

Imbalances in Economy of the Brahamaputra Valley and its Impact on Economic Development

Abstract

"The economy of the Brahmaputra valley is agricultural economy. Of the total population of the valley 85 percent live in the villages and 80 percent are directly or indirectly dependent on agriculture for their livelihood (Census, 2011). Work on disparities with a focus on sustainable development in relation to the study area has not been carried out as yet. Therefore in the present study an attempt is made to study disparities in economy and its impact on economic development."

Keywords: Brahmaputra Valley, Economic Development

Introduction

It is very much in the nature of human beings to strive for equality. Equality has been emphasized not only on ethical grounds but also on social, political and economic grounds. The struggle of humankind for equality has been stretched to the extent treating it responsible for social and economic transformation. The problem of regional disparities in the level of economic development is almost universal (Dholakia, 1985). Societies with great extremes of wealth and income are difficult to organize and always liable to be seriously damaged, if not entirely disrupted, by sporadic outbursts of discontent from to prove that economic equality was a necessary condition of social stability at any particular date, but it is difficult too to believe that greater equality is not a goal that human societies will continue to pursue. (Gulati, 1999).

Regional imbalances are however, inherent in the very process of development. Economic development has not been uniformly distributed either over space or time. (Misra, 1970). Regional imbalances emerge due parting to differences in resource endowments of regions and partly to the tendency to locate new investment in the easy areas which have got facilities for development. The widening gap between regions may generate tension sufficient to inhibit the very process of development.

There needs therefore a deliberate attempt to lessen it not remove, the degree of regional imbalances with development strategy suitable to potentials, needs and priorities of a region the degree of 'created' imbalances, i.e. imbalances which may be attributed to man made factors can well be lessened. Correction of 'Created' imbalances would also lessen the degree of natural imbalances.

No country development or undeveloped, is free from the problem of regional imbalances (Nath, 1970). The problem is however, more pronounced and there is more pressing need for its removal in developing countries. The glaring disparities often witnessed by developing countries have threatened the political and economic stability in many of such countries. Owing to regional disparities India too has witnessed social tension, simmering or violence and even separatist movements in West Bengal, Tamil Nadu, Karnataka, North East, Punjab etc.

In view of slow rate of growth, low productivity, mounting unemployment, glaring disparities, object poverty, look of basic amenities, starvation, poor standard of living, malnutrition etc. which most of the developing countries suffer from (Sunil, 2000). These Countries have to increase the rate of economic growth in an equalizing rather than a dispersing manner.

These problems are vulnerable to generate discontent and disbelief and may endanger, if unsolved, the very integrity of the country. The more backward an economy the more the vulnerability of these problems. On the other hand a developing country with limited stock of

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resources can not afford less than optimum utilization of resources which may not follow regional equality. There is thus added dimension to regional imbalances in developing economics. (Williamson, 1965)

The economy of Assam is predominantly an agricultural – based rural economy (Taher and Ahmed, 1998). Of the total population of the state 87.5 percent live in the villages and more than 70 percent are directly or indirectly dependent on agriculture for their livelihood. As we know Assam is a state which is rich natural resources, mineral resources, fertile lands, the economy of Assam is far behind the national average. Our state is suffers from the serious problems like large proportion of the total population below poverty line, unemployment, glaring disparities, low investment potentiality, poor industrialization , poor productivity etc.

Planning in Assam has been centralized, schematic and macro based. No attempt has been made until recently to bring the process of planning to action and to needs, priorities and potentialities of an area (Banerjee and Kar, 2007). Planning has to be area-based if the giant problems of poverty, unemployment, inequality, etc. are to be tackled. The development strategy needs to be, future, integrated and coordinated in order to secure regional balance, optimize the use of resources and solve the various problems the economy of Assam suffers from.

The economy of the Brahmaputra valley is agricultural economy. Of the total population of the valley 85 percent live in the villages and 80 percent are directly or indirectly dependent on agriculture for their livelihood (Census, 2011). Work on disparities with a focus on sustainable development in relation to the study area has not been carried out as yet. Therefore in the present study an attempt is made to study disparities in economy and its impact on economic development.

Methodology

The statistical methods that have been applied in our study can be summarized as follows:

1. In the present study Kendall's index has been used to construct an inter-temporally comparable development index. Kendall's index is a linearly weighted aggregate of variables which maximizes its aggregate square correlations with the constituent variables. The index has the desirable feature of being determined from the correlation matrix of the indicators.
2. Indices of non-agricultural activities have been constructed from the sectoral indices of industry, tertiary and socio-cultural activities because correlations between the indices of agriculture sector and other sectors have been found to be small with negative values.
3. The identification of backward and developed districts has been done for sectoral and overall economic development on the basis of the respective year's state average index values. All the districts which have their development indices below the value of respective year's state average index have been considered as relatively underdeveloped or backward and the districts recording index values equal to and above the value of the respective year's state average index are identified as relatively advanced or developed districts. (Saikia.A)

Objectives of the Study

1. To measure the extent of imbalances in economy of the Brahmaputra Valley and its impact on economic development during the period 1990-91 to 2000-2011.
2. To examine the concept of sustainable development in the context of the study area.

Findings

The findings and observations of the study are presented below:

1. An inter- temporal comparison during the period 1990-91 and 2000-11, shows that disparities in agricultural sector have increased.
2. Most of the districts, have improvement in the level of agricultural development. The position of Kamrup was found to be better in 1990-91, this district has become agriculturally backward in 2000-11. As we have seen Kamrup district have improved in industrialization.
3. Agricultural development in the districts shows that land and labour productivities are high in agriculturally developed districts, in general, with very high, high, medium and low values of indices. These districts are also found to have high per capita availability of agricultural produce, high intensity of cropping, and high value of the ratio of net area sown to total geographical area during the period 1990-91 and 2000-11. The agriculturally backward districts with low and medium category of indices however are in general less developed in respect of all the indicators.
4. An inter- temporal analysis indicates that during the period 1990-91 and 2000-11, the extent of inter-district disparities in industrial development of the state of Assam has shown the disparity has reached its high points in 2000-11. Concentration of industrial activities in Upper Brahmaputra Valley districts is high incidence of disparities. Though the backward districts are far behind the developed districts in respect of industrial development, the high pace of development in some of these districts, especially Dhubri, Nagaon and Darrang and also the even development in other districts have helped reducing the extent of disparities in 2000-11.
5. The average values of the indicators have recorded upward trends. These are the most important factors for the general level of industrial development during the period.
6. Concentration of registered working factories in Kamrup, Dibrugarh and Tinsukia is very high, while all other districts with low category index values are found to be backward in indicator of registered working factories. Though concentration of registered working factories is high, the number of registered working factories per lakh of population is lower in Kamrup than in other districts.
7. It is revealed in the study that during the period 1990-91 and 2000-11 all the districts have recorded development in tertiary activities. The incidence of banking activities and degree of urbanization are found to be high in Kamrup.
8. Urbanization is very high found in a few districts of high and very high categories. In respect of the indicator 'number of bank offices per lakh of population, a good number of districts with low and medium category values are found to be backward. Moreover, all the districts of these two classes low

and medium are also less developed in terms of 'concentration of bank offices' during the period 1990-91 and 2000-11.

9. The analysis of the index values for socio-cultural activities recorded by the districts shows that there has been an upward trend in the state average of the index during the period. All the indicators here have played prominent roles for the development of socio-cultural activities in the state.
10. The pattern of disparities measured by the coefficient of variation of the indices shows a declining trend over the years though the extent of disparities is high.
11. xi) Relative positions of the districts have not registered any significant change though all the districts have recorded development in socio-cultural activities during the period.
12. It is observed that during the period 1990-11 and 2010-11, the level of economic development in the state has recorded an upward trend along with the economic development in all the districts, Kamrup, Dibrugarh, Nagaon remain in the developed category throughout the period. Goalpara is very near to the position of the developed districts.
13. With development, the extent of disparities, while remaining high has declined to some extent and hence inter district disparity over the years has indicated a downward trend.
14. Regional analysis of overall economic development shows that a considerable number of economically backward districts with low category values are developed in agriculture activities during the period, it is also noted that the industrially developed districts, in general are not developed in agriculture. Only Kamrup is exception. The districts are found to be developed both in agriculture and in industry at all the time points. Moreover, quite a few districts which are less developed in the overall assessment are also less developed in tertiary, socio-cultural and industrial activities.
15. Reflecting the characteristics of a typical, less-developed economy, the economy of Assam is acutely dependent on the agricultural sector. Various economic as well as socio-political factors are responsible for the continued lack of growth and development of this sector.

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