Costing for Elevation in Development Expenditure: Illustrative Evidence from India, **Dasgupta P. and Goldar, B. (2017), Journal of Quantitative Economics, doi:10.1007/s40953-017-0103-6.**

Abstract

Differences in elevation often occur among regions of a country, leading to higher opportunity costs in hill areas with consequent implications for achieving sustainable development in such areas. Additional investment can improve coping capacity, expand capabilities and choices creating opportunities for economic growth to help overcome these constraints. Time series econometric analysis of public expenditure on provision of health, education, and infrastructure in India is used to derive the additional costs attributable to elevation. Study findings indicate that there is a significant relationship between expenditure and attainment of social sector outcomes. The costs of provision are substantially higher in elevated areas than plains. Results suggest that the costs in hill areas are 2.5 times higher than plain areas and are much higher than the current norms used in planning resource allocations for development expenditure. The currently used norms can lead to under-funding of health, education and infrastructure. Higher resource allocations are required for economic development in underdeveloped hill regions. The findings have implications for achieving balanced and sustainable development in such economies.

https://link.springer.com/article/10.1007%2Fs40953-017-0103-6