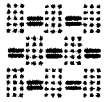
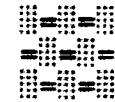


CHAPTER - II
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LEVELS OF ECONOMIC DEVELOPMENT



- 2.1 Introduction
- 2.2 Regional levels of development
- 2.3 Methodology
- 2.4 Regional imbalances and disparities
in development
- 2.5 Spatial pattern of change in the
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2.1 INTRODUCTION :

It has been always said that the economic development has a great bearing on population character of any area. The development of industries, transportation, urbanization, and agricultural practices have always influence the population character of any region. The levels of development in the region is often related to the presence of large cities, reflecting the opportunities they offer for growth of development. An increasing level of urbanization is an important index of economic development. Urbanization by itself is an effect of the economic, social and migrational pattern. The study of economic development and population character provide us the clearcut picture of the area. The resource potential and economic base of a region. Considering this aspect, the present work is an attempt to understand the changes in the levels of economic development and their impact on population character in the study region.

There are several factors such as technological development, transport network, resources, communication infrastructure and marked organisation which has great bearing on population character of any area. Industrial development, urbanization, agricultural development and socio economic character of the landscape are the important factors. The present chapter highlights the levels of economic development with this objective an attempt has been made to identify the levels of development

focusing on the regional imbalances and disparities in the study region. In this context an effort is also made to examine the relationship between the levels of socio-economic development and levels of urbanization. Industrialization at district level (Kailash Matho,1984).

2.2 REGIONAL LEVELS OF DEVELOPMENT :

The meaning of the levels of development has had different connotations to various scholars. They have historically acquired a certain meaning, though this is not precise or universally valid. The procedure of measuring the development must, therefore, attempt to tap these implications as best as possible. The concept of development may imply an improvement in the material and cultural well being of the people in a region. Development is defined as growth plus structural change taking place simultaneously. A regional analyst has thus to work out definite procedure for measuring and constructing an operational index for development. The development of a region can be identified with the increase in the employment opportunities availability of infrastructural facilities, amenities and services, proper distribution of resources, increased production, investment and consumption. Thus the development refers to an improvement of all sectors of economy and social and cultural pursuits.

The choice of indicators of regional development should distinguish between the basic forces and derivative results and the base itself on the intrinsic relationship between spatial and sectoral process in a holistic frame. With such an approach, the groups of economic, demographic and social indicators within each group reflect different aspects of a phenomenon.

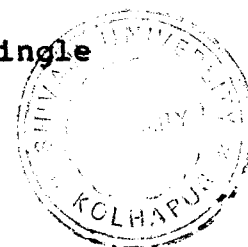
In the world most of countries are facing with the problem of regional imbalances and regional inequalities. In the developing countries like India, regional imbalances and inequalities are present in substantial proportions. The identification of regional level of development is a multi-dimensional process which requires the investigation of various socio-economic indicators i.e. industry, agriculture, transport communication, education health, banking and many other (Varma,1989). One can measure the overall levels of development for each region by combining all these indicators responsible for the development. The disparities of each region can be measured by protecting the major groups and indicators.

2.3 METHODOLOGY :

The levels of development are not directly measurable, one must select suitable indicators. A development indicator should represent some aspects of development such as industrialization, agro-development and socio-economic development,

because development involves changes in structure, capacity and output. It may be a direct measure of an economic or social variable. Indicators may be disaggregated, composite or representative. In the first case a complex phenomena is broken into a number of elements or components and indicators are selected to represent the different components. The elements should be homogeneous, mutually exhaustive and mutually exclusive. In the second, a single indicator is constructed by combining a number of indices, involving some system of weighing indices. In the third case a representative indicator is selected as the best measure of a particular phenomenon on the basis of some criteria such as closeness of correlation with other indicators of the same phenomenon. The validation of the indicator depends upon its reliability, sensitivity and accuracy and on the consistency of its relation to other development indicators. The justification for selection of a particular indicator and a particular process of selection will depend, however, on the purpose for which they are to be selected.

A variety of socio-economic indicators have used for identification of backward areas and measurement of regional disparities. Kundu (1980) draws a line of distinction between a variable and an indicator. An indicator viewed a combination of matters of fact and matter of relation (theory) on the other hand, can be constructed only through a ' correct sequence between factual and logical order.' All agreed that a single



variable GNP/Capita is convenient to use but it neglect too many aspects of human welfare (Tata and Schultz,1988).

While studying the levels of development, various elements of development are taken into consideration. In the present study, we have tried to find out the levels of development of all the districts of Pune division. The levels of development have been calculated for 1981 and 1991 period. The details of indicators selected and the methodology used has been given in detail as follows.

- 1) Road length per lakh of population (km)
- 2) Number of beds in public aided medical institutions per lakh of population
- 3) Motor vehicles per lakh of population
- 4) Number of telephones per lakh of population
- 5) Number of post and telegraph offices per lakh of population
- 6) Number of establishments per lakh of population
- 7) Number of regulated market per lakh of population
- 8) Number of commercial establishments per lakh of population
- 9) Number of co-operative banks per lakh of population
- 10) Percentage of urban population to total population
- 11) Percentage of total workers to total population
- 12) Percentage of population engaged in secondary and tertiary activities

- 13) Percentage of net areas sown to geographical area
- 14) Percentage of net area irrigated to net area sown
- 15) Number of tractors per 100 hectares of net area sown
- 16) Number of agricultural pumps
- 17) Percentage of other workers to main workers
- 18) Number of working factories registered
- 19) Percentage of workers in household industry to main workers.

To obtain an overall view of regional disparities it becomes necessary to combine indicators and form a composite index of development. In this regard deal of literature has come up in the few decades on the indices measuring quantitatively the levels of development. Attempts of the scholars like Yadav J.P. and Prasad (1966), Mitra (1967), Nath V. (1970), Nath (1970), Mishra S.K. (1971), Pathak (1973), Raza (1973), Ganguli and Gupta (1976), P.W. Deshmukh (1984), M.P.Kailash Matho (1984), are worth mentioning.

With the help of these parameters, the method adopted for the present work, the determination of the level of each district in terms of a discrete variable and second, the interaction of the values obtained for discrete variables which gives a composite index of development. The levels of development have been calculated for 1981 and 1991 period. The following formula is used for calculating the levels of development.



The co-efficient of development of a district in terms of single variable is calculated by following equation.

$$CDI = \frac{P_i}{PI} \times 100 \quad \dots \text{ I)}$$

Where, CDI = co-efficient of development for variable 'i'

P_i = percentage of variable in the areal unit

PI = percentage of variable 'i' in the study region

After summing up all the indices of selected variables, we get the composite index of the development of following equation.

$$CID = \frac{CDi_1 + CDi_2 + CDi_3 + \dots + CDi_n}{N} \quad \dots \text{ II)}$$

Where, CID = composite index of development

N = Number of variables

2.4 REGIONAL IMBALANCES AND DISPARITIES

IN DEVELOPMENT :

Levels of development are thus calculated for all districts in division on the basis of above formula. The composite indices of development so obtained are given in

Table 2.1. After having the calculation of composite indices of development for all the districts of the division, they are grouped under high, moderate, low and poor levels of development. The regional level of development have been depicted in Fig.2.1. The regional analysis of levels of development in 1981, there is one district namely Pune where high level of development is observed; whereas Kolhapur and Solapur it is moderate level of development. In the study region only Satara district observed poor level of development as shown in Fig.2.1.

Table 2.1 : Levels of development in districts of Pune division.

Sr. No.	Name of the District	1981	1991
1	Pune	135.42	130.08
2	Satara	81.73	87.40
3	Sangli	86.89	90.53
4	Solapur	96.71	96.03
5	Kolhapur	100.02	95.78

SOURCE : Compiled by the author.

The results indicate that in 1991, the same case is observed in the study region except Satara district. In the same year only Satara district shows low level of development.

Pune and Kolhapur are highly developed areas of the region. This category is characterised with the location of

PUNE DIVISION
LEVELS OF DEVELOPMENT

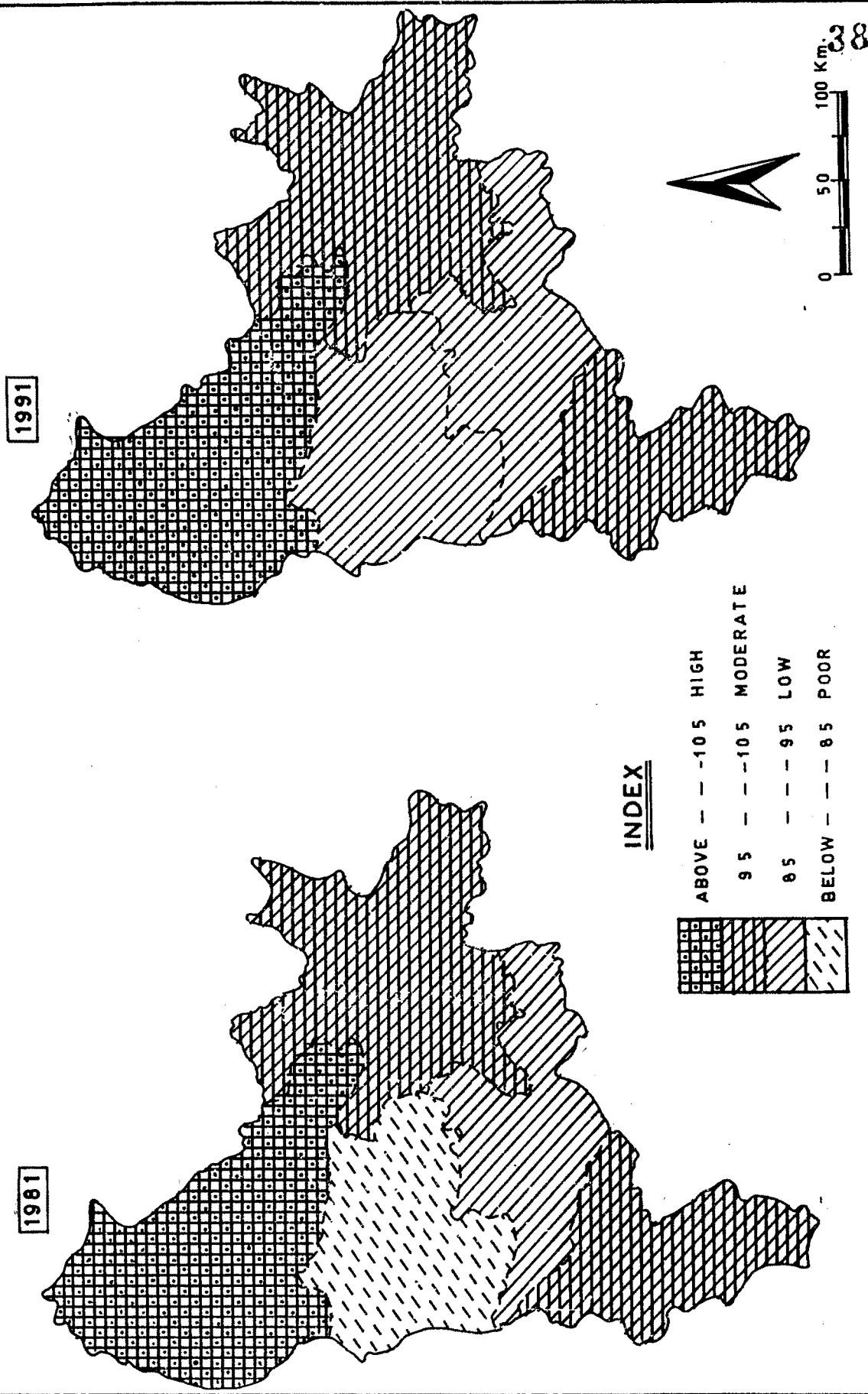


Fig. 2.1

bigger urban centres, this area is industrially and agriculturally developed and culturally flourished. Also they have well developed transport network. Many favourable factors promote their high level of development. Among the various factors, the process of industrialization, the development of transport network and high degree of urbanization are responsible for placing these districts in the category of high level of development.

2.5 SPATIAL PATTERN OF CHANGE IN THE LEVELS OF ECONOMIC DEVELOPMENT :

The study of details of levels of economic development in districts, from the actual values reveals that the high improvement in the levels of economic development during 1981-1991 has been recorded in the industrialized and transport network belt of Pune district. Second category of the increment in the levels of the development occurred in Solapur and Kolhapur districts, Satara and Sangli district have recorded the low improvement in the levels of economic development during this period. Only Satara district has moved upto low development the proportion of change in the levels of economic development during the period 1981 to 1991. Solapur district of Pune division has moved up from medium to high category. While the development of Pune and Kolhapur districts in 1981 is high when compared to 1991 levels of development.

It has been observed from the above studies of change in the levels of economic development that it has been higher either in already developed districts or in newly industrialized areas, while the areas of least growth in the levels of economic development continue to be those districts which were lower on the ladder of economic development in 1981. It can be concluded that industrial, commercial, agricultural areas of plantation as Sangli, Kolhapur districts have higher levels of economic development in 1981. In contrast the agricultural areas are characterized with the low level of economic development. A change in the levels of economic development during 1981 to 1991 has been largely confined to the newly industrialized areas such as Pune, Kolhapur have continued to improve their levels of economic development during 1981 to 1991 period.

2.5.1 Development and Urbanization :

Urbanization reflects the horizontal movement of people in response to changes in the sectoral structure associated with economic development. In the urban areas secondary and tertiary sectors of the economy are more developed and they offer relatively greater amenities of living and higher educational and cultural facilities. It can be expressed to percentage of urban population. Urbanization is an important aspect of the process of economic development. Structural changes in the economy

are generally associated with urbanization. It is fact that rapid economic process and urbanization go hand in hand.

Economic development is not uniformly distributed, it varies from place to place. Some areas have more economic activities than other. The example of developed country can clearly prove that the economic development has a great bearing on the urbanization of the area. In any country economic development in early stage is closely associated with more increase in total population but urban population grows more rapidly than rural population and further it is believed that migration is the important factor responsible for rapid urban growth (Smith W.,1953). The high degree of urbanization in Pune, Solapur and Kolhapur districts is the result of better economic development, while low degree of urbanization in Sangli and Satara is the result of low level of economic development.

Level of urbanization has been taken as index of economic growth. Secondary and tertiary activities tend the development whose growth is corelated to the size of cities and levels of urbanization. The analysis of the results clearly indicate that in Pune division the levels of economic development and degree of urbanization shows high positive relationship. The high degree of urbanization in Pune, Solapur and Kolhapur districts is the result of

better economic development, while low degree of urbanisation in Sangli and Satara is the result of low level of economic development (Table 2.2).

Table 2.2 : Levels of development and percentage of urban population.

Sr. No.	Name of the District	Percentage of urban population in 1981	Percentage of urban population in 1991	Levels of development	
				1981	1991
1	Pune	47.33	50.75	135.42	130.08
2	Satara	13.04	12.91	81.73	87.40
3	Sangli	21.52	22.83	86.89	90.53
4	Solapur	29.65	21.81	96.71	96.03
5	Kolhapur	25.32	26.40	100.02	95.78

SOURCE : Compiled by the author.

2.5.2 Development and Agriculture :

Agriculture is factor of the Indian economy, there is a need to study the relative development of agriculture for measuring the economic condition of the people engaged in cultivation. The level of the development in this case can be best reflected in agricultural efficiency. Thus, it is reflected in the total production from a particular unit area and per acre yield. However, the gross value of agricultural out put per agricultural worker

would be the best indicator of agricultural development. It accounts for total production as well as their market value. Irrigation is an important input of agriculture. It is also an indirect measure of total input that go with irrigation, better techniques, manures, fertilizers, high yielding varieties of seeds, pesticides and a higher level of farming activity and the urge for crops. Therefore the the percentage of gross irrigated area to gross area sown is good economic indicator.

2.5.3 Industrial Growth :

The role of industries in economic development cannot be overemphasized. It is modern sector of economy on which the development in other sectors depends. The per capita value of industrial output have been the best single indicator of industrial development, because it accounts for industrial out put, income generated and value added by manufacturing.

However, it was not possible to collect the information of per capita value of industry. Therefore we have selected number of working factors and number of workers in industry. These two indicators also given better results of the industrial growth and development as shown in Table 2.3.

Table 2.3 : Percentage of population engaged in secondary and tertiary activities and levels of development.

Sr. No.	District	Percentage of population engaged in secondary and tertiary activities		Levels of development	
		1981	1991	1981	1991
1	Pune	52.30	54.40	135.42	130.08
2	Satara	28.70	28.69	81.73	87.40
3	Sangli	29.78	31.67	86.89	90.53
4	Solapur	36.13	34.49	96.71	96.03
5	Kolhapur	32.80	37.17	100.02	95.78

SOURCE : Compiled by the author, based on Census Report.

The results obtained by these two indicators clearly show that Pune, Solapur and Kolhapur districts have more number of working factories and more percentage of industrial workers. While Sangli and Solapur districts have lower number of working factories and lower percentage of industrial workers.

2.6 CONCLUSION :

Concluding salient feature of the levels of development in the study one observes that Pune, Kolhapur and Solapur these districts have better overall development in respect of industry,

agriculture, transport network and urbanization. However, Sangli and Satara districts indicate low level of economic development in respect of industry, transport and urbanization, but they show better agricultural development. Still major part of these two areas is covered by drought zone.

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