

Subject: Geography CBCS (HONS)

Teacher: Prof. Shubhra Chandra

Semester: IV

**CC: 8T- REGIONAL PLANNING AND
DEVELOPMENT**

Regional Planning & Development

GROWTH POLE MODEL of PERROUX (UNIT II: 3)

French economist Francis Perroux introduced the concept of 'Growth Pole'. According to him, "Growth does not appear everywhere at the same time it appears at points or poles of growth with varying intensity, it spreads along various channels and with differing overall effects on the whole economy."

What is growth pole?

- A central location of economic activity. An urban location where economic activity ignites growth and better quality of life in the urban periphery.

Importance of the Study of Growth Pole Theory.

- Studies illustrates that businesses located in a cluster has a stronger growth and survival rate than those located outside it. The theory performs three functions —
- ① Theoretical Concept
 - ② Planning instrument
 - ③ Hypothesis for historical studies

Central Theme:

Economic development or growth is not uniform over an entire region, but takes place around a specific pole (or cluster). This pole is often characterized by core (key) industries around which linked industries develop, mainly

through direct and indirect effects. Core industries can involve a wide variety of sectors such as automotive, agribusiness, electronics, steel, petrochemical etc. Direct effects imply the core industry purchasing goods and services from its suppliers (upstream linked industry) or providing goods and services by people employed by the core and linked industries supporting the development and expansion of economic activities such as retail.

The expansion of the core industry implies the expansion of output, employment related investments as well as new technologies and new industrial sectors. Because of scale and agglomeration economies near the growth pole, regional development is unbalanced. Only development of transport terminals can play a significant role in the process of development.

Effectiveness of the theory for Regional Planning -

The theory is attractive as a policy tool for the following reasons :-

- i) Efficient way of generating growth and development in the surrounding due to various agglomeration economies.
- ii) Concentration of function in specific locations reduces the cost of investment.
- iii) Spread-effects out of growth points help to solve problems of less developed area.

Weakness / Criticisms of the Concept.

1. The theory differs its interpretation from its implementation.
2. This theory fails to answer the regional scale of growth and also the time to be taken for such growth.
3. Many criticized it on the grounds that complete growth processes work poorly whereas trickle down effect and spread effect is more effective.

Applicability (validity of the theory in present world)

1. Growth Pole concept has become popular because of its orientation towards 'dynamic industry' (i.e. dynamic propulsive firm & leading propulsive industry), 'polarization and agglomeration' (inter-industry linkages of external economies) and the promise of ensuring "spread effects."
2. The growth pole theory postulates that if we carefully plan the public investment programs to be concentrated or located in a small number of favourable locations then it will have maximum spread effects on a regional growth.
3. Even though it promotes structural imbalance over the whole region, it is justified that

concentration of expansionary momentum at the poles will result in higher per capita income level in the region as a whole.

4. Concentration of investments and public expenditure in a few selected points will enable more effective use of resources and there would be better chance of generating enough external economies.

The growth pole theory is regarded as a conditional theory of regional growth that conditions the factors which accelerate regional economic growth.

SEZs designed as supply side competitiveness measures which are meant to establish. An agglomeration of firms through the provision of superior infrastructure and operating conditions as well as financial incentives not provided outside the zone, these can function as growth pole if there are adequate linkages to the domestic economy and they are planned and implemented as a component of sub regional growth strategy.

References: -

- 1.) Growth pole theory by Perroux - Geography GEO1-StuDocu → <https://www.studocu.com> - visited on 5/4/20
- 2.) The Growth Pole theory of Francois Perroux and Boudville → www.yourarticlelibrary.com - visited on 2/4/20

- 3.) Concept of Growth Pole and Growth Centre - Chapter V
... Shodhganga — <https://shodhganga.inflibnet.ac.in> — visited on 5/4/2020.
- 4.) Regional Planning in India — Mahesh Chand & Vinay Kumar Puri