# DIMENSIONS OF REGIONAL INEQUALITY IN INDIA: A POLITICAL ECONOMY APPROACH

A Dissertation submitted

By

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TO

Department of Economics

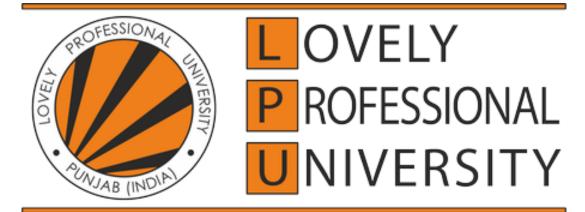
In partial fulfillment of the requirement for the

Award of the degree of M.Sc. Economics

Under the guidance of

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# Transforming Education Transforming India

Department of economics and commerce

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Lovely Professional University, Jalandhar, Punjab (India)

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## **DECLARATION**

I hereby declare that the project report titled 'Dimension of Regional inequality in India: A political economy approach" is an authentic record of my own work carried out as the requirement for the award of M.Sc. in economics at lovely professional university, Phagwara, Punjab. The content in presented in the report has not been submitted in full to any university for the award of any degree with such a focus.

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## **CERTIFICATE**

This is to certify that Miss Ramanjit Kaur has completed her M.Sc. project titled "Dimensions of Regional inequality in India: A political economy approach" under my guidance and supervision.

The report is to fit for the submission and partial fulfillment of the condition for the award of M.Sc. economics

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#### **ABBREVIATIONS**

AITC All India Trinamool Congress

BSP Bahujan Samaj Party

BJP Bharatiya Janata Party

CPI Communist Party of India

CPI-M Communist Party of India (Marxist)

INC Indian National Congress

NCP Nationalist Congress Party

AIADMK All India Anna Dravida Munnetra Kazhagam

AGP Asom Gana Parishad

BJD Biju Janata Dal

DMK Dravida Munnetra Kazhagam

JKNC Jammu & Kashmir National Conference

JKPDP Jammu and Kashmir People's Democratic Party

JD(S) Janata Dal (Secular)

JD(U) Janata Dal (United)

JMM Jharkhand Mukti Morcha

MSCP Manipur State Congress Party

MNF Mizo National Front

NPF Naga People's Front

RJD Rashtriya Janata Dal

RLD Rashtriya Lok Dal

SJP Samajwadi Janata Party (Rashtriya)

SP Samajwadi Party

SS Shiv Sena

SDF Sikkim Democratic Front

TRS Telugu Rashtra Samithi

#### **ABSTRACT**

Regional Disparities refer to a situation where the co-existence of relatively developed and economically depressed states and even regions within each state is found. Regional imbalances may be natural, man- made, interstate or intra state, total or sectoral. Rate of economic growth and economic development does impact the wellbeing of a region or society .Earlier increase in per capita income and growth of output were used to interpret economic development but now distributive aspect of this increased income and output is considered more important from social welfare point of view. The research is primarily based on the secondary data extracted from planning commission, election commission and Lok Sabha and Rajya Sabha. GSDP, GSDP growth rates and Per capita GSDP across 29 states have been taken to analyze the objective. Growth performances are measured on the basis of data available on GSDP growth rates. Ranks has been allotted to different states on the basis of GSDP and Per capita GSDP. Research includes both qualitative and quantitative arguments through newspaper cuttings and content analysis through different websites. The study was undertaken to analyze the extent of regionalism within the states comparing the growth rates. Growth rates were taken to relate the regional parties with its effect on average growth and percentage change. The study also suggests the effects of political instability on per capita GSDP and GSDP for the period of 2004-2005 to 2013-2014. Political instability has seemed to be high in north eastern states of the country like Manipur, Mizoram, Meghalaya, and Nagaland where they have been plotted in the list of worst states. Non coalition government has no effect on the economic growth. It has been analyzed that more is the coalition more is the political instability like in the states of Jharkhand, Bihar. More coalition makes political chaos and different ideology makes government instable and effects can be seen in the some of the states.

Keywords: Inequality, regionalism, politics

#### CHAPTER 1

#### INTRODUCTION

Regional disparity in India is a scorching issue since independence and had been a source of argument amongst economists. According the Myrdal's cumulative causation theory 'Overtime, economic forces increase regional inequalities rather than reducing them' There are several factors which can be the indicators for the disparities in India viz. per capita income, health, poverty, infrastructure, expenditure, consumption and education etc. Grounds for inequality can diverge from place to place, for instance, one place can be economically backward as there can be excessive pressure of population on land or high dependencies on agriculture. While framing the development journey of India especially in the period of 1980-1999, it has been witnessed that multiparty democratic system where the era of coalition system forced economy into backward path and prior to 1991 this term popularly in politics is known as AYA RAM GAYA RAM RAJNITI<sup>1</sup> Growth, income and industrial production declined during period of 1980-1999 which was the result of political instability. The simple qualitative analysis suggests that instability in many states and central government pushes economy into different situations. Many scholars tried to study relationship between regionalism and polarization which is the important factor behind underdevelopment. UP is one of the examples<sup>2</sup>. In other dimensions, variations in economic growth among various states in India largely effected by states functions and powers towards listed items in state 7<sup>th</sup> schedule according to section 240. It is the inter disciplinary research on tools of economic analysis with the approach of political science .There is wide literature reviews on the growing regional disparity. This study tries to explore the issues of regional inequality in the period of globalization with the help of functioning nature of coalition and non-coalition government. If manifestos are closely analyzed, it would be seen that it only talks about ruling the states. No manifestos talks about the inequality.

#### 1.1 REGIONAL DISPARITY: AN ISSUE OF DEBATE

Regional Disparities refer to a situation where the co-existence of relatively developed and economically depressed states and even regions within each state is found. Regional

<sup>&</sup>lt;sup>1</sup> According to the Wikipedia 'AYA RAM GAYA RAM' expression in politics of India means frequent floor crossing by legislature. The phrase was framed when Gaya Lal a member of Legislative Assembly from Haryana in 1967 changed party thrice in fortnight from INC to United Front and then back to INC.

<sup>&</sup>lt;sup>2</sup> Emergence of regionalism started in the three states and movements became forceful in 1990s which resulted in the formation of new states in 2000 which was the cause of political instability- Chhattisgarh out of Madhya Pradesh, Jharkhand out of Bihar, and Uttaranchal out of Uttar Pradesh.

imbalances may be natural, man- made, interstate or intra state, total or sectoral. Rate of economic growth and economic development does impact the wellbeing of a region or society .Earlier increase in per capita income and growth of output were used to interpret economic development but now distributive aspect of this increased income and output is considered more important from social welfare point of view. Unequal distribution of wealth and welfare among regions and society leads to economic and social disparities. Economic development of any nation does impact economic wellbeing of any nation. Increase in per capita income and output means more access to goods and services for the society in the country. This definition of development is more materialistic but not appropriate from social development aspect. Production of goods and services create social and economic cost and defining development in terms of increased production does not comprise the sacrifice and efforts of the society in producing these goods and services which should be considered for overall development. Meier (1973) examined development is associated with rise in per capita income in long run. This definition fails to consider the effect of increasing population. Rising per capita income will not result to economic development and welfare of society if it is associated with fast growth of population. Todaro (1997) defined economic development in terms of improving quality of human life. Standard of living not only depends upon economic factor as rising income but other social factors like self- esteem, self-reliance, welfare programs and freedom to participate. Economic development should be such that do no divide society into two groups of rich and poor. Any country moving towards higher production, income, privatization and lesser government intervention will turn the economy to a capitalistic economy. Though profits are always higher in such structure of economy but social welfare cannot be maximized. This will further raise inequalities in social and economic structure of the society. Government intervention plays a major role in enhancing opportunities for the society. Socialism is always considered more favorable with efficient control of government and better social infrastructure for society. Equal chance to grow for each and every region or state is must to achieve economic development with equality.

Concept of inclusive growth and sustainable development was given to define economic development from welfare aspect of society. According to African development bank economic development should be such as widening socio-economic opportunities for society and region without degrading the environment. It is a broad based proper development which is defined as maximum economic growth with maximum social welfare. World Commission on Environment and Development's (the Brundtland Commission) report Our Common Future

(Oxford: Oxford University Press, (1987) defined sustainable development as the development that meets the needs of present generation without compromising the ability of future generations to meet their own needs. In simple word sustainable development means environment should not be degraded as a result of economic development. Economic welfare of the society does not merely depend upon rising economic development but also on the distributive aspect of society. If distribution of increased income, wages and profit is unequal it will lead to socio-economic disparity in opportunities. Widening disparities divide region or society into two groups forward and backward group. Forward group are those with better income, infrastructure, employment, better social facilities and these group of region are generally able to fetch more income from both private and government sector. Backward regions are those with poor income, deteriorated health facilities, poor quality of life and deficient of social infrastructure. These regions are not able to fetch investment required to make these regions participate in economic activities. Deprived regions further face problem of intra-regional disparities within that region. According to Plato(a Greece Philosopher), " any city however small is in fact divided into two, one the city of poor and other of rich; these are at war with one another. This defines that disparities leads to rising conflicts, wars, social and economic unrest in the economy. Society with higher income and standard of living enjoy better social status in the economy. According to 'Thedore Roosesevelt' an American president stated that the man of great wealth owes a peculiar obligation to the state because he derives special advantage from mere existence of government. Studying disparity is thus essential to remove such biasness in the society.

#### 1.2 NEED OF THE STUDY

Intra-regional disparities<sup>3</sup> have sharply risen in India in post reform era, highlighting the discussion on issue of widening regional disparities from policy perspective. The review of above studies provided enough literature to confirm widening inter-state disparities in India but study of intra-regional disparities is also equally important for achieving economic growth with equality for each state or region of the society.

<sup>&</sup>lt;sup>3</sup>According to Kurian, Intra-regional disparities is the highlighting aspect of the regional inequality. It is the type of disparity which is burning issue since decades. One of the crucial indicator of intra-regional disparity is the increasing militant activities within the states. For instance creation of states such as Andhra Pradesh and Gujarat in 1950s, creation of establishment of Punjab, Haryana and Himachal Pradesh in 1960s. The ongoing Example of this issue is Manipur and Jammu & Kashmir where there are high militant activities.

#### 1.3 OBJECTIVE OF STUDY

- 1) To understand the aspects of regional disparities in India in the context of regionalism in India.
- 2) To recognize the aspects of regional disparities in context of political stability in India.
- 3) To examine the causes of intrastate disparities in India.

#### 1.4 HYPOTHESIS

- 1) With inter disciplinary approach; regionalism induces regional disparities in broader dimensions.
- 2) There is positive relationship between existences of non-coalition politics and economic growth.
- 3) Coalition government induces more political instability within the region.

#### CHAPTER-2

#### LITERATURE REVIEWS

#### 2.1 LITERATURE REVIEWS REGIONAL DISPARITY

**Raj** (1990) in his paper 'Bridging the rural –urban gap' researched on income disparities in rural as well as urban sectors. The study duration was taken from 1950-51 to 1986-87. Paper concluded that per capita income level in rural areas was very low but on the other hand it is higher in the urban area.

Choudhury (1992) in her paper studied about 'Inter-state and Intra-state Variations in Economic Development and Standard of Living'. The objective of the study to find interstate disparities and also the standard of living among the people of different states. State domestic product was taken to show the interstate disparities whereas per capita household consumption expenditure was picked to measure the economic status and the level of standardization among people in terms of living. Ranks were also given to the states in terms of per capita consumption expenditure and per capita income to make differences.

**Dadabhavi and Bagalkoti** (1994) in their study cited health indicators to explain the inequalities. They took seventeen states for studying disparities from 1976-78 to 1990-92. The research explained the influence of per capita income in the economy, health infrastructure, literacy rate, public expenditure on the health status of the population and concluded that the inequality had raised amongst the states which was showed through coefficient of variance. He focused on role of government and education especially of female education in rural area.

**Jha** (2000) in his paper examined the relationship between economic inequality, poverty and economic growth among the Indian states. Data was taken from NSS on consumption for the 13<sup>th</sup> to the 53<sup>rd</sup> round. Gini coefficient was calculated for 14 major Indian states, coefficient of variance was also calculated, and OLS regression was used and rank analysis was also done to get convergence across the states. Concluded that there was convergence across the states on the basis of inequality, poverty and mean consumptions. Secondly, inequality acted as a restraint on the growth in states with high Gini coefficients.

Chandrasekhar and Ghosh (2003) examined the drifts and patterns between the states on the basis of aggregate net SDP (state domestic product) and per capita net SDP (state domestic product) and rank analysis was conducted for the states for the period of 1970-71, 1980-81, 1990-91 and 2000-01. Concluded that disparities aroused intensely in nineties but disparities were sluggish during 70's and 80's. Human Development was picked as an indicator and states

were ranked according to them which resulted an increased inequality between states on the basis of Human Development.

Rastugi (2005) in her paper focused on the gender disparities in context of incomes and wages in the emerging labor market in India. Labor force participation rates and worker population ratio were used to analyze the gender inequality over the period of 1993-2000. Source of data collection was National Sample Survey organization. It was concluded that there was an increase in the participation of women in Indian labor market over the selected period of time but gender inequality on the basis of income is present because of the stereotype traditional notions for women in India.

Nayyar (2008) in his paper he applied Solow model which stated growth as an overt function and also showed the correlation between growth rate and control variables. The objective of the paper was to show whether there is any differences in the income level and growth with the states and found that states were not converging up to the expected level of per capita income and there is rise in the dispersion of per capita income through the states.

**Maheshwari** (2012) in her paper discussed about the social sector situations after the introduction of economic reforms in India. The main objective of the paper was to analyze the performance in the social sector. Social sector included literacy rate, nutrition level, and poverty line, availability of health infrastructure and also to analyze the expenditure made by government in social sector in India. Concluded that there the social sector is stagnant in India. Only increased economic growth is not enough for the economy.

Goel (2013) in her research on interstate inequalities and development in economy showed the interstate analysis for 15 states, growth performances were also calculated on the basis of GSDP (Gross State domestic Product) for every state. Per capita NSDP growth rates were compared which suggested that deviation raised in the first decade and felled in the last decade but growth rate on the basis of GSDP increased in last decade.

Chowdhury (2014) in his paper discussed about the disparity in India and the study was divided into three decades. Purpose of the study was to investigate a long run economic performance of states to compare GSDP series according to the latest base year 2004-05.Data was taken from Central statistical organization. Study concluded that with respect to common base year, entire periods were divided into three phases i.e. the low growth rate, the post liberalization phase and the high growth phase.

**Singh et al. (2016)** in their research deliberated a new stare on the regional disparity in India. Paper concerned about the inequality between the states using human development indices at state level and applied statistical method regression for analysis. Fourteen states were taken for analysis from the period 1981 to 2000.Data was collected from planning commission's National Human development report 2002.Resulted that there is increase in inequality but it is neither constant nor overly intensified.

Vakulabharanam (2016) in his study explored about the structure of class in India and focused on the objective of whether class matters in widening inequality in Indian economy and also analyzed the decomposed inequality into inter class and intra class. Evidence was taken from the National Sample Survey of household consumer expenditure surveys conducted in 1993-1994 and 2004-05. Yitzhak decomposing methodology was adopted to measure gini coefficient which resulted in the rise of Gini coefficient by 4 points.

Anandi and Thampi (2016) researched on fresh trends on inequality on the grounds of wealth. Objective of the study was to analyze the recent trends on wealth inequality and wealth ownership in India. Data was collected for the period of 1991-2012 from 48<sup>th</sup> (1991), 59th (2002) and 70<sup>th</sup> (2012) of the AIDIS conducted by National Sample Survey Organizations. Data gathered information about physical assets and financial assets. Mean, median, mode were calculated to check the asset share among population, gini coefficients was applied to calculate total assets and net worth. Author also decomposed gini coefficients of wealth inequality by using Ytzhchi method. It was concluded that the main sources of unequal pattern in wealth accumulations were land and buildings.

#### 2.2 LITERATURE REVIEWS ON POLITY

**Kumar and Lone** (2013) researched on the coalition parties in India. It is the theoretical research on the coalition government in India which gave the knowledge of the actual definition of coalition parties and its features by discussing various examples. Content Analysis was done with the help of with help of manifestos and through various articles. It concluded that division of political parties in talent and values of making and maintaining coalition.

Laskar (2012) in his study on regionalism in India tried to explain the detrimental effects caused by regionalism in different states of India. This paper theoretically described the definition of regionalism in terms of love for the particular region and core involvement of politics in the common structure of regionalism. Author also deliberated about the interstate

disputes with instances. Research concluded that regional parties had role to play as regional parties understands the sentiments of the people with common language.

Rani (2015) researched on the system of political parties in India. She gave the review on the multi-party system, emergence of regional parties, casteism, and coalition between the parties. It was a sociological study which concluded that the India's political system was more of coalitional than consensual.

#### 2.3 METHODOLOGY

The research is primarily based on the secondary data extracted from planning commission, election commission and Lok Sabha and Rajya Sabha. GSDP, GSDP growth rates and Per capita GSDP across 29 states have been taken to analyze the objective. Growth performances are measured on the basis of data available on GSDP growth rates. Ranks has been allotted to different states on the basis of GSDP and Per capita GSDP. Research includes both qualitative and quantitative arguments through newspaper cuttings and content analysis through different websites.

# CHAPTER 3

#### **ANALYSIS**

#### 3.1 GROWTH PERFORMANCES IN CONTEXT TO REGIONALISM

In this section growth performances across the states is shown in Table 2. AAGR<sup>4</sup> and percentage change is calculated for the period of 2005-2006 to 2014-2015. Growth values are compared which the political parties of India either coalition or non-coalition which is used to analyze the extent of regionalism within the states and their growth performances. Collection of list of national parties and regional parties in India are picked from Electoral commission of India .National parties are those political parties which are able to get at least 6% of votes in any of the 4 states and also in the Lok Sabha or SLA<sup>5</sup> and regional parties<sup>6</sup> are those parties which mostly participate in the elections only within one single state.

Table 1 Indicators of Regionalism in India

Name of state	Governance type	Cause of emergence of
		Regionalism
Punjab	SAD	Religion
Utter Pradesh	SP	Minority politics
Jharkhand	JMM	Religion
Juaikhanu	3101101	Kengion
Bihar	JD(S)	Caste
Tamil Nadu	AIADMK	Language
Jammu & Kashmir	JKNC	Geographical boundaries
Maharashtra	Shiv Sena	Language
Odisha	BJD	Religion

<sup>&</sup>lt;sup>4</sup> According to investopedia AAGR is the growth rate which is calculated over the period of time. It is average increases in the growth rate over specific interval of time.

<sup>&</sup>lt;sup>5</sup> www.GKtoday.in

<sup>&</sup>lt;sup>6</sup> www.adanial.tripode.com

		TAE	SLE 2 GROS	S STATE DO	MESTIC	PRODUCT	Γ GROW	TH RAT	ES OF V	ARIOUS	STATES			
SI.			2005-	2006-	2007-	2008-	2009-	2010-	2011-	2012-	2013-	2014-		Percentag
No	States		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	AAGR	e change
	Andhra	Percentage												
1	Pradesh	growth	9.53	17.92	22	11.78	15.14	17.03	13.25	13.2	13.2	12.03	14.508	2.5
		ruling party	INC	INC	INC	INC	INC	INC	INC	INC	INC	TDP		
		Type of												
		government	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC		
	Arunachal	Percentage												
2	Pradesh	growth	7.65	9.4	17.09	18.23	31.42	20.7	19.44	9.85	14.44	15.08	16.33	7.43
			UDF/IN	UDF/INC/										
		ruling party	C/BJP	ВЈР	INC	INC	INC	INC	INC	INC	INC	INC		
		Type of												
		government	С	С	NC	NC	NC	NC	NC	NC	NC	NC		
		Percentage												
3	Assam	growth	11.21	8.94	9.87	14.07	18.38	17.41	11.73	9.93	15.22	15.26	13.202	4.05
		ruling party	INC	INC	INC	INC	INC	INC	INC	INC	INC	INC		
		Type of												
		government	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC		

		Percentage												
4	Bihar	growth	6.05	22.12	12.85	25.16	14.51	24.94	19.51	20.7	17.05	17.06	17.995	11.01
		ruling party	JD(U)											
		Type of												
		government	С	С	С	С	С	С	С	С	С	С		
		Percentage												
5	Chhattisgarh	growth	11.53	25.28	20.01	20.83	2.47	20.18	20.9	14.72	12.1	13.2	16.122	1.67
		ruling party	BJP	ВЈР	BJP	BJP	BJP	BJP	BJP	BJP	ВЈР	BJP		
		Type of												
		government	NC											
		Percentage												
6	Goa	growth	12.7	15.33	18.41	29.9	14.61	15.38	28.72	-1.96	15.3	NA	14.839	2.6
		ruling party	INC	BJP	ВЈР	ВЈР								
		Type of												
		government	NC											
		Percentage												
7	Gujarat	growth	20.34	15.92	16.07	11.73	17.22	20.93	14.82	9.98	16.26	NA	14.327	-4.08
		ruling party	BJP	ВЈР	BJP	BJP	ВЈР	BJP	BJP	BJP	ВЈР	BJP		
		Type of												
		government	NC											

		Percentage												
8	Haryana	growth	13.66	18.23	17.76	20.4	22.51	16.56	14.61	14.28	13.93	11.93	16.387	-1.73
		ruling party	INC	INC	INC	INC	INC	INC	INC	INC	INC	ВЈР		
		Type of												
		government	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC		
	Himachal	Percentage												
9	Pradesh	growth	12.67	11.6	12.19	22.14	16.17	19.22	13.06	13.48	12.04	NA	13.257	-0.63
		ruling party	INC	INC	INC	BJP	BJP	BJP	ВЈР	INC	INC	INC		
		Type of												
		government	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC		
	Jammu &	Percentage												
10	Kashmir	growth	9.58	11.06	11.64	14.06	14.34	20.02	17.41	12.8	13.85	0.4	12.516	-9.18
						governo								
		ruling party	JKPDP	INC	INC	r's rule	JKNC	JKNC	JKNC	JKNC	JKNC	JKNC		
		Type of												
		government	NC	NC	NC	NA	NC	NC	NC	NC	NC	NC		
		Percentage												
11	Jharkhand	growth	1.91	9.91	25.42	4.58	14.61	26.5	6.55	11.83	13.93	14.32	12.956	12.41

							BJP/J	BJP/J	BJP/J	BJP/J	BJP/J			
							MM/I	MM/I	MM/I	MM/I	MM/I			
			BJP/JM		BJP/JM	BJP/JM	NC/JV	NC/JV	NC/JV	NC/JV	NC/JV			
			M/INC/	BJP/JMM/	M/INC/	M/INC/	M(P)/	M(P)/	M(P)/	M(P)/	M(P)/			
			RJD/JD(	INC/RJD/J	RJD/JD(	RJD/JD(	AJSU/	AJSU/	AJSU/	AJSU/	AJSU/			
		ruling party	U)	D(U)	U)	U)	RJD	RJD	RJD	RJD	RJD	BJP		
		Type of												
		government	С	С	С	С	С	С	С	С	С	NC		
		Percentage												
12	Karnataka	growth	17.49	15.99	19.1	14.66	8.78	21.67	10.84	14.82	17.59	14.24	15.518	-3.25
			INC+JD(	INC+JD(S)	Preside									
		ruling party	S)+BJP	+BJP	nt rule	ВЈР	BJP	BJP	BJP	BJP	INC	INC		
		Type of												
		government	С	С	NC	NC	NC	NC	NC	NC	NC	NC		
		Percentage												
13	Kerala	growth	14.74	12.38	13.89	15.78	14.41	13.7	18.54	11.25	13.93	NA	12.862	-0.81
		ruling party	INC	СРІ	СРІ	СРІ	СРІ	СРІ	INC	INC	INC	INC		
		Type of												
		government	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC		

	Madhya	Percentage												
14	Pradesh	growth	10.05	16.34	11.69	22.17	15.35	15.75	15.86	18.39	20.33	16.86	16.279	6.81
		ruling party	ВЈР	ВЈР	BJP									
		Type of												
		government	NC											
	Maharashtr	Percentage												
15	а	growth	17.16	20.08	17.16	10.1	13.5	22.6	11.53	13	14.21	11.69	15.103	-5.47
		ruling party	INC	BJP										
		Type of												
		government	NC											
		Percentage												
16	Manipur	growth	11.4	7.33	10.53	9.08	11.56	10.7	21.31	14.55	12.81	NA	10.927	1.41
		ruling party	INC											
		Type of												
		government	NC											
		Percentage												
17	Meghalaya	growth	10.76	18.72	12.87	19.33	9.4	14.75	17.94	10.52	15.32	15.56	14.517	4.8
		ruling party	INC	INC	INC	UDP	INC	INC	INC	INC	INC	INC		
		Type of												
		government	NC											

		Percentage												
18	Mizoram	growth	10.78	10.74	15.99	19.94	14.92	21.44	7.86	21.38	23.13	NA	14.618	12.35
		ruling party	MNF	MNF	MNF	INC								
		Type of												
		government	NC											
		Percentage												
19	Nagaland	growth	12.83	10.15	11.27	16.85	11.56	11.7	17.86	13.11	13.22	13.24	13.179	0.41
		ruling party	BJP	ВЈР	ВЈР	BJP	BJP	BJP	ВЈР	BJP	BJP	ВЈР		
		Type of												
		government	NC											
		Percentage												
20	Odisha	growth	9.48	19.68	26.94	14.87	9.73	21.22	11.67	13.89	8.66	13.86	15	4.38
		ruling party	BJD											
		Type of												
		government	NC											
		Percentage												
21	Punjab	growth	12.18	17.02	19.76	14.32	13.48	14.53	13.34	11.21	11.38	10.16	13.738	-2.02
		ruling party	INC	INC	SAD									
		Type of												
		government	NC	NC	С	С	С	С	С	С	С	С		

		Percentage												
22	Rajasthan	growth	11.34	20.25	13.9	18.54	15.1	27.28	22.41	13.52	10.09	11	16.343	-0.34
		ruling party	BJP	ВЈР	BJP	INC	INC	INC	INC	INC	BJP	BJP		
		Type of												
		government	NC											
		Percentage												
23	Sikkim	growth	14.61	8.43	15.96	28.85	89.93	20.85	20.17	17.58	18.18	NA	23.456	3.57
		ruling party	SDP											
		Type of												
		government	NC											
		Percentage												
24	Tamil Nadu	growth	17.73	20.44	12.98	14.4	19.53	21.92	14.07	11.64	14.68	14.34	16.173	-3.39
			AIADM						AIAD	AIAD	AIAD	AIADM		
		ruling party	К	DMK	DMK	DMK	DMK	DMK	MK	MK	MK	K		
		Type of												
		government	NC											
		Percentage												
25	Telangana	growth	20.44	17.2	20.07	24.22	7.46	29.67	15.81	13.57	12.87	9.92	17.123	-10.52
		ruling party	NA	TRS										

		Type of												
		government	NA	NC										
		Percentage												
26	Tripura	growth	10.35	11.07	8.09	15.05	13.48	16	11.79	13.63	18.12	NA	11.758	7.77
		ruling party	СРІ	CPI	СРІ	СРІ	CPI	CPI	СРІ	СРІ	CPI	CPI		
		Type of												
		government	NC											
	Uttar	Percentage												
27	Pradesh	growth	12.39	14.72	13.89	16.1	17.7	14.69	14.19	13.84	10.55	13.16	14.123	0.77
		ruling party	SP	SP	BSP	BSP	BSP	BSP	BSP	SP	SP	SP		
		Type of												
		government	NC											
		Percentage												
28	Uttarakhand	growth	20.91	22.78	24.63	22.18	26.25	18.72	16.54	10.62	13.53	12.88	18.904	-8.03
		ruling party	INC	INC	BJP	BJP	BJP	BJP	BJP	INC	INC	INC		
		Type of												
		government	NC											
		Percentage												
29	West Bengal	growth	10.35	13.65	14.45	14.18	16.65	15.56	14.61	14.2	17.11	13.35	14.411	3
		ruling party	СРІ	CPI	СРІ	СРІ	CPI	СРІ	AITC	AITC	AITC	AITC		

#### Dimension of Regional Inequality: A political economy approach

	Type of											
	government	NC <sup>7</sup>	NC	NC	NC	NC	NC	NC	NC	NC	NC	
		12.476		16.085	17.3620	17.592	19.02	15.735	13.087	14.58	12.835	
mean		552	15.264828	51724	69	069	1379	86	2	724	2	
		4.2696		4.7645	5.73455	14.957	4.589	4.6407	4.0859	3.074	3.4423	
SD		289	4.8334058	28598	963	31	4854	97	3	578	1	
		0.3422		0.2961	0.33029	0.8502	0.241	0.2949	0.3122	0.210	0.2681	
cv		123	0.3166368	999	241	303	2804	19	1	772	9	

Source: GSDP growth rates are picked from planning commission, AAGR, Percentage change, mean, SD and CV calculated by author, Ruling party, type of government from election commission of India.

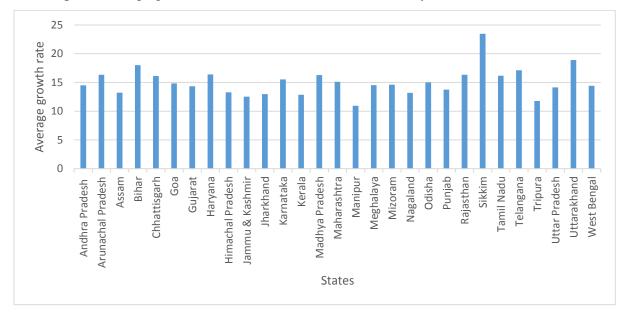
Average growth rate, Percentage change and coefficient of variance are further explained in the form of Graph

 $<sup>^{7}\,\</sup>mathrm{NC}$  means non coalition government, C means coalition government.

India is the land of diversity, diversity in terms of regions, traditions and culture. From here itself regionalism occurs. India has roots of Regionalism in form of culture, class, ethnic, languages, communities and boundaries.

#### 3.1.1. AVERAGE GROWTH RATES

Growth performances of 29 states of India are analyzed during the period of 2005-2006 to 2014-2015 on the basis of data available on of GSDP growth rates. Graph 1 shows the average growth rates for different years.



Graph 1 Average growth rate on the basis of GSDP for the year 2005-2006 to 2014-2015

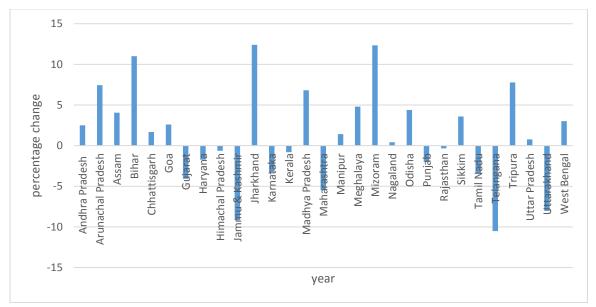
Source: author's calculations

According to the calculations Sikkim is the fastest growing states during the period of 2005-2006 to 2014-2015 with 23.45% average growth rates followed by Uttarakhand, Bihar and Telangana with 18.905%, 17.995% and 17.123% respectively. Northern belts of India includes Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and Rajasthan with the average growth rates of 13.73%, 16.38%, 13.25%, 12.516% and 16.343% respectively. Central zonal council includes Chhattisgarh (11.01%), Madhya Pradesh (16.27%), Uttarakhand (18.905%) and Uttar Pradesh (14.123%) out of which Uttarakhand is growing faster than other states in central belt of India. States included in the north eastern belt of India comprises Assam (13.20%), Arunachal Pradesh (16.33%), Manipur (10.93%), Mizoram (14.61%), Meghalaya (14.51%), Sikkim (23.45%) and Nagaland (13.17%). Sikkim in its zone as well as overall is the fastest growing state of India. Bihar, Jharkhand, Orissa and West Bengal are the eastern zone states with the growth rate of 17.995%, 12.41%, 15% and 14.41% out of which Bihar came out to faster in terms of growth than other states in its own belt as well as overall is concerned. Western belt of India comprise of Goa,

Gujarat and Maharashtra with average growth rate of 15.10%, 14.83% and 16.38% respectively. States like Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Telangana with average growth rates of 14.50%, 15.51%, 12.86%, 16.17% and 17.123% respectively.

#### 3.1.2 PERCENTAGE CHANGE

Percentage change of 29 states is analyzed over the period of 2005-2006 to 2014-2015 according the data available. Graph 2 shows that how much change in growth is there during the tenure of 10 years in the country.



Graph 2 Percentage change on the basis of GSDP for the period 2005-2006 to 2014-2015

Source: author's calculations

Results exhibits that the Jharkhand has shown the maximum growth change of 12.35% followed by Mizoram 12.05%. Bihar depicted 11.01%. Arunachal Pradesh and Tripura showed the change in growth of 7.43% and 7.77%., Assam, Madhya Pradesh, Meghalaya and Odisha showed moderate change of 4.05%, 6.81%, 4.8% and 4.8% respectively. There has been seen very less change in from 2005-2006 2014-2015 in growth to states such as Chhattisgarh(1.67%),Goa(2.6%),Manipur(1.41%),Nagaland(0.41%), Sikkim(3.57%), Uttar Pradesh(0.77%) and West Bengal(3%). Maximum states have shown negative change in growth with 4.08%, 1.73%, 0.63%, 3.25%, 0.81%, 5.47%, 2.02%, 0.34%, 3.39% in Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu. Worst decline has shown by Jammu & Kashmir (-9.18%), Telangana (-10.52%) and Uttarakhand (-8.03%).

## 3.1.3 COEFFICIENT OF VARIANCE<sup>8</sup>

0.9
0.8
0.7
0.6
0.9
0.0.0
0.0
0.0
0.1
0
2005-20062006-20072007-20082008-20092009-20102010-20112011-20122012-20132013-20142014-2015
year

Graph 3 Coefficient of variance on the basis of GSDP for the period of 2005-2006 to 2015-2016

Source: author's calculations

A judgment of GSDP growth rates across the states recommends that interstate variations show decline in 2005-2006 to 2006-2007 but starts rising inexplicably during 2007-2008. High variations can be seen significantly during 2008-2009 till 2010-2011, from where it shown huge decline is seen. Variations is less during the period of 2011-2012 to 2014-2015.

Emergence of regionalism occurs when states are dominated on the basis of culture and discrimination in India. Unity at national level and stability in politics can be hindered by regional economic instability. But because of the steps taken by the government, regional inequality fails to take the shape of regionalism. Political and administrative failure is one of the reasons for the regional disparity. Political crash leads to the introduction of regional movements in different states like Jharkhand, Uttarakhand and very recent case of Telangana are the results which the lack of political stability and failure and also it causes detrimental effects such as private investment firms lose their interest because of instability (insight, 2014). Table 1 compares the growth rates with polarization. Political parties are divided in terms of Regional party and National party. According to the calculations states which are ruled by National parties and are non-alliance have

<sup>8</sup> Coefficient of variance directs that how much variations or deviations from the mean are there in the data

shown positive growth change and are also growing faster than other states like Andhra Pradesh, Arunachal Pradesh, Assam, Goa, Manipur, Meghalaya had been ruled by INC have been growing fast and have positive growth change during the period of 2005-2006 to 2014-2015. However, Mizoram was ruled by MNF during the starting period of 3 years and suffered with less growth rates which turned into higher growth rates after 2008 when state was ruled by National party and has shown the highest positive change among all the states. Other states like Chhattisgarh, Madhya Pradesh, Nagaland ruled by BJP also showed the positive changes and are growing at faster rates. Tripura and West Bengal ruled by CPI during the tenure of 2005-2006 to 2014-2015 have revealed positive change. West Bengal, where the ruling party was CPI till 2011 depicted higher growth rate during the early stages but resulted less growth after it was ruled by AITC in after stages. However, growth remained positive. States like Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana and Uttarakhand have negative growth change. Interstate disputes are also other type of regionalism and also are pushing states towards the negative growth like disputes between Punjab and Harvana over Chandigarh, Maharashtra and Karnataka have disputes over Belgaun. Gujarat, Maharashtra, Rajasthan, Tamil Nadu are involved over the disputes on waters even since Gujarat (BJP), Maharashtra (INC) and Rajasthan (BJP) .States which are involved in the regional disputes are showing negative growth change. Even in Jammu & Kashmir there is high disputes over the independence of Jammu & Kashmir and have shown regionalism over the period of time. Uttarkhand separated from Uttar Pradesh is result of regionalism. Bihar and Uttar Pradesh have also positive change but Uttar Pradesh grew less when it was ruled by SP (regional party) the growth rates were high when it was ruled by BSP (national party). It has been analyzed that more regionalism in the have shown growth but those states are highly politically instable. For instance Jharkhand (BJPS/JD(S)), Uttar Pradesh(SP) and Bihar (JD(U)) .According to the source Deccan Chronicle "Political instability keeping Jharkhand behind: Arjun Munda .Jharkhand had seen 9 governments in 14 years and lack of institutional development resulted in the instability. So, (Regional parties are here to stay, says Manmohan, 2009) Regional parties have role to play and cannot be avoided. But it hinders the faster growth of the economy

# 3.2 RANK ANALYSIS

TABLE	3 RANK	S ON THE	BASIS	OF PER C	CAPITA (	GSDP FC	OR THE F	PERIOD	OF 2004	-2005 TC	2014-2	015
												average
States	rank	rank	rank	Rank	rank	rank	rank	rank	rank	rank	rank	ranking
	2004-	2005-	2006-	2007-	2008-	2009-	2010-	2011-	2012-	2013-	2014-	
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Andhra												
Pradesh	17	16	17	18	16	16	16	16	16	16	13	16.4
Arunachal												
Pradesh	19	15	15	15	15	17	17	18	17	17	14	16.5
Assam	4	5	4	4	3	5	5	4	4	4	3	4.2
Bihar	1	1	1	1	1	1	1	1	1	1	1	1
Chhattisgarh	8	7	9	10	10	9	9	9	9	8	8	8.8
Goa	29	29	29	29	29	29	29	29	29	29	NA	29
Gujarat	23	26	26	26	25	24	24	24	24	24	NA	24.6
Haryana	28	28	27	27	28	27	27	27	27	27	21	27.3
Himachal												
Pradesh	26	24	22	22	21	20	20	20	19	19	NA	21.3
Jammu &												
Kashmir	10	10	10	8	7	8	8	8	8	9	5	8.6
Jharkhand	6	4	5	6	5	4	6	5	5	5	4	5.1
Karnataka	20	20	20	20	19	18	18	17	18	18	16	18.8
Kerala	24	25	23	23	24	22	22	22	22	23	NA	23
Madhya												
Pradesh	3	3	3	3	6	6	4	6	6	6	7	4.6
Maharashtra	27	27	28	28	27	26	26	26	26	26	20	26.7
Manipur	7	8	6	5	4	3	3	3	3	3	NA	4.5
Meghalaya	12	12	13	13	13	11	10	10	10	10	9	11.4
Mizoram	15	14	12	14	14	14	14	13	14	14	NA	13.8
Nagaland	22	21	21	19	17	15	15	15	15	15	12	17.5
Odisha	5	6	7	9	9	7	7	7	7	7	6	7.1
Punjab	25	23	24	25	26	21	21	21	20	20	15	22.6
Rajasthan	9	9	8	7	8	10	11	14	13	11	10	10
Sikkim	18	19	16	16	18	28	28	28	28	28	NA	22.7
Tamil Nadu	21	22	25	24	23	25	25	25	25	25	19	24
Telangana	14	17	18	17	20	19	19	19	21	21	17	18.5
Tripura	13	13	14	11	12	12	12	11	11	12	NA	12.1
Uttar	_				1	1						
Pradesh	2	2	2	2	2	2	2	2	2	2	2	2
Uttarakhand	16	18	19	21	22	23	23	23	23	22	18	21
West Bengal	11	11	11	12	11	13	13	12	12	13	11	11.9

Source: author's calculations

Rank analysis shows the ranking of the states according to Per capita GSDP. Rank 1 is given to the state which is having lowest per capita GSDP and so on increasing. Average ranking is calculated by applying formula for the calculation of average ranks in excel and ranks are compared with the following parameters to check political stability.

- 1) Numbers of parties in government
- 2) Type of government
- 3) Duration of party remained in power.

According to the analysis, results depicts in the categorization of Political stable states and Political instable states

Table 3.1: Political stability and economic growth

Political Stable state (Name)	Rank in per capita GSDP
Maharashtra	26.7
Gujarat	24.6
Haryana	27.3
Tamil Nadu	24
Andhra Pradesh	16.4

Source: Calculated from Table 3

Table 3.2: Political instability and economic growth

Political instable state (Name)	Rank in per capita GSDP
Bihar	1
Jharkhand	5.1
Uttar Pradesh	2
Arunachal Pradesh	16.5
Manipur	4.5
Jammu and Kashmir	8.6
Meghalaya	11.4
Mizoram	13.8

Source: Calculated from Table 3

Analysis depicts that the political stable states have better ranks than political instable states.

	TABLE 4 RANKS ON THE BASIS OF GSDP FOR THE PERIOD 2005-2006 TO 2014-2015											
SI.												average
No.	states	rank	ranking									
		2005-	2006-	2007-	2008-	2009-	2010-	2011-	2012-	2013-	2014-	
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
	Andhra											
1	Pradesh	7	7	7	7	7	7	8	8	8	8	7.4
	Arunachal											
2	Pradesh	27	27	27	27	27	27	27	27	27	27	27
3	Assam	17	17	18	18	18	18	18	18	18	18	17.8
4	Bihar	14	15	15	15	15	15	14	14	13	13	14.3
5	Chhattisgarh	18	18	17	17	16	17	17	16	16	16	16.8
6	Goa	22	22	22	22	22	22	22	22	22	22	22
7	Gujarat	5	4	4	4	4	4	4	4	4	4	4.1
8	Haryana	12	11	11	13	12	11	12	12	12	12	11.8
	Himachal											
9	Pradesh	21	21	21	21	21	21	21	21	21	21	21
	Jammu &											
10	Kashmir	19	20	20	20	20	20	20	20	20	20	19.9
11	Jharkhand	16	16	16	16	17	16	16	17	17	17	16.4
12	Karnataka	6	6	6	6	6	6	6	6	6	6	6
13	Kerala	9	9	9	9	9	9	10	9	10	10	9.3
	Madhya	40	40	40	40	40	40	4.4				10
14	Pradesh	10	10	10	10	10	10	11	11	9	9	10
15	Maharashtra	1	1	1	1	1	1	1	1	1	1	1
16	Manipur	26	26	26	26	26	26	26	26	26	26	26
17	Meghalaya	24	24	24	24	24	24	24	24	24	24	24
18	Mizoram	28	28	28	28	28	29	29	29	29	29	28.5
19	Nagaland	25	25	25	25	25	25	25	25	25	25	25
20	Odisha	15	14	14	14	14	14	15	15	15	15	14.5
21	Punjab	11	12	12	12	13	13	13	13	14	14	12.7
22	Rajasthan	8	8	8	8	8	8	7	7	7	7	7.6
23	Sikkim	29	29	29	29	29	28	28	28	28	28	28.5
24	Tamil Nadu	3	3	3	3	3	3	3	3	3	3	3
25	Telangana	13	13	13	11	11	12	9	10	11	11	11.4
26	Tripura	23	23	23	23	23	23	23	23	23	23	23
	Uttar											
27	Pradesh	2	2	2	2	2	2	2	2	2	2	2
28	Uttarakhand	20	19	19	19	19	19	19	19	19	19	19.1
29	West Bengal	4	5	5	5	5	5	5	5	5	5	4.9

Source: author's calculation

Political. The states which came out to be worst in ranking are also seen to be political instable and the states which are in the list of best in ranking are politically stable over the period.

Table 4 depicts ranks on the basis of GSDP of states for the period of 2004-2005 to 2013-2014. Rank 1 is given to the state which has contributed maximum to the states that is ranked from highest contribution to the lowest contribution. It has been tried to compare the ranks with political stability which and is tried to analyze how political stability or instability effects the rank of the state.

4.1: Political stability and economic growth

Political Stable state (Name)	Rank in GSDP
Gujarat	4.1
Maharashtra	1
Andhra Pradesh	7.4
West Bengal	4.9
Odisha	4.5

Source: Calculated from Table 4

Table 4.2: Political instability and economic growth

Political instable state (Name)	Rank in GSDP
Jharkhand	16.4
Bihar	14.3
Arunachal Pradesh	27
Manipur	26
Jammu and Kashmir	19.9
Meghalaya	24
Mizoram	28.5
Tripura	23
Assam	17.8

Source: Calculated from Table 4

Table 4 shows that states which are having high ranks have contributed less in GSDP and are also political instable and states which are getting low ranks have contributed highest in GSDP and are

also politically stable. It can be seen that north eastern belt of India is highly politically instable and also shown least share in GSDP and per capita income is also low in these states. Evidences has shown that north eastern part of India has the history of instability<sup>9</sup>.

#### 3.3 CAUSES OF DISPARITY: A POLITICAL VIEW POINT

In the previous sections, various aspects of intra-state disparities have been examined. This section tries to show concrete form of disparities and taking in the shape of causes in the context of political phenomenon. Table shows the Gini Index<sup>10</sup> for the period of 2004 to 2014. Formula applied for the calculations is

Table 5 Gini Index for the year 2004-2005 to 2013-2014

YEAR	2004-	2005-	2006-	2007-	2008-	2009-	2010-	2011-	2012-	2013-
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
COEFFICIENTS	0.21	0.22	0.22	0.23	0.23	0.25	0.25	0.26	0.25	0.25

Source: Authors calculations

It has been analyzed that the coefficients values are increasing that means disparities are also increasing, the main causes from the polity point is regionalism. It is a type of ideology which persists within the mind of the particular regional group which divides the region on the basis of religion, geographical boundaries, language, caste which results in the creation of regional parties and causes regional disparities. Different mind and thoughts cannot take the state towards the growth path and only results in the division of states Telangana<sup>11</sup> is one of the current example of regionalism.

Instability in politics is the other cause of regional disparity. It has been analyzed in section 3.1 that instability takes state to the lower economic growth. Instability in terms of the time duration of the parties prevailed in the state. For example Jharkhand, Uttar Pradesh and Bihar. These states

<sup>&</sup>lt;sup>9</sup> According to the time of India: Manipur draws blank in private investment.

<sup>&</sup>lt;sup>10</sup> According to investopedia Gini coefficient is a statistical measure to calculate income inequality. The value should lies in 0 to 1. If value comes out to be perfect 0 that means perfect equality and if value comes out to be 1 than it means perfect inequality.

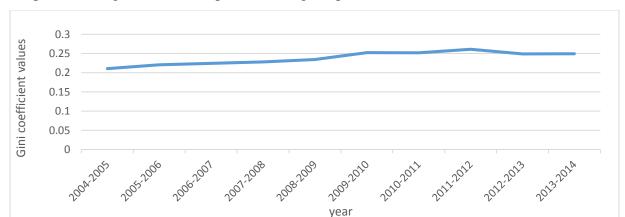
<sup>&</sup>lt;sup>11</sup> Telangana movement was initiated because of the people who wants separate state for Telugu speaking natives.

are highly politically instable and are ranked worst in the list of contribution of GSDP as well as per capita GSDP.

Administrative failure and lack of governance is the cause of regional disparity which has been seen in the states of Manipur and Arunachal Pradesh. There is huge political chaos going on. Most of the time there is bandh or strike in Manipur because of lack of political administration in the states.CM and DCM of the states are playing communal politics in the state which has resulted in the demand for separate administration for the tribes of Manipur. Arunachal Pradesh also saw two CMs in 2011 and changes of three CMs in 2015. In 2011 governor of the state also illegally and was withdrawn as governor<sup>12</sup>.

Regional disputes within state or between two or more states induces regional disparity. Disputes between Punjab and Haryana over Chandigarh. These disputes push states towards the path of disparities. Boundary disputes between Karnataka and Maharashtra over Belgaum over language. Water disputes between the states of Madhya Pradesh, Rajasthan, Gujarat and Maharashtra over Narmada, Krishna and Cauvery. Disputes also arose between Punjab, Rajasthan and Himachal Pradesh for the usage of water of Ravi.

Militant activities are highest in the state of Jammu & Kashmir which has hindered the growth of the state. State has also shown the negative growth over the period of time and has been categorized as worst state in the list of GSDP and per capita GSDP. These kind of accomplishments lead the private investors to disinvest the money from the state because of violence factor.



Graph 4 showing increase in disparities during the period of 2004-2005 to 2013-2014

Source: Calculated from table 5

<sup>&</sup>lt;sup>12</sup> According to the report published in national crime record bureau 2013.

Gini values are shown in graph which depicts increase in inequalities over the period of time. It can analyzed through the graph that inequalities aroused during 2008-2009 are over the years it's increasing.

## **CHAPTER 4**

#### **CONCLUSION**

The study was undertaken to analyze the extent of regionalism within the states comparing the growth rates. Growth rates were taken to relate the regional parties with its effect on average growth and percentage change. The study also suggests the effects of political instability on per capita GSDP and GSDP for the period of 2004-2005 to 2013-2014. Political instability has seemed to be high in north eastern states of the country like Manipur, Mizoram, Meghalaya, and Nagaland where they have been plotted in the list of worst states. Non coalition government has no effect on the economic growth. It has been analyzed that more is the coalition more is the political instability like in the states of Jharkhand, Bihar. More coalition makes political chaos and different ideology makes government instable and effects can be seen in the some of the states.

### 4.1 FINDINGS OF THE STUDY

- 1) According to the hypothesis regional disparities increases regional disparities within the states is accepted.
- 2) Non coalition government has nothing to do with economic growth. Growth is only effected by extreme regionalism and political instability within the party.
- 3) Coalition government creates political instability.

## 4.2 LIMITATIONS OF THE STUDY

Limitation of the study is that regional disparity is only analyzed through polity point of view.

#### 4.3 RECOMMENDATIONS

Regional imbalances occurs by language, cast, geographical boundaries as well as natural resources. If natural resources are being distributed equally among the states than regional imbalances as well as regional disputes could be eliminated.

Dirty polity are being played by various regional parties in order to destroy or exploit the honor of regional people. This in result increases the regionalism and make base for the violence. National unity should be kept on high priority and efforts should be made to eliminate these kinds of party which are threat to hurt the honor of the state.

There is imbalanced growth in many regions in India which causes political crises. Telangana from Andhra Pradesh and another example of Vidarbha from Maharashtra. So, if priority is given to those areas where people are feeling deprived, situations can be improved.

Political and social building of our country is need to be reconstructed. It has been analyzed that our political and social buildup are more anti-development at national as well as regional level. It has been seen that maximum part of investment in our economy goes to those sections of the society which needs the least of it and very less portion of the investment goes to those sections of society which actually needs the most. So, reconstruction of the society and polity can be made in such a way that the problem can be reversed.

It has also been witnessed that there is lack of transportation and communication in some of the states in India likewise Manipur, Nagaland, Mizoram. These states have zero private investment due to lack roads and even communication. Road transportation, railways or communication must be strong enough for growth of any state.

Media can help in very wide context. Appeals can be made through television, radio by government weighting upon the aspects of equality and patriotism.

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# 4.5 ANNEXES

GINI INDEX FOR THE YEAR 2004						
states (year 2004)	PCI (in crores)	rank	product	log value		
Andhra Pradesh	25959	17	441303	4.414288		
Arunachal Pradesh	26721	19	507699	4.426853		
Assam	16782	4	67128	4.224844		
Bihar	7914	1	7914	3.898396		
Chhattisgarh	18559	8	148472	4.268555		
Goa	76968	29	2232072	4.88631		
Gujarat	32021	23	736483	4.505435		
Haryana	37972	28	1063216	4.579463		
Himachal Pradesh	33348	26	867048	4.52307		
Jammu & Kashmir	21734	10	217340	4.33714		
Jharkhand	18510	6	111060	4.267406		
Karnataka	26882	20	537640	4.429462		
Kerala	32351	24	776424	4.509888		
Madhya Pradesh	15442	3	46326	4.188704		
Maharashtra	36077	27	974079	4.55723		
Manipur	18547	7	129829	4.268274		
Meghalaya	23079	12	276948	4.363217		
Mizoram	24662	15	369930	4.392028		
Nagaland	30441	22	669702	4.483459		
Odisha	17650	5	88250	4.246745		
Punjab	33103	25	827575	4.519867		
Rajasthan	18565	9	167085	4.268695		
Sikkim	26690	18	480420	4.426349		
Tamil Nadu	30062	21	631302	4.478018		
Telangana	24409	14	341726	4.38755		
Tripura	24394	13	317122	4.387283		
Uttar Pradesh	12950	2	25900	4.11227		
Uttarakhand	24726	16	395616	4.393154		
West Bengal	22649	11	249139	4.355049		
N^2*AVERAGE	22015843		13704748			
AVERAGE	26178.17241					
N+1/N	1.034482759					
GINI	0.210506861					
SDL	0.175603957					

GINI INDEX FOR THE YEAR 2005					
states(year 2005)	PCI (in crores)	rank	product	log value	
Andhra Pradesh	28223	16	451568	4.450603	
Arunachal Pradesh	28171	15	422565	4.449802	
Assam	18396	5	91980	4.264723	
Bihar	8223	1	8223	3.91503	
Chhattisgarh	20117	7	140819	4.303563	
Goa	84721	29	2456909	4.927991	
Gujarat	37780	26	982280	4.577262	
Haryana	42309	28	1184652	4.626433	
Himachal Pradesh	36949	24	886776	4.567603	
Jammu & Kashmir	23240	10	232400	4.366236	
Jharkhand	18326	4	73304	4.263068	
Karnataka	31239	20	624780	4.494697	
Kerala	36958	25	923950	4.567708	
Madhya Pradesh	16631	3	49893	4.220918	
Maharashtra	41965	27	1133055	4.622887	
Manipur	20251	8	162008	4.306446	
Meghalaya	24885	12	298620	4.395938	
Mizoram	26698	14	373772	4.426479	
Nagaland	33792	21	709632	4.528814	
Odisha	18846	6	113076	4.275219	
Punjab	36199	23	832577	4.558697	
Rajasthan	20275	9	182475	4.306961	
Sikkim	30252	19	574788	4.480754	
Tamil Nadu	35243	22	775346	4.547073	
Telangana	28987	17	492779	4.462203	
Tripura	26668	13	346684	4.42599	
Uttar Pradesh	14221	2	28442	4.15293	
Uttarakhand	29441	18	529938	4.468953	
West Bengal	24720	11	271920	4.393048	
N^2*AVERAGE	24468054		15355211		
AVERAGE	29094				
N+1/N	1.034482759				
GINI	0.220640432				
SDL	0.184279503				

GINI INDEX FOR THE YEAR 2006					
states(year 2006)	PCI (in crores)	rank	product	log value	
Andhra Pradesh	32961	17	560337	4.518	
Arunachal Pradesh	30132	15	451980	4.479028	
Assam	19737	4	78948	4.295281	
Bihar	9967	1	9967	3.998564	
Chhattisgarh	24800	9	223200	4.394452	
Goa	94882	29	2751578	4.977184	
Gujarat	43395	26	1128270	4.63744	
Haryana	49261	27	1330047	4.692503	
Himachal Pradesh	40393	22	888646	4.606306	
Jammu & Kashmir	25059	10	250590	4.398964	
Jharkhand	19789	5	98945	4.296424	
Karnataka	35981	20	719620	4.556073	
Kerala	41318	23	950314	4.616139	
Madhya Pradesh	19028	3	57084	4.279393	
Maharashtra	49831	28	1395268	4.6975	
Manipur	21220	6	127320	4.326745	
Meghalaya	28940	13	376220	4.461499	
Mizoram	28764	12	345168	4.458849	
Nagaland	36568	21	767928	4.563101	
Odisha	22237	7	155659	4.347076	
Punjab	41883	24	1005192	4.622038	
Rajasthan	24055	8	192440	4.381205	
Sikkim	32199	16	515184	4.507842	
Tamil Nadu	42288	25	1057200	4.626217	
Telangana	33381	18	600858	4.523499	
Tripura	29081	14	407134	4.463609	
Uttar Pradesh	16013	2	32026	4.204473	
Uttarakhand	35111	19	667109	4.545443	
West Bengal	27823	11	306053	4.444404	
N^2*AVERAGE	27726813		17450285		
AVERAGE	32968.86207				
N+1/N	1.034482759				
GINI	0.224247194				
SDL	0.183659124				

GINI INDEX FOR THE YEAR 2007					
states(year 2007)	PCI (in crores)	rank	product	log value	
Andhra Pradesh	39780	18	716040	4.599665	
Arunachal Pradesh	34466	15	516990	4.537391	
Assam	21290	4	85160	4.328176	
Bihar	11051	1	11051	4.043402	
Chhattisgarh	29385	10	293850	4.468126	
Goa	108708	29	3152532	5.036262	
Gujarat	50016	26	1300416	4.699109	
Haryana	56917	27	1536759	4.755242	
Himachal Pradesh	43966	22	967252	4.643117	
Jammu & Kashmir	27448	8	219584	4.438511	
Jharkhand	24789	6	148734	4.394259	
Karnataka	42419	20	848380	4.62756	
Kerala	46865	23	1077895	4.670849	
Madhya Pradesh	20935	3	62805	4.320873	
Maharashtra	57760	28	1617280	4.761627	
Manipur	22820	5	114100	4.358316	
Meghalaya	31602	13	410826	4.499715	
Mizoram	32488	14	454832	4.511723	
Nagaland	39985	19	759715	4.601897	
Odisha	27735	9	249615	4.443028	
Punjab	49380	25	1234500	4.693551	
Rajasthan	26882	7	188174	4.429462	
Sikkim	36448	16	583168	4.561674	
Tamil Nadu	47606	24	1142544	4.677662	
Telangana	39652	17	674084	4.598265	
Tripura	31111	11	342221	4.492914	
Uttar Pradesh	17785	2	35570	4.250054	
Uttarakhand	42619	21	894999	4.629603	
West Bengal	31567	12	378804	4.499233	
(N^2*AVERAGE)	31710775		20017880		
AVERAGE	37706.03448				
(N+1/N)	1.034482759				
GINI	0.22804583				
SDL	0.18757979				

	GINI INDE	X FOR	THE YEAR 2008	
states(year 2008)	PCI (in crores)	rank	product	log value
Andhra Pradesh	44376	16	710016	4.647148
Arunachal Pradesh	39726	15	595890	4.599075
Assam	24099	3	72297	4.381999
Bihar	13728	1	13728	4.137607
Chhattisgarh	34360	10	343600	4.536053
Goa	135966	29	3943014	5.13343
Gujarat	55068	25	1376700	4.740899
Haryana	67405	28	1887340	4.828692
Himachal Pradesh	49903	21	1047963	4.698127
Jammu & Kashmir	30212	7	211484	4.480179
Jharkhand	25046	5	125230	4.398738
Karnataka	48084	19	913596	4.682001
Kerala	54560	24	1309440	4.736874
Madhya Pradesh	25278	6	151668	4.402743
Maharashtra	62234	27	1680318	4.794028
Manipur	24413	4	97652	4.387621
Meghalaya	36992	13	480896	4.568108
Mizoram	38582	14	540148	4.586385
Nagaland	46207	17	785519	4.664708
Odisha	31416	9	282744	4.497151
Punjab	55315	26	1438190	4.742843
Rajasthan	31279	8	250232	4.495253
Sikkim	46983	18	845694	4.671941
Tamil Nadu	54137	23	1245151	4.733494
Telangana	49114	20	982280	4.691205
Tripura	35587	12	427044	4.551291
Uttar Pradesh	20422	2	40844	4.310098
Uttarakhand	50657	22	1114454	4.704639
West Bengal	35487	11	390357	4.550069
N^2*AVERAGE	36732444		23303489	
AVEARGE	43677.10345			
(N+1/N)	1.034482759			
GINI	0.234340465			
SDL	0.190337654			

	GINI INI	DEX FOR	R THE YEAR 2009	
states (year 2009)	PCI (in crores)	rank	product	log value
Andhra Pradesh	50515	16	808240	4.70342
Arunachal Pradesh	51068	17	868156	4.708149
Assam	28383	5	141915	4.453058
Bihar	15457	1	15457	4.189125
Chhattisgarh	34366	9	309294	4.536129
Goa	149164	29	4325756	5.173664
Gujarat	64097	24	1538328	4.806838
Haryana	82037	27	2214999	4.91401
Himachal Pradesh	58402	20	1168040	4.766428
Jammu & Kashmir	33650	8	269200	4.526985
Jharkhand	28223	4	112892	4.450603
Karnataka	51364	18	924552	4.710659
Kerala	62114	22	1366508	4.793189
Madhya Pradesh	28651	6	171906	4.45714
Maharashtra	69765	26	1813890	4.843638
Manipur	26621	3	79863	4.425224
Meghalaya	38819	11	427009	4.589044
Mizoram	42715	14	598010	4.63058
Nagaland	50263	15	753945	4.701248
Odisha	33029	7	231203	4.518895
Punjab	61805	21	1297905	4.791024
Rajasthan	35254	10	352540	4.547208
Sikkim	90749	28	2540972	4.957842
Tamil Nadu	64338	25	1608450	4.808468
Telangana	51955	19	987145	4.715627
Tripura	39815	12	477780	4.600047
Uttar Pradesh	23671	2	47342	4.374217
Uttarakhand	62757	23	1443411	4.797662
West Bengal	41039	13	533507	4.613197
N^2*AVERAGE	42632494		27428215	
AVERAGE	50692.62069			
(N+1/N)	1.034482759			
GINI	0.252245388			
SDL	0.201317579			

GINI INDEX FOR THE YEAR 2010					
states (year 2010)	PCI (in crores)	rank	product	log value	
Andhra Pradesh	58733	16	939728	4.768882	
Arunachal Pradesh	60961	17	1036337	4.785052	
Assam	33087	5	165435	4.519657	
Bihar	19111	1	19111	4.281283	
Chhattisgarh	41165	9	370485	4.614528	
Goa	168024	29	4872696	5.225371	
Gujarat	77485	24	1859640	4.889218	
Haryana	93852	27	2534004	4.972444	
Himachal Pradesh	68297	20	1365940	4.834402	
Jammu & Kashmir	40089	8	320712	4.603025	
Jharkhand	34721	6	208326	4.540592	
Karnataka	62251	18	1120518	4.794146	
Kerala	69943	22	1538746	4.844744	
Madhya Pradesh	32453	4	129812	4.511255	
Maharashtra	84858	26	2206308	4.928693	
Manipur	28336	3	85008	4.452339	
Meghalaya	43766	10	437660	4.641137	
Mizoram	50956	14	713384	4.707195	
Nagaland	55582	15	833730	4.744934	
Odisha	39537	7	276759	4.597004	
Punjab	69582	21	1461222	4.842497	
Rajasthan	44644	11	491084	4.649763	
Sikkim	108972	28	3051216	5.037315	
Tamil Nadu	78473	25	1961825	4.89472	
Telangana	66951	19	1272069	4.825757	
Tripura	46050	12	552600	4.66323	
Uttar Pradesh	26698	2	53396	4.426479	
Uttarakhand	73819	23	1697837	4.868168	
West Bengal	47245	13	614185	4.674356	
N^2*AVERAGE	50043589		32189773		
AVERAGE	59504.86207				
(N+1/N)	1.034482759				
GINI	0.251986643				
SDL	0.201112324				

	GINI IN	IDEX FO	OR THE YEAR 2011	
states (year 2011)	PCI (in crores)	rank	product	log value
Andhra Pradesh	64773	16	1036368	4.811394
Arunachal Pradesh	71366	18	1284588	4.853491
Assam	36320	4	145280	4.560146
Bihar	22582	1	22582	4.353762
Chhattisgarh	48366	9	435294	4.68454
Goa	211570	29	6135530	5.325454
Gujarat	85979	24	2063496	4.934392
Haryana	106320	27	2870640	5.026615
Himachal Pradesh	75185	20	1503700	4.876131
Jammu & Kashmir	46734	8	373872	4.669633
Jharkhand	36554	5	182770	4.562935
Karnataka	68053	17	1156901	4.832847
Kerala	82753	22	1820566	4.917784
Madhya Pradesh	37180	6	223080	4.570309
Maharashtra	93282	26	2425332	4.969798
Manipur	33695	3	101085	4.527565
Meghalaya	50316	10	503160	4.701706
Mizoram	53624	13	697112	4.729359
Nagaland	63781	15	956715	4.804691
Odisha	43463	7	304241	4.63812
Punjab	76895	21	1614795	4.885898
Rajasthan	54637	14	764918	4.737487
Sikkim	130127	28	3643556	5.114367
Tamil Nadu	89050	25	2226250	4.949634
Telangana	75124	19	1427356	4.875779
Tripura	50859	11	559449	4.706368
Uttar Pradesh	30021	2	60042	4.477425
Uttarakhand	85372	23	1963556	4.931315
West Bengal	53383	12	640596	4.727403
N^2*AVERAGE	57343556		37142830	
AVERAGE	68184.96552			
(N+1/N)	1.034482759			
GINI	0.260966376			
SDL	0.204932424			

	GINI IN	DEX FO	R THE YEAR 2012	
states(year 2012)	PCI (in crores)	rank	product	log value
Andhra Pradesh	72301	16	1156816	4.859144
Arunachal Pradesh	76370	17	1298290	4.882923
Assam	38945	4	155780	4.590452
Bihar	26948	1	26948	4.430527
Chhattisgarh	53815	9	484335	4.730903
Goa	200514	29	5814906	5.302145
Gujarat	93046	24	2233104	4.968698
Haryana	119833	27	3235491	5.078576
Himachal Pradesh	83899	19	1594081	4.923757
Jammu & Kashmir	52386	8	419088	4.719215
Jharkhand	40238	5	201190	4.604636
Karnataka	77168	18	1389024	4.887437
Kerala	91567	22	2014474	4.961739
Madhya Pradesh	43426	6	260556	4.63775
Maharashtra	103856	26	2700256	5.016432
Manipur	37656	3	112968	4.575834
Meghalaya	54156	10	541560	4.733647
Mizoram	63413	14	887782	4.802178
Nagaland	70274	15	1054110	4.846795
Odisha	49227	7	344589	4.692203
Punjab	84512	20	1690240	4.926918
Rajasthan	60844	13	790972	4.784218
Sikkim	151395	28	4239060	5.180112
Tamil Nadu	98628	25	2465700	4.994
Telangana	85169	21	1788549	4.930282
Tripura	57402	11	631422	4.758927
Uttar Pradesh	33482	2	66964	4.524811
Uttarakhand	92566	23	2129018	4.966451
West Bengal	60318	12	723816	4.780447
N^2*AVERAGE	63027266		40451089	
AVERAGE	74943.24138			
(N+1/N)	1.034482759			
GINI	0.24912326			
SDL	0.196650765			

	GINI IND	EX FOR	THE YEAR 2013	
states(year 2013)	PCI (in crores)	rank	product	log value
Andhra Pradesh	81397	16	1302352	4.910608
Arunachal Pradesh	85468	17	1452956	4.931804
Assam	44263	4	177052	4.646041
Bihar	31199	1	31199	4.494141
Chhattisgarh	58547	8	468376	4.767505
Goa	224138	29	6500002	5.350515
Gujarat	106831	24	2563944	5.028697
Haryana	133427	27	3602529	5.125244
Himachal Pradesh	92300	19	1753700	4.965202
Jammu & Kashmir	59279	9	533511	4.772901
Jharkhand	46131	5	230655	4.663993
Karnataka	89545	18	1611810	4.952041
Kerala	103820	23	2387860	5.016281
Madhya Pradesh	51798	6	310788	4.714313
Maharashtra	117091	26	3044366	5.068524
Manipur	41573	3	124719	4.618811
Meghalaya	61548	10	615480	4.789214
Mizoram	76120	14	1065680	4.881499
Nagaland	77529	15	1162935	4.889464
Odisha	52559	7	367913	4.720647
Punjab	92350	20	1847000	4.965437
Rajasthan	65974	11	725714	4.819373
Sikkim	176491	28	4941748	5.246723
Tamil Nadu	112664	25	2816600	5.051785
Telangana	95361	21	2002581	4.979371
Tripura	69705	12	836460	4.843264
Uttar Pradesh	36250	2	72500	4.559308
Uttarakhand	103716	22	2281752	5.015846
West Bengal	70059	13	910767	4.845464
N^2*AVERAGE	71256857		45742949	
AVERAGE	84728.72414			
(N+1/N)	1.034482759			
GINI	0.249406285			
SDL	0.196928928			