

Unbalanced Industrialisation and Geographic Peculiarities: A Study of India?

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Abstract

The inter-regional disparity in economic indicators in India has increased by a considerable amount over the years. The current study is an attempt to highlight the inter-state industrialisation disparities in India. The study, based on the theoretic exposition of new economic geography, argues that the initial geographical (historical) advantage to the southern part of India has locked in industrial activities in that region (core), depriving the northern (periphery) regions of the similar benefits. Based on the Annual Survey of Industries data, the study validates that the southern regions are geographically advantageous in India and are better industrialised than the geographically disadvantaged northern regions. The study points towards the negligence of the union government in acknowledging and intervening into the industrialisation and developmental divides rampant in the latter regions. The study concludes by laying grounds open for the furtherance in the recognition of economic geography as one of the fundamental determinants of inter-regional inequalities across India, demanding immediate policy attention.

JEL Codes: J61, O14

Keywords

Industrialisation, North India, South India, geography

1. Introduction

The nature and availability of land are indispensable factors in all kinds of production activities and hence are fundamental determinants of the levels of economic development across countries or regions within a country. The importance of land or geography has been the subject matter of spatial economics, one of the oldest and fundamental branches of economics. Spatial economics studies the economic