

DC8A Regional Planning

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Balanced Regional Development: Meaning and Considerations

Meaning of Balanced Regional Development:

Balanced regional development is an important condition for the harmonious and smooth development of a country. It does not imply equal development of all regions of a country. Rather it indicates utilisation of development potential of all areas as per its capacity so that the benefit of overall economic growth is shared by the inhabitants of all the different regions of a country.

Thus the regional balance implies uniform distribution pattern of the planned investment among different regions of a country. Alternatively, regional balance demands distribution of investment in such a way so that the regional rates of growth in different parts of the country be equally attained, eliminating the regional disparities prevailing in the country.

Thus to attain regional balance, it is quite important that the backward regions should try to attain higher rate of growth than that of developed areas.

Balanced regional development does not indicate attainment of self-sufficiency of level of industrialization or uniform economic pattern for each state rather it simply indicates wide spread diffusion of industry in backward areas.

The balanced regional development is broadly guided by the people in backward areas which can be attained simply through its development of agriculture, industry, infra-structure, trade and commerce. According to Mumford, **“it is a problem of increasing habitability, a problem of social and economic renewal.”**

Thus by the term regional development, we mean economic development of all regions simultaneously, raising their per capita income and living standards by exploiting their natural and human resources fully.

Considerations and Need for Balanced Regional Development:

Balanced regional development as a policy is considered both on economic, social and political grounds. The policy is considered in order to redress inequalities between different regions of a country and also for raising standard of living to a higher level at a uniform rate.

The Second Five Year Plan documents of India observed in this connection, “In any comprehensive plan of development, it is axiomatic that the special needs of the less developed areas should receive due attention. The pattern of development must be so devised as to lead to balanced regional development.”

Balanced regional development is having both economic and non- economic considerations.

Economic Considerations:

Balanced regional development is advocated mostly for the following three economic considerations:

(a) Utilisation of local resources:

Balanced regional development paves the way for optimum utilisation of resources available in different regions of the country. Over concentration of industrial activity into certain centres leads to wastage of local resources like raw materials, fuels, labour, skills, etc. for their non utilisation.

(b) Expansion of employment opportunities:

Employment opportunities in a country will be expanded uniformly at a satisfactory rate under balanced regional development opportunities in different industries over different parts of the country.

(c) Utilisation of Infra-structural Facilities:

Balanced regional development paves the way for total utilisation of various infra-structural facilities like means of transport and communications, power resources, irrigation facilities, educational and health facilities developed in all the different regions of the country.

Non-Economic Considerations:

The following are the two non-economic considerations of balanced regional development:

(a) Socio-Political Arguments:

Balanced regional development can remove those socio-political problems related to health, housing, law and order, cultural decadence etc. arising out of concentration of industries at a few points. Moreover, it can avoid the necessity of large scale emigration of labour to distant industrial centres through regional dispersion of industrial activity.

Besides, balanced regional development can pave the way for an egalitarian society having negligible differentials in per capita incomes and other parameters existing between classes and regions.

(b) Strategic Considerations:

Balanced regional development favours regional dispersion of industrial activities under strategic considerations, i.e., under considerations of national defence and industrial security. Now-a-days, concentration of industries at a few points is risky as it becomes easy targets of attack and bombardment during wars.

Proper Strategy for Regional Development:

Development of backward regions requires a proper strategy to be adopted for attaining a balanced regional development.

Adoption of a proper strategy includes:

- (a) An examination of the existing criteria for the identification of backward areas of the country,
- (b) Adoption of a selective and purposeful system of fiscal incentives so as to fulfill the basic objectives of expansion of employment opportunities, utilisation of available local resources, exploitation of local development potential, linkage effects, distributional impact, expansion of infra-structural facilities, etc.,
- (c) Proper co-ordination of development strategy formulated by various agencies, viz., the central and State Governments, financial institutions, private sector units, etc.,
- (d) Adopting location specific and appropriate project oriented programmes having importance on growth centre approach,
- (e) Introducing a sustained programme of investment by the public sector to realise the objective of employment expansion and income distribution, if) development of proper and adequate institutional framework to attain the development of backward areas.

In this connection, Gunnar Myrdal has rightly observed that, **“inequality and the trend towards rising inequality stand as a complex of inhibitions and obstacles to development and consequently there is an urgent need for reversing the trend and creating greater equality as a condition for speeding up development.”**

Balanced regional development is a well known proven objective. All regions must develop itself along with the national economy. Different regions can try to utilise its potential fully as an integral part of the country. Thereby, with the advancement of national economy, all round regional development is attained.

Under the present circumstances, what is imperative is that in order to reduce regional imbalance, it is necessary to exploit the natural resources of backward regions, to work continuously in those directions where development is attained and also to attain a selective and judicious dispersal of the available resources so as attain rational and balanced regional development.

Balanced Regional Development: 7 Main Requirements

1. Maintaining Political Stability:

In order to attain political stability in a country, balanced regional development is quite essential. Continuation of regional disparities may lead to discontentment in the minds of people, which is a potential source of danger to the national solidarity.

2. Overcoming Social Evils:

In order to overcome social evils related to over-concentration of industries is major essential. Health and efficiency of the people residing in such industrial centres are adversely affected by social evils like overcrowding, noise, congestion, pollution, insanitation etc. All these social evils can be removed by attaining regional development.

3. Smooth Development of the Economy:

For attaining smooth development of the economy, balanced regional development is quite essential. Thus all the regions should be developed equally so that they can help each other.

4. Developing and Conserving Resources:

In order to develop and conserve resources to the maximum extent, regional development is quite essential. Establishment of different types of industries in various regions of the country paves the way for fuller utilisation and conservation of mineral, forest, agricultural and human resources of the region.

According to D.R. Balakrishna, "The aim of regional development should be to secure maximum efficiency in the utilisation of available resources."

5. Rapid Development of the Economy:

In order to attain rapid economic development, balanced regional development is considered as an important pre-requisite as the overall progress of the entire economy depends upon the balanced development of all regions of a country.

Development experts argue that "The progress of the national economy will be reflected in the rate of growth realised by different regions and, in turn, greater development of resources in the regions must contribute towards accelerating the rate of progress for the country as a whole."

6. Minimising Backwash Effects:

Prof. Myrdal, in his thesis on Regional Inequalities observed that the poor countries are subjected to regional difference in income and employment and the main reason behind such regional inequality in the strong backwash effects and weak spread effects prevailing in such economics.

Such regional inequalities are aggravated by factors like migration, capital movements and trade.

Under such a situation, developed regions gain at the cost of backward regions. Regional inequalities are accentuated as the backwash effects become stronger than the spread effects. Thus the underdeveloped countries should try to contain regional inequalities by minimising the backwash effects undertaken by deliberate state actions.

7. Expansion of Employment Opportunities:

Balanced regional development is very much important for promoting and securing large employment opportunities in underdeveloped countries. By dispersing the industrial projects into various regions the country helps promote infrastructure and expansion of employment opportunities at a satisfactory rate.

Thus simultaneous development of all regions leads to substantial expansion of employment opportunities in various sectors of different regions of a country.

Aforesaid arguments thus suggest that the regional inequalities in the underdeveloped countries can be removed through the adoption of the strategy of balanced regional development. However, while adopting such a policy, the planners must take sufficient guard against the location of industrial projects into certain backward states or regions for attaining only regional balance.

While establishing such industrial enterprises into backward regions, economic factors like sufficient availability of inputs, techno-economic feasibility etc. must be satisfied.