Concern has been growing recently over wide internal disparities in levels of economic development in underdeveloped countries. Core areas have experienced rapid development, while other areas have been little affected by technological and social changes (Williamson 1965). Interregional inequalities in development and concentration of investment and growth in poles of development raise basic issues in economic and social planning (Hoyle 1974). The fundamental goal of socioeconomic development is the spatial integration of the society’s economic and social functions and the reduction of regional disparities in economic development.

With economic growth, economic functions become spatially differentiated, and spatial patterns of resource utilization exhibit change with shifts in the structure of production and differing growth rates in the various economic sectors. Economic development concentrates in a few favored areas, where economic activities are encouraged by better infrastructure, improvement in locally tied production conditions, and the opportunity for the attraction or development of new activities. Spatial inequalities divide the economic system into core areas, transitional areas, and peripheral areas (Friedmann 1966).

In a number of countries, regional economic policies were inspired by the growth pole theory, which has produced disappointing results (Todd 1974). Such development processes in the underdeveloped countries fail to ensure the expansion of the growth center into a fully integrated complex, and public policies show two concerns regarding spatial inequalities. First, regional differences in the level of economic development may become an urgent political issue. Second, the organization of economic space affects the pace and structure of economic growth. In this respect, Friedmann and Alonso (1964) point out that national policies must turn to strategies of spatial evolution to further the general development objectives of the economy. Such development policies should be designed to integrate traditional areas with modern areas by modifying traditional ways to adopt new social norms and by diffusing processes of modernization.

A large volume of material is available on the economic development of Pakistan (Papanek 1967, Falcon 1971, MacEwan 1971, Haq 1962, and Lewis 1969)1). In most studies, however, explanation of economic growth and economic policies are related to the disparities in economic development between former East Pakistan and West Pakistan. Since the partition of the subcontinent, regional imbalance has been a serious problem for Pakistan’s economy, and problems of areal imbalance within the present Pakistan need serious consideration in future economic development plans. The object of this study is to evaluate the effect of government policies on the spatial structure of development in Pakistan, identifying the regional inequalities in the country.
Strategies of Development

From its very inception (1947), Pakistan needed a diversified economic structure guided by carefully designed economic policies and a proper balance between agriculture and industry. Technologically backward and feudalistic, the nation had to develop a viable economy to cope with the modern era of advanced technology. The planners' most important problem was to regulate and change the economic system with a view to the existing values of life in the country (Government of Pakistan 1958). The scarcity of resources and the basic values of the people in a set social order delayed the achievement of many economic goals.

In the 1950s, the guiding principle of economic policy was a combination of private ownership and public direction of the economy, though direction was not particularly systematic. The increasing and abnormal agglomeration of industry in the “growth” regions revealed the inadequacy of government planning measures in developing industries in backward areas, where depleted resources and unemployment remained major problems.

Since 1959, the central government has remained responsible for the overall planning of economic development, the establishment of targets and priorities, and the location of selected industries in specific areas. The central government has produced four five-year plans, each containing a policy statement on various economic activities. However, the plans' basic objectives were conceived in the light of the economic history of the developed countries. Despite shortages in the provision of basic necessities, educational facilities, and exportable goods, it was erroneously assumed that the problem of underdevelopment could be solved quickly with the methods achieved through foreign experience in science, technology, and organizational efforts.

The resulting problem of interregional inequality was considered relevant in the conflict of balanced growth theory as suggested by Hirschman (1958). Initial regional imbalance was accepted as the basic principle of planned strategy making in the country, and regional economic policy was inspired by the growth pole theory (Todd 1974). It was assumed that changes in mutual production relationships, differences in the rate of growth of the various economic sectors, and the diffusion of growth from one sector to the other will ensure a dynamic condition in the growth pole system which will be accompanied by extensive inter-industry linkages (Jansen 1970). With the growth-point strategy, growth centers will develop as sectors within an economy, and such growth points will become an instrument of planning policies. The selection of focal points for investment implies that other areas in the problem region will get correspondingly less public assistance. This may be rational on economic grounds, but it raises the important question of the relationship between the growth center and the surrounding areas.

The location of industry was indirectly controlled through public investments in the development of power and industrial estates. The development of industrial estates in growth centers (Karachi, Hyderabad, Kotri, Tando Adam, Sukkur, Multan, Muzaffargarh, and Peshawar) has been an important factor in locating industries, as the program offered a relatively quick economic return. Although industries were attracted to secondary centers (Rahimayar Khan, Gujranwala, Quetta, Sialkot, Gujrat, Jhelum, and Sargodha) through the development of industrial estates, power facilities, communication and transport, these areas have not benefited significantly from such concessions, because facilities are much more expensive there and the need to import or train labor raises production costs (Fig 1). On the other hand, most of the backward areas of Pakistan suffer from an almost complete lack of infrastructure and education, discouraging the location of industries, except for some resource oriented industries that have no alternative. For example, mineral and chemical production is highly localized in the Trans-Indus Basin. The locations of the agriculture-based industries are due either to universal availability of raw materials as in the case of food industries, or location of materials for textiles, chemicals and non-metallic products, which are obtainable in geographically