

1. INTRODUCTION AND OVERVIEW

The theory of economic development has largely evolved without taking into consideration explicitly the element of space. The emphasis has been on the growth of national economy and its sectors. The development process is studied on the basis of shifts of the relative shares of different sectors and its sub-groups and the interrelationships amongst them at the national level. In building planning models for the national economy the national input-output table has become an essential ingredient and the use of national input-output tables is well known. A planner has to work out not only the implications of the interrelationships of different economic variables and of different sectors but also their spatial effects, more so in a large country like India. The problem of the geographical distribution of economic activity and the interrelationships amongst different regions (multi-regional) is as important as sectoral distribution of economic activity. An overall planning model should encompass not only the interconnections of different regions of a national economy but also the sectoral interconnections of a given region with that of each of the other regions (interregional). The input-output technique utilising the regional input-output tables is useful in evolving such models. Leontief and Isard did pioneering work in constructing such models.

1.1 Isard's Model

If there are n sectors and k regions it is ideal to have data in such a way that the deliveries of a given sector in a given region to each of the sectors in each of the regions could be obtained. Thus each of the n sectors in each of the k regions becomes a sector in its own right. This requires calculation of $(n \times k)^2$ elements showing inter-sectoral relationships. Isard developed a full-fledged inter-