

INEQUALITY, WELFARE AND RANKING:

A Study of Andhra Pradesh

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Economic development is a complex phenomenon. It involves multiple causal relations and is accompanied, in general, by uneven incidence of change. This is because development, by its very nature, is selective and cannot affect all spatial units and segments of population to the same degree. This differential incidence among places and persons is heightened by the underlying institutional forces on the one hand and the imposed pace and direction of development on the other. This interaction sets resource flows in motion and brings about changes akin to a chain reaction involving sectoral shifts.¹ Resource movements coupled with factor endowments would give rise to agglomerations of economic activity across space and time.² These spatial inequalities would be magnified through the operation of backwash effects in distributing the dividends of growth.³ Left

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¹ Colin Clark's writings have adequately highlighted resource shifts from primary to the secondary and tertiary sectors attendant on the diversification of economic activity with development. This phenomenon was first stressed by A. G. B. Fisher. See A. G. B. Fisher, "Production, Primary, Secondary and Tertiary" *Economic Record*, March 1939. See Colin Clark: "The conditions of Economic Progress", 3rd Edition, London, 1957 and "National Income and Outlay", Macmillan, 1937, by the same author. Also Kuznets S., "Quantitative Aspects of the Growth of Nations, II Industrial Distribution of National Product and Labour Force", *Economic Development and Cultural Change*, July 1957.

² The growth of modern parasitic urban and industrial centres contingent on the monocultural preoccupation of the participating interests, both private and governmental in quest of economies of scale is a case in point. The era of political colonialism, characterised by the civilizing mission of the overlords, provides a plethora of examples in the growth of ports as channels of resource squeeze and dumps of finished products with the consequent transmission of debilitating impulses to the hinterland.

For an analysis of these flows and an admirable account of their impact on the material as well as qualitative aspects of life see the writings of Gunnar Myrdal, Bert F. Hoselitz, Paul A. Baron, Erich Froem and Berbert Marcuse.

³ For a graphic description and analysis of the cumulative bias involved in factor movements towards widening regional inequalities through multiple causal chains see Gunnar Myrdal "Economic Theory and underdeveloped Regions", Vora & Co., 1958, pp. 35-50.