

**GIGA - CSRD (JNU) – IIDS Workshop on
Causes of the Varying Performance of Indian States
21st and 22nd of November 2016**

Venue: Centre for the Study of Regional Development (CSRD), JNU, New Delhi

India is one of the world's most heterogeneous societies in terms of linguistic, ethnic, and cultural differences. To account for this diversity, the country has a federal set up with currently 29 states and 7 union territories, but a strong centre (asymmetrical or quasi-federalism). Since independence from colonial rule, nation-building has been one of the priorities of Indian governments in order to deal with this burgeoning diversity. To avoid separatist tendencies, calls for greater autonomy of linguistically homogeneous entities were accommodated with the formation of new Union states in the 1970s. And also in terms of economic and social development, efforts have been made to let India 'grow together'. The Indian Constitution itself calls for a minimization of inequalities in income not only among individuals but also among people residing in different areas of the country (see article 38, 1&2).

Besides the constitutional mandate and the political will of homogenization in terms of socio-economic development, there are also theoretical reasons to assume that India should have become more homogeneous. Economic incentives may also favour less over more diversity: given that factors of production can move freely within a federal state and given that technological and institutional differences across states are negligible, one would expect that initially poor states should have experienced above-average rates of economic growth and thereby caught up with the richer states. However, what we actually observe is huge, persistent and sometimes increasing variation across Indian Union states on a range of indicators. Initially poor states such as Bihar, Madhya Pradesh and Rajasthan still have lower growth rates of GDP per capita compared to some of the more developed states like Andhra Pradesh or Himanchal Pradesh. Similarly, states substantially differ in terms of social indicators (most notably in health and education), in terms of gender parity, of available infrastructural facilities, in the upkeep of law and order, environmental quality and sustainability.

How can we explain the persistently varying performance of Indian states? This is the main question that will be addressed by workshop participants. Simple economic models apparently do not provide an answer: economic backwardness as such is obviously not a sufficient condition for successful process of catching-up. While several studies have addressed variation among Indian Union states, the literature is fragmented in terms of the fields analysed and the explanations provided. Based on existing studies, we advance the broad working hypothesis that variation can be explained by the persisting influence of differences in institutional quality since the time of independence. Workshop participants will be asked to address variations in different issue areas and to take into account the working hypothesis as well as alternative explanations. This will allow us to have a coherent analytical framework. By bringing together scholars working on different policy fields, we aim to reach broader conclusions as compared to the fragmented findings of the existing literature.

Policy areas to be addressed (tentative and not exhaustive):

1. Economic growth, regional dimensions of growth, agricultural growth
2. Governance, industrial, labour & regulatory policies, law and order, internal security
3. Social policies, gender issues
4. Political constellations, party politics, panchayat reforms
5. Centre-state financial relations

Dates of the workshop: 21st and 22nd November 2016

Workshop: The Workshop will be held at the JNU Delhi and is organised by GIGA German Institute of Global and Area Studies in cooperation with the Jawaharlal Nehru University and the Indian Institute of Dalit Studies, Delhi. A reception at the German Embassy is planned on the evening of 21 November 2016.