



Regional Disparities in India: A Review

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Abstract

Regional Disparity implies that there is difference in ‘economic development’ of different regions. It is reflected by the different economic, social and demographic indicators like per capita income, the proportion of population living below the poverty line, the percentage of urban population, literacy rate, fertility rate, population growth rate, and degree of urbanization and level of industrialization, percentage of population engaged in agriculture vis-à-vis engaged in industries, infrastructural development of different states. Present paper concentrates on the trends and levels of inter-state disparities and its interrelation with sustainable economic development in India. Regional disparities in the social, economic, demographical and human development are quite common in Indian economy. Disparities may be inter-state or intrastate. For rising the economic growth rate and development it is necessary to reduce the regional disparities. To accelerate the development of backward areas it is necessary to eliminate these disparities from different states and regions.

Keywords: - Regional disparities, Per Capita Net State Domestic Product, Population Growth Rate, Human Development

Regional inequalities refer to unequal condition in standard of living in different parts of a given area. Regional inequalities are a worldwide phenomenon. It is a common fact in both developed and developing economies. India is also facing this problem. In India, the economic development has not been equal, and there is rising inequalities in many regions of the country in almost all socio-economic indicators. Northeastern part of India is less developed than other parts of country. India remained with aim at development with social integrity. India is enjoying a period of extraordinary economic growth after reform but India is still facing large socio-economic disparities. This may be due to the non-inclusive economic growth in India. Large population of the countries remain without access to essential services, for instance, education, health, sanitation facilities and clean drinking water. Penurious people of country are the most affected and fall into the inequality trap in this globalization era. In aspects of economic inequality in India, Forbes / Chancel & Piketty reported that top 10 percent population held 55 percent national income in 2013-14. Out of these 10 percent, top 1% held 22% of national income. Middle 40% held 30% share in national income, But the poorest 50%, or 67 crore people in India saw their share in national income by just 15% over the same period.

Objectives of the Paper

The main objective of this paper is examining the regional disparities in India and its inter-relationship between sustainable developments. This paper looks into the unique problem of regional disparities via their different indicators. This paper widely covers concept of regional disparities and sustainable development. Other objectives are-



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- To illustrate the concept of regional disparities.
 - To examine the demographic indicators of regional disparities in India.
 - To examine the social indicators of regional disparities in India.
 - To examine the economic indicators of regional disparities in India.

Research Methodology and Data Collection

Present paper concentrates on the trends and levels of inter-state disparities. For this purpose, entire India is divided into five main regions and two states from each region has been selected from random sampling, thus, 10 major states of India have been selected. From Northern and central India, Uttar Pradesh and Madhya Pradesh, from Western India, Gujarat and Maharashtra from Eastern India Bihar and West Bengal from Northeastern India Assam and Arunachal Pradesh, and from Southern India Kerala and Andhra Pradesh have been selected. Then regional disparity has been compared among these 10 major states of India in terms of different economic, social and demographic indicators. Data are collected from the websites of Reserve Bank of India, and Central Statistical Organization and Internet. Present paper shows a complete picture of the regional disparities in India. The data collected was further tabulated and was subjected to statistical analysis as per the objectives of the study. Tabular analysis and graphical representation have been used for analysis of the data.

Concept of regional disparities

Regional Disparities means uneven economic growth in different geographical regions. It is reflected by the different economic, social and demographic indicators like per capita income, the proportion of population living below the poverty line, the percentage of urban population, literacy rate, fertility rate, population growth rate, and degree of urbanization and level of industrialization, percentage of population engaged in agriculture vis-à-vis engaged in industries, infrastructural development of different states. This difference between these economic, social and demographic indicators in co-existence of relatively developed & economically less developed states and regions within state is known as regional disparity. Regional disparity may be:

- (i) **Natural Regional Disparities:** These are the imbalances in inter regional or intraregional development due to unequal distribution of natural resources by the nature. Each region is different to other region regarding to natural resources, water capacity, forest, land, rainfall etc.
- (ii) **Man Made Regional Disparities:** There may be some regions where more endeavor has been made for development by showing preference for investment and other development efforts like – subsidies, grants, special status etc.

Causes of Regional Imbalances or Disparities in India:

- **Geographical factors:** Geographical factors plays a key role in the developmental activities of a region. Abundance of natural resources in local regions and its utilization increases the pace of growth and on other hand adverse climate and floods are responsible for poor growth rate of economic development of different regions of the country it is also responsible for low productivity in agriculture and low level of industrialization. Thus, these factors resulted in uneven growth in different regions of India.



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- **Failure of economic planning mechanism:** Although balanced growth has been accepted as one of the major objectives of economic planning of India, but it did not much shape in achieving this objective. In fact, planning expanded the disparity among states and region with in states in respect of share out plan outlay more developed states get much approbation than less developed states. Due to such disparate tendency, there is continuously widening disparities between the different states of India.
 - **Capital crisis:** Financial problem or capital crisis is a big issue in economic development. Small and Medium enterprises which are important drivers of economic growth and productivity. These enterprises have not been able to access finance in less developed region and rural areas.
 - **Infrastructure:** Infrastructure facilities like transport and communication, power, technology, etc. are considered predominant for the development of a particular region. Due to inadequacy of such facilities, some regions remained much backward like North-Eastern region, Himachal Pradesh, Bihar etc.
 - **Industrialization:** It is one of the most important factors of economic development. The Government of India has been following a decentralized approach for the development of backward regions through its investment programs on public sector industrial enterprises located in backward areas like Rourkela, Bhilai etc. But due to lack of growth of ancillary industries in these areas, these areas remained backward in spite of huge investment by the center.
 - **Political issues:** Political issues in the form of instable Government, law and order problems have been obstructing the flow of investment into these backward regions. Besides this capital from these backward states fly away from this region. Thus this political instability prevailing in some backward regions of the country are standing as a hurdle in the path of development of these regions and increased disparities.
 - Due to lack of motivation in the backward states or regions, regional imbalances in India have also increased.

Indicators of regional disparities in India

India is facing the acute regional disparities problem. Such disparities are reflected by the indicators are broadly divided into three categories- demographic, social and economic indicators like per capita income, the proportion of population living below the poverty line, the percentage of urban population of total population, percentage of working population engaged in agriculture, the percentage of workers engaged in industries, infra-structural development etc. A region may be known as economically backward if it is indicated by some characteristics like excessive pressure of population on land, too much dependency on agriculture, high incidence of rural employment and high degree of under-employment, low productivity in agriculture sector and cottage industry, low level of urbanization, absence of basic infra-structural facilities etc.



Demographic Indicators of Regional Disparities in India

In India, some important demographic indicators are very prominent to reflect the regional imbalances between various regions or states of the country. These demographic factors are- population growth, birth rate, death rate, infant's mortality rate, life expectancy and sex ratio etc. Population growth rate is one important factor which contributes to the economic development in India. India is the second most-populous country in the world. India has high-level of birth rates and a falling level of death rates which increased the growth rate of population. In order to maintain a growing population, the government needs to tend of the basic requirements like food, clothing, shelter, medicine, schooling, etc. Hence, there is an increased economic burden on the country and which reduces the economic growth rate and pace of development. Difference between population growth rates of two states has widening the regional disparities.

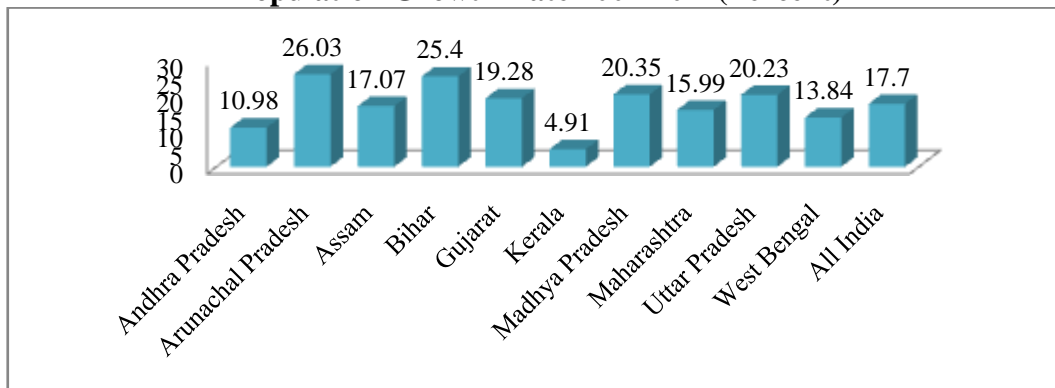
Table-1
Demographic Indicators of India in 2011

State	Rural Population		Urban Population		Total Population (thousand)	Population Growth Rate 2001-2011 (Percent)	Life Expectancy (in year) 2012-16
	(thousand)	%	(thousand)	%			
Andhra Pradesh	56362	66.64	28219	33.36	84581	10.98	69.6
Arunachal Pradesh	1066	84.25	317	15.75	1384	26.03	Not available
Assam	26807	85.90	4399	14.10	31206	17.07	65.5
Bihar	92341	88.70	11758	11.30	104099	25.40	68.7
Gujarat	34695	57.40	25745	42.60	60440	19.28	69.5
Kerala	17471	52.30	15935	47.70	33406	4.91	75.1
Madhya Pradesh	52557	72.37	20069	27.63	72627	20.35	65.4
Maharashtra	61556	54.78	50818	45.22	112374	15.99	72.2
Uttar Pradesh	155317	77.73	44495	32.37	199812	20.23	64.8
West Bengal	62183	68.13	29093	31.87	91276	13.84	70.8
All India	833463	68.83	377106	31.17	1210855	17.70	68.7

Source: Office of the Registrar General and Census Commissioner, Ministry of Home Affairs, Government of India.

Uttar Pradesh is the most populous state of India and Arunachal Pradesh is the least populous state. States like Bihar, Assam, Arunachal Pradesh have more than 80 percent rural population and States like Kerala, Maharashtra and Gujarat have about 50 percent rural population. These data shows like Kerala, Maharashtra and Gujarat have less dependency on agriculture, and are more developed than rest seven states. States like Bihar, Assam, Arunachal Pradesh, Uttar Pradesh and Madhya Pradesh have higher population growth rate when compared with Kerala, Maharashtra, and West Bengal in decade 2001 to 2011. Kerala has the least population growth rate of 4.91 percent and long-life expectancy of 75.1 years. Data shows Kerala is the most developed in demographic term.

Figure-1
Population Growth Rate 2001-2011(Percent)



Source: Compiled from Table-1

Table-1 shows there are regional disparities between 10 important states of India in term of demographic indicators. Healthy demographic indicators shows economically developed states. From Northern India, Uttar Pradesh and Madhya Pradesh have same trend in demographic indicators, from Western India, Gujarat and Maharashtra having same trend in urban and rural population but slightly different in population growth rate and life expectancy, Maharashtra held better position in both indicators. From Eastern India, West Bengal's position is better than Bihar in all demographic indicators. From Northeastern India, Arunachal Pradesh is less populated but population growth rate is higher than Assam and from Southern India, Kerala is the most developed state and Andhra Pradesh stands far behind it.

Social Indicators of Regional Disparities in India

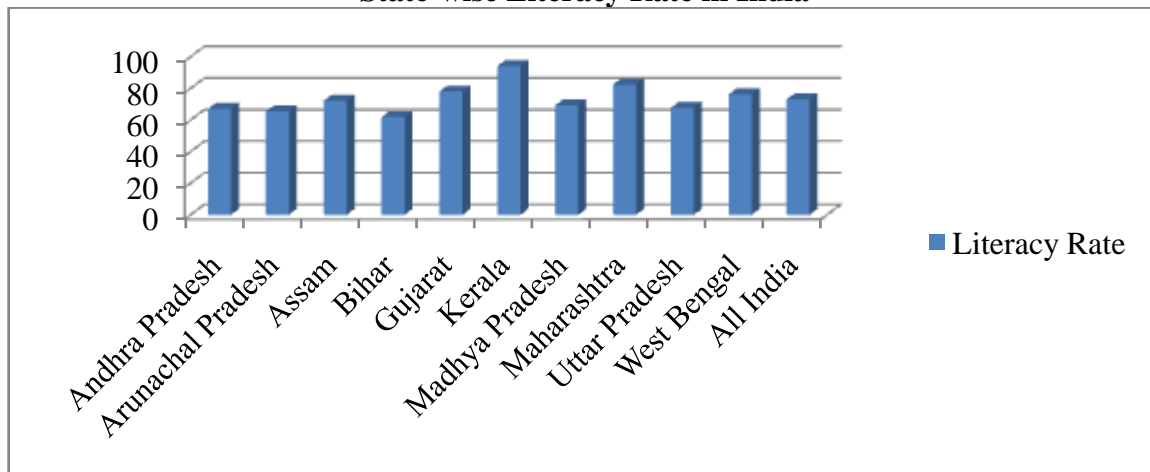
There are some notable social indicators which reflect the regional imbalances between various regions or states of the country like literacy rate, level of education, health and sanitation etc. India has high level variation in literacy rate. Kerala has highest literacy rate of 94.00 percent and Bihar has lowest literacy rate of 61.80 percent in selected 10 sample states of India. Literacy rate of Bihar, Arunachal Pradesh, Andhra Pradesh, Uttar Pradesh Madhya Pradesh, and Assam are lower than all India status and West Bengal, Gujarat, Maharashtra and Kerala literacy rate are higher than all India status. Social indicators like literacy rate reflect notable regional imbalances between various states of the country.

Table-2
State-wise Literacy Rate in India

State	Literacy Rate
Andhra Pradesh	67.02
Arunachal Pradesh	65.39
Assam	72.19
Bihar	61.80
Gujarat	78.03
Kerala	94.00
Madhya Pradesh	69.32
Maharashtra	82.34
Uttar Pradesh	67.68
West Bengal	76.26
All India	72.99

Source: Office of the Registrar General and Census Commissioner

Figure-2
State-wise Literacy Rate in India



Source: Compiled from Table-2

Literacy rate of Uttar Pradesh and Madhya Pradesh from Northern India is almost similar, from Western India, Maharashtra is more literate rate with 82.34 percent than Gujarat with 78.03 percent. Within Eastern India, Bihar has less literacy rate than West Bengal. In Northeastern India, Assam has more literacy rate than Arunachal Pradesh, and in Southern India, Kerala and Andhra Pradesh have wide variation in literacy rate.



Table-3
State-wise Health Status of India

State	Surgeons, OB&GY, Physicians & Pediatricians					Doctors at PHCs				
	Required	Sanctio ned	In Position	Vacant		Requi red	Sanctio ned	In Position	Vacant	
	[R]	[S]	[P]	[S-P]	Shortfall [R-P]	[R]	[S]	[P]	[S-P]	Shortfall [R-P]
Andhra Pradesh	716	384	159	225	557	1,069	2,270	1,412	858	-
Arunachal Pradesh	208	-	1	-	207	117	-	102	-	15
Assam	604	-	121	-	483	1,014	-	1,355	-	-
Bihar*	280	-	63	-	217	1,883	2,078	2,521	-	-
Gujarat	1,280	-	74	-	1,206	1,247	1,504	889	615	358
Kerala	888	30	39	-	849	827	1,120	1,169	-	-
Madhya Pradesh	1,336	897	263	634	1,073	1,171	1,658	999	659	172
Maharashtra	1,440	823	578	245	862	1,811	3,009	2,937	72	-
Uttar Pradesh	3,092	2,099	484	1,615	2,608	3,497	4,509	2,209	2,300	1,288
West Bengal	1,388	1,792	114	1,678	1,274	909	2,600	723	1,877	186
All India	21,584	11,661	4,078	7,881	17,525	25,308	34,750	27,421	9,389	3,002

*In position data for 2013-14 & Sanctioned data for 2011 used.

Source: Health & Family Welfare Statistics in India, Government of India

Another social indicator recognized as health which measures in term of number of hospital and availability of doctors. According to census 2011, Uttar Pradesh suffers highest short fall of the doctors of 2608 specialist and 1288 simple doctors.

Economic Indicators of Regional Disparities in India

Economic development is a complex phenomenon and to measure economic development is also a complex issue. There are some variables for measurement of economic development. Regional disparities can be counted in terms of such indicators of economic growth as per capita income, proportion of population of population below poverty line, working population in agriculture and percentage of workers in manufacturing industries. There are some economic indicators of regional disparities-

Inter-State Disparities in Net State Domestic Product (NSDP)

As other developing economies, India has a low per-capita income. The per capita income in India was \$1,560 in 2014. In the same year, the per-capita Gross National Income (GNI) of USA was 35 times that of India and that of China was 5 times higher than India, shows global disparities. Further, apart from the low per-capita income, India also has a problem of unequal distribution of income. This problem of unequal distribution of income is one of the big obstacles in the economic progress of the country. Therefore, low per-capita income is one of the primary economic issues in India. Inequality in wealth distribution is other big issue in the sustainable economic development. Unequal distribution of wealth is unquestionably one of the major economic issues in India.



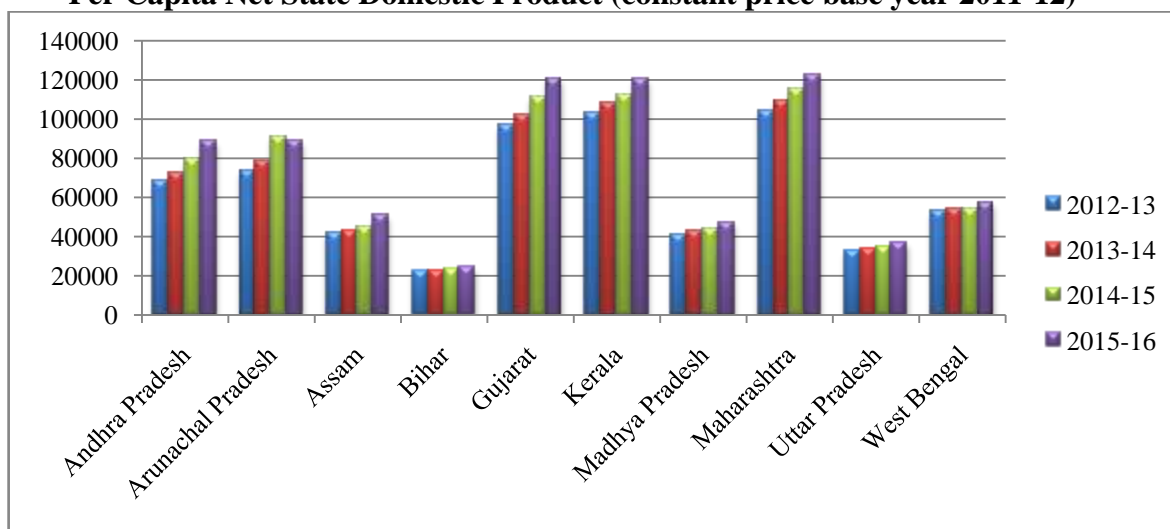
Table-4
Per Capita Net State Domestic Product (constant price base year 2011-12)

State	2012-13	2013-14	2014-15	2015-16
Andhra Pradesh	68865	72254	79174	88609
Arunachal Pradesh	73959	78996	91034	88768
Assam	41609	43002	44809	50642
Bihar	22201	22776	23223	24064
Gujarat	96683	102589	111370	120683
Kerala	103551	107846	112444	120387
Madhya Pradesh	41142	42548	44027	47351
Maharashtra	104008	109597	115058	122889
Uttar Pradesh	32908	34044	34583	36973
West Bengal	53157	53811	54520	57255

Source: National Statistical Office, Ministry of Statistics and Program Implementation, Government of India.

State-wise analysis of per capita NSDP, Kerala Maharashtra and Gujarat shows higher value than other states, The growth rate of some states like Kerala, Maharashtra and Gujarat, are very high but on other hand in Assam, UP, Bihar and Arunachal Pradesh it is lower than above states. There is high level inter states disparities between these states.

Figure-3
Per Capita Net State Domestic Product (constant price base year 2011-12)



Source: Compiled from Table-4

In selected 10 states for study, states like Maharashtra, Gujarat, and Kerala have achieved higher per capita Net State Domestic Product compared with Bihar, UP, M.P, Assam, West Bengal, Andhra Pradesh and Arunachal Pradesh. In 2015-16, Maharashtra's per capita Net State Domestic Product stood at Rs. 1,22,889 as compared to Bihar's Rs. 24,064. Per capita Net State Domestic Product for 10



selected Indian states is given in table-4. Maharashtra has the highest per capita Net State Domestic Product in 2015-16, followed by Gujarat and Kerala. From Northern India, Uttar Pradesh Rs.36,973 and Madhya Pradesh Rs. 47,351 both have low per capita Net State Domestic Product, but Madhya Pradesh is in much better position than Uttar Pradesh. In Western India, Gujarat and Maharashtra both have higher per capita Net State Domestic Product in comparison to other regions' states except Kerala. In eastern India, Bihar has Rs.24,064 which is less than half per capita Net State Domestic Product when compared to West Bengal Rs. 57,255. In northeastern India, Assam and Arunachal Pradesh and in southern India, Kerala and Andhra Pradesh have wide disparities in term of per capita Net State Domestic Product.

Inter-State Disparities in Poverty Rate:

The high poverty can be attributed to lower farm incomes due to subsistence agriculture, lack of sustainable livelihoods, rising prices of food products, low incomes, lack of skills, underemployment and unemployment. Poverty rate is the highest in Arunachal Pradesh with 34.7 percent, followed by Bihar with 33.7 percent, Assam with 32.0 percent, Madhya Pradesh with 31.7 percent, and Uttar Pradesh with 29.4 percent. Above all states have higher poverty rate than all India poverty rate 21.9 percent. Kerala has the least poverty rate with 7.1 percent, second last position held by Andhra Pradesh with 9.2 percent in selected states.

Table-5
State –wise Poverty Rate (person in lakh)

State	2011-12 (Based on MRP Consumption)#	
	No. of Persons below Poverty Line (Person in lakh)	Percentage of Person
Andhra Pradesh	78.8	9.2
Arunachal Pradesh	4.9	34.7
Assam	101.3	32.0
Bihar	358.2	33.7
Gujarat	102.2	16.6
Kerala	24.0	7.1
Madhya Pradesh	234.1	31.7
Maharashtra	197.9	17.4
Uttar Pradesh	598.2	29.4
West Bengal	185.0	20.0
All India	2697.8	21.9

Sources: National Sample Survey Organization; and Planning Commission
(MRP: Mixed Recall Period. #: Tendulkar Methodology)

Inter-State Disparities in Unemployment Rate

Existence of chronic unemployment and under-employment in Indian economy is also the big obstacle to economic development in India. India is labor intensive country but yet it is difficult to provide gainful employment to the entire unemployment population. The deficiency of capital has led to the inadequate growth of the secondary and tertiary occupations. This has further contributed to long standing unemployment and under-employment in India. In India, nearly half of the working population engaged in



agriculture, the marginal product of an agricultural laborer has become negligible. The increasing number of educated-unemployed has created more problems.

Table-6
Unemployment Rate (per thousand) in 2011-12

State	Rural	Urban
Andhra Pradesh	12	43
Arunachal Pradesh	17	48
Assam	45	56
Bihar	32	56
Gujarat	3	8
Kerala	68	61
Madhya Pradesh	4	26
Maharashtra	7	23
Uttar Pradesh	9	41
West Bengal	27	48
All India	17	34

Sources: NSSO Survey Reports; and Periodic LaborForce Survey

From Northern India, Uttar Pradesh have unemployment rate of 9 in rural areas and 41 in urban areas, and in Madhya Pradesh, it is 4 in rural areas and 26 in urban areas. In Western India, Gujarat has unemployment rate of 3 per thousand in rural and 8 in urban areas. In Maharashtra, unemployment rate is 7 and 23 per thousand rural and urban areas respectively. In Eastern India, Bihar and West Bengal both have high unemployment rate in rural as well urban areas. In Northeastern India, Assam and Arunachal Pradesh both also have high unemployment rate in rural as well urban areas. In Southern India, Kerala has the highest unemployment rate of 68 per thousand in rural areas and 61 per thousand in urban areas. Andhra Pradesh also has high unemployment rate in rural as well urban areas. Selected states have intrastate disparities in term of rural-urban unemployment disparities and interstate disparities are also observed in wide manner.

Inter-State Disparities in Agriculture:

Another aspect that reflects the regional disparities of the Indian economy is the distribution of occupations in the country. The Indian agriculture sector has managed to fulfill the demands of the fast-increasing population of the country. About 47 percent of the working population in India was engaged in agriculture, in 2014, but it contributed merely 17 percent to the national income implying a low productivity per person in the sector. U.P. has recorded the highest net irrigated area and higher level of fertilizer use. Maharashtra has recorded the highest-level sown area followed by Uttar Pradesh. Arunachal Pradesh has recorded the least sown and irrigated area. West Bengal has recorded the highest cropping intensity. On the other hand, states like Assam. Bihar shows irrigated area.



Table -7
State-wise Pattern of Land Used in 2015-16

State	Net sown area (Thousand Hectares)	Net Irrigated Area (Thousand Hectares)	Cropping Intensity (percent)
Andhra Pradesh	6209	2743	121.3
Arunachal Pradesh	227	56	132.9
Assam	2801	297	144.9
Bihar	5205	2958	145.5
Gujarat	10302	4233	111.8
Kerala	2023	414	129.9
Madhya Pradesh	15149	9284	156.5
Maharashtra	17192	3215	136.5
Uttar Pradesh	16469	14231	159.1
West Bengal	5243	3105	188.5
All India	139506	67300	141.3

Source: Ministry of Agriculture and Farmers Welfare, Government of India.

From Northern India, Uttar Pradesh and Madhya Pradesh have wide differences in net irrigated area but cropping intensity is almost similar. In Western India, Gujarat and Maharashtra both have least of irrigation facilities and in Eastern India, Bihar and West Bengal both have approx. equal net sown area but there are differences between net irrigated area and cropping intensity. In Northeastern India, Assam has one third net irrigated area out of total sown area, and Arunachal Pradesh irrigation facility is much better than Assam. There are state-wise disparities in between selected states in term of net sown area, net irrigated area, cropping intensity, use of fertilizer and productivity.

Inter-State Disparities in Industrialization and Urbanization

Industrialization is the prior requirement for urbanization and economic development. Arunachal Pradesh, Assam, Bihar, and M.P. have been lagging behind in respect of the pace of industrialization. States like Maharashtra, Gujarat, Andhra Pradesh and Uttar Pradesh have achieved considerable development in its industrial sector. In respect to Medium & Small-Scale Industries Uttar Pradesh and West Bengal have large number units. But Arunachal Pradesh, Kerala, Assam, and Madhya Pradesh could not keep pace in Medium & Small-Scale Industries growth as much as other selected sample states.



Table-8
Industrial Development in India in 2015-16

State	No. of Factory(units)	Medium & Small Scale Industries(In Lakh) Nss 73rd Round (July 2015-June 2016).
Andhra Pradesh	16340	33.87
Arunachal Pradesh	120	0.23
Assam	3890	12.14
Bihar	3623	34.46
Gujarat	24426	33.16
Kerala	7580	23.79
Madhya Pradesh	4426	26.74
Maharashtra	28210	47.79
Uttar Pradesh	15291	90.00
West Bengal	9300	88.68
All India	233116	633.92

Sources: Annual Survey of Industries (ASI), Ministry of Statistics and Programme Implementation, Government of India. and: Office of the Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, New Delhi; and Ministry of Statistics and Programme Implementation (MOSPI)

In respect to the degree of urbanization, the percentage of urban population to total population is an important indicator. The all-India percentage share of urban population stands at 27.81% in 2001 and 31.6% in 2011urbanization. There is a growing tendency among most of the advanced states concentrates its developmental activities towards relatively more developed urban areas, and metro cities of the states while assigning its industrial and infrastructural projects by neglecting the backward regions. Maharashtra, Gujarat, and Kerala are maintaining a higher degree of urbanization with higher percentage share of urban population in total population as given in table-1, and Bihar, Arunachal Pradesh, Madhya Pradesh are lagging behind in degree of urbanization due to low percentage share of urban population in total population.

Inter-State Disparities in Infrastructure

The inadequate infrastructural facilities include transportation, communication, electricity generation, and distribution, etc. is a serious problem for economic growth of any country. Due to the inadequacy of infrastructural facilities, the potential of different regions of the country remains under-utilized.



Table -9
Transport Facility in India (at end of March 2016) (in Km)

State	Area (km ²)		Length of National Highway		Length of State highway		Length of local roads		Length of Railway	
	Km	%	Km	%	Km	%	Km	%	Km	%
Andhra Pradesh	160205	4.87	5465	5.41	6485	3.68	174367	3.70	3703	5.55
Arunachal Pradesh	83743	2.55	2513	2.48	Not available	-	30692	0.65	12	0.017
Assam	78438	2.39	3821	3.78	2530	1.43	329520	7.00	2443	3.66
Bihar	94163	2.86	4839	4.79	4253	2.41	206484	4.39	3731	5.59
Gujarat	196024	5.96	4971	4.92	17201	9.76	179144	3.80	5259	7.88
Kerala	38863	1.18	1812	1.79	4342	2.46	200808	4.26	1045	1.56
Madhya Pradesh	308245	9.38	5194	5.14	10934	6.20	289940	6.16	5000	7.49
Maharashtra	307713	9.36	7435	7.36	39000	22.13	613418	13.04	5745	8.61
Uttar Pradesh	240928	7.33	8483	8.39	7147	4.05	422412	8.98	9077	13.61
West Bengal	88752	2.70	2956	2.92	3612	2.05	316730	6.73	4135	6.20
All India	3287263	100	101011	100	176166	100	4703293	100	66687	100

Source: Ministry of Road Transport and Highways, Government of India and Ministry of Railways, Government of India.

From Northern India, in Uttar Pradesh the length of national highway is 8483 Km, the length of state highway is 7147 Km and length of local roads is 422412 Km, and the length of railways is 9077 Km. Madhya Pradesh has better facility of state highway than Uttar Pradesh, but it is far below than national highway, local roads and railways. In Western India, Maharashtra has the best road transportation facility but in railways it is second. Maharashtra and Gujarat has disparities in term of transport. The Eastern India, Bihar and West Bengal are lagging behind from selected Northern and Western states in road and railway transport. Northeastern Indian states, Assam and Arunachal Pradesh are also too far away in transportation facility, and Southern Indian states, Kerala and Andhra Pradesh have also awesome transport facility with respect to their percent area and percent transport facilities.

In term of communication facilities, Kerala held first rank with 102.33 telephones per 100 population followed by Gujarat with 100.06 telephone per 100 populations, with 87.06 telephone per 100 population Maharashtra held third and with 86.40 telephones per 100 population Andhra Pradesh held fourth rank in selected sample states as shown in table-10.



Table-10
Communication and Power Facility in India (at end of March 2016)

State	Telephones per 100 population	Per Capita availability of Power* (Kilowatt-Hour)
Andhra Pradesh	86.40	1019.8
Arunachal Pradesh	Not available	427.5
Assam	57.64	265.4
Bihar	54.36	227.9
Gujarat	100.06	1714.7
Kerala	102.33	694.7
Madhya Pradesh	64.23	859.2
Maharashtra	87.06	1258.0
Uttar Pradesh	65.83	466.1
West Bengal	63.16	516.6
All India	83.4	901.4

Sources: Department of Telecommunications, Government of India and Central Electricity Authority, Ministry of Power, Government of India. *: Per Capita Availability of Power is worked out based on Census Population.

In terms of per capita power availability in Kilowatt-Hour, Gujarat held top rank with 1714.7 Kilowatt-Hour of per capita power availability, followed by Maharashtra with 1258.0 Kilowatt-Hour of per capita power availability and Andhra Pradesh 1019.8 Kilowatt-Hour of per capita power availability, rest other selected states are lagging behind from all India level 901.4 per capita power availability in Kilowatt-Hour. Thus, the table-10 shows interstate disparities in term of communication and power availability.

Inter-State Disparities in Capital Investment and Formation in India

India always had capital deficiency. However, India has experienced a slow but steady improvement in capital formation, in recent years. India has experienced a population growth of 1.6 percent during 2000-05 and is needed to invest around 6.4 percent to balance the additional burden due to the increased population. Therefore, India requires a gross capital formation of around 14 percent to counter balance depreciation and maintain the same living standard level. The only way to development and improve the standard of living is capital formation.



Table-11
Capital Investment and Capital Formation in India (In 2015-16)

State	Capital Investment (in lakh)	Gross Capital Formation (in lakh)	Ease of Doing Business in 2016	
			Score	Rank
Andhra Pradesh	21368799	2400928	98.78	1
Arunachal Pradesh	46834	7049	0.30	31
Assam	3960000	1030662	14.29	24
Bihar	1507847	101845	75.82	16
Gujarat	68693337	7966166	98.21	3
Kerala	5446211	1059951	26.97	20
Madhya Pradesh	16484412	1266694	97.01	5
Maharashtra	53072745	5728189	92.86	10
Uttar Pradesh	19459927	1743460	84.52	14
West Bengal	13324702	652206	84.23	15
All India	385309984	37662220	-	-

Sources: Annual Survey of Industries (ASI), Ministry of Statistics and Programme Implementation, Government of India. And Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

Capital investment is high in Maharashtra, Gujarat, Andhra Pradesh, and there is medium Capital Investment in West Bengal, Madhya Pradesh, Uttar Pradesh, Kerala, and low Capital Investment in States like Assam, Arunachal Pradesh, and Bihar. In terms of capital formation, it is high in Gujarat, Maharashtra, then all India level and medium in Andhra Pradesh, Uttar Pradesh, Madhya Pradesh, Kerala and Assam, and low in West Bengal, Arunachal Pradesh, and Bihar. Andhra Pradesh has favorable environment for doing business with rank 1. Gujarat and Madhya Pradesh also have fewer than ten ranks to do business, because of less restriction to do business. Maharashtra also has favorable environment for starting new business with rank 10. Arunachal Pradesh and Assam have unfavorable environment for business due to natural and political issues.

Inter-State Disparities in Human Development in India

Human resource development enhances the capacity of production. Thus, the knowledge and training of the population enhance their production capacity. Hence, the expenditure on education, skill-training, research, and improvement in health are a part of human capital formation. The United Nations Development Program (UNDP), ranks different countries of world on the basis of the Human Development Index (HDI). It is a composite statistic approach of life expectancy, education, and income per capita indicators. It is also an important indicator of regional disparities. In this index, India ranked 130 out of 188 countries in 2014. In 2005, the HDI value of Arunachal Pradesh is also below the all-India value. There are six states Uttar Pradesh, Bihar, Madhya Pradesh, Assam, Andhra Pradesh, Arunachal Pradesh which have lower value than All India value in 2005.



Table-12
State- wise Human Development Index of India

State	Human Development Index		
	2005	2010	2015
Andhra Pradesh	0.530	0.580	0.629
Arunachal Pradesh	0.535	0.641	0.661
Assam	0.531	0.567	0.598
Bihar	0.470	0.514	0.557
Gujarat	0.573	0.606	0.651
Kerala	0.678	0.714	0.757
Madhya Pradesh	0.501	0.538	0.585
Maharashtra	0.602	0.644	0.680
Uttar Pradesh	0.504	0.535	0.577
West Bengal	0.539	0.572	0.619
All India	0.536	0.579	0.624

Source: Indian National Development Reports and State-level Government Statistical Report.

In 2010 and 2015, there are nine states Uttar Pradesh, Bihar, Madhya Pradesh, Assam and West Bengal who are also below the all-India value. In the list of states by their respective Human Development Index (HDI), as of 2015, Kerala stands first in Human Development Index among the states in India and Bihar stands last place. Kerala is highly developed with high HDI value. Assam, Gujarat, West Bengal, Andhra Pradesh, Assam, UP, Jharkhand. M.P and Bihar, have medium HDI value. HDI value of different states clearly shows regional imbalances between the states in India.

Conclusion

Uneven regional development or regional imbalances leads to several complications within a state or between the states. People have migrated from backward areas to the developed areas in search of livelihood. Migration may be interstate or intrastate like from rural to urban, for better quality of life and more job opportunities. In India, several areas which have been neglected for long time for want of development and economic prosperity leads to different social, economic and political issues. Differences in prosperity and development between different states or intrastate or different group of society leads to friction among different sections of the society causing social unrest. Centralization of industrial development at one place leads to air, sound and water pollution. Establishment of several industries at one place will increase abnormally in term of overpopulation leads to house, water crisis. Under-developed infrastructure aggregates the imbalance. Once an area is prosperous and has adequate infrastructure for development, more investments pour-in and less developed regions are neglected again and again. So, the already developed area are prospered further. The regional disparities in the growth and human development are quite common in Indian economy. In India some states are economically advanced while others are relatively backward; even within each states some regions are very developed while others are almost primitive. Regional disparities may be natural due to unequal natural endowment or man made in the sense of neglect of some regions and preference of others for investment and development efforts. Regional disparities may be inter-state or intrastate. During the



post reform period, this issue has become the main focus for policy makers. It is relevant to know the regions for the regional disparities across the states. Regional disparities pose a serious challenge for implementation of different economic programs. Government must identify all the backward areas within the country and should pay special attention to invest in these areas. Balanced regional growth is necessary for the harmonious development of any country.

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