

**GOVERNMENT OF INDIA  
PLANNING  
LOK SABHA**

UNSTARRED QUESTION NO:2092  
ANSWERED ON:08.03.2000  
ECONOMIC DISPARITY  
ARUN KUMAR;NAWAL KISHORE RAI

**Will the Minister of PLANNING be pleased to state:**

- (a) Whether the attention of the Government has been drawn to the news-item captioned `Economic disparity among States growing in post-reforms era` appearing in `Economic Times`, dated February 14, 2000;
- (b) if so, the facts of the matter reported therein;
- (c) whether it is also a fact that the gap between the development of various states in the country is widening after the adoption of new policy pertaining to economic reforms; and
- (d) if so, the corrective measures proposed to be taken by the Government in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS  
(SHRI ARUN SHOURIE)

- (a) Yes, Sir.
- (b) The main thrust of the newspaper report is that while the Indian economy has grown at a rapid pace in the nineties, the gains of prosperity have been distributed unevenly. Prosperous states have prospered further while poor ones have become poorer.
- (c) While data regarding State GDPs cannot be wholly relied upon, such data as is available precludes us from ruling out the possibility that disparities have widened.
- (d) The allocation of financial resources by the center through the Finance Commission and the Planning Commission benefits the poorer states more than the richer ones. This is one medium that acts as a corrective against widening regional disparities. The backward states should also ensure that there is proper development of social and other infrastructure facilities in their region so that there is incentive for greater private investment to flow into their region.