Economic Development and Demographic Changes in the Economy of Himachal Pradesh from 1980-81 to 2010-11

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ABSTRACT

Development has been appropriately conceptualized as a process, which improves the quality of life of people. Economic planning has been used in the country as an instrument for bringing about uniform regional development because one of the main objectives of the developmental programmes has been a progressive reduction in regional disparities in the pace of development. The main objective of the paper is to study the Economic development and demographic changes in the economy of Himachal Pradesh. PCA and Coefficient of Variance methods has been used in the study. To classify the districts according to the category of economic development and demographic changes from 1980-81 to 2010-11 in the Economy of Himachal Pradesh. This paper is based on secondary data. The required data have been collected entirely from secondary sources. The analysis of economic development and demographic changes shows that Lahaul & Spiti and Kinnaur were very highly developed in the level of economic development and in the demographic changes. Three districts namely Lahaul & Spiti, Chamba and Hamirpur were very highly developed. In the economic development three districts namely Bilaspur, Solan, Hamirpur were situated in the category of highly developed and only one district Kinnaur positioned in the level of demographic changes.

In 2010-11 two districts Lahaul & Spiti and Solan were very highly developed in economic developed and three districts Kinnaur, Lahaul & Spiti and Chamba were very high developed in the demographic changes. In the highly developed category four districts namely Kinnaur, Bilaspur, Hamirpur and Chamba were highly developed in economic development, whereas, three districts namely Hamirpur, Bilaspur, and Kullu were in the same category in the demographic changes.

Keywords: Development, Economic, Demographic, Disparities, District

1   Introduction

Development has been appropriately conceptualized as a process, which improves the quality of life of people. Economic planning has been used in the country as an instrument for bringing about uniform regional development because one of the main objectives of the developmental programmes has been a progressive reduction in regional disparities in the pace of development. Programmes of development have been taken up in the country in a planned way through various Five Year Plans. The Green Revolution in the agriculture sector and commendable progress in the industrial front have certainly increased the

overall total production, but there is no indication that these achievements have been able to reduce substantially the regional inequalities in the level of development. Although resource transfers are being executed in backward regions of the country, it has been observed that the regional disparities in terms of socio-economic development are not declining over time.

One cannot undermine the importance of the catalytic role that Socio-Economic development plays an important role in the economic development. The function of Socio-Economic development is to release latent productivity in the factors of production singly and in coordination and bring about not only an increase in the output of individual factors and units of production but also a mutually additive effect through coordination in inputs, outputs, space, time and thus maximize the overall rate of economic growth.

The growth of population is an important demographic characteristic which not only helps in understanding the population change that a society has undergone, but also helps in predicting the future demographic characteristics of an area. Therefore, it is useful to study and analyze the pattern of population growth in Himachal Pradesh. The term growth of population is generally used to refer the change in the number of inhabitants of a territory during a specific period of time, irrespective of whether the change is negative or positive. Population growth may be measured both in absolute terms and in percentage form. Population growth is the product of a combined operation of the three population process viz. the fertility, mortality and migration. These three factors are also called the components of population dynamics because these three factors, which bring about dynamism in population numbers by not letting them, remain static.

2   Review of Literature

Narain et al (2000) examined the Regional Disparities in Socio-Economic Development in Tamil Nadu during the period of 1994 to 1995. The level of development of different districts of Tamil Nadu was obtained with the help of composite index which was based on optimum combination of forty-two socio-economic indicators. **Tripathy et al. (2011)** focused on inter district variation in development across different districts in the State of Orissa based on secondary data collected from the Planning and Coordination Department. This study was divided into four major parts. There was comparison between two points of time 1980-81 and 2000-01 for thirteen districts of undivided Orissa. On the basis of these indices, the study classified the different districts of Orissa into very backward, backward, developing and developed categories. of development log-linear function was used.

3   Objective of the Study

The present study Economic Development and demographic changes in Himachal Pradesh between 1980-81 to 2010-11 has been undertaken to achieve the following objectives:

- to study the trends and pattern of economic development and demographic changes in the economy of Himachal Pradesh;
- to classify the districts according to the category of Economic development and demographic changes from 1980-81 to 2010-11 in the Economy of Himachal Pradesh.

4   Source of Data

The required data have been collected entirely from secondary sources. Data related to the main sectors of Himachal Pradesh socio-economy   have been collected from respective departments of government

of Himachal Pradesh. Main reliance for obtaining data has been on the publication of the Planning Department, Directorate of Economics and Statistics and the Directorate of Land Records of the Himachal Pradesh. Apart from these departments, the Department of Industries, the Department of Health and Family Welfare, the Director of Education, have been approached for obtaining published/ unpublished data very extensive use of the publications like Statistical Outline of Himachal Pradesh for various years, Statistical Abstract of various districts. Five Year Plan documents have been made.

After collecting the data, the most important task was to select the appropriate research (statistical) techniques to analyses the research problem meaningfully and identify the action plan for backward districts. The findings of the study would certainly be helpful to the planners and policy makers for adopting strategy for achieving balanced regional development.

5   Methodology

The most crucial task was to analyze the patterns of Economic development and demographic changes at the district level, where multi-area unit analysis has been used. For this purpose, construction of composite index of development was felt imperative for the analysis of the study. Further, in order to examine the inter-district disparities in the Socio-Economic development some simple statistical tools such as coefficient of range, coefficient of variation etc., were also used. The methods which have been generally used for construction of composite index of development by pooling several indicators are those of indexing, ranking and Principal Component Analysis (including Factor Analysis).

6   Analysis

Himachal Pradesh has been analyzed on the basis of indicator- wise values of economic development and demographic changes. An analysis of inter-relationship between economic development and demographic changes by taking into account the composite indices of all the indicators of economic development changes has been undertaken on the basis of the results obtained by using the first principal component analysis. The composite indices of rural development and infrastructure development for the year 1980-81 of different districts have been compared so as to comprehend the relationship between the two.

Table 1: Classification of Districts According to Level of Economic Development and Demographic Changes: 1980-81

District	Index Economic Development	District	Index Demographic Changes
Very High Developed			
Lahaul Spiti	21.27	LahaulSpiti	8.64
Kinnaur	10.99	Chamba	8.07
		Hamirpur	6.76
High Developed			
Bilaspur	9.28	Kinnaur	4.73
Solan	8.06		
Hamirpur	7.57		
Moderate Developed			
Kullu	6.30	Bilaspur	3.71
Chamba	5.47	Kangra	3.57
Mandi	4.81	Kullu	2.79
Kangra	4.07	Shimla	2.62

		Solan	2.51
	Low Developed		
Shimla	3.46	Sirmour	1.74
Una	3.01	Mandi	1.56
Sirmour	2.90	Una	0.60

The analysis of economic development and demographic changes shows that Lahaul & Spiti and Kinnaur were very highly developed in the level of economic development and in the demographic changes. Three districts namely Lahaul & Spiti, Chamba and Hamirpur were very highly developed.

In the economic development three districts namely Bilaspur, Solan, Hamirpur were situated in the category of highly developed and only one district Kinnaur positioned in the level of demographic changes. It may be observed that during this year six districts namely Kullu, Chamba, Mandi, and Kangra were moderately developed in the level of economic development and Bilaspur, Kangra, Kullu, Shimla and Solan districts were moderately developed in the level of demographic changes.
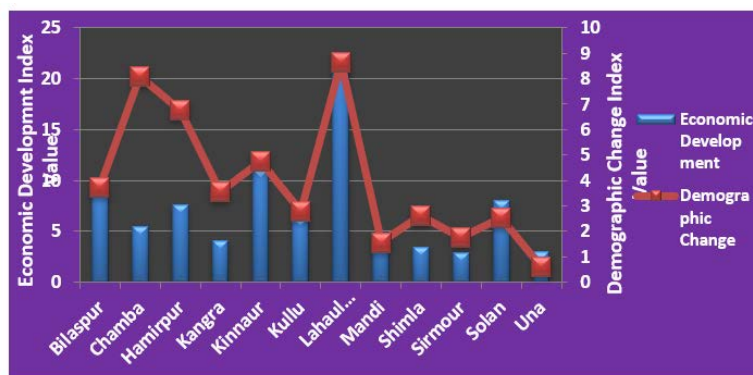

Figure 1: Comparative Assessment between Economic Development and Demographic Changes: 1980-81

In the low developed category three districts i.e. Shimla, Una and Sirmour were placed in the level of economic development and three districts namely Sirmour, Mandi and Una were in the level of demographic changes above mentioned category. It has been evident from the table that district Lahaul & Spiti, Kullu, Kangra, Shimla, Solan, Sirmour and Una had attained the same levels of economic development and demographic changes. District Mandi had achieved the moderate level of economic development but low level of demographic changes. Bilaspur and Solan had attained high levels of economic development but moderate level of demographic changes and Sirmour had attained low level of economic development as well as in demographic changes.

Table 2 presents values of composite indices of economic development and demographic changes for the year 2010-11. Two districts Lahaul & Spiti and Solan were very highly developed in economic developed and three districts Kinnaur, Lahaul & Spiti and Chamba were very high developed in the demographic changes. In the highly developed category four districts namely Kinnaur, Bilaspur, Hamirpur and Chamba were highly developed in economic development, whereas, three districts namely Hamirpur, Bilaspur, and Kullu were in the same category in the demographic changes. Three districts Kangra, Mandi and Shimla have moderate relationship with the economic development and Kangra, Shimla and Solan related with demographic changes.

Table 2: Classification of Districts According to Level of Economic Development and Demographic Changes: 2010-11

District	Index Economic Development	District	Index Demographic Changes
Very High Developed			
LahaulSpiti	12.13	Kinnaur	7.77
Solan	10.94	LahaulSpiti	7.64
		Chamba	6.57
High Developed			
Kinnaur	7.86	Hamirpur	5.23
Bilaspur	7.34	Bilaspur	4.85
Hamirpur	6.65	Kullu	4.22
Chamba	6.53		
Moderate Developed			
Kangra	4.76	Kangra	3.21
Mandi	3.86	Shimla	2.39
Shimla	3.47	Solan	2.02
Low Developed			
Kullu	2.78	Mandi	1.65
Sirmour	1.32	Una	1.59
Una	1.24	Sirmour	0.92

Three districts Mandi, Una and Sirmour were low developed in the demographic changes. It has been evident from the table 2. that district Lahaul & Spiti, Bilaspur, Hamirpur, Kangra, Shimla, Una and Sirmour had attained the same levels of economic development and demographic changes. Chamba and Kinnaur had achieved high level of economic development but very high level of demographic changes. Kangra and Shimla had attained moderate level of economic development as well as in the demographic changes. Solan had achieved the very high level of economic development but moderate level of demographic changes.
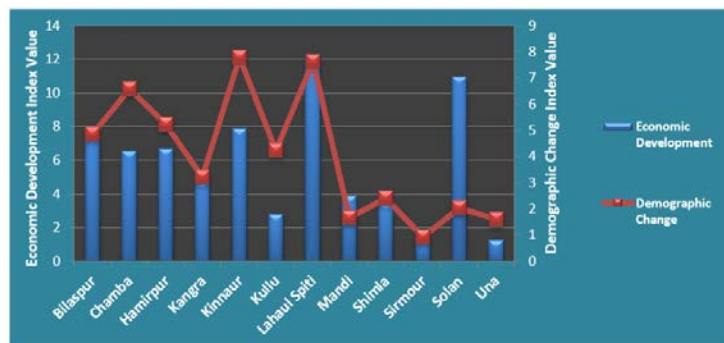

Figure 2: Comparative Assessment between Economic Development and Demographic Changes: 2010-11

7   Conclusion

The analysis of economic development and demographic changes shows that Lahaul & Spiti and Kinnaur were very highly developed in the level of economic development and in the demographic changes. Three districts namely Lahaul & Spiti, Chamba and Hamirpur were very highly developed.

In the economic development three districts namely Bilaspur, Solan, Hamirpur were situated in the category of highly developed and only one district Kinnaur positioned in the level of demographic changes.

In 2010-11 two districts Lahaul & Spiti and Solan were very highly developed in economic developed and three districts Kinnaur, Lahaul & Spiti and Chamba were very high developed in the demographic changes. In the highly developed category four districts namely Kinnaur, Bilaspur, Hamirpur and Chamba were highly developed in economic development, whereas, three districts namely Hamirpur, Bilaspur, and Kullu were in the same category in the demographic changes. The main reason of these highly developed districts are that they produce the commercial crops.

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