



Reviving Eastern India for a Developed Nation

This editorial is based on "[The eastern states have a big role in India's development aim](#)" which was published in Mint on 20/08/2024. This article highlights that India's eastern states lag in economic and social development despite their potential. Accelerating their growth is crucial for India to achieve its 2047 economic goals, requiring urgent efforts to address regional disparities and improve socioeconomic conditions.

For Prelims: [Aspirational Districts Programme](#), [Labor Force Participation Rate \(LFPR\)](#), [Skill Development](#), [Ayushman Bharat scheme](#), [Budget 2024-25](#), [Purvodaya](#), [Amritsar Kolkata Industrial Corridor](#), [Andhra Pradesh Reorganization Act](#), [Polavaram Irrigation Project](#), [Visakhapatnam-Chennai Industrial Corridor](#), [Inclusive Growth](#).

For Mains: Significance of Government Policies & Interventions in Economic Development, Mobilization of Resources and Addressing Regional Disparity.

[India's journey towards becoming a developed nation by 2047](#) hinges significantly on the performance of its **eastern states**. The region, comprising **Andhra Pradesh, West Bengal, Odisha, Bihar, and Jharkhand**, stands at a critical juncture in the country's economic narrative. The concept of **beta convergence** suggests that poorer regions should grow faster than richer ones over time. This theory has not played out as expected in India's eastern states. Despite their rich mineral resources, strategic locations, and vast potential, these states have historically lagged behind in economic development, presenting both a challenge and an opportunity for India's growth aspirations. This divergence highlights the need for **targeted interventions and policies**.

As India strides towards becoming a **global economic powerhouse**, the development of these eastern states becomes imperative. The region's economic upliftment is essential for balanced national growth and reducing [regional disparities](#). With their vast agricultural base, mineral wealth, and emerging industrial potential, the eastern states are poised to contribute significantly to the country's development trajectory. However, [overcoming the persistent issues of poverty, low literacy rates, and inadequate infrastructure](#) is essential to unlocking this potential.

What are the Challenges that have Limited Development of Eastern States?

▪ Economic Factors:

- **Underdeveloped Industrial Sector:** These states have struggled to establish a robust industrial base, primarily due to **historical neglect, lack of investment, and inadequate infrastructure**.
 - This underdevelopment has led to **limited job opportunities** in the [formal sector](#) and stunted economic diversification, forcing a large portion of the population to rely on low-productivity agricultural and informal sectors.

- **Freight Equalisation Policy(1952):** It aimed to encourage factories to be built anywhere in India by subsidizing mineral transportation costs.
 - This policy had **detrimental effects on the eastern states** of India by reducing incentives to establish industries near mining areas, thereby encouraging the development of factories farther away and adversely affecting the economic prospects of these states.
- **Low Social Progress:** [Social Progress Index \(SPI\) Rankings](#) shows that no state from the eastern region ranks among the high tiers of **social progress** (Tier 1 and Tier 2).
 - **Andhra Pradesh, West Bengal, and Odisha** rank in Tiers 4 and 5, indicating lower middle and low social progress.
 - **Bihar and Jharkhand** rank in Tier 6, representing very low performance in social progress.
- **Aspirational Districts:** Analysis of [112 Aspirational Districts](#) shows that the majority of districts in **Bihar and Jharkhand** rank among the **bottom 20 nationwide**.
 - These findings highlight ongoing **socio economic difficulties** in these states and reveal substantial disparities within the eastern region.
- **Labor Market Issues:** Most eastern states reported a [labor force participation rate\(LFPR\)](#) above 60% for the population aged 15-59 in 2022-23.
 - Whereas Bihar's LFPR stood at only 50.9%, indicating **lower workforce engagement**.
- **Workforce Quality:** Over **83% of the workforce** in these states falls into the **semi-skilled** category.
 - This suggests a **predominance of low-skilled labor** that may struggle to drive productivity and economic growth.
- **Agriculture Dependence:** A high reliance on [agriculture](#), often characterized by **low productivity and outdated farming practices**, has hindered economic growth and income stability in these states.
 - The agricultural sector's vulnerability to **climate variations and market** fluctuations further exacerbates economic instability.
- **Social & Human Development Issues:**
 - **Low Literacy Rates:** Particularly in states like **Bihar and Jharkhand**, persistently [low literacy rates](#) have impeded [skill development](#) and workforce quality.
 - This educational deficit has created a **vicious cycle of low-skilled labor, reduced productivity, and limited economic opportunities**.
 - **NITI Aayog SDG India Index 2023-24:** **Bihar**, with a score of 57 points, **was the lowest performer**, followed by Jharkhand with 62 points.
 - **High Poverty Rates:** Persistent poverty has **hindered social mobility and economic progress**.
 - High poverty rates have trapped large segments of the population in a **cycle of low education, poor health, and limited economic opportunities**, making it difficult to break out of **intergenerational poverty**.
- **Historical & Geographical Factors:**
 - **Colonial Legacy:**The eastern states of India bear the lasting impact of **exploitative colonial policies** that systematically stunted their **industrial growth and economic development**.
 - British rule focused on extracting resources from these regions without investing in long-term development, creating a foundation of **economic backwardness** that has persisted long after independence.
 - **Geographical Isolation:** The challenging terrain of many areas in these states, including dense forests, mountainous regions, and extensive river systems, has resulted in poor connectivity.
 - This geographical isolation has significantly **limited access to markets and resources**, hindering economic integration with more developed regions of the country.
 - **Vulnerability to Natural Disasters:** The eastern states are particularly susceptible to frequent [natural disasters](#) such as **cyclones, floods, and droughts**.
 - **For example**, the states of **West Bengal and Odisha** regularly face severe cyclones, such as furious cyclone [Amphan](#) in 2020, while Bihar frequently experiences devastating floods.

- These recurring calamities have **repeatedly disrupted development efforts and economic activities**, destroying infrastructure and livelihoods, and necessitating constant rebuilding rather than progressive development.
- **Governance & Political Challenges:**
 - **Political Instability:** Frequent changes in **government and policy directions** have disrupted long-term development planning in many of these states.
 - This instability has led to inconsistent policies, abandoned projects, and a lack of continuity in development efforts.
 - **Competitive Federalism:** Competitive federalism has been detrimental for poor states in India by exacerbating existing inequalities. Richer states, with better infrastructure and resources, attract more investments and skilled labor, leaving poorer states struggling to compete.
 - This leads to a widening gap in development, as poorer states face challenges in funding essential services and attracting economic opportunities.
 - **Corruption and Bureaucratic Inefficiency:** Widespread [corruption](#) and **administrative inefficiencies** have hampered the effective implementation of development programs.
 - These issues have diverted resources from intended beneficiaries, reduced the impact of public spending, and **deterred private investment**.
 - **Naxalite Insurgency:** In some areas of the eastern states, the [Naxalite insurgency](#) has severely disrupted governance and development efforts.
 - This ongoing conflict has created **security challenges, deterred investment, and diverted government resources** from development to security measures.

What is the Current Economic Landscape of the Eastern States?

- **GDP Overview:** The combined **GDP** of the eastern region reached **USD 579 billion** in 2022-23, up from **USD 185 billion** in 2011-12. The region's share of India's total GDP has remained stagnant at around **17%** during this period.
 - This growth rate falls short of what is needed to propel India towards its development goals.
- **Growth Projections:** If the eastern region grows at an annual rate of **9%**, it could reach an output of around **USD 5 trillion** by 2047.
 - However, if the growth rate remains at a more modest **5%**, its GDP would only reach about **USD 1.8 trillion** by the same year.
 - This highlights the need for immediate policy changes to align the region's growth with the national goal.

What Steps have been Taken by the Government for the Development of the Eastern States?

- **Purvodaya- Development of the Eastern Region:** Announced in [Budget 2024-25](#), the [Purvodaya initiative](#) aims to transform eastern states of **Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh** into a growth engine for the nation through:-
 - **Industrial Development:** The [Amritsar Kolkata Industrial Corridor](#) will include the creation of an industrial hub in **Gaya**, blending cultural heritage with modern economic development under the model of "**Vikas bhi Virasat bhi**" (Development along with Heritage).
 - **Road Connectivity Projects:** Numerous **road connectivity projects** will be implemented to **enhance infrastructure and boost economic activities** in the region.
 - These include the **Patna-Purnea Expressway, Buxar-Bhagalpur Expressway, and spurs to Bodhgaya, Rajgir, Vaishali, and Darbhanga**, as well as an additional 2-lane bridge over the River Ganga at Buxar.
 - **Power and Infrastructure Projects:** Major investments will be directed towards power projects, such as a new **2400 MW** power plant at **Pirpainti in Bihar**.
 - Additional infrastructure developments will include new airports, medical colleges, and sports facilities across Bihar.

- **Andhra Pradesh Reorganization Act:** The government remains dedicated to upholding the commitments outlined in the [Andhra Pradesh Reorganization Act](#). Major initiatives announced in Budget 2024-25 include:
 - **Special financial aid** for capital development through multilateral development agencies, amounting to Rs 15,000 crore in the current financial year.
 - Ensuring the timely completion of the [Polavaram Irrigation Project](#) to support farmers and enhance food security in the state.
 - Investments in infrastructure for the Koppaerthy node on the [Visakhapatnam-Chennai Industrial Corridor](#) and the Orvakal node on the **Hyderabad-Bengaluru Industrial Corridor**.
 - **Grants** allocated for the backward regions of Rayalaseema, Prakasam, and North Coastal Andhra.
- **Pradhan Mantri Janjatiya Unnat Gram Abhiyan:**
 - It aims to improve the **socio-economic conditions** of tribal communities in **tribal-majority villages and aspirational districts**, covering over 63,000 villages, and 5 crore tribal people.
 - This scheme will ensure **socio-economic development** of the tribal population of eastern states.
- **Bringing Green Revolution to Eastern India (BGREI):** It is a sub scheme of [Rashtriya Krishi Vikas Yojana \(RKVY\)](#) and is being implemented in seven eastern states namely **Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh and West Bengal**.
 - The program provides farmers with support for rice and wheat demonstrations, seed production, nutrient and soil management, pest control, training, farm machinery, irrigation, site-specific activities, and post-harvest marketing.
- **Urja Ganga Gas Pipeline Project:** The project is committed to provide clean fuel to the people of eastern states of **Bihar, Jharkhand, West Bengal and Odisha**.
- **Controlling Naxalism:** With the effective implementation of **SAMADHAN Doctrine and Rehabilitation Policy**, the number of [left-wing extremism](#) related violent incidents have come down by 76% in 2022 in comparison to 2010.

What Strategies should be Employed to Develop the Eastern States?

- **Economic Growth Initiatives:** The eastern states require targeted investments in infrastructure to improve connectivity and facilitate economic activities. Policies to attract **private sector investments** and promote industrialization are necessary.
 - Enhancing connectivity through projects like the [Eastern Dedicated Freight Corridor](#) can facilitate the movement of goods and reduce transportation costs, making the region more attractive for industrial investments.
 - Additionally, states like **Odisha and Jharkhand**, rich in minerals, could benefit from policies promoting **value-added industries**, such as setting up steel plants and refineries close to mining areas.
- **Social Development Focus:** Comprehensive **skill development programs** are crucial for improving the quality of the workforce in the eastern states. Initiatives to improve social indicators, particularly in health and education, are essential.
 - States like **Bihar and West Bengal** have seen positive outcomes from such programs, but more needs to be done to ensure that the local workforce can meet the demands of emerging industries.
 - Additionally, improving social indicators in health and education is vital. Initiatives like the [Ayushman Bharat scheme](#) and expanding the reach of **Sarva Shiksha Abhiyan** can address health and educational disparities, ensuring that the population is healthy and well-educated.
- **Labor Market Improvements:** Measures to increase **labor force participation**, especially among women, are needed. The promotion of **entrepreneurship and small businesses** can create more **employment opportunities**.
 - **For instance**, West Bengal's successful implementation of microfinance programs, with help of the **Association of Microfinance Institutions in West Bengal**, has empowered women to start small businesses, leading to improved family incomes and greater financial independence.
 - Encouraging entrepreneurship through programs like [Start-Up India](#) and providing access

to credit for small businesses can create more employment opportunities. This approach has proven effective in states like Bihar, where initiatives to support **small-scale industries** have led to significant job creation.

- **Cooperative Federalism:** By fostering **collaboration between the central and state** governments, resources and expertise can be more effectively allocated to address regional disparities.
 - This approach encourages **shared responsibilities** in policy implementation, infrastructure development, and socio-economic programs, ensuring that Eastern states receive the necessary support to overcome challenges.
- **Governance and Policy: Strengthening local governance structures** is crucial to ensure effective implementation of development programs. Collaborative efforts between state and central governments are necessary to address regional imbalances.
 - [The Krushak Assistance for Livelihood and Income Augmentation \(KALIA\)](#) scheme is a program by the **Government of Odisha** to help farmers grow their agriculture, increase their income, and relieve their debt.
 - Similarly, the [Kanyashree Prakalpa scheme](#), launched by the **West Bengal** government in 2013, exemplifies good governance and effective policy by aiming to enhance the educational and economic status of girls from economically disadvantaged backgrounds.
- **Addressing Regional Disparities:** State governments in the eastern region must intensify their efforts to **address regional disparities** and promote equitable development. This includes implementing policies to improve social indicators and boost economic growth.
 - The state governments in the Eastern region need to implement policies that promote equitable development.
 - Bihar's efforts to improve social indicators through the **Bihar Vikas Mission** have led to notable improvements in education and healthcare.
- **Realizing Potential:** The eastern states have the opportunity to become engines of growth, driving the nation towards its goals. Their vast mineral resources, strategic locations, and untapped potential position them uniquely to contribute significantly to India's economic transformation.
 - The Eastern states have the potential to become significant drivers of India's economic growth. The rich mineral resources of **Jharkhand and Odisha** offer opportunities for developing industries like **steel, aluminum, and cement**, which can contribute to the nation's industrial output.
- **Boosting MSMEs:** Promoting MSMEs in the eastern states of India can be advanced by enhancing access to financing and credit facilities, coupled with comprehensive support in technology and skill development.
 - Additionally, fostering a conducive business environment through streamlined regulations and improved infrastructure will further boost MSME growth and sustainability in the region.

Conclusion

As India moves forward, the development of its eastern states must be prioritized. Their vast **natural resources, strategic locations, and untapped human potential position** them uniquely to become the new growth engines of the Indian economy. By fostering [inclusive growth](#), **bridging regional disparities, and unleashing the latent potential** of these states, India can ensure a more balanced and sustainable path to becoming a developed nation.

The coming decades will be critical for the eastern states to bridge the development gap and align their growth trajectories with national objectives. Their success will be instrumental in shaping India's future, making the eastern states' development not just a regional aspiration but a **cornerstone of India's march towards developed nation status**.

Drishti Mains Question

What are developmental challenges faced by the eastern states of India. What measures should be taken to unleash their potential toward India's development.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims:

Q. Which one of the following in Indian polity is an essential feature that indicates that it is federal in character? (2021)

- (a) The independence of judiciary is safeguarded.
- (b) The Union Legislature has elected representatives from constituent units.
- (c) The Union Cabinet can have elected representatives from regional parties.
- (d) The Fundamental Rights are enforceable by Courts of Law.

Ans: (a)

Mains:

Q. The concept of cooperative federalism has been increasingly emphasized in recent years. Highlight the drawbacks in the existing structure and the extent to which cooperative federalism would answer the shortcomings. (2015)

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