reform era of India is endowed with both stories of success and failure. There have been a number of outcomes for different regions with a varied strategy and policy mix. For some states growth accorded priority, not development, and for some, the contrary is the case. Again, some states had been successful in achieving both the objectives of growth and development simultaneously. Actually, the outcome of growth and development depends on the policies, institutions and machinery of the respective state and the priorities given to them. Analysis of this disparity and diversity across states in their performance would definitely be a lesson for framing useful policies of development. In this backdrop, this book makes a novel attempt to integrate the intricate issues of important dimensions of development. Specially three dimensions are highlighted in

this book, and they are economic wellbeing, human/social progress and agricultural development. The broad feature of this book is that it evaluates the performance of the Indian states in the above mentioned dimensions in a disaggregated way over the 40-year-period since the 1970s. The main aim of this book is two-pronged. One is to examine the trend and pattern of inequality and polarization prevailing in the country by examining the nature of convergence or divergence across states in per capita income growth, human development and agricultural development. Another aim is to identify the factors causing divergence in economic and social activity in India, and hence to provide possible policy suggestions for bringing about balanced and inclusive development.

The theme of the study and associated research questions have been dealt systematically in seven interrelated chapters. Chapter 2 provides a comprehensive review of the existing literature on regional disparity, inequality and development. The methodologies adopted in this study have been analysed in depth in Chap. 3. It has been argued that the high economic growth achieved after the adoption of economic reform has not been inclusive. The bottom 40% of the population has not been benefitted much and inequality has, in fact, increased. In this context, Chap. 4 addresses the regional disparity in growth performance of per capita income of major Indian states over the period from 1970–1971 to 2009–2010 and its different subperiods. It also focuses on the pattern of interstate inequality and polarization of PCNSDP of states by applying different statistical measures for the overall period and pre- and post-reform period. The process of convergence/divergence of per capita income has also been analysed over the whole period, and for the segregated (pre- and post-reform) period in the panel data framework. Sector-wise analysis has also been done. Chapter 5 deals with the achievement of different states in respect of 11 important human development indicators over the period from the 1970s to 2001. This chapter also highlights the nature and pattern of inequality and polarization across different states by forming a composite human development index using the Euclidean distance method. This chapter also examines the nature of convergence in human development indicators separately across the states for the last two decades in the country. The disparity in agricultural performance in India has been examined in Chap. 6. Agriculture plays a pivotal role in the Indian economy, with a majority of livelihoods depending on this sector. The improved performance of this sector is linked with the living conditions of more than 50% of the Indian population. This chapter addresses the trends in growth performance of Indian states in agriculture over the period from 1970–1971 to 2007–2008 and its subperiod at the all India and regional level. The convergence of PCVOA has also been examined in a panel data framework using GMM technique for the overall period. The summary, conclusion and policy suggestions of the study appear in Chap. 7.

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