

INCOME AND PRODUCT ACCOUNT FOR CALCUTTA INDUSTRIAL REGION

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IN recent years there has been much development in the field of national income accounting in India. In an underdeveloped country like India, where non-monetary income forms a significant portion of the total income and where available data are scarce, income accounting is a difficult task. However, in one respect, it is simpler than that in developed countries. Agricultural income in India constitutes a major portion of the total income and industries are concentrated only in a few regions. So if an efficient system of regional and interregional social accounting system for the major industrial regions of India is developed, the reliability of national income figures can be greatly enhanced. Further, these accounts can be of much help in the planning of the regions themselves. Since most of the industrial regions grew around big cities, regional and interregional social accounting will be useful to city and transportation planners.

However, regional accounting is more difficult than national accounting since regional economies are open economies as contrasted with the relatively closed nature of the national economy. Interregional trade is more complex, diversified and less identifiable than international trade. The greatest difficulty is the lack of data. Even if the facilities and organization of a transactor are entirely contained within a given region, the same transactor typically does not distinguish between transactions with parties in the same region or those with parties in other regions. Again, many big corporations and Central government cannot be said to be located wholly within a region. So it is difficult to determine what fraction of a supraregional transactor is internal to a given region. There are many other conceptual and practical problems of regional income measurement¹ the discussion of which is beyond the scope of the present article.

Notwithstanding these problems, different approaches and procedures have been developed² in the industrialized countries, particu-

¹ For a summary discussion of these problems, see Walter Isard, *Methods of Regional Analysis*, John Wiley & Sons, Inc., New York, Ch. 4.

² Hochwald, Werner, (Edited), *Design of Regional Accounts*, John Hopkins

³ University Press, Baltimore; Hirsch W., (ed.), *Elements of Regional Accounts*, John Hopkins University Press, Baltimore; Leven, C. L., *Theory and Method of Income and Product Accounts for Metropolitan Areas* (mimeo), Center for Regional Studies, University of Pittsburgh.