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Inclusive development in Odisha-still an elusive dream!

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Abstract

Differences in historical processes, natural endowments, political changes and technological up gradation creates differences in growth potentials but 'endogenous factors' like government intervention should play an effective role in reducing the disparities. But unfortunately in states like Odisha the disparities continue to exist in the same direction against the backdrop of a wide array of policies which is a matter of serious concern and requires an in depth and immediate study.

Keywords: Inclusive development, government intervention, regional imbalance

Introduction

Economic development is meaningless if it is not inclusive of either regions or sections of population. It is universally accepted that at a particular period of time there exists differences in the level of development across different sections of people and regions given the fact that development depends on the historical process it has passed through, encompassing political changes, technological up gradation and educational and attitudinal refinement achieved. Apart from historical factors, natural endowments and other geographical factors also contribute to the differences in growth potentials (Regional Imbalance Enquiry Commission, 2008)^[3].

The theory of convergence (catch up effects) of Baro suggests that poorer regions have a tendency to grow faster than developed ones because the developed regions experience diminishing marginal efficiency to capital provided 'technology' is freely traded and available, no knowledge discrepancy exists etc. But case studies of growth patterns of Japan, Mexico, 'East Asian Tigers', France and Germany clearly violates these assumptions.

Hence the theory has been severely criticized by another group of economists who claimed that 'endogenous factors' like government policy are much more influential in decreasing regional disparities than exogenous factors. This calls for 'government intervention' to eradicate disparities. Secondly, as per the provisions of Directive Principles of State Policy of the Constitution of India, the Government should strive to reduce all forms of inequalities.

In this context, this paper tries to analyze how the disparities within the various regions of Odisha as well as with all India averages has led to uneven growth and unequal development. In spite of the fact that a process of regulated planned development under active state intervention and predominance of public investment- socio economic inequalities between place and people have sharpened over the years. Thus, the basic goals of development remains elusive.

Objectives of this paper

Section I: Describes regional disparity with respect to income;-

Section II: Regional disparity w.r.t. educational indicators;-

Section III: Regional disparity w.r.t. health indicators;-

Section 4: Identifications of probable causes;-

Section; Conclusion:-

This paper mainly relies on secondary data like the Odisha surveys of various years, the Report of Regional Imbalance Enquiry Commission and some of the articles published in leading journals and newspapers.

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It has tried to assess the status of development of some coastal districts like (Puri, Khordha, Cuttack) *vrs* Bolangir, Kandhamal, Koraput (some non-coastal districts).

Section I describes the regional disparities w.r.t. income poverty, between coastal and non-coastal (some southern districts) showing extreme high levels of disparity and tries to identify possible reasons thereof.

If we compare the per capita NSDP of major states, 2013-14(advance estimates) at factor cost at 2004-05 prices Odisha stands at the fourth position from the last (25891crs) with all India average at (39,904 crs) as per Odisha Economic Survey, 2014-2015.

It has been well established in economic literature that one of the key determinants of economic growth is reduction of poverty levels.

Table 1.1: % of people below poverty line.

Year	Odisha	India
1987-88	55.58	38.36
1993-94	48.56	35.97
1999-00	47.15	26.10
2004-05	46.40	27.50

Table 1.3: Region wise and social group wise incidence of Poverty (1999-2000)

Region	ST	SC	Others	All
Coastal (Balasore, Cuttack, Puri, Ganjam)	66.63	42.18	24.32	31.74
Northern region (Dhenkanal, Sambalpur, Mayurbhanj, Keonjhar, Sundargarh)	61.69	57.22	34.67	49.81
Southern region (Bolangir, Kalahandi, Kandhamal, Koraput)	92.42	88.90	77.65	87.05
Odisha	73.08	52.30	33.29	48.01

Source: Orissa human development report-2004

The probable causes of high incidence of poverty in Southern regions have not been thoroughly researched but some hypotheses can be put forward.

Firstly, high levels of poverty in non-coastal areas are intertwined with the fate of forest economy. Many poor households have traditionally depended on forest economy but over the last decade they have suffered from deforestation and availability of non-timber forest produce (NTFP). A study for IFAD in Kandhamal and Gajapati districts showed that collection of NTFP which previously accounted for a substantial part of household income provides today only 10% income, and another study reveals the impact of deforestation resulting in decline of 42% in no of days (188 to109) of intake of fruits, tuber sand roots which can be obtained from forests (Haan, Dubey 2005).

Another probable cause which is clearly emerging is major changes in land ownership patterns though clear cut data is yet to comeby. According to the Ministry of Agriculture (2007-11), the area of cultivable land in India, shrank by 7,90,000 hectares largely attributed to diversion for non-

As per Tendulkar committee methodology based on MRP (mixed recall period)

Year	Odisha	India
2004-05	57.20	37.20
2009-10	37.00	29.80
2011-12	32.59	21.92

Source: Odisha Economic Survey 2014-15

Whatever be the methodology involved the inference is clear that poverty level of Odisha has been higher than all India Level.

Table 1.2: Head-count ratio (%) by NSS Regions (trend in rural poverty)

Year	Southern	Northern	Coastal	Total
2004-5	73.40	70.50	41.60	60.80
2009-10	52.40	41.70	25.30	39.20
2011-12	48.00	39.97	21.65	35.09

Source: Odisha Economic Suroy-2014-15

This data is a clear indication that incidence of poverty is still highest in the Southern regions (includes KBK region) followed by Northern regions.

agricultural purposes like constructions, industries and other developmental activities. Landless agricultural workers likely swell the ranks of construction workers and other migrant workers in dismal conditions, although official data is difficult to come by (Sampat, 2015). This trend is applicable even to the state of Odisha, and therefore though the Percentage of cultivators to total workers has declined from 29.7 (2001) to 23.4 (2011) but percentage of agricultural labourers to total workers has increased from 35 (2001) to 38.4 (2011). (Source:-Odisha Economic Survey, 2014-15)

Section II: Regional disparities in education:

The second important indicator related to human development is obviously education and though different parameters are suggested to measure educational attainments, yet we take the most common one i.e. the literacy levels as detailed information on literacy of districts are available on official census website.

Table 2.1: Literacy (%) in coastal districts (Cuttack, puri, Khurda) & non-coastal districts (Kandhamal, Bolangir, Koraput)

	Literacy (1991)			Literacy (2001)			Literacy (2011)		
	Total	male	female	total	male	female	Total	male	female
Odisha	49.09	63.09	34.68	63.61	75.95	50.97	72.9	81.6	64.0
Cuttack	65.46	77.41	52.44	76.13	85.46	66.19	85.5	91.1	79.6
Puri	63.2	76.83	49.41	78.40	88.7	67.8	84.7	90.8	83.5
Khurda	67.72	78.74	55.39	80.19	88.38	71.60	86.9	89.4	87.5
Kandhamal	37.23	54.68	19.82	55.95	69.98	36.19	64.1	76.9	51.9
Bolangir	38.63	55.64	21.30	54.93	70.36	39.27	64.7	75.8	53.5
Koraput	24.64	33.98	15.15	36.2	47.58	24.81	49.2	60.3	38.6

Source: Odisha economic Suroy-2014-15

A detail analysis of the above table reveals while the selected coastal districts have higher percentage of literacy levels in both male and female category above all Odisha levels while selected Non-coastal districts lag way behind, with female literacy of Koraput as low as 38.6 in 2011 census. Moreover the trend of data over last two decades show small decrease in regional disparities.

The Odisha economic survey of 2014-15 admits that the state literacy rate on 2011(72.9%) is almost at par with national average(73%). State's male literacy(81.6%) was marginally higher than national male literacy(80.89%) whereas female literacy rate was slightly lower(64.01%) than all India level(64.64%). The gender gap among literacy rate reduced remarkably from 24.84% (2001) to 17.58% (2011), but disparities on literacy font among social category, regional dimensions remain an area of concern for the state.

A study highlights the fact that elsewhere in India education programmes through centrally sponsored schemes during the 1990s have made significant progress in getting children from deprived groups and remote areas into school. Local management through locally appointed teachers and village education committees are central elements of this innovative approach. Evaluations in Odisha indicate lack of implementation capacity and the motive to strengthen local governance structures.

Section-III Regional disparities in Health indicators

In assessing Health indicators it is difficult to choose one for comparison. But still crude birth rate (CBR), crude death rate (CDR) and Infant mortality rate (IMR) are some of the important indicators.

Table 3.1: Birth rate, death rate and IMR rate of India and Odisha.

Year	India			Odisha		
	CBR	CDR	IMR	CBR	CDR	IMR
2005	23.8	7.6	58	22.3	9.5	75
2008	22.8	7.4	53	21.4	9	69
2011	21.8	7.1	44	20.1	8.5	57
2013	21.4	7.0	40	19.6	8.4	51

Source:- SRS bulletins, 2013

Though the CBR of Odisha is always less than the national average but CDR and IMR is always higher than the national average. Three factors explain a high level of IMR in Odisha 1) Poor availabilities of professional attendants at birth, (2) high percentage of low-weight babies, (3) Lack of pre and post natal care. There also appears a high correlation between IMR and Maternal Mortality Rates (MMR). Odisha's MMR was 235 whereas India's MMR was 178 during 2010-12. (Odisha Economic Survey-2014-15). Health indicators are also available at district-levels though not as easy and as reliable to infer the regional disparities as educational data.

Table 3.2: IMR, CBR, CDR Status of coastal and non-coastal districts (2012-2013)

Odisha	IMR (56)	CDR(8.1)	CBR(19.6)
Cuttack	56	6.8	19.4
Puri	75	8.7	17.3
Khordha	67	8.2	18.7
Koraput	48	7.8	24.8
Balangir	97	9.9	20.7
Kandhamal	82	9	21.1

Source: Odisha economic surey-2014-15

Though the above table gives mixed results showing higher IMR for Bolangir and Kandhamal but also IMR is higher for

Puri. Still then districts of Bolangir and Kandhamal have lower averages than all Odisha level.

Table 3.3: Medical institutions in Odisha with beds as on 31st March, 2014.

	Total medical instns (Government)	(Beds) Government	Total medical ints (Private)	(Beds) (Private)
Cuttack	88	2440	348	2919
Puri	68	684	53	243
Khordha	81	965	224	4155
Koraput	81	354	45	46
Bolangir	77	444	78	178
kandhamal	73	494	15	80
malkangiri	47	286	10	0

Source: Odisha Economic Survey 2014-15

Availability of medical facility is also an indicator of health and the above table clearly indicates that health institutions whether Government or private is mostly concentrated in the coastal districts of Cuttack, Puri and Khordha whereas districts of koraput, Bolangir, Kandhamal lag far behind in this regard and the condition of Malkangiri is even precarious.

Another factor responsible for dismal health services is that Odisha has six medical colleges with 750 seats amounting to one medical seat per 55,930 population (2011 census). All India is one seat per 30,000 population. This clearly suggests that there is huge shortfall in human resources to

adequately cater to the health needs of the population. Situation of India is worse and Odisha is worsor still. (Panda, 2012)

Section IV: Regional disparities are substantial, appear mostly multidimensional and have shown little signs of being reduced. What are the possible reasons?

Even, the Report of Imbalance Enquiry Commission, Odisha (2008) while making a comparative analysis between two periods (1993-94) and (2003-04) by taking different composite indicators to measure agricultural,

industrial and human development indicators have reached to somewhat similar conclusions.

Table 4.1: Comparison of Districts on the basis of different Indicators.

Districts	Indicators	1993-94	2003-04
Cuttack	Agriculture	A	A
	Industry	A	A
	Infrastructure	A	A
	Human development	A	A
	Macro development	A	A
Puri	Status of Weaker sections	A	A
	Agriculture	A	A
	Industry	C	C
	Infrastructure	A	A
	Human development	A	A
Khordha	Macro development	B	B
	Status of weaker sections	A	A
	Agriculture	A	A
	Industry	A	A
	Infrastructure	A	A
Bolangir	Human development	A	A
	Macro development	A	A
	Status of weaker sections	A	A
	Agriculture	C	D
	Industry	B	B
Kandhamal	Infrastructure	B	B
	Human development	C	C
	Macro development	C	B
	Status of weaker sections	B	B
	Agriculture	D	D
Koraput	Industry	C	D
	Infrastructure	D	D
	Human development	C	D
	Macro development	B	B
	Status of weaker sections	D	D
Malkangiri	Agriculture	D	D
	Industry	D	D
	Infrastructure	D	D
	Human development	D	D
	Macro development	C	C
	Status of weaker sections	D	D

A=Developed, B=Developing, C=Backward, D=very Backward
Source: Regional imbalance committee report, 2008

This table clearly manifests that Cuttack and Khurdha are Developed districts in all respects; Puri lags a little behind w.r.t. industrial development. Status of Bolangir is better in certain respects and Koraput because of NALCO and other industries has better performance w.r.t. industrial development, but Kandhamal and Malkangiri hardly shows any sign of development over the decade.

Section 5:

Disparities among regions and groups of population exist worldwide but the irony is that in Odisha the continued existence of these disparities in the same direction against the background of a wide array of policies is a matter of concern. Though this area requires more indepth study and understanding, but when we explore the probable causes some hypotheses may be put forward.

Constraints to development differs from district to district and even block to block, a problem which was recognized by the Regional Imbalance Enquiry Commission (2008) [3]. In spite of existing demand in local markets as well as neighboring states, production level of certain commodities like eggs, potatoes, fruits, fish, vegetables is not increasing rather we are dependent on West Bengal for potatoes, Andhra for fish, Ranchi for vegetables and Chhattisgarh for rice! Major obstacle is failure to link the production of goods to a suitable market, the result being subsistence level of production. Demand is not able to increase local supply due to lack of implementation of policies and programmes thus not generating income for the local masses. Implementation suffers due to lack of vacancies which is again an outcome of distance of capital from these regions i.e Bolangir, Malkangiri & Kandhamal and the superior educational and health services being concentrated in the capital and its nearby locations. Thus the vicious circle of under development continues in these regions increasing the regional disparities.

Agriculture which directly or indirectly employs 60% of population, suffers from lack of irrigation facilities, lack of storage facilities for better marketing and absence of any arrangement of distress sale. As a result of which it has become a non-alluring occupation resulting either in farmers suicide or migration to neighbouring states as labourers, mainly found in districts of Bolangir, Sonepur, Nuapada etc. Lack of employment opportunities for local people in the absence of forward and backward linkages for many developmental projects has generated disparity of income levels. Development of industries should be region specific like forest-based industries in Kandhamal and Mayurbhanj, agrobased in Koraput, Ganjam, Sundargarh, cottage industries in Bargarh, Kandhamal, Nawarangpur, Malkangiri etc.

Finally with limited rail-road connectivity, schools without teachers, dispensaries without doctors and allocation of funds without effective utilization is going to make inclusive development an elusive dream!

Conclusion

Odisha's problem is not low growth only but also non-inclusive growth. Wide disparities prevail not only in terms of region, social groups but also gender. These disparities are not the result of lower spending but due to entitlement failure. In the words of Bob Curie-Kalahandi has remained a net exporter of paddy throughout 1980s and 1990s and that lack of command over food-caused by unequal access to land, credit and production assets now-has been responsible for the deprivations. Similar is the case of Odisha in general. A state rich in mineral resources abundant in forest resources and rich in water resources is among the last four developed states!

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