

## CHAPTER I

# INTRODUCTION AND SUMMARY RESULTS

### 1.1 Introduction

To understand the regional variations in the levels of economic development and wide disparities in the standard of living of the people in different States, one has to examine in detail the sources of growth and factors influencing growth and structure at the regional level. This analysis can be either in terms of related indicators of development covering different socio-economic aspects or it can be in terms of basic factor inputs of capital stock and labour employed and their contribution to the growth of output. The approach is guided primarily by the type of information available at the State level. Study in terms of factor inputs may not be feasible for some time to come as State-wise data on capital stock are not available. Therefore, before deciding on the approach to be followed for the study of sources of growth and development, it is essential to assess the nature of both inter-regional and intra-regional disparity and analyse the pattern. This should be accompanied by a simultaneous study of the standard of living of the people in terms of current consumption expenditure and the extent to which the level of development and standard of living are directly related. This is important in view of the fact that unlike individual countries, the States within the country have open border with free trade between States. Thus, because of the possibility of free export/import of goods and services between States, a State with a high level of domestic product originating with the pre-dominance of capital goods industries and/or high mineral deposits might not be a State with above average standard of living and may actually have a low per capita consumer expenditure because of a large volume of exports from the State with no corresponding import of consumer goods to compensate and improve the standard of living. Both these aspects have, therefore, been covered in the present study.

Statewise data on domestic product and household consumption expenditure are not available from a single source though this question is not of primary importance so long as each of the two series i.e. State Domestic Product (SDP) and household consumption expenditure is consistent within itself and can be analysed to draw meaningful conclusions.

Currently two sets of SDP estimates are available - one (State series) prepared by each of the State Statistical Bureaus (SSBs) and the other the 'comparable series' prepared by the Central Statistical Organisation (CSO) for all the States simultaneously. While the former is available both at current and constant prices, the latter is prepared at current prices only. However, for a meaningful and valid study of inter-State disparity, it is essential that such analysis is based on statistics which are mutually consistent and also comparable between States. The comparable series of SDP meet these conditions and these have been used for the study of inter-State disparity and structural changes between States. Such analysis is not possible without the data at constant prices. The constant price comparable SDP series have been constructed using implicit price indices (at sectoral level) derived from the State SDP series at current and constant prices.

The data on per capita household final consumption expenditure gives a measure of the level of living of the people who are the normal residents of the States and when compared over time, gives an indication of the change in the standard of living. For a meaningful intertemporal comparison it is necessary to deflate and obtain measures at constant prices.

## **1.2 Ranking**

The ranking of the States in terms of per capita SDP i.e., the levels of development and the disparity between the group with high per capita income and the group with the lowest levels in the rank have been examined both at current and constant prices besides their rates of growth and structural shifts in production pattern. The results as emerging from the analysis of the data both at current and constant prices are summarised below (Tables I & II) to highlight the levels of development in the States. A comparison is also made of ranking by per capita income and per capita household consumer expenditure levels to ascertain whether the two indicators could jointly be used to draw more meaningful conclusions and also whether States with high per capita income are necessarily high in terms of the standard of living of the people.

Ranking of the States by per capita SDP at current and constant prices for selected years show that the disparity between the States with the highest and the lowest per capita SDP has increased over the period of study, though at current prices, there are some signs of a little reduction in the eighties as compared to the seventies (Table III). It is also seen that the elimination of the effect of price rise (which is not uniform between the States) highlights the disparity and gives a higher disparity ratio at constant prices than at current prices. The ranking also shows that the position of

TABLE I

**RANKING OF STATES BY PER CAPITA INCOME AT CURRENT  
AND CONSTANT PRICES FOR SELECTED YEARS**

(Rs.)

AT CURRENT PRICES			AT CONSTANT (1980-81) PRICES		
1967-68	1977-78	1985-86	1967-68	1977-78	1985-86
1 PNB(880)	1 PNB(2317)	1 PNB(4839)	1 PNB(2147)	1 PNB(2643)	1 PNB(3422)
2 HRY(786)	2 HRY(2021)	2 MAH(4099)	2 HRY(1979)	2 HRY(2412)	2 MAH(2926)
3 GUJ(675)	3 MAH(1677)	3 HRY(3662)	3 MAH(1794)	3 MAH(2272)	3 HRY(2649)
4 MAH(664)	4 GUJ(1626)	4 GUJ(3062)	4 GUJ(1737)	4 GUJ(2062)	4 GUJ(2029)
5 WBL(659)	-----	5 KAR(2837)	5 TND(1453)	5 TND(1781)	5 TND(1925)
-----	IND(1262)	6 TND(2802)	-----	6 KAR(1706)	6 KAR(1903)
IND(593)	-----	7 J&K(2777)	IND(1432)	7 HPR(1684)	7 J&K(1881)
-----	5 KAR(1259)	-----	-----	-----	-----
6 APR(531)	6 HPR(1259)	IND(2745)	6 KER(1378)	IND(1640)	IND(1858)
7 TND(525)	7 WBL(1252)	-----	7 RAJ(1314)	-----	-----
8 KER(519)	8 TND(1203)	8 WBL(2630)	8 APR(1289)	8 J&K(1501)	8 WBL(1721)
9 KAR(514)	9 RAJ(1153)	9 KER(2519)	9 MPR(1195)	9 RAJ(1493)	9 APR(1646)
10 RAJ(502)	10 J&K(1146)	10 APR(2425)	10 KAR(1124)	10 KER(1464)	10 HPR(1642)
11 UPR(490)	11 KER(1141)	11 HPR(2410)	11 ORS(1086)	11 ORS(1344)	11 MPR(1628)
12 MPR(467)	12 APR(1030)	12 ASM(2386)	12 UPR(1083)	12 APR(1333)	12 KER(1599)
13 ORS(458)	13 ASM (994)	13 MPR(2304)	13 J&K(1069)	13 WBL(1298)	13 ASM(1532)
14 BHR(419)	14 MPR (951)	14 ORS(2182)	14 WBL(1042)	14 ASM(1226)	14 ORS(1466)
15 J&K(414)	15 ORS (912)	15 RAJ(2058)	15 BHR (892)	15 MPR(1200)	15 UPR(1420)
	16 UPR (896)	16 UPR(2054)		16 UPR(1198)	16 RAJ(1391)
	17 BHR (759)	17 BHR(1658)		17 BHR (963)	17 BHR(1055)

**NOTE:** States are ranked in descending order of per capita income with the figures of per capita income within brackets.

**TABLE II**  
**COMPARISON OF RANKING OF STATES BY PER CAPITA**  
**INCOME/CONSUMPTION EXPENDITURE**  
**AT 1980-81 PRICES FOR SELECTED YEARS**

(Rs.)

1967 - 68		1977 - 78		1985-86	1986-87
PER CAPITA INCOME	PER CAPITA CONSUMPTION	PER CAPITA INCOME	PER CAPITA CONSUMPTION	PER CAPITA INCOME	PER CAPITA CONSUMPTION
1 PNB(2147)	1 PNB(1430.53)	1 PNB(2643)	1 PNB(1762.92)	1 PNB(3422)	1 PNB(1864.96)
2 MAH(1794)	2 RAJ(1174.77)	2 MAH(2272)	2 RAJ(1618.35)	2 MAH(2926)	2 RAJ(1435.10)
3 GUJ(1737)	3 ASM(1044.77)	3 GUJ(2062)	3 MAH(1293.20)	3 GUJ(2029)	3 KER(1392.58)
4 TND(1453)	4 MAH (992.22)	4 TND(1781)	4 GUJ(1166.45)	4 TND(1925)	4 J&K(1342.95)
	5 J&K (966.32)	5 KAR(1706)		5 KAR(1903)	5 MAH(1318.80)
	6 UP (958.97)		IND(1100.96)	6J&K(1881)	6 GUJ(1288.57)
		IND(1640)			7 UP(1288.54)
5 KER(1378)	IND (913.45)		5 UP(1100.89)	IND(1858)	8 WBL(1282.81)
6 RAJ(1314)		6 J&K(1501)	6 KER(1078.07)		
7 APR(1289)	7 GUJ (909.97)	7 RAJ(1493)	7 J&K(1044.17)	7 WBL(1721)	IND(1281.11)
8 MPR(1195)	8 WBL (899.21)	8 KER(1464)	8 APR(1030.86)	8 APR(1646)	
9 KAR(1124)	9 MPR (850.24)	9 ORS(1344)	9 KAR(1030.03)	9 MPR(1628)	9 APR(1265.58)
10 ORS(1086)	10 APR (835.96)	10 APR(1333)	10 WBL (997.37)	10 KER(1599)	10 TND(1245.34)
11 UP(1083)	11 KAR (808.66)	11 WBL(1298)	11 ASM (963.15)	11 ASM(1532)	11 KAR(1195.71)
12 J&K(1069)	12 ORS (760.45)	12 ASM(1226)	12 MPR (960.48)	12 ORS(1466)	12 ASM(1176.21)
13 WBL(1042)	13 KER (756.27)	13 MPR(1200)	13 TND (937.74)	13 UP(1420)	13 MPR(1154.13)
14 BHR (892)	14 BHR (728.65)	14 UP(1198)	14 BHR (888.87)	14 RAJ(1391)	14 ORS(1064.58)
		15 BHR (963)	15 ORS(825.29)	15 BHR(1055)	15 BHR(1054.44)

NOTE: States are ranked in descending order of per capita income/consumption expenditure with figures of per capita income/expenditure within brackets. Due to non-availability of consumer price indices for Himachal Pradesh and Haryana, these two States do not appear in the above Table.

individual States does not change over the period of study except in the case of two or three States. The static position is revealed particularly by the States at the two extreme ends. The two States which otherwise deserve special mention - having registered substantial growth - are Karnataka and Tamil Nadu. The complete picture of ranking of the States both at current and constant prices can be seen from the results in Table I.

Table II compares the ranking of States by per capita income and per capita consumption expenditure for three different points of time. The comparison would have been much more meaningful if the income figures had referred to per capita personal disposable income or personal income rather than to per capita SDP which has a much wider coverage and refers to the total net product originating within the States. In spite of this limitation, the comparison do give some idea of the levels of production within the State boundaries and the actual levels of consumption of the people within the same States.

The results are interesting to the extent that the States which figure either at the top or at the bottom do so both for per capita SDP and per capita consumption. This for example is true of Punjab, Maharashtra and Gujarat with high levels of production and household consumption and of Orissa, Bihar and Assam having low levels. There are however, outstanding exceptions as well. Thus the States of Rajasthan, Uttar Pradesh and Jammu and Kashmir (J&K) which are known to be comparatively underdeveloped States with low per capita income (below all India level in ranking except J&K in 1985-86) have high (above all-India) levels of per capita consumption - Rajasthan ranking second from the top only next to Punjab in all the years. This would suggest that either there is substantial import of consumer goods into these States or that these States primarily produce of consumer goods which are domestically consumed with very little or no exports. This situation may record a high level of consumption per capita in the case of these States in spite of the per capita SDP being low. Though for J&K the situation of high imports of consumer goods is conceivable, this is not equally acceptable for Rajasthan or UP. The patterns of production and consumption in these States need to be looked into more carefully before drawing definite conclusions.

High levels of per capita consumption with low levels of per capita income could also follow from very high prices of consumer goods. Besides the fact that the prices have to be substantially high for this factor to influence the levels, this cannot be ascertained till the prices are neutralised between States and consumer expenditure of

all the States are valued at a set of all-India uniform average prices. Other special features of some of the States which can be mentioned in this context are those of Kerala, Tamil Nadu and Karnataka. Thus in the case of Kerala, though there is a comparatively lesser growth in SDP leading to lowering of its rank from six (6) in 1967-68 (first below all-India level) to ten (10) in 1977-78 and twelve (12) in 1985-86; in terms of per capita consumption, it goes up in rank from thirteen (13) in 1967-68 to six (6) in 1977-78 to three (3) in 1986-87 with nearly doubling of per capita consumption (from Rs.756/- in 1967-68 to Rs.1393 in 1986-87) at constant prices. In comparison, per capita consumption at the all-India level increased from Rs.913 in 1967-68 to Rs.1101 in 1977-78 and Rs.1281 in 1986-87. For Tamil Nadu and Karnataka the ranking presents just the reverse picture with reasonably high levels of per capita income (even improving the rank over the period in the case of Karnataka) and low levels per capita consumption. It is thus obvious that depending on the indicator or the measure used, the inter-State ranking might change - in some cases substantially - and any conclusion drawn regarding any particular State should be examined carefully before using it for policy purposes.

### **1.3 Inter-State Disparity**

In terms of overall disparity, it is seen from the results that both for per capita SDP and per capita consumption expenditure the inter-State disparity is higher in constant prices than in current prices irrespective of the measure considered. Also, the inter-State disparity is higher for per capita income than for per capita household consumer expenditure. This would generally be true because of free movement of goods and services between States irrespective of the levels and patterns of production within the States. It will thus not be fair to draw conclusions regarding the economic status of the population and their inter-regional variations on the basis of the levels of per capita SDP alone just as the measure of per capita income at the national level does not give an indication of the actual standard of living of the people.

### **1.4. Rate of Growth**

Since both the series of per capita income and per capita consumption expenditure have been derived at constant prices and inter-temporal changes can be justifiably measured, it will be worthwhile comparing the rates of growth between States as well as between the two indicators for the individual States ranked either at the top or at the bottom. It will be seen from the results presented in Table IV that irrespective of the indicator used i.e. per capita income or expenditure, the rate growth vary very widely between States and within States over time. In other words, no

TABLE III

INTER - STATE DISPARITY

	AT CURRENT PRICES			AT CONSTANT (1980-81) PRICES		
	1967-68	1977-78	1985-86*	1967-68	1977-78	1985-86*
PER CAPITA INCOME						
Av : top 6 States	699.10	1693.31	3550.29	1747.98	2145.98	2475.78
Av : bottom 6 States	458.33	923.66	2107.17	1049.49	1203.01	1410.48
Disparity Ratio	0.41	0.61	0.53	0.49	0.57	0.57
Gini Coefficient	0.1240	0.1653	0.1464	0.1449	0.1549	0.1587
Coefficient of Variation	23.26	31.77	28.22	26.51	28.33	31.17
PER CAPITA CONSUMPTION EXPENDITURE						
Av : top 6 States	482.42	1042.8	2278.84	870.12	1336.64	1440.49
Av : bottom 6 States	85.65	766.03	1750.82	780.78	928.81	1148.40
Disparity Ratio	0.23	0.35	0.30	0.30	0.37	0.23
Gini Coefficient	0.0661	0.1071	0.0852	0.0880	0.1128	0.0704
Coefficient of Variation	12.29	20.21	15.49	16.28	22.67	14.35

NOTE: \* Results for per capita consumption expenditure refer to 1986-87.

pattern emerges to enable establishment of a link between economic development or standard of living and rates of growth. However, it is possible, that for meaningful results linking economic development with the rate of growth it will be necessary to undertake much longer period study including the early stages of development of the more advanced States which already have reached a high level of per capita income. Thus, Gujarat which had a reasonably high rate of growth in the seventies registers a fall in per capita income in the sixties and hardly any growth in the eighties. Bihar, a low per capita income State, on the other hand, improves its performance over the two decades and records nearly 4 per cent rate of growth in per capita income in the eighties. Comparatively higher rates of growth in low income States with lower rates in States ranked high would tend to reduce the inter-State disparity in the levels of development. However, though the pattern in the eighties moves towards this direction, no definite conclusion can be drawn till this pattern persists for some time. In the case of consumer expenditure, the inter-State growth pattern is slightly more conducive to reduction in disparity though the trend needs to be sustained over some time before its impact can be noticed in the form of reduction in disparity between States. Another aspect worth a mention is that consumer expenditure per capita generally registers a higher rate of increase than per capita income though it is not without exceptions.

### **1.5 Intra-State Structural Changes**

The structural changes within States and between States as revealed through the detailed results of the industrial breakdown of SDP and urban-rural disparity of per capita consumption are studied next (Table V & VI). SDP data shows a definite pattern of development of industrial base along with the growth of infra-structure except for the two States of Punjab and Haryana where agricultural activities still predominate with agricultural sector contributing more than 50% of the total SDP. Structurally, in States such as J&K and Orissa, development of transportation has been a special feature. In terms of consumer expenditure, the intra-State urban-rural disparity at constant prices has registered a fall over the period of study though not to a large extent. Between States, the urban-rural disparity varies very widely being very high for example, in the case of West Bengal and Maharashtra - urban per capita consumer expenditure level almost double of rural, while Punjab has per capita consumer expenditure in rural areas higher than in urban areas in the initial years with greater increase in urban over the period to outstrip rural (marginally) in the subsequent years.



TABLE IV

PER-CAPITA INCOME/CONSUMPTION EXPENDITURE  
BY STATES & ALL INDIA: RANKING BY  
ANNUAL AVERAGE RATE OF GROWTH (PER CENT)  
IN 1960s, 1970s AND 1980s

STATE	1960s	STATE	1970s	STATE	1980s
PER CAPITA INCOME					
1	HRY 6.76	1	PNB 2.79	1	ASM 5.65
2	KAR 6.70	2	MAH 2.62	2	TND 5.05
3	ORS 5.89	3	WBL 2.62	3	BHR 3.67
4	UPR 4.14	4	GUJ 2.50	4	MAH 3.60
5	KER 3.21	5	KAR 1.81	5	PNB 3.52
6	J&K 2.30	6	TND 1.74	6	APR 3.23
	IND 2.23	7	J&K 1.51	7	MPR 2.19
		8	APR 1.13	8	ORS 2.91
		9	HRY 0.94	9	HRY 2.78
7	WBL 2.23	10	HPR 0.48	10	RAJ 2.50
8	TND 1.39				
9	PNB 0.59		IND 0.18		IND 2.46
10	MAH 0.07				
11	APR -2.55	11	KER 0.09	11	KAR 2.05
12	BHR -2.68	12	ORS -0.41	12	WBL 1.49
13	GUJ -2.88	13	BHR -0.44	13	J&K 1.27
14	MPR -3.01	14	ASM -0.98	14	UPR 1.04
15	RAJ -8.56	15	RAJ -1.12	15	KER 0.19
		16	MPR -1.59	16	GUJ 0.10
		17	UPR -1.79	17	HPR 0.04
PER CAPITA CONSUMPTION EXPENDITURE					
1	BHR 8.00	1	RAJ 4.99	1	J&K 7.71
2	J&K 5.55	2	KER 4.79	2	MPR 5.41
3	KAR 3.93	3	ORS 3.56	3	MAH 5.17
4	MAH 3.64	4	TND 3.34	4	APR 3.96
5	WBL 3.29	5	APR 2.87	5	BHR 3.94
6	MPR 2.29	6	WBL 2.07	6	ASM 3.82
	IND 1.92		IND 1.99		IND 3.60
7	APR 1.91	7	BHR 1.79	7	KER 3.57
8	UPR 1.67	8	ASM 1.58	8	TND 3.32
9	GUJ 1.09	9	MAH 1.51	9	ORS 2.82
10	PNB 0.83	10	GUJ 1.10	10	KAR 2.49
11	KER 0.82	11	MPR 0.54	11	PNB 2.31
12	ASM 0.35	12	UPR -0.08	12	WBL 2.30
13	ORS 0.14	13	PNB -0.41	13	GUJ 1.61
14	RAJ -2.11	14	KAR -0.54	14	RAJ 1.36
		15	J&K -4.33	15	UPR 1.25

**TABLE V**  
**SHARE OF DIFFERENT SECTORS IN TOTAL SDP**  
**(AT 1980-81 PRICES)**

State	Agriculture			Manufacturing			Transportation		
	1967-68	1979-80	1985-86	1967-68	1979-80	1985-86	1967-68	1979-80	1985-86
Andhra Pradesh	50.14	43.26	40.42	14.07	18.75	20.25	24.36	22.84	20.94
Assam	62.18 <sup>1</sup>	56.02	41.97	16.21 <sup>1</sup>	17.74	23.55	12.24 <sup>1</sup>	13.55	15.25
Bihar	59.05	45.88	47.41	22.19	26.22	22.02	11.95	16.98	12.63
Gujarat	40.73	31.64	26.32	27.83	28.35	33.87	19.81	25.82	18.85
Haryana	64.03	48.15	53.54	15.11	21.16	20.66	12.70	21.26	13.59
Himachal Pradesh	50.78 <sup>2</sup>	47.77	45.44	26.32 <sup>2</sup>	19.02	19.35	8.34 <sup>2</sup>	14.45	9.62
Jammu & Kashmir	63.89	46.82	42.55	12.81	13.18	15.90	7.16	23.51	20.69
Karnataka	45.45	42.42	36.19	25.82	27.56	29.39	13.29	18.02	16.06
Kerala	52.08	39.36	35.06	15.77	23.05	22.44	20.13	22.87	21.19
Madhya Pradesh	58.94	41.76	45.39	19.59	27.17	21.64	11.71	17.80	15.79
Maharashtra	34.03	29.64	21.02	30.83	32.98	39.42	22.54	21.97	18.03
Orissa	64.24	53.02	53.92	16.81	21.28	15.02	9.48	13.84	14.68
Punjab	48.10	46.36	51.26	29.62	20.40	20.47	13.07	23.05	15.98
Rajasthan	53.14	45.44	46.68	17.47	23.13	20.17	19.32	18.31	16.27
Tamil Nadu	26.73	22.06	24.64	28.21	33.47	31.64	30.38	27.37	24.20
Uttar Pradesh	57.89	43.99	46.70	14.86	21.05	18.17	15.45	19.13	17.35
West Bengal	45.89	34.63	32.18	16.83	28.52	30.02	24.14	21.31	16.92
India	46.86	37.85	36.50	22.35	25.36	25.74	13.73	16.62	17.34

NOTE: 1 Refers to 1968-69, 2 Refers to 1970-71

**TABLE VI**  
**PER CAPITA CONSUMPTION EXPENDITURE BY STATES**  
**AND ALL INDIA : RANKING BY AVERAGE**  
**LEVEL OF URBAN-RURAL DISPARITY**

STATES	1960s	STATES	1970s	STATES	1980s	STATES	1960s	STATES	1970s	STATES	1980s
AT CURRENT PRICES						AT CONSTANT (1980-81) PRICES					
MAH	41.61	WBL	42.27	MAH	42.20	WBL	50.30	MAH	44.30	WBL	38.04
WBL	41.51	ORS	42.01	ORS	41.84	MAH	47.64	WBL	44.00	ORS	36.76
ORS	40.65	MAH	37.95	WBL	40.36	TND	45.75	ORS	43.26	MAH	34.85
ASM	34.72	ASM	33.69	MPR	36.94	QRS	44.32	TND	35.07	ASM	31.16
---	----	MPR	31.52	ASM	35.39	ASM	40.25	MPR	34.35	TND	29.57
IND	28.70	---	----	TND	35.12	---	----	ASM	34.18	---	----
---	----	IND	29.95	---	----	IND	37.13	---	----	IND	28.29
TND	28.03	---	----	IND	34.96	---	----	IND	33.37	---	----
BHR	27.81	TND	28.98	---	----	BHR	36.97	---	----	MPR	27.33
APR	25.87	BHR	28.81	KAR	33.05	APR	6.43	APR	33.23	KAR	26.74
MPR	25.85	APR	26.83	BHR	32.62	MPR	34.90	BHR	33.14	BHR	26.37
KAR	22.75	KAR	24.92	GUJ	30.75	KAR	33.92	KAR	32.01	GUJ	24.62
GUJ	21.73	GUJ	20.97	APR	28.87	KER	30.60	KER	29.06	KER	21.96
KER	21.05	KER	20.44	UPR	26.87	GUJ	27.59	GUJ	28.24	J&K	20.87
UPR	17.98	UPR	19.52	RAJ	25.77	UPR	22.53	J&K	17.63	APR	19.16
RAJ	10.73	RAJ	11.62	J&K	21.23	RAJ	14.97	UPR	15.14	RAJ	16.25
J&K	2.49	PNB	7.65	KER	18.18	J&K	13.77	RAJ	13.15	UPR	14.74
PNB	-0.56	J&K	7.10	PNB	11.97	PNB	-0.84	PNB	5.79	PNB	4.98

**Note:** Inter-State Urban-Rural Disparity has been defined as the absolute difference between Urban and Rural per capita consumption expenditure as percentage of Urban Per capita consumption expenditure  $\left[ \frac{(\text{Urban}-\text{Rural})}{\text{Urban}} \times 100 \right]$ .

An alternative way of looking at the intra-State structural shift is through the sectoral rates of growth. Considering the three sectors of agriculture (agriculture, livestock, forestry, and fishery), manufacturing (mining, manufacturing-registered and unregistered, electricity and water supply and construction) and transportation (transport, trade, hotels and restaurants and storage) the rates of growth separately for the three periods of 1969-70 to 1973-74, 1974-75 to 1978-79, 1980-81 to 1985-86 have been examined along with those of the overall periods 1967-68 to 1979-80 vs 1980-81 to 1985-86 to examine the extent to which the rates of growth have an increasing trend over the two decades. Agriculture though included, do not exactly fit in this pattern because of the fluctuations due to weather conditions which do not allow any meaningful generalisation. An examination of intra-State co-efficient of variation (CV) suggests wide variation in sectoral rates of growth both within States and between States Transportation sector having the lowest vales of CV both within States and between States. Without going into the details the States have been grouped into those showing increasing trend in sectoral rates of growth and vice versa.

This arrangement classifies the States clearly into those on the higher path of growth separated from those lower down. Thus A.P., Assam, Bihar, Punjab, Rajasthan, and Tamil Nadu can be categorised as growing States while West Bengal and Orissa register high growth rate in agriculture and services and low in manufacturing and transport. Kerala shows growth of infrastructure while Maharashtra has an increasing trend except in agricultural sector. This is not surprising as agriculture has a much lower share in total SDP of Maharashtra, Madhya Pradesh has an increasing growth rate except in services while Uttar Pradesh registers no trend except in manufacturing. Generally the results suggest substantial structural shifts between States. Thus, the State of Assam, Bihar and Rajasthan which are ranked low according to per capita income register increasing trend in growth rate thus suggesting a shift in inter-State ranking in the foreseeable future.

## **1.6 Final remarks**

This summary covers most of the results in a nutshell and more of the details follow in the next two sections on SDP and household consumer expenditure. Broad summary conclusions are presented at the end of the study. The second part of the project which is in progress proposes to go more deeply into the disaggregation of SDP from the expenditure angle and link the two aggregates of income and consumption to draw more definite conclusions. Attempt is also being made to coordinate these results

**Table VII**

**Trends in sectoral rates of growth (Per cent)**

Rate of growth	Agri-culture	Manu-facturing	Trans-portion	Per Capita SDP
Increasing Trend	APR	APR	APR	APR
	ASM	ASM	ASM	ASM
	BHR	BHR	BHR	BHR
	HRY	J&K	GUJ	HRY
	MPR	MPR	KER	HPR
	ORS	MAH	MPR	KER
	PNB	PNB	MAH	MAH
	RAJ	RAJ	RAJ	ORS
	TND	TND	TND	PNB
	WBL	UPR		TND WBL
Decreasing Trend	GUJ	GUJ	HRY	GUJ
	HPR	KAR	WBL	J&K
	J&K	KER	HPR	KAR
	KAR	ORS	KAR	
	MAH	WBL	ORS PNB	
No Trend	KER	HRY	UPR	MPR
	UPR	HPR		RAJ UPR

with several independent indicators of socio-economic development to draw more positive conclusions regarding inter-State development both from the social and economic points of view.