Conceptual Framework of Regional Planning

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Economic diversity, if not properly balanced and controlled, creates a structure of expanding, stagnating and regressing regions within a country, notwithstanding political unity and cultural integration. These regional inequalities are a necessary concomittant of the self-perpetuating processes of regional specialisation visualised in the Weberian theory of location.

The micro approach to problems of location is concerned with the location of a particular industry or an industrial unit. In the dynamic approach to spatial economics, however, it is the region or the entire industrial structure of a region which is the unit. Such an approach is concerned with all the renditions which must be fulfilled to move a region from its position of static equilibrium and industrialise it in a balanced manner.

Planning for regional development thus proceeds from a study of the various alternative possibilities of evolution for a particular region, and involves the selection of those policies and programmes which are likely to reduce interregional inequalities to the minimum.

The spatial dimension in the concept of state reveals a formative "integration-disintegration" process to the extent that whereas the State can be visualised as an integrated and composite entity, based upon the fundamental territorial unity and the homogeneity of national life, the region can be assumed as a disintegrated primary unit, rooted in the territorial diversity and heterogeneity of national life. Under the superstructure of the state, the pattern of region-formation, arising from a scatter of population tied to a scatter of land and natural resources, may either conform to a natural subdivision of territories according to administrative convenience, or may occur as a sub-structure of space-units of various forms and functions.

This regional complex, as a result of the areal-disintegration of the composite state, may emerge as an interwoven network of either naturally-determined regions like rainfall regions (or the broader hydrological regions) soil-regions or geographical regions, crop-regions (or the broader flora and fauna regions) climate and meteorological regions, mineral-regions and geographical regions, or man-made regions like administrative districts, zones or regions, or lastly the population-based regions like ethnological and cultural regions and linguistic regions. (Though all types of regions, as units of spatial division, are linked with some economic function or purpose a clear-cut economic region is a rare accident). To the extent that these functional divisions are found generally not in conformity with the political divisions, these regions do not respect political boundaries and spill over many frontiers, leading to and resulting in problems connected with regionalisation and regionalism. Perhaps it was in view of these problems that August Loesch defined region as a "system of various areas, an organisation rather than an organ". 1

Structural Dissimilarities

The diversity in the patterns of regional economies is inherent in and inspired by various structural dissimilarities and inequalities in respect of areas of the region, size of the population, geographical situation and natural endowments. These relative differences in regional characteristics and formations are further accentuated by functional divergencies in productive efficiency of the working population volume of employment opportunities, food and non-food agricultural output, utilization of mineral and other natural resources power-supply and fuel-resources, rate of industrial and technological progress, mobilization of internal financial resources for capital formation and development of economic overhead capital. According to Haavelmo "the structural co-efficients of the system could he grouped into the following four categories (a) parameters describing the size of the regions, the disposable natural resources, climatic conditions etc; (b) technological parameters that describe the input-output relations, under which the region has to operate: (c) parameters related to the presence, the activities and the decisions of other regions, but relevant to the activities of the region concerned: and, (d) parameters characterizing intra-regional behaviour, such as the desire and willingness to work, to consume, to procreate". 2

These parameters of structural differences and functional divergencies, tend to create and multiply differential behaviours or motivations and promote divergent forces in the socio-economic sub-universe, which transmit variegated stimuli to and result in dissimilar reactions in the already diverse patterns of regional economies. According to Gunar Myrdal, "if we use such a simple measure of regional inequality as the proportion of the total population of a country living in a region where the average income is less than two-thirds of the national average, we find that this proportion amounted to only a few per cent in Great Britain and Switzerland, to some 10 per cent in such countries as Norway and France, and to about one-third in Italy, Turkey and Spain". 3

Regional Inequalities

Economic diversity, if not properly balanced and checked, creates a multi-dimensional regional-structure of expanding, stagnating and regressing areas within a country, notwithstanding political unity and cultural integration. "The problem of inequalities," according to Gunar Myrdal, "then, becomes a problem of the "different rates of progress between the regions of the country." 4 And these different rates of progress are universal; in advanced countries, there are not all equally advanced regions but comparatively more or less advanced regions, whereas in under-developed or backward countries, there are not all equally backward regions but..."
comparatively more or less backward regions. In Brazil, the Mate of Sao Paulo has pulled far ahead of other states whereas Minas Ge- raes, Parauna or Matto Grosso are certainly far behind. According to Professor T W Schultz, "while Guarani is beset by low productivity per worker and much poverty at one goes east, within the United States, it is the south that has been substantially by-passed by economic development."  Not only that. In United States, regional economic equalities are found even within the States, to the extent that the nor- thern parts of Michigan, Wisconsin, and Minnesota have been serious "problem areas" compared to the rest of these States. In Italy, in- dustry in the Northern Provinces had such a lead and was so better developed that it dominated the national market and suppressed the industrial growth in Southern Italy. Industrial growth in the poorer provinces of Southern Italy shunted off more or less by the pulling down of internal tariff-walls after the political unification of Italy in the last century. Gunnar Myrdal has concluded that developments in Sweden, as also in U.S.A. have not been such as to draw the whole country into a more or less equal and simultaneous expansion process.

These regional inequalities and dissimilarities, which pave the way for and end in an entangled cobweb of multi-variety commodity-balanc- es, are a necessary concommitant of self-perpetuating processes of regional specialization, visualized in the Weberian theory of location. The Weberian theory, which is a microscopic approach to spatial economics, stipulates that the location of industry, or to be more pre- cise the location of an industrial unit or firm, in a given region, is governed by the loci of raw materi- als, energy resources, labour supply and the market, all of them being geographically fixed from the point of view of the individual industry. In this context, industrial localisa- tion has been defined by Professor Florence as the local concentration of one industry compared with the distribution of industries as a whole, and a co-efficient of localisation, based on regions, indicates the degree of such localisation of all industries. The dispersion of markets within a region is indicated by the population-density, and the connected "density-effect" deter- mines the concentration of larger plants or greater specialisation in densely-populated local markets or industrial districts. This location theory, on a microscopic level, em- phasizes the locational co-relation between as well as adjustment of geographically-immobile factors and geographically-mobile factors, or size and dispersal of the plant. This microscopic utilitarian appro- ach has provided a vigorous defence or justification, however weak in the ultimate analysis, to the concept of comparative costs based upon natural or acquired or other advan- tages, at a particular site, which tend to be self-reinforcing in the process of locational agglomeration, and if not checked in time lead to the emergence of industrial con- centration and slums. But this theory is oblivious of the scope of macro-economics in the regional complex or the aggregative, dyna- mic forces striving to change the quasi-stable equilibrium in regional economies.

Measurement and Analysis

Professor Sargant Florence has introduced three new concepts in spatial economics, for the statistical measurement and analysis of the degree and incidence of location as well as localisation. The "location-quotient", for any industry in any region, indicates the degree of concen- tration, and is obtained by dividing the percentage of workers in that industry found in the region by the percentage of total workers found there. The "co-efficient of localization" for a particular indus- try, measures the degree of local concentration of that industry compared with the distribution of industries as a whole. The co-effi- cient of localization or local concen- tration "is the sum (divided by 100) of the phis deviations of the regional percentages of workers in the particular industry from the corresponding regional percentage of workers in all industry." This indicates the propensity of a particular industry for localiza- tion and on the basis of that "dis- persed industries can be measurably- distinguished by a low co-efficient of localization, ubiquitous industries by a certain minimum of location in every region. The "co-efficient of linkage" or geographical association measures the location of a particu- lar industry compared to that of another and signifies the extent to which two industries tend to be located in the same region owing to related technical processes or mutual inter-dependence. This linkage or association, between two industries A and B "compares A's; percentage of workers in different regions, not with that of industry in general, but with industry B's percentage." These concepts envisage the dimensions of the static equilibrium in spatial economics and the inter-regional relations of regional economies.

The dynamics of the macroscopic approach to spatial economics take- up an altogether different co-rela- tion between the multi-variable for- ces and factors influencing the entire intra-regional economic activity as well as affecting the inter-regional terms of trade. In the macroscopic theory, it is the region or the entire industrial structure of a region which is the unit not the individual plant or an individual site. This aggrega- live concept, infused with a dynamic approach, envisages the whole pers- pective and studies all those conditions which must be fulfilled be- fore a region can change its static equilibrium, become industrialised in a balanced manner and can reach a take-off towards integrated eco- nomic growth. From the point of in- dustry as a whole, the market and the labour force are not fixed and are determined by the industrial structure of the region and the in- dustrial structure of the region is determined by the mobilities of ma- terials and resources which are fixed locationaly. Professor J H Dale assuming a fixed co-efficient of pro- duction has concluded that "the locational attraction of any mate- rial thus varies directly with the amount of that material used in production, and inversely with its mobility," subject to the condition that "a region will be able to pay for its imports by exports either of its staple primary products or its manufactures." But, insufficient mo- bility of resources makes it impos- sible to cancel one specific discrep- ancy with the other and tends to fluctuate in such a way that the ag- regative magnitudes will not stay in balance. To remove these defi- ciencies and imbalances, structural shifts, and not marginal shifts, are needed, so that specialised resources
may change their regional and occupational specialization in response to changes in demand.

**Dynamic Equilibrium**

(men the desideratum of changing "the quasi-stable equilibrium of under-development" in spatial economy, the time-path of progress tends to introduce a dynamic element of resource-mobility into the macro-statics of the economy of a region, as progress is inevitably associated with internal shifts in the structure of production and in the structure of regional economy. According to Professor Fellner, the condition of dynamic equilibrium starts with the improvement process to offset the diminishing returns, as persistent diminishing returns or downward shifts of the marginal efficiency schedule are incompatible with sustained growth and also with full realization of the capital framework. The consequences of this improvement process or economic development are not only a rise in the real output per unit of input of human effort but also to stop the chain-reactions of what Professor Gunar Myrdal has called "backwash effects", whereby contracting forces, working through migration, capital movement, trade, and the whole gamut of other social relations, tend to make regions either stagnating or regressing. The dynamics of increasing returns, or spread effects, that is reversing the gears of backwash-effects, may well lead to an industrial revolution. In the words of Professor T W Schultz, "the broad sweep of the industrial revolution may well be viewed as a long, secular boom in economic possibilities." These possibilities are concerned with eliminating instability and imbalance in the regional economy, injecting mobility in the subsistence nature of economic activity, reshaping and expanding the productive capacity of a region, mobilizing the manpower at full-employment level and material resources at full utilization capacity, undertaking a composite development and socio-economic integration of the region under a well-coordinated and balanced inter-regional programme.

In the final analysis regional development proceeds from a study of the "various alternative possibilities of evolution" for a given region, involving a selection of those policies and programmes which are likely to reduce the reducible inter-regional dissimilarities by balancing the regional input-output ratios and inter-regional commodity-balance and by removing the prevalent locational imperfections through dispersal of industries, diversification of output and decentralization of control. A programme of regional development, aiming at long-range changes in the production-function, is a selective though dynamic business. As it has to make initial policy-decisions concerning choices between slow but balanced growth and rapid but unbalanced growth, between comparative advantages at present and cumulative advantages in future, between concentrated development with external economies as well as industrial slums and dispersed development, with healthy surroundings and no external economies, between specialization of output haunted by business fluctuations and diversification needing huge capital outlay. The resultant choices depend upon certain behavioural parameters, certain technological parameters, and on a set of initial conditions of the system. A comprehensive regional development programme, attuned to a commensurate expansion in the regional input-capacity and the effective demand for regional optimum output, strives hard to make the initial push and then spread the contagion step by step and stage by stage, under pre-determined priorities, in order to achieve a secular rise in regional real income, "resulting both from productive activities within the region and from trading activities between the regions."

**Executing the Programme**

But the question arises whether such a composite and gigantic programme of regional development should be framed and executed by inducement or by direction, under a free economy or a planned economy. The case for inducement, according to Professor W A Lewis, stands on the ground that "when we are seeking to develop particular regions, it is better to proceed by inducement than by direction... If industry will not come to an area even when special efforts are made to reduce the cost of working there, it is dangerous to direct it there, for there must be something basically wrong with the area." But Professor Lewis has also agreed that "laissez faire leads to incorrect location". Therefore it is practically advantageous that location must be planned in the interest of the society and in the interest of the region. But regional-planning is a double-headed Janus. It involves location-planning as well as resource-planning. Area-planning, guided by a master-plan for the all-round development of the region, envisages a long-range inter-linked forward-planning in respect of urban and rural sectors for achieving an integrated intra-regional development of the whole regional economy. Moreover area-planning, in order to avoid the pitfalls of leads and lags under an isolated development, has to carry the crusade along with other regions, guided by a composite master-plan of inter-regional or national development.

Resource-planning for the whole region is an equally comprehensive job. As Professor G D H Cole has said, some of the natural and acquired advantages in an area "are fixed and alterable only over a long period as a result of new scientific methods, whereby men can more fully control the conditions of their environment. Others are alterable at will or may be altered at any time by forces more or less amenable to control." Resource-planning, however, is not a single track process, proceeding only with the dispersal of existing industrial concentrations, or directing the location of new undertakings, or changing the existing pattern of regional or locational specialization of labour, or promoting greater diversification of agricultural and industrial activities, or promoting better utilization of available material resources, or finding their new uses or employing manpower at full employment capacity or reorganizing the dispersal of population according to the nature and needs of employment-opportunities. It is a mix of all advantageous ways and means. Thus, resource-planning, inspired by the macro-dynamics of multivariate input-output ratios of regional economy, injects mobility into a static equilibrium and envisages an integrated perspective planning in respect of agriculture, industry, trade, economic overheads and social services, for the uplift of the
entire regional economy. As Professor Dobb has explained, "many factors, which were treated as constant magnitudes before, become variables, and moreover dependent variables, in the problem for solution. The transport-map may be adopted to the requirements of industry, as well as industry moved to the least-cost location on an existing transport-map. New power-sources may be developed; new mineral resources previously unprospected or unexploited may be worked and industry moved to their vicinity, instead of development being confined to resources or raw materials near the old centres of industry. In conformity with a long term plan, not only may whole industries be moved to a new location, as a unit, but a whole industrial complex, embracing auxiliary industries, linked by the utilization of by-products as well; and where industry goes, there go centres of population and consequently markets and labour supplies also."

Regional Planning

Regional development, under the urge and guidance of a free economy, needs a 'shot in the arm.' which generally comes from war or technological changes or other 'revolutionary' changes. In the United States, the recent movement of industry to the South, after a long standing stagnation, is heavily indebted to the changes brought about by the war-efforts during the Second World War. In Great Britain the initial push came from technological changes in fuel and energy, leading from the use of charcoal to steam coal and later to electric-energy, resulting in the geographical shifts of industries and the population. According to Professor E A G Robinson, "the shift from south and east to the north in the Industrial Revolution, the shift back from north to south in recent years, has shifted not only the place of certain manufactures but also the places of consumption, to which many further industries are ministering and has thus reinforced the initial movement."

But, regional development under laissez-faire is deplorably slow and tinged with other undesirable consequences. Professor G D N Worswick has complained that "no one planning the location of British light-industry ab initio, could have produced the disorderly "conurbation which is known as London:"

The most striking example of regional planning was provided by economic development in Soviet Russia. Whereas, previously, industrial development, following the "Europeanisation" of Russia by Peter the Great, was mainly concentrated in the West, an eastward shift of industry is taking place since 1928. Soviet plans, in respect of long-term programmes for the geographical distribution of industry, have treated the fuel and power net-work as the foundation-plan of its structure. Under the original Electrification Plan arid later the regionalisation plan of Gosplan, the main emphasis had still to be given to the older regions, because the traditional centres of population and of industry had for the time being to be treated as the crucial constants in the problem. The agenda, however, of long-term regional planning had envisaged the future development in Ukraine, Urals, Siberia, Caucasus, Central Asia, Baikal and trans-Baikal regions. By now "the canvas of Soviet Economic life is of eight or nine main industrial regions, each raised upon the foundation of its manpower-fuel-mineral situation." Within each region, "the order of detachment has generally been from mineral and power resources to heavy industry, and from heavy industry to transport-facilities, the growth of towns and foundings of light-industry which cater for the consumer."

Regions in India

The story of regional development in India, goes back to 1916, when the Industrial Commission made certain recommendations for reducing the industrial congestion in Bombay city. The Reconstruction Committee of the Council recommended in 1944 that the industries should be extended in a rational manner over the whole of India and that every assistance should be given towards the establishment of industries in such (industrially underdeveloped) areas. Later the Planning and Development Department in 1945 issued a statement on the industrial policy which, inter alia, disapproved concentration of industries, "on economic, social, and strategic grounds" and envisaged that "it would be necessary to fix targets, to allocate them on a regional basis, and to see that these targets are achieved." The First and the Second Plans allocated a prominent place to State Plans. Regional development got further recognition in the Industrial Policy Resolution of 1956, which clearly announced that "disparities in level of development between different regions should be progressively reduced". It also recognised that one of the aims of national planning was "to ensure that these facilities (power, transport, etc) are steadily made available to areas, which are at present lagging behind industrially". The techno-economic survey of Bihar State conducted by the National Council of Applied Economic Research is another step forward towards regional allocation of resources and a balanced development of regional economy.

The regional pattern of the Indian Union is a product of many historical factors. The administrative structure of India, before 1947, was distinguished by two separate entities known as British India and Indian States. This set-up was shaped not by any rational considerations, but "by the military, political and administrative exigencies or conveniences of the moment," with no regard to the history of the land and its various parts, and with no scope for the needs and the affinities of the people. When India achieved independence in 1947, one of the major tasks of administrative reform was the rationalisation and integration of these ill-assorted administrative units into a coherent and balanced pattern. By 1950, when the new constitution came into force, the country got rid of more than 500 princely stales and welded the units into a federating Union, consisting of Part A, B and C States. This revolutionary change may be called the "first phase" of integration of the political and administrative structure of post-independence India. The "second phase" was a bolder step, concerned with the emotional integration of various units, on linguistic and cultural basis, for creating and reinforcing 'unity out of diversity.' As a result, States Reorganisation Commission was appointed in December, 1953 and was guided by certain broad principles included in its terms of reference, viz. (1) the preservation of the unity and security...
of India: (2) linguistic and cultural homogeneity; (3) financial, economic and administrative considerations; and (4) the successful working of the national plan. The final reorganisation of States was enforced in November, 1956. The Commission had also recommended, inter alia, that a permanent body should be set up to examine the grievances regarding the alleged neglect of the development needs of certain areas and that an industrial location-policy should be formulated which will ensure equitable distribution of development expenditure.

Administrative Reorganisation

As a result of reorganisation of States, the 28 erstwhile States were re-shaped and reduced to 14 States and 6 centrally administered 'territories', thereby creating regions within the States on economic and other non-linguistic considerations establishing regional committees in some States, and zonal councils for promoting common development needs of States. These regions are at present, going through different stages of economic development—a few like South Bihar are relatively going ahead, others have not yet recovered from stagnation, while some like Madhya Pradesh (because of the Bhilai Steel Project), Western Rajasthan (because of Rajasthan Canal), Southern Rajasthan and Madhya Bharat (because of the Chambal Project), are perched for an era of progress and prosperity. To bring economic development to all regions and to all parts of the country in one form or another, through direction or inducement, is the real and ultimate aim of national planning. Economic planning for regional development, as distinct from town and country planning, has been defined by Professor G D H Cole as the process of "taking any area to which planning is to be applied as it is and considering how to make the best of its natural and acquired resources, and how to develop them, from the standpoint either of achieving the highest possible total of production, or of value generated by production, in the area concerned, or of working its productive capacity with that of other areas so as to achieve the largest possible value of production over the combined area as a whole."

The major requirement for the establishment of a sound base of regional development, is the adequate provision of the factors of production: (1) entrepreneurial skills, including business and capital management; (2) capital equipment and other forms of capital; (3) labour and skill; and, (4) raw materials and natural resources. Thus, regional development is fundamentally a problem of macrodynamic resource-allocation, taking into account the multi-variate estimates of resource-requirements and prospects of resource-availabilities, or the Harrodian "warranted rate of growth" blended with the Keynesian "effective-demand". To ignite the initial spark of expansion under these circumstances a primary investment to induce a multiplier process, followed by a secondary investment to enforce an acceleration process, is required in order to introduce an upward change in the placid subsistence economy of a region. This capital movement may also lead to and therefore is essential (1) for rationalising the too rudimentary degree of division of labour for promoting any industrial specialisation: (2) for creating new-capacity or expanding the present capacity to accelerate industrial growth: and, (3) for development and efficient utilization of unexploited or underutilised natural resources.

This 'initial' spark of investment, and its later supplements, may be conditioned by the considerations that most under-developed countries and also regions in such countries have no traditions of industrial investment; they suffer from a serious shortage of capital in relation to land-resources. Domestic capital for regional development has got the advantages that it can pay more attention to local resources and local requirements, can mop up or plough in dormant savings which may otherwise remain idle, and can plough back increases in income to convert area-development into a cumulative and self-reinforcing process. If, therefore, regionally-inspired and regionally owned capital cannot be sufficiently mobilized, extra-regional capital and enterprise has to be attracted or invited in the form of 'new-undertakings' or 'branch-plants', which tend to deplete the regions' capital-structure by the export of industrial savings and to move away in times of depression. In India, an origin-wise break down of industrial capital, from domestic (regional) and outside sources, is not available, but capital structure is distinguished by the following features: (1) capital is mainly concentrated in big cities; (2) "small capital" is mainly local in nature; and, (3) "big capital" comes mainly from outside.

Role of Overheads

Economic development of a region on the Harrod-Domar model, mainly works through the potential growth in output which is compound of increases in productivity per worker and increases in the labour-force, and is closely associated with the growth in capital stock widening of capital and deepening of capital. Expansion of economic overheads, also called 'economic infra-structure', by providing external economies to other industries and lowering the capital co-efficient subsequently required per unit of output, makes possible a more rapid rate of growth in future. Given the growth in output, as determined by available resources, the capital co-efficient indicates the necessary increase in the capital stock or investment which is required by the prevailing state of technique. Thus, investment-opportunities are determined by (a) changes in productivity per worker; (b) population growth; and, (c) technological developments which control the capital-coefficient. But this process, providing a multiplier to the consumption-function and to the investment or accumulation function, is a slow one, whereas a powerful upward surge of autonomous investment reinforced by a multiplier amenable accelerator is needed for a rapid rate of growth. In the absence of this, particularly in under-developed areas, an all-out government programme of investment in productive undertakings as well as economic overheads is the only remedy. In pre-independence India, according to Alak Ghosh, distribution of gross public investment in economic overheads, between different regions, shows that nearly 54 per cent was concentrated in North-Western and North-Eastern India, the former absorbing a large share of investment in irrigation, whereas the latter receiving a sizeable proportion of investment in railways. In the inter-war period, the shift in the direction of investment "in favour
of central and southern regions indicates not only the tendency towards a more even regional distribution of investment but also the increasing emphasis laid on the provision of economic overheads for the development of areas, which commercially and industrially were beginning to assume importance. However, these deficiencies and drawbacks in the regional distribution of economic overheads are being progressively corrected by capital outlays on irrigation and power, industry, and transport and communications under the First and the Second Plans.

As investment follows effective demand, expansion of all sectors of regional economy is intimately connected with and leads to an increasing demand for internally (regionally) produced goods. To become industrialised, a region having more than 50 per cent of raw-materials or natural resources by weight of the material requirements of an industrial activity must import other essential materials to complement its own resources and must overcome transport-resistance. Otherwise, the region's own resources will remain either unused or will be used as isolated resources, so that raw-materials will be 'imported' from other regions, thus creating an adverse commodity-balance. In this under-developed economy, 'subsistence' agriculture becomes the main prop, and a major share of the region's agricultural output, except locally consumed food-crops, is produced for the extra-regional market, if processing industries are not located inside the region. Whatever industries are located inside the region, a substantial part is connected with material-oriented or labour-oriented industries and this industrial capacity grows in response to demand originating from outside the region, so that these 'export' industries may be considered as an alter native to even greater outward migration of materials and labour force. The pattern of trade is immensely influenced by the pattern of commodity balance. Even the banking system, if not regulated to act differently, tends to become an instrument of siphoning off the savings from poorer regions to the richer regions, where returns to capital are high and secure. According to Gunar Myrdal, market forces in a poor country "work more powerfully to create regional inequalities and widen those which already exist." Thus in the pre-industrialised conditions of regional economies, the interregional terms of trade operate with a fundamental bias, in favour of advanced regions against the under-developed regions, leading to a regional specialisation of economic activity based upon the theory of comparative advantage.

Regional Specialisation

In India, this regional specialisation is responsible for jute cultivation in Assam and Bengal, tea in Assam and North Bengal, coffee and rubber in South Indian States, wheat in the Punjab, U P and Bihar, and rice in Assam, Bengal and South India. Coal mining and iron-smelting is concentrated in the iron and coal belts covering south Bihar and Bengal. The emergence of Madhya Pradesh and Orissa, on the coal and iron maps of India, is a new opening under the steel-planning. In the industrial field, jute-manufacturing industry is heavily concentrated in West Bengal. Sugar industry was originally localised in Western UP and Bihar, but in recent years, there has been a distinct movement of sugar-producing capacity towards Bombay and farther down in the South, in order to reach nearer the consuming markets. Cotton-textile industry, up to 1920 was localised in Bombay. There has been, in recent years, a change in the location of industry with the emergence of mills in Delhi, Kan pur, Bangalore, Madura and other places. Now a product-wise division has taken place, whereby Bombay is mainly engaged in production of finer varieties of cotton-textiles, which are less bulky and hand-prieded whereas new centres are producing coarse and medium-quality cloth for local requirements. So far as the paper and cement industries are concerned, the productive capacity is more or less evenly distributed all over India. The pre-1950 pattern of industrial location was, to a large extent distinguished by concentration in relatively advanced regions, being influenced by and limited to urbanised management and capital. However, as a result of planned industrialisation, dispersal of industries is slowly emerging and going apace.

This policy of dispersal and diversification or the broader concept of regional or geographical mobility of resources, is intimately conducive to and co-extensive with the mobility of population. According to Professor GDH Cole, "the control of industrial location is one aspect of the planned development of the distribution of population." It is the pattern and place of work which determines the pattern and place of living. Progress is, therefore, not only inevitably associated with internal shifts in the structure of production, it is also the direct and immediate purpose of technological progress to make it possible to produce the same amount of goods with lesser number of workers or more amount of goods with the same number of workers. In either case, there is a problem of displacement, or transfer of manpower and material resources. Regional development, after the initial push and reorganisation, therefore, tends to move towards the ideal of better utilisation of material resources and full employment of manpower, and a consequent inter-regional migration of population as a corrective measure for the imbalances and imperfections in the existing distribution of population. This migration primarily takes place because, in the previous set up of inter-regional flows of capital and labour inputs, the losing regions had got more working population and less productive capital, whereas other regions had got away with more productive resources. Because Growth involves change, it is a necessary concomitant of growth that labour should be mobile, leaving one occupation or enterprise and joining another, leaving one area and going to another.

Immobile Population

Indian population is on the whole characterised by a general immobility —social occupational and geographical. In respect of ideographical immobility, Professor S Chandrashekar has estimated that nearly 90 per cent of the people in every Census have been enumerated in the district in which they were born. Another 5 per cent have been enumerated in the adjoining districts, and only the remaining 5 per cent went outside their State. Th density of population or the landman ratio is an index of the holding power of an area and is influenced
by numerous factors like natural conditions (soil-fertility-rainfall, climate), level of agricultural prosperity resulting from irrigation and other facilities in the region, availability and rate of utilization of natural resources for industrial development, growth of urbanisation, employment opportunities. The holding power of an area, in India, is further accentuated because (1) the majority of the population is tied to land, as land is the chief source of livelihood for more than 70 per cent of the population; (2) absence of alternative employment elsewhere; (3) difficulties of adjustment in other linguistic regions: and (4) other social factors which stand in the way of labour mobility.

The 'pull' factor, aided by the 'push' of poverty in backward regions, has been strengthened as a result of relative prosperity in certain regions, viz textile and other industries in Bombay, jute and other industries in West Bengal, sugar 'industry in Western U P and Bihar, tea gardens in Assam coal and iron belt of Bihar and West Bengal. Many more industrial areas are needed and would have to be created and developed if the 'pull' factor is to be strengthened and the desired redistribution of population is to be achieved. The bold experiment of integrated regional development, undertaken by Damodar Valley Corporation, on the lines of Tennessee Valley Authority in U S A, has to be multiplied. The development of Rajasthan and the Dandakaranya Scheme are expected to become landmarks in the composite regional planning. The pattern of an expanding economy will certainly rationalise the pattern of population distribution and reshape industrial location on more desirable and advantageous lines under the aegis of national planning.

Notes
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4 Ibid.
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16 S Chandrasekhar, 'India's Population — Facts and Policy'.

World Trade in Agricultural Products

A RESOLUTION aimed at encouraging an expansion of world commercial trade in agricultural products was adopted on August 1 by the Economic Committee of the U N Economic and Social Council.

The resolution approved by 16 votes to none, with 2 abstentions, reaffirms the General Assembly's views stressing that underdeveloped countries should be able to sell more of their products at stable and remunerative prices and thereby finance their economic development from their earnings of foreign exchange.

The Economic and Social Council, under this resolution, would also call on governments of member-states of the United Nations and specialised agencies, particularly of the highly industrialised countries, to pursue policies that would encourage the expansion of world trade in agricultural products, especially by avoiding excessive agricultural production and by avoiding prejudicing the trade prospects of efficient producers from outside their countries and regions.

The resolution would invite governments to consider liberalising barriers to trade which are unduly limiting the consumption of agricultural commodities from underdeveloped countries.

Notes
1 August Loesch, The Southern Economic Journal, July 1938
2 T Haavelmo, "A Study in the Theory of Economic Evolution".
3 Gunar Myrdal, 'Economic Theory and Under-Developed Regions'.
4 Ibid.
5 T W Schultz, 'The Organisation of Agriculture'.
6 P Sargent-Florence, 'The Investment, Location and Size of the Plant'.

1440