

Definition of inclusive growth economics essay

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Introduction

India is one of the developing economies in the world. One of the major objectives of the planning process is to achieve balanced regional development. However, there are regional imbalances in the growth process leading to intra regional disparities and widening per capita Income across states. One of the important problems is that poverty ratio is very high in the economy despite high growth. To overcome these problems and to bring about inclusive growth in a regional prospective, eleventh five year plan (2007-2012) took some policy initiatives in regional perspectives.

Regional imbalance

" The co-existence of relatively developed and economically depressed states and even regions with in each state is known as regional imbalance". Here we are considering state as a region because the objective of the paper is analyzing the policies taken by eleventh plan to remove regional imbalances. ' The states are depending on the central government for an overall infrastructural, social and economic development'. The Central government allows funds to the states in accordance with the recommendation of different committees. There are two forms of central assistance to the states; fiscal assistance and financial assistance. So analyzing the performance of states will give a clear picture about the effectiveness of the policies.

Definition of inclusive growth

Inclusive growth is a " growth process which yields broad-based benefits and ensures equality of opportunity for all". The development of backward region

has been a major objective of planners in India. The five year plan mainly focused on the regional development of some backward states. These states are considered as special category and under this category Arunachal Pradesh, Assam, Himachal Pradesh, Jammu and Kashmir, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, and Uttarakhand are included. For the development of these regions, the plan provides a huge level of financial assistance for the development of fiscal infrastructure in backward area. This study modestly examines the benefits of this investment by looking at the performance of the North Eastern Region in India.

Objective of the study

As compared to other Indian states ' The NE States have some unique economic problems arising out of remoteness and poor connectivity, hilly and often inhospitable terrain, a weak resource base, poor infrastructure, sparse population density, shallow markets, inadequate administrative capacity, low skill endowment and finally a law & order situation frequently threatened by insurgency'. This leads to low growth rate in the economy. The eleventh five year plan mainly focused on the development of physical and social infrastructure in the NER. On the basis of this policy this study has formed two objectives. One is analyzing the policy and second one is critical evaluation of these policies.

Review of literature

Agarwalla and Pangotra(2011) analyzed changes in regional inequality in India over a period of 26 years. They say data of Indian states confirms divergence in regional state products. There are extensive variations in <https://assignbuster.com/definition-of-inclusive-growth-economics-essay/>

economic performance of states and these differences increased in course of time. But a closer statistical investigation reveals that GSDP has converged for the special category states during this period. The pace of convergence is quicker during the period 1992-2006, when Indian economy went for structural reforms. Non-special category states shows divergence in domestic products. They find that there is no noteworthy difference in the mean per capita real GSDP of special category states and non-special category states. This result contradicts with classifying states into special and non-special categories. Gaur (2010) also found out an increasing gap in provisions of income among rich and poor states, notably after 1991. Using Gini ratio, RMD, Theil's index and Kakwani index he confirms this. This study also emphasizes that there is both beta and sigma divergence in India.

Vanneman and Dubey (2010) says Indian income inequality is greater than that for developed countries and more alike to inequality in Brazil and Peru and other Latin American countries. They add that there are regional variations in income inequality in India, but the variation is not very large when compared with the variation observed among developing economies.

The principal fact they emphasize is not the inequality differences within India, but the enormous gap in inequality between developed countries and developing countries. But they tell even though the higher income states have three to four times the income per capita when compared with the lower income states, it actually accounts for only 9% of the national income inequality. So income inequality in India is intraregional than interregional.

Roy (2012) The paper shows that PCI increased for all the states in the last four decades but liberalizing markets didn't bring down the gaps between states. He adds the share of agriculture in GSDP declined for all the states

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but it did not effect in a decline in income gap across states. This may be because declining ' dependence on agriculture does not necessarily lead to similar kind of non-agriculture and hence similar value-added'. The paper also proves that regional differences in terms of income were higher within the rural areas when compared to their urbanCenters. He thinks it might be a reflection of a converging trend in terms of opportunities available in the cities and towns across states.(Thirlwall, 2003) The studies shows that (a) the ratio of saving and investment to GDP, (b)population growth, (c) the initial level of per capita income and (d) investment in human capital measured by the secondary enrolment rate etc, are crucial for determining regional development(Barro and Sala-i-Martin, 1995) The mobility of factors of production has an important role for equalizing the income and factor price in different regions. The mobility of factors of production having access to similar structural characteristics in regions, there exists regional convergence in per capita income in different regions and the speed of convergence is instantaneous and infiniteAlokesh Barua and Aparna Sawhney (2005) Says inclusive growth is one of the objectives of government. In order to attain such growth central government finance will not suffice. So the state government expediter in all sectors especially social service sector is important.

Trends and pattern

In India, inter-state/region inequality has been one of the major concerns before policy makers and planners. In some states per capita income is higher than the national average some are below the national average. And also showing the trend of some states growing faster than the other states

so regional disparity between states and region are widening. The regional disparity arising because of many reasons, differences in availability in natural resources, level of industrialization, difference in human capital indicators like education, health care etc. per capita state domestic product is one of the important indicator to display the disparity across states.

Table 1 Per capita gross state domestic product growth rate states

1997-2002 (9 th)

2002-07 (10 th)

2007-12 (11th)

Andhra p6. 5548. 186. 47Bihar2. 634. 6112. 06Jharkhand2. 173. 78-2.

29Goa4. 065. 816. 66Gujarat-0. 179. 657. 49Haryana4. 367. 6447.

61Karnataka3. 736. 893. 97Kerala4. 577. 587. 31Madhya p1. 9235. 28.

41Chhattisgarh1. 038. 976. 66Maharashtra1. 569. 947. 58Orissa1. 879. 815.

59Punjab2. 123. 335. 59Rajasthan0. 579. 856. 47Tamil Nadu2. 4111. 138.

15Uttar p0. 533. 985. 03West Bengal-5. 819. 075. 03All India3. 55. 96.

3Source: RBI
Table 2 Per capita gross state domestic product growth rate of North eastern region states
Arunachal

pAssam Manipur Meghalaya Mizoram Nagaland Sikkim Tripura 1997-025. 560.

460. 435. 402. 410. 3992. 638. 822002-076. 142. 8211. 275. 802. 283. 476.

495. 982007-126. 056. 147. 588. 838. 892. 7114. 758. 6289Source:

RBI Tables 1 and 2 present the percentage change in per capita state domestic product in three different plan periods. This explains the wide difference in per capita growth in Indian states. During the 9 th plan period

Tripura has the highest growth rate whereas, Gujarat has the lowest. In the case of NER Assam, Manipur and Nagaland have the least performers. In the 10 th plan period Manipur has the highest growth rate followed by Tamil Nadu. One of the important factors is that previous period poor performing states Gujarat, Maharashtra, and Orissa has a high growth in per capita income. Considering NER Mizoram is continuing the least performing situation other states performing better than their own previous period. During the eleventh five year plan period Sikkim attain the highest growth rate. Jharkhand has the least performer. Some states like Manipur, Nagaland, Andhra Pradesh, Gujarat, Karnataka, Chhattisgarh, Tamil Nadu and West Bengal present a declining trend in per capita growth. As compared to previous plan period Assam, attain a high rate of growth. Sikkim, Meghalaya, and Mizoram are the three success growth states In NER. It is evident from this discussion the growth rate in per capita state domestic product is fluctuating over the periods. Some states are growing faster than other states. On the basis of literature we can say that regional disparity in per capita income is widening.

Critical Parameters for Growth of the North Eastern Region

On the basis of sectors the special policies for the NER divided in to two groups. Physical Infrastructure-Emphasis on the primary sector of the economy to substantially step up productivity in food grains within a period of five years. Emphasis on agriculture extension services, irrigation.-Farm-based economic activities: Horticulture, Animal Husbandry, Fisheries, Poultry, and so on.-Post-harvest management and marketing infrastructure.-Two-pronged growth strategy: creation of critical infrastructure and creation

of employment opportunities.-Thrust on major sectors of connectivity (road, rail, air, inland waterways, and tele communication) and power with major step-up in investment in these sectors.-Synergy and dovetailing of programmes/schemes between Central ministries and the State Governments for filling up gaps in infrastructure.-Maintenance of roads is an important aspect and needs a separate financial arrangement. Social infrastructure-Improvement in the security, law and order and governance.-Thrust on major social infrastructure: Health, Education (upgradation of quality) and Tourism, clearly-Building capacity and bringing professionalism in NEC as a Regional Planning Body.-Active involvement of Autonomous District Councils, Panchayati Raj and local Self Government institutions, communities and Self-Help Groups in various development welfare schemes.-Development of the region linked to the Look East policy of the government and development of relationship with neighboring countries of the entire region.-Setting up of an interdisciplinary body for overseeing the planning and timely execution of communication projects undertaken including, inter alia, the absorption capabilities and their augmentation. Says inclusive growth is one of the objectives of government. In order to attain such growth central government finance will not suffice. So the state government expediter in all sectors especially social service sector are important. Table 3 Proposed sectoral allocation for NER in the tenth and eleventh plan(Rs in crore)

States	Agriculture and allied activities	energy	transport	Rural development	Social services	General services	Grand total
Arupara	10th	515.31	498.12	2824.42	158.17	1239.33	241.62
11th	1175.38	1280.19	1589.50	258.22	237.91	602.42	7901.42
Assam	10 th	664.98	837.04	879.32	664.98	4157.11	247.24
11 th	3380.92	601.67	3173.47	1878.32	664.98	4157.11	247.24

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6911152. 751095. 3123954 Manipur 10 th 113. 66230. 51223. 48113.
661032341. 66280411 th plan 1211. 611498. 71403. 16271. 143273. 20480.
968184 Meghalaya 10 th 3009. 505. 77540. 30299. 601034. 35126. 8300911
th 954. 941084. 881623. 62735. 223481. 74512. 869185 Mizoram 10 th 161.
98194. 85481. 90158. 65956. 87213. 432300. 0111 th plan 695. 64691.
41886. 58197. 702305. 82441. 735534 Nagaland 10 th 255. 50248. 45170.
35180. 05738. 40352. 82227. 6511 th plan 646. 18646. 94821. 90494.
951854. 19686. 965978 Sikkim 10 th 174. 99242. 90265. 0074. 00666. 2598.
61655. 7411 th plan 360. 77511. 54546. 84276. 011882. 32422.
024720 Tripura 10 th 450225. 00495. 00540. 001822. 50155450011 th
plan 1215. 13636. 441024. 39906. 403827. 30422. 398852

Totao 10 th**5344. 92****3018. 64****3879. 77****2189. 11****11646. 81****1777. 15****28699. 99****Total 11 th****9640. 55****8951. 78****10069. 46****3079. 33****28346. 23****4664. 65****74308**

Source: planning commission government of india This table explain the central total plan outlay to the NER during the tenth and eleventh plan period. Agriculture and allied activity are the one of the focusing area of these planning. Around 45% of the plan out lay allotted to the development of the sectors. Assam and Arunachal Pradesh got the highest share of plan out lay to this sector. During the tenth plan period Rs 5344. 92 crore and eleventh plan RS 9640. 55 crore allotted to this sector. Compared to previous

plan the fund allocation is much higher in all sectors. Power and energy are the second largest invested sector in this plan period. Including Sikkim and Arunachal Pradesh NER has the hydro power potential of 63257 MW . The ' sectoral summit on power suggested a two-pronged strategy for power generation with focus on small/localized hydel and thermal and NER power projects'. The objective of this project is satisfying the demand of NER and supply the rest to the country. For the development of this sector eleventh plan provide Rs 8951. 78 crore. Compared to tenth plan, there is a huge variation in this plan out lay. In this plan major investment had been in transport and connectivity. Investment mainly for the construction and repairing of roads, improvements in air ports etc. during the tenth plan RS3018. 64 invested for this sector and eleventh plan allotted RS 10069. 46 crore for this particular sector. In India there is a tendency of movement towards the convergence of human development indicators across states. In order to attain better social infrastructure plan provide special focused on access to essential public services such as health education drinking water etc. under the social infrastructure category education, medical and public health water supply and sanitation, housing and urban development are included. Under the health sector the plan focused on the development of technical manpower (MBBS, post graduate, Para medical and other specialists) improvement in health facility and infrastructure. Health intuitional funds mainly allotted for the development of science and technology intuitions. Availability of credit and active participation of financial institution in these states is very less. In this table under general services plan allocation to the economic services and general services are included. From this information we can say that during the eleventh plan not

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give much emphasis on the development of industrial sector, financial institution and rural development. The NER special packages focused on the development of transport, energy and agriculture sector.

Sector wise plan allocation and performance

Agriculture sector is the major revenue sources of the people in this region but the development of agriculture sector is uneven. 8% of countries geographical area holds by this region but they contribute only 1.5 % of food grains to the GDP. Horticulture animal husbandry, fisheries are the other important revenue sources of the people and the development of these sectors also not satisfactory. To attain a sustainable development plan mainly focused on the critical agricultural inputs like irrigation facility, drainage, fertilizers, HYV seeds, etc. And also emphasized for the development of storage facility for fruits and vegetables. Table no 4

Agriculture sector share to GSDP	Agriculture (Rs Lakh)	Arunachal Pradesh	Growth Rate of GSDP (in %)	Assam	Growth Rate of GSDP (in %)	MANIPUR	Growth Rate of GSDP (in %)	MEGHALAYA	Growth Rate of GSDP (in %)	MIZORAM	Growth Rate of GSDP (in %)	NAGALAND	Growth Rate of GSDP (in %)	SIKKIM	Growth Rate of GSDP (in %)	TRIPURA	Growth Rate of GSDP (in %)	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
5.21	10680088650010024632723152336245741768512005-06	5.09	2.12	9.10	7.93	2.93	8.68	7.86	6.10	8.19	5.7	8.33	3.63	7.41	5.53	3.08	10.42	5.78	4.10	1.80	0.45	6.20	0.67
6.00	10951044.5857971.71097767.5345554.51561667.8264005.91947778.62007-08	7.76	9.91	2.11	3.61	2.94	3.98	0.615	5.10	8.39	5.3	1.43	2.22	1.11	5.64	3.08	1.27	9.78	5.82	3.39	8.06	6.20	0.8
6.00	1279785.82339806.62008-09	6.63	5.18	2.11	7.06	8.06	1.11	7.22	3.11	4.12	3.12	9.53	3.25	1.51	6.83	0.36	4.30	3.89	1.3	1.24	1.81	3.10	6.20
6.00	106991712.812383858.11254577.61142906.																						

46013311. 51737735. 73156673. 72496469. 52010-11884798. 313320497.
31346716. 21171837618298. 61920896. 7325097. 72559659. 72011-
12969274. 114199058. 61452336. 312021992024383. 7340728. 22601439.

9Source. EPW data base This table shows that the contribution of agriculture to the SDP. During the tenth plan period Nagaland contribute comparatively a high amount to the SDP. Some other states contribution is below the national average. In that period Assam contributed at least amount to the SDP. After 2006-07 all states share has increasing but the growth rate is marginal. And it also show that there is no a high level of growth in the agricultural sector and also growth rate presenting a fluctuating trend. Table no 5 Economic Performance of the States in the Industrial Sector VII Plan VIII Plan IX Plan X Plan XI Plan target 2007-08 Annual growth 2008-09 Annual

growth Arunachal Pradesh 7. 010. 016. 212. 18. 04. 33. 0 Assam 3. 13. 21. 97. 98. 03. 43. 8 Manipu 6. 62. 76. 514. 18. 09. 89. 7 Meghalaya 6. 14. 310. 48. 88. 015. 811. 0 Mizoram nana 9. 68. 68. 07. 111. 2 Nagaland 19. 821. 50. 09. 78. 0 nana Sikkim 22. 87. 512. 410. 28. 09. 810. 6 Tripura 9. 59. 224. 26. 78. 03.

0na The above table shows the Growth of industrial sector in different plan period in per cent per annum. Up to 7 th plan Arunachal Pradesh performing with a growing rate. But after 10 th plan it will declining. The performance reflected with a fluctuating trend. Table no 6 Manufacturing sector share

GSDP (Rs Lakh) State/ year Arunachal

Pradesh Assam MANIPUR MEGHALAYA MIZORAM NAGALAND SIKKIM TRIPURA 2004-05 70694324301889412852263285116395328932005-06 784639341420126233762634104746530215882006-07 893738035522950390363162120287036240212007-08 1022933643827440424913986139188105261102008-

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091030431130326146411273690118858833257322009-
10111833191152801746431338716841113699253542010-
11115783256303006853797436620686116144249932011-
121184133701732792624292137012079624649

Source. EPW data base
In order to reduce huge dependence on agricultural sector industrial and service sector development is necessary. But this planning did not give much importance to the development of industries and manufacturing to the NE. ' The annual average growth rate of industries at the all India level during the period 2004-05 to 2009-10 is 10. 42%. it is only 3. 94% in respect of north eastern region.' But compared to agriculture sector manufacturing growth showing a positive signal. Sikkim and Assam are growing faster than other NE states.' The Approach to the Eleventh Plan document has emphasized connectivity as the key area for the development of NE. The Eleventh Plan would have a special thrust on transport infrastructure under the identified programmes and areas identified by the Task Force which would necessitate a concerted and multi-pronged action, including resource mobilization, which may also comprise of VGF. Various road development programmes, including SARDP-NE would be taken up at an accelerated pace. High priority would be accorded for converting the Meter Gauge (MG) network to Broad Gauge (BG) in the region during the Eleventh Five Year Plan period. Important airports in the NE are proposed to be modernized.'

Table no 7 Transport Storage and Communication share to GSDP State/ year

State	2004-05	2005-06	2006-07
Arunachal Pradesh	19.92	18.13	21.38
Assam	9.26	4.51	8.30
MANIPUR	2.45	1.81	3.02
MEGHALAYA	1.30	2.13	8.39
MIZORAM	5.25	5.23	1.75
NAGALAND	3.23	3.13	2.00
SIKKIM	2.00	5.91	19.92
TRIPURA	4.05	9.19	26.45

1813021388396525523175683233132005-
061038429949715110433027071561256441271852006-
0711669351070178896498408045640747141331712007-
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081258640900420275543059131758888051431992008-

091429144702622125590099631674718884491092009-

1017585502393243076594194708284910398550192010-

111956655326227870734781091191869121147616802011-

12210216658073230484812943441467569180The table shows that the revenue contribution of transport, storage, and communication to the SDP.

Compared to previous periods the states Meghalaya, Assam, and Tripura share to the SDP is increasing. but other states contribution is marginal. This says that a huge level of investment in the connectivity of NER did not give a visible improvement in that sector. One of the important fact is that eleventh five year plan didn't allow any finance to the development of communication in NER.

State wise analysis.

Arunachal Pradesh Arunachal Pradesh is an agro biased traditional region. Rivers and forest have an important role in the lives of people. The state has lowest life expectancy, literacy rate, and per capita income. . Compared to tenth plan the major focusing of this plan is social infrastructure development and second priority to the connectivity and road transport. One of the other important factor is that Arunachal Pradesh have the resources for generating hydro electric power. So the planning spent a large portion of fund for generating energy and big dam construction. And the same time there is some problem behind these projects. The entire north east India is seismically a high risk zone, among this state's Arunachal Pradesh is the top most prone of earth quake vulnerability. Assam have highest density of populatin in the region it was more than the national average. In the state

more than 50 percent of the population depending on the agriculture sector for their livelihood. And 88% of the total land available for the cultivation and this sector contribute 25% of the state domestic products (2010-11). The eleventh plan provide major emphasized on the development of agriculture sector, generation of hydro electric power and connectivity. Table no 8 Index of Agricultural production in Assam

Year	Food	Non food	All
2001-02	169	160	164
2002-03	164	166	165
2003-04	170	162	166
2004-05	152	154	153
2005-06	155	148	153
2006-07	128	156	142
2007-08	145	161	153
2008-09	174	167	170
2009-10	192	180	186

Source Directorate of Economics and Statistics, Assam. The table shows the index of food, non food and all agricultural production of 2001 to 2010. It will shows that over the period there a small level increasing the production of commodities but the growth rate is marginal. In the case of secondary sector industrial growth in Assam is not satisfactory. Only small and medium scale manufacturing units are operating in this state. The contribution of manufacturing sector to gross domestic product is estimated at 7% to the SDP (2010-11). The tea industry playing a vital role in the state as well as in the national economy. Assam have rich mineral resources. The major available mineral resources are coal, petroleum (crude) and limestone. But the utilization of the resources was not satisfactory. Manipur In Manipur agriculture is the major source of revenue to the state, about 41. 19% of population engaged in agriculture sector. One of the important factors is that a reduction in the agricultural work force and increasing in the number of small scale units in the states. The planning give emphasis on augmentation and strengthening of civic amenities and physical infrastructure like transport, energy, water supply, and health sector etc. And Special emphasis

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made to the extent of all civic amenities in the remote areas of the State.

Table no 9 Sector wise performance year 2005-06 2006-07 2007-08 2008-

09 2009-10 2010-11 Agriculture and allied 5. 14. 25. 8-0. 10. 45. 4 Mining and

quarrying 1. 37. 53. 71. 36. 96. 2 manufacturing 10. 114. 310. 34. 28. 88.

8 Electricity , gas , water supply 7. 19. 38. 34. 96. 45. 1 Construction 12. 810.

310. 75. 47. 08. 0 Trade and hotel 12. 111. 710. 77. 69. 711. 0 Service sector 7.

02. 96. 912. 711. 85. 7 GDP at factor cost 9. 59. 69. 36. 88. 08. 6 Source:

economic survey of manipur The data explaining the sector wise performance

of the state. It will show that during the period 2008-09 a declining trend of

agriculture and overall a fluctuating trend in this sector. In this state mining

and quarrying give an increasing growth rate but some year this is also

declining. The overall performance of the economy is not improving and the

GDP growth also declining. Meghalaya Meghalaya is also largely depending

on agriculture sector 70% of the population depend on it directly or

indirectly. The contribution of this sector to the state's economy is around

22% of GSDP. Rice is the most dominant food crop occupying around 60% of

the state cultivation. Maize is the second largest are cultivated crop. During

this plan Mizoram This plan approved Rs 5534 crore for the development of

Mizoram more than double amount than tenth plan. For attaining food

sufficiency agriculture and allied activities are one of the major focus of this

plan. The social services also got an importance, during the tenth plan period

, SSA mission together with the state plan schemes give a positive result in

terms of reducing drop out ratio. So that mission continuing this plan period

and the special scheme called Mizoram Intodelha Project (MIP) also

continued this planning with a new form. Table no 10 GROSS DOMESTIC

PRODUCT AT FACTOR COST MIZORAM sectors 2004-2005 % Share to

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GSDP2005-2006% Shareto GSDP2006-2007% Shareto GSDP2007-2008%
 Shareto GSDP2008-2009% Shareto GSDP2009-2010% Shareto
 GSDPAGRICULTURE SECTOR6302523. 506405322. 326422721. 377325821.
 968910123. 459849098490INDUSTRY SECTOR44529445295719719.
 935782619. 246532719. 587243419. 068513519. 66SERVICE
 SECTOR16064359. 9016569257. 7417853459. 4019503658. 4621846457.
 4924934557. 59GROSS STATE DOMESTIC PRODUCT268197100.

00286942100. 00300587100. 00333621100. 00379999100. 00432970100.

00This data shows the contribution of each sector to the GSDP of Mizoram states. Over the period the performance of agriculture and industrial sector contribution to GDP is increasing. Service sector contribution also increasing but the growth rate is very lowSikkimSikkim has the geographical small land holding state in India. During the tenth plan period the projected growth rate of SDP for Sikkim was 7. 9 per annum against the national average of 8 percent. In the sect oral growth rate of state agricultural growth rate is 5% against the national target of 4%. the industrial growth rate 5. 2% against the national average of 8. 9%. And the service sector 10. 4% against 9. 4% of national average. This data shows that compared to other north eastern states Sikkim performing in a better manner. Evaluation of performanceIn order to attain food sufficiency this plan give emphasize on the agriculture sector. But the plan period performance of this sector did not give any improvement. In the case of Assam, and Tripura there is a slow growth in this sector. But the growth rate is marginal. One of the important objective of this plan is to maximize the agricultural productivity in NER and attain food sufficiency of the region. And rest of the goods exported to the other states. But the performance of NER agricultural sector is not satisfactory. To reduce
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the high concentration of work force in the agricultural sector the development of in industry and service sector is necessary. But in the case of NER eleventh plan does not give much intension to these sectors. In the NER only small manufacturing sectors are working and the contribution of industrial sector to the SDP is lower than the national average. Connectivity and infrastructural development are the major focusing of the planning. One of the objective of this connectivity is 98% of the border of these NER states with the other countries like Bhutan, china, Myanmar and Bangladesh. This connectivity helps to widen the scope of generating economic activity with these countries. To attain such kinds of objectives government invest a huge level of fund to the NER. But after this plan there is no visible development in these sectors. One of the reasons is that development is a long term process and it will take time to see what impact this development programs will have. And also in every plan period NER fails to utilize the allotted fund because of lack of better governance system. ConclusionThe eleventh plan provides special schemes to the development of economically backward states and region. The objective of this plan is attaining faster and more inclusive growth rate. This study has attempted to analyze the objective on the basis of NER social and economic performance. But the result shows that compared to tenth plan the fund allocation to each sector is increasing but the growth rate is not increasing that much. And at present the plan allocation to the road and transport development in NER is not giving any direct benefits to the poor people. ReferancsAchal Kumar Gaur Regional Disparities in Economic Growth: A Case Study of Indian StatesAstha Agarwalla and Regional Income Disparities in India and Testfor Convergence - 1980 to 2006Prem PangotraJeffrey D. Sachs and Ananthi Ramiah Work <https://assignbuster.com/definition-of-inclusive-growth-economics-essay/>

Understanding Regional Economic Growth in India Gaurav Nayyar Economic
Growth and Regional Inequality in India Nirvikar Singh, Laveesh Bhanari, 5
Regional Inequality in India A Fresh Look Ayoyu Chen, Aartikhre Planning
Commission of India Eleventh Five Year Plan (2007-12) Inclusive
Growth Ravindra H. Dholakia A Note on the Inter-State Income Differentials in
India Review of Literature Regional Growth and Disparity in India Comparison
of Pre- and Post-Reform Decades Has

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Regional disparity

[for instance, Ahluwalia 2000 and 2002; Nagaraj, Varoudakis and Veganzous 1998; Rao, Shand and Kalirajan 1999; Shand and Bhide 2000] have observed that the regional disparity in India has widened, especially during the 1990s

The studies of Ahluwalia 2000 and 2002; Nagaraj, Varoudakis and Veganzous 1998; Rao, Shand and Kalirajan 1999; Shand and Bhide 2000 show that regional disparity in India has widened especially after 1990s

The Indian government made balanced regional development is one of the important objective of national planning. (Chelliah).

Reference role of public infrastructure investment in regional development experience of Indian states Somik V Lal