

Management of Regional Diversities in Growth and Employment in India

Samik Shome

Abstract

Regional disparities are one of the major areas of concern for the Indian economy since independence. The reforms since 1991 with stabilization and deregulation policies as their key instruments and a very significant role for the private sector seem to have further aggravated the inter-state disparities. An analysis of the growth in domestic product of Indian states in the last two decades reveals that the development process has been uneven across states. The regional disparity in the growth rates becomes sharper in terms of per capita income. The poorer states have not only performed poorly but their failure to control population growth has left them in even worse position. The immediate requirement of these states is more investment in their social and infrastructural sectors. To improve the level of social services massive investment in primary education and primary health services are required. There is also an urgent requirement of the growth of non-farm employment and it can be a good avenue for other sources of income within the village. This can lead to a reduction in both the inter-state and intra-state disparities.

Improvement in the basic infrastructural facilities like power, irrigation, transport and telecommunication in the backward states is a pre-condition of improving the quality of life of the people and to usher in sustainable economic development in those states. Availability of assured power supply, developed transport system and modern telecommunication facilities are important factors to attract private investments into these States. Similarly, development of the irrigation potential fully will go a long way in improving the productivity of agriculture and fully engaging the unemployed and underemployed rural labour productively which in turn will improve the rural incomes substantially and reduce the rural poverty significantly.

The paper attempts to look at and analyze the growth and disparity among the major states in India.

Keywords: *Disparity, Growth, Poverty, Employment*

Introduction

One of the major areas of concern for India is the regional disparity. It is true that in a large economy like India, different regions with different resource bases and endowments would have a dissimilar growth path over time. One of the reasons why centralized planning was advocated in India earlier was that it could restrain the regional disparity. However, in spite of planning, the regional disparity remained a serious problem in India. A new controversy in this respect is whether growth rates and standard of living in different regions will eventually converge or not. The convergence theorem

(Barro 1991) postulates that when the growth rate of an economy accelerates, initially some regions with better resources would grow faster than others. But eventually, after sometime, when the law of diminishing marginal returns sets in, first growth rates would converge, due to differential marginal productivity of capital¹ and this in turn would bridge the gaps in the levels of income across regions. The empirical evidence on this is however very controversial. It has also been observed that when an economy is liberated, especially after controls on investment are lifted, then regions with better infrastructure would attract more investment, especially

foreign capital, through market mechanism, and this in turn would lead to regional inequity.

The reforms² in 1991 led to a lot of structural changes in the Indian economy. The post reform period also witnessed a sharp decline in public investment due to fiscal constraint. At the aggregate level, the average share of public investment in total investment has declined from 45 percent in the early 1980s to about one-third in early 2000s. The RBI data on capital flows show that only four to five developed states³ have cornered the major chunk of foreign direct investment (FDI) in India. The poorer states with inadequate infrastructure are not able to attract foreign investment which leads to disparities among states.

Against this background, the present paper will try to look at and analyze the growth and disparity among the major states in India. Over the years, a number of studies (for instance, Bhattacharya and Sakhivel, 2004; Ahluwalia, 2000 and 2002; Kurian, 2002; Shand and Bhide, 2000; Rao, Shand and Kalirajan, 1999; Nagaraj, Varoudakis and Veganzous, 1998; Datta Roy Choudhury, 1993), among others, have observed that the regional disparity in India has widened, especially during the 1990s. These studies on India have focused not only on the bright side of reform and open door policy, as seen in the country's remarkable economic growth, but also on the dark side as shown by serious inter-regional disparities. Two crucial points have to be investigated to address these issues. First, why then, despite of this remarkable growth, are inter-regional disparities widening? Second, whatever the causes, can solutions or remedies be found for them in the coming years? Answers to these questions would be quite meaningful in helping to deepen the understanding of problems faced by India.

The paper uses several types of data relating

to demographic, economic and social characteristics and also employment. The data related to India and its states are collected from various census reports, RBI bulletins and other publications of Government of India. This analysis includes 15 major states of India. Jammu & Kashmir is excluded because some data is not available due to political disturbance during 1990s. Delhi, Goa and the states of North-East are excluded because they are too small to reflect general economic behaviour of states in India. Three newly created states, namely, Chattishgarh, Jharkhand and Uttaranchal are also excluded because there are no time-series data on these states. Bihar, M.P. and Uttar Pradesh therefore refer to undivided states.

The study is divided into five sections. Section I of the paper highlight questions relating to the inter-state disparities in terms of social and demographic characteristics. Section II highlights the disparities among the states of India with reference to growth comparison. Disparity in per capita growth is highlighted in Section III. Section IV deals with the disparity in employment growth and the last section contains concluding remarks.

Regional Disparities in India

Along with faster economic growth and reduction in poverty, there has been accelerated improvement in various indicators of human development in India since the early eighties whether it is in the case of demographic characteristics or social development indicators. During the last two decades, the country has also made major strides in health and education sectors. The economy got diversified significantly and the share of the manufacturing and service sector in employment and incomes improved considerably. While there is a broad consensus on the overall improvement of the economy and quality of life during the period

under consideration, there are significantly differing perceptions about the distributional impacts of these gains.

Section I: Demographic and Social Characteristics

Disparities in demographic and social development across the regions and intra-regional disparities among different segments of the society have been the major planks for adopting planning process in India since independence. Apart from massive investments in backward regions, various public policies directed at encouraging private investments in such regions have been pursued during the first three decades of planned development. While efforts to reduce regional disparities were not lacking, achievements were not often commensurate with these efforts. The reforms since 1991 with stabilization and deregulation policies as their central pieces seem to have further widened the regional disparities.

A few major demographic and social

characteristics of the 15 States under consideration are presented in Table 1 along with corresponding all-India figures. The state-wise population is given in Column 2.

The state-wise sex ratio given in column (3) is, perhaps, the most revealing index of gender disparities among the States of the Indian Union. The all-India sex ratio of 933 females per 1000 males itself is a reflection of the neglect of women's health due to relatively lower economic and social value assigned to women, in general, in India. Among the 15 States considered in the study, seven states have sex ratio above the national average and eight have below national average. Economic theories reveal that as a society develops economically, the sex ratio turns more favourable towards women. Within India, however, this does not appear to hold good. The highest sex ratio is that of Kerala. Indeed, Kerala is the only State in the country which has a sex ratio favourable to women (1058). It is interesting to note that, the two developed states, viz. Haryana and Punjab, has

Table 1: Some Demographic and Social Characteristics

States	Population (in millions)	Number of females per 1000 males (2004)	Growth of population (1991-2001)	Literacy Rate (2001)	Number of females per 100 males (Till class X) 2004	People below poverty line (2000) (in percent)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Andhra Pradesh	76.2	978	1.46	60.5	85	15.77
Bihar	82.9	919	-0.39	47.0	44	42.60
Gujarat	50.6	920	2.27	70.0	67	14.07
Haryana	21.1	861	2.84	67.9	72	8.74
Himachal Pradesh	6.0	968	1.75	76.5	85	7.63
Karnataka	52.8	965	1.75	66.6	88	20.04
Kerala	31.8	1058	0.94	90.9	99	12.72
Madhya Pradesh	60.3	919	-0.88	63.7	56	37.43
Maharashtra	96.8	922	2.27	76.9	84	25.02
Orissa	36.8	972	1.63	63.1	80	47.15
Punjab	24.3	876	2.01	69.7	88	6.16
Rajasthan	56.5	921	2.84	60.4	42	15.28
Tamil Nadu	62.4	987	1.17	73.5	90	21.12
Uttar Pradesh	166.1	898	1.95	56.3	53	31.15
West Bengal	80.1	934	1.78	68.6	76	27.02
All India	999.6	933	1.92	64.9	71	26.10

Source: Col (2) – Census of India, 2001; Col (3) & (5) – Women and Men in India, 2006, CSO; Col. (5) – Selected Educational Statistics, 2004-05, Ministry of HRD, GOI; Col. (7) – www.indiastat.com

the lowest sex ratio within the country.

The average annual rate of growth of population for the decade (1991-2001) based on the two censuses for the different states is presented in column (4). There are six states with growth rate higher than the all-India figure of 1.92. The highest growth rate is shared by Rajasthan and Haryana at 2.84. While migration may be important for a smaller state, it is the natural growth which contributes mainly to the population growth in larger states. A higher population growth in the Indian context is a reflection of a state in the early stage of demographic transition where death rate has come down but birth rate has not yet followed suit.

The level of literacy is, perhaps, one of the most important indexes of development of a society. The literacy rate is given in column (5). State-wise number of females per 100 males attended till class X is given in column (6). Invariably, male literacy is higher than female literacy in any society. Often there may be significant gender gap in literacy. The true index

of development of a society is the level of female literacy which can be considered as the bottom line as far as literacy is concerned. Ten states have females attending class X level above the national average of 71. The distinction of highest number of females attending class X level goes to Kerala with 99 out of every 100 males. The gap between Kerala and the rest of the country is, indeed, phenomenal. Rajasthan (42) has the least number of females attending class X level followed by Bihar (44) and Madhya Pradesh (56).

There is a steep fall in the share of the poor in the country during the nineties. Column (7) reflects the state-wise percentage of people below poverty line in 2000. It can be noted that the developed states have the percentage of people below poverty line much less than that of the national average of 26.1. No doubt, this establishes the close positive relationship between poverty reduction and economic growth.

Section II: Inter State Growth Comparison

State Domestic Product (SDP) growth rates

**Table 2: Growth Rate of SDP at Constant Prices
(percent per annum)**

States	1980-81 to 1989-90	1990-91 to 1999-2000	1980-81 to 1999-2000
Andhra Pradesh	4.8	5.1	5.1
Bihar	5.2	3.4	3.8
Gujarat	5.7	8.2	6.8
Haryana	6.7	6.7	7.8
Himachal Pradesh	6.1	6.9	6.2
Karnataka	6.1	7.0	6.5
Kerala	4.5	6.0	5.9
Madhya Pradesh	5.2	5.4	5.8
Maharashtra	5.9	6.8	6.3
Orissa	5.8	3.6	3.9
Punjab	5.1	4.6	4.7
Rajasthan	7.1	6.4	6.9
Tamil Nadu	6.3	6.6	6.5
Uttar Pradesh	5.9	4.3	5.1
West Bengal	5.2	7.2	6.1
All India	5.6	6.0	5.6
CV	0.14	0.29	0.22

Source: Various reports of Central Statistical Organisation.

have also shown a fair degree of variation among the states. While some states have witnessed rapid and phenomenal growth, the rest lagged behind the all-India growth rate. The comparative average growth rates of SDP for 15 major states at 1993-94 prices for the decades 1980s (1980-81 to 1989-90) and 1990s (1990-91 to 1999-2000), as well as for the overall period (1980-81 to 1999-2000) are given in Table 2. It may be seen that except two states, Andhra Pradesh and Kerala, all the other major states had recorded over five percent growth during the 1980s, against the all-India growth rate of 5.6 percent per annum. Rajasthan, Haryana, Tamil Nadu, Himachal Pradesh and Karnataka have progressed rapidly during the 1980s with over six percent per annum growth, with Rajasthan recording the highest (7.1). In general, there was a comparatively balanced regional growth during the 1980s, even though the disparity widened across the states. However, the 1990s belongs to the relatively industrialized states. Highly industrialized states like, Gujarat (8.2),

Karnataka (7.0) and Maharashtra (6.8) grew at a very high rate. It is interesting to note that West Bengal (7.2 percent) has grown not only faster than the all-India average, but also more than many developed states, such as, Andhra Pradesh (5.1 percent) and Punjab (4.6 percent) during the reform era. The poor performance of both Punjab and Andhra Pradesh during the reform era came as a surprise. Punjab's slow growth may be attributed to stagnation in agriculture and fiscal mismanagement. The reason for slow growth in Andhra Pradesh needs a careful scrutiny. Among the other states, Rajasthan, Kerala, Haryana, Himachal Pradesh and Tamil Nadu have recorded above average growth rates during the reform era.

Some of the high growth states during reform era, notably, Gujarat, Maharashtra, Karnataka and Tamil Nadu got major shares in foreign investment in the 1990s. On the other hand, poor states like, Bihar, Orissa and Uttar Pradesh have attracted less foreign and domestic capital and performed badly with SDP growth

**Table 3: Growth Rate of Per Capita SDP
(percent per annum)**

States	1980-81 to 1989-90	1990-91 to 1999-2000	1980-81 to 1999-2000
Andhra Pradesh	2.5	3.6	3.1
Bihar	2.9	1.8	1.9
Gujarat	3.6	6.4	4.8
Haryana	4.1	4.4	5.3
Himachal Pradesh	4.3	5.1	4.2
Karnataka	4.0	5.2	4.6
Kerala	3.0	4.7	4.6
Madhya Pradesh	2.7	3.2	3.0
Maharashtra	3.6	5.0	4.8
Orissa	3.9	2.1	2.1
Punjab	3.1	2.7	2.7
Rajasthan	4.4	4.0	4.2
Tamil Nadu	4.8	5.4	5.1
Uttar Pradesh	3.4	1.9	2.9
West Bengal	2.9	5.4	3.9
All India	3.4	4.1	3.5
CV	0.22	0.43	0.34

Source: Various reports of Central Statistical Organisation.

below 4 percent per annum. Apart from lack of investment, poor infrastructure combined with poor governance might have also restrained growth in these states.

The coefficient of variation⁴ of average growth rates among states has jumped from 0.14 in the 1980s to 0.29 in the 1990s. And this has happened despite a very modest rise in average growth rate at the all-India level from 5.6 percent in 1980s to 6.0 in 1990s. This reflects an uneven regional development in the post-reform era.

Section III: Disparity in Per Capita SDP Growth

The study of the growth of per capita SDP gives a broader and better picture of regional disparities. The growth of per capita SDP for 15 major states along with all-India average is presented in Table 3. It may be seen that the regional disparities in standard of living, as measured by per capita SDP at constant prices, have accentuated in the 1990s. In the 1980s, Andhra Pradesh recorded the lowest per capita

SDP growth at 2.5 percent per annum and Tamil Nadu the highest at 4.8 percent. As against these, the all-India growth rate was 3.4 percent. In the 1990s, the disparity range has widened from 1.8 for Bihar to as high as 6.4 for Gujarat and 5.4 for Tamil Nadu and West Bengal. In comparison, the all-India rate has improved only marginally to 4.1 percent in the 1990s. Maharashtra, Tamil Nadu, Karnataka and Himachal Pradesh have also improved the standard of living by over 5 percent per annum during the post reform period. Gujarat's performance is particularly noteworthy, as the growth rate has jumped from a moderate 3.6 in the 1980s to 6.4 percent in the 1990s. West Bengal has also managed to push up its per capita income growth tremendously, from a mere 2.9 percent in the 1980s to 5.4 percent in the 1990s. In the case of Maharashtra and Karnataka also, per capita income growth rate jumped significantly in the 1990s.

While the standard of living improved faster in the 1990s in comparison to the 1980s in most

Table 4: State-wise Growth of Employment in India

States	Rural		Urban			Total			
	1999-00 to 2004-05	1993-94 to 2004-05	1993-94 to 1999-00	1999-00 to 2004-05	1993-94 to 2004-05	1993-94 to 1999-00	1999-00 to 2004-05	1993-94 to 2004-05	
Andhra Pradesh	0.29	1.24	0.72	0.27	3.82	1.87	0.29	1.76	0.95
Bihar	1.87	2.06	1.96	-0.56	3.79	1.39	1.59	2.26	1.89
Gujarat	2.02	1.85	1.94	7.17	4.40	5.90	3.34	2.61	3.01
Haryana	0.76	5.68	2.97	1.94	5.33	3.47	1.06	5.59	3.09
Himachal Pradesh	-0.12	2.26	0.96	1.59	9.94	5.30	-0.01	2.82	1.27
Karnataka	0.13	3.06	1.45	3.31	3.39	3.35	0.94	3.15	1.94
Kerala	1.27	1.62	1.43	1.20	0.62	0.93	1.25	1.37	1.31
Madhya Pradesh	0.68	2.15	1.35	2.87	4.57	3.64	1.06	2.62	1.76
Maharashtra	0.39	2.54	1.36	2.05	4.78	3.28	0.93	3.32	2.01
Orissa	0.59	2.37	1.39	-0.20	3.44	1.44	0.49	2.49	1.40
Punjab	1.96	2.22	2.08	5.13	3.54	4.40	2.85	2.62	2.74
Rajasthan	0.50	2.64	1.46	1.11	3.94	2.38	0.61	2.88	1.63
Tamil Nadu	-1.36	0.35	-0.90	6.84	4.58	5.81	1.12	1.56	1.32
Uttar Pradesh	0.61	3.64	1.98	0.65	4.40	2.34	0.62	3.79	2.05
West Bengal	0.37	2.96	1.54	0.53	3.43	1.84	0.42	3.10	1.63
India	0.71	2.45	1.50	2.36	4.14	3.16	1.09	2.86	1.89

Source: Calculated from NSSO Report No. 516

states, the opposite picture can be viewed in case of Bihar, Orissa, Punjab, Rajasthan and Uttar Pradesh. One of the probable reasons for this could be the comparatively higher growth of population in these states. In Rajasthan, the per capita growth rate declined in spite of a fairly high SDP growth in the 1990s. Punjab, which was the richest state in India in the 1980s with its strong agriculture base, performed relatively worse in terms of per capita income growth in the 1990s. In case of per capita growth also, the coefficient of variation of per capita growth rates among states has jumped from 0.22 in the 1980s to 0.43 in the 1990s, which is almost double. This also clearly highlights the unequal development among the states in the 1990s.

It can be observed that, in general, the Southern states of India have performed better than the Eastern and the Central states. West Bengal is a major exception in this regard. The standard of living in the Southern states increased faster in the 1990s due to a combination of slackening of population growth and acceleration of SDP growth. Even in Andhra Pradesh, despite a below national average SDP growth, per capita SDP growth accelerated in the 1990s over 1980s due to a significant fall in population growth rate. In the Western states, however, per capita SDP growth accelerated mainly due to higher SDP growth rate.

Section IV: Disparity in Employment Growth

One of the major weaknesses of India, especially in case of rural India, is the huge volume of surplus labour in the form of disguised as well as open unemployment. The growth of population in India has been rapid, intensifying the pressure on land. The population pressure has not only led to a tremendous fall in the land-man ratio but also to the fall in the productivity of labour in agriculture. So expanding productive employment is central for sustained poverty reduction as labour is the main asset for the

majority of the poor. Over time, it has also been recognized that high growth does not necessarily create employment. Labour absorption depends more on the pattern of growth (i.e., labour intensive or capital intensive).

Now, agriculture is the backbone of the economy and it will remain as the mainstay of the country, in spite of the fact that it is moving towards industrialization. Now, since the early 1990s, with the introduction of economic reforms, many changes have taken place also in the agriculture and allied sector in India. It has been argued that liberalization measures relating to regional and international trade had a positive impact on the growth of commercial and other service activities in rural India, ushering in a process of sectoral diversification. The growth of employment for the decades 1990s (1993-94 to 1999-2000) and 2000s (1999-2000 to 2004-05) as well for the overall period (1993-94 to 2004-05) separately for rural and urban and also combined rural and urban are given in Table 4.

The compounded annual growth rate of employment shows a fair degree of variation not only among the states but also within the rural and urban areas of the states. There are only five states with growth rate higher than that the all-India figure of 0.71 in 1990s in rural areas. In 2000s, the all-India average went up to 2.45 in the rural areas with only six states above the national average. Haryana showed a tremendous growth in the rural areas in this period. The main reason for this is the rapid growth of rural non-farm sector. Though the rural employment growth rate has increased in the 2000s, the disparity range among the states has also widened. Andhra Pradesh had a growth of only 1.24 whereas for Haryana it was as high as 5.68. This indicates that probably by trying to concentrate on the industrialization of Andhra Pradesh, the rural development has been ignored, which can be a probable reason for farmer suicide. In case

of urban areas, the all-India average went up to 4.14 from 1990s to 2.36 in 2000s in the urban areas. It can be noted that, in Gujarat the employment growth rate of urban areas (7.17) in 1990s is much more than that of the rural areas (2.02), which reflects a disparity among the rural and urban areas within the state and it leads to a rural-urban migration with the hope of better opportunities in the urban sector. In case of total employment growth, considering rural and urban together, the all-India average is only 1.89 between 1993-94 and 2004-05 and Gujarat has the highest employment growth rate with 3.09 followed by Haryana 3.01, which is an effect of rapid industrialization in these states in the post reform period.

It can be concluded that, in case of employment growth, Western states have performed better than other parts of the country. One of the main reasons can be the huge flow of foreign direct investments in these states which made them industrialized states and showed them the ways of better employment opportunities.

Section V: Concluding Remarks

The analysis so far clearly establishes that there are considerable disparities in development across the Indian States. Efforts through the planning process had only partially succeeded in reducing regional disparities. The reforms since 1991 with stabilisation and deregulation policies as their prime instruments and a very significant role for the private sector seem to have further aggravated the inter-state disparities.

An analysis of the growth in domestic product of Indian states in the last two decades reveals that the development process has been uneven across states. The regional disparity in the growth rates becomes sharper in terms of per capita income. The poorer states have not only performed poorly but their failure to control population

growth has left them in even worse position. These states with higher population growth are not able to attract investment, both public and private, due to a variety of reasons, like poor income and infrastructure and probably also poor governance. The immediate requirement of these states is more investment in their social and infrastructural sectors. To improve the level of social services massive investment in primary education and primary health services are required⁵.

The population pressure has not only led to a tremendous fall in the land-man ratio but also to the fall in the productivity of labour in agriculture which is reflected in the growth pattern of rural employment. As a result a majority of Indian farmers now requires off-farm income for sustained rural livelihood. It has been observed recently that in rural India, most of the households pursue multiple activities, as part of their survival strategy. So they are not only depending on agriculture for their livelihood but also depend on a diverse portfolio of activities and income sources. There is an urgent requirement of the growth of non-farm employment across the country and it can be a good avenue for other sources of income within the village. This can lead to a reduction in both the inter-state and intra-state disparities.

Another way of improvement in the basic infrastructural facilities in the less developed states is the introduction of public-private-partnership (PPP). PPP is a mode of implementing government programs or schemes in partnership with the private sector. It involves a long-term relationship between the public sector and the private sector. PPP brings in greater professionalism to bear through introducing meaningful concepts. This can also lead to a reduction in the inter-state disparities.

In conclusion one can say that, if the existing trends in differential rate of development

continue regional disparities in India are bound to accentuate. Therefore, it is imperative that the present trends are arrested and preferably reversed. This will require serious efforts on the part of both the concerned State governments and the Centre.

Endnotes:

¹ Higher in poorer regions and lower in richer regions.

² For example, deregulation of investment, liberalization of trade, exchange rate, interest rate, capital flows and prices.

³ Andhra Pradesh, Gujarat, Karnataka, Haryana and Maharashtra.

⁴ The most widely used measure of inter-regional inequality is the coefficient of variation, first popularized in this field by Williamson (1965). The coefficient is simply a weighted dispersion measure, standardized by the mean.

⁵ The Improvement in literacy and health indicators like infant mortality and expectation of life at birth will bring down the rate of growth of population.

References:

Ahluwalia, Montek S. (2002), "State Level Performance Under Economic Reforms in India", in *Economic Policy Reforms and the Indian Economy*, ed. by Anne O. Krueger, Oxford University Press, New Delhi, pp 91-125.

Ahluwalia, Montek S. (2000), "Economic Performance of States in Post-Reforms Period", *Economic and Political Weekly*, May 6, pp. 1637-1648.

Barro, Robert J. (1991), "Economic Growth in a Cross Section of Countries", *Quarterly Journal of Economics*, 106, 2 (May), pp, 407-443.

Bhattacharya, B.B. and S. Sakthivel (2004), "Regional Growth and Disparity in India: A Comparison of Pre and Post Reform Decades", *Economic and Political Weekly*, Vol. 39, No. 10, pp. 1071-1077.

Census of India: Various Issues.

Central Statistical Organisation: Various Issues

of the National Accounts Statistics. Datta Roy Choudhury, U. (1993): "Inter-State and Intra-State Variations in Economic Development and Standard of Living", New Delhi: National Institute of Public Finance and Policy.

Kurain, N. J. "Widening Regional Disparities in India", Planning Commission Paper. www.planningcommission.nic.in/reports/articles/ncsxna/art_wide.pdf

Nagaraj, R, Aristomene Varoudakis and Marie-Ange Veganzones (1998), "Long-Run Growth Trends and Convergence Across Indian States", OECD Technical Papers, No. 131, January, pp. 1-58.

NSSO: Various Issues.

Reserve Bank of India: Finances of State Governments, various issues.

Rao, M. Govinda, R.T. Shand and K.P. Kalirajan (1999), "Convergence of Incomes Across Indian States – A Divergent View", *Economic and Political Weekly*, March 27,

Shand, Ric and S. Bhide (2000), "Sources of Economic Growth – Regional Dimensions of Reforms", *Economic and Political Weekly*, October 14, pp. 3747-3757.

Williamson, J.G. (1965), "Regional Inequality and the Process of National Development: A Description of Patterns", *Economic Development and Cultural Change*, 13, pp. 3-45.

About the author

Samik Shome is

Assistant Professor at

Alliance Business School, Bangalore

He can be reached at : sameek_ind@yahoo.com