CONCLUSION AND SUGGESTIONS

Conclusion

Soon after the attainment of independence, the attention of development planners and leaders in India got concentrated on economic development. This was necessitated by the persistence of low level of employment and poverty. Economic growth thus became a major goal of development but in the process the objectives of equity and distributive justice were ignored. The first two decades of planned development were mainly characterised by a large variety of policies social and economic infrastructure in the rural areas. It was assumed that all sections of people would gain from these programmes. But this did not happen in reality. Neither the gains of development were distributed equitably nor were all regions brought under the coverage of these programmes. It was later realised that the inequalities of income and wealth rather than getting reduced, got accentuated over this period.

To remedy this, the strategy of development towards the end of 1960s focused on the deprived sections and a number of target group-oriented development schemes were introduced to bring about improvement in the levels of living of the poor by providing them assets to augment their income-generating capacity and direct employment through various public works. These policies did help the people, but the
gains to different sections varied considerably. How far different groups of people differ in terms of gains of development can be better understood by examining the extent of disparities in the ownership of assets, levels of income, employment and consumption. An equally important issue that deserves consideration is the investigation of the extent of these disparities among similar groups of people across the progressive and less progressive rural areas. These basic issues formed the core of present research work.

The objectives underlying the present study included a comparative analysis of (i) the distribution pattern of rural household assets and disparities therein among different categories of households; (ii) their employment pattern and resultant pattern of income distribution and (iii) consumption pattern and disparities therein among different groups of households in the progressive and less progressive rural areas.

The research investigation was carried out in four sample panchayats; two each from Ghumarwin block (classified as a progressive area) and Jhandutta block (classified as a less progressive area) of district Bilaspur which is situated in the mid-hill zone of Himachal Pradesh. In all 300 households, 150 from each area, were surveyed to obtain the required information. The sample households in each area belonged to four categories, viz. marginal, small, medium, and large.
Among the various indicators of socio-economic characteristics, the average family size, sex ratio, labour force, dependency ratio, and average size of holding did not bring out significant differences among the similar categories of households between the two areas. However, the inter-class differences were too wide to be ignored. The literacy ratio and the ratio of cultivated land were considerably higher among the sample households in the progressive areas in comparison to the less progressive areas.

The distribution pattern of household productive assets revealed land to be the most important productive asset among all categories of households in both types of areas. The absolute as well as percentage value of land was higher in progressive areas due to greater area under irrigation. The households in the progressive areas used modern varieties of seeds and new techniques in agricultural production. As a result the per hectare yield was higher in the progressive areas. Livestock came out to be the second important productive asset both in the progressive and less progressive areas. However, the absolute and proportionate value of livestock in the total productive assets was higher in the less progressive areas. This phenomenon may be attributed to the fact that the availability of land for cultivation was less in these areas despite a higher average
size of holding. The uncultivated land was mainly used for livestock activity. Agricultural implements accounted for a smaller proportion of the value of productive assets and there emerged no significant difference in their relative value between the two areas. However, the inter-class differences were found to be wide in each of the two areas.

The distribution pattern of all household assets brought out the predominance of productive assets over the household durables in case of small, medium and large households in both areas under reference. However, in marginal category of households, the household durables accounted for a greater share of total assets in both the areas. This can be taken to mean that the persons belonging to this category did not employ sufficient resources for productive activities, which in turn, restricted their income-generating capacity. In the progressive areas the share of productive assets came to be 54.01 as against 45.99 of households durables, including buildings. In less progressive areas these ratios were 53.79 and 46.21 respectively. As such there emerged no significant difference in the composition of household assets as between the two areas.

The analysis of the extent of disparities revealed a greater concentration of productive assets in the progressive areas in comparison to that in the less progressive areas.
The value of Ginni coefficient came to be 0.2578 for the former and 0.2476 for the latter areas. The inter-class analysis of the productive assets brought out that the extent of disparity increased with the size category of holdings in both the areas under reference. However in intra-class terms the extent of disparity in productive assets in the less progressive areas came to be lower for all the categories as compared to that in the progressive areas. These findings lead to the conclusion that in backward areas the extent of inequalities in the ownership of wealth is smaller but it tends to widen in the early stages of development.

There emerged significant differences in the structure of employment between the progressive and less progressive areas. The proportion of standard mandays utilised in farm activities was found to be higher among the marginal and small households in the progressive areas in comparison to the less progressive areas. Among medium and large households there was not considerable difference across the two areas despite that they devoted far more proportionate time to farm activities as compared to marginal and small households. Besides, there emerged a positive association between size categories of holdings and proportionate time devoted to farm sector activities. This employment pattern suggests that people in relatively productive areas prefer to devote greater time for farm activities as these are more
gainful. As regards employment in agricultural sector as a whole, the proportionate time allocation in the less progressive areas came to be higher for all categories of households on account of the fact that people here engaged themselves in fishery activities which were not available in the progressive areas.

Among the non-farm activities, services accounted for the highest proportion of mandays employed in both progressive and less progressive areas for all categories of households, with the exception of marginal and small categories in the less progressive areas. In the latter cases wage work was found to be more labour absorbing. However, there emerged no relationship between size class of holdings and time employed in services in both the areas. Unlike this, the time employed in wage work and size class of holdings were inversely related in both the areas. Also, the wage work accounted for a greater proportion of employment in the less progressive areas as compared to the progressive areas. Finally, business and cottage industries provided greater share of employment in the progressive areas. The pattern of non-farm employment suggests that the greater time was being utilised for more productive activities in the progressive areas in contrast to less progressive areas.

The composition of household income brought out some important conclusions. First, the progressive as well as the
less progressive areas were predominantly agrarian inasmuch as agricultural activities contributed nearly half of the total household income in both these areas. However, due to better geo-physical conditions and infrastructural facilities farm income was higher in the progressive areas which also implied a higher productivity of labour. Second, among the non-agricultural sources of income, services accounted for a lion's share in both the areas despite that the progressive areas remained slightly ahead on account of higher literacy ratio. A higher share of income from wage work in the less progressive areas has to be attributed to the low level of development which is both a cause and consequence of under utilisation/non-utilisation of natural resources. In the absence of gainful self-employment people sell their labour power. Business and household industry contributed slightly higher proportion to incomes in the progressive areas than in the less progressive areas. Yet, the fact that this share remained less than five per cent leads to the conclusion that the extent of modernisation is not significant even in the progressive areas. Nonetheless the progressive areas were found to be ahead of the less progressive areas in terms of per household income from farm activities, services and business and industry. As a consequence the per household and per capita income of these areas was greater.
There existed considerable inter-class disparities in the levels of income in both areas under study. Income from farm activities appeared to be the single most important factor responsible for income inequalities across the various categories of households. From this one can conclude that the inequalities in ownership of assets especially productive land, result in the inequalities of income.

The pattern of consumption expenditure across the two areas under study revealed some intra-class similarities accompanied by inter-class differences. For example, the level of per household consumption expenditure on cereals, food items as a whole, and non-food items came to be slightly higher for each category of households in the progressive areas in comparison to the less progressive areas. A higher level of household consumption expenditure in the progressive areas leads to the conclusion that the levels of living in these areas are better though the difference is not considerable. The composition of consumption expenditure clearly revealed a decline in proportionate spending on food items with the increase in the size category of holdings. The marginal and small categories of households spent much higher proportion of total consumption expenditure on food items alone—a pattern which is in clear pursuance of Engel's Law of Consumption.
The analysis also revealed slightly higher extent of disparities in household consumption expenditure in the progressive areas as compared to the less progressive areas in respect of each category of households taken separately and all households taken together. Higher disparities in the progressive areas may be attributed to higher levels of incomes in these areas as also to the fact that the early stage of development process is characterised by the increasing inequalities. However, the fact that the extent of disparities in consumption expenditure came to be smaller both in the inter-class and intra-class terms as compared to assets and income disparities can be attributed to the unavoidable need to consume to live on the one hand and a near-similarity of consumption habits in the two neighbouring areas.

II. Suggestions

Two important facts stand out clearly from the aforementioned conclusions. First, the marginal and small categories of households lag far behind the others on account of disparities in the ownership of assets, gainful employment opportunities, levels of income and consumption. Second, horizontal economic inequalities are caused by unequal levels of development of different regions. As such these two issues must figure prominently on the agenda of rural development strategy.
An improvement in the levels of living of the marginal and small farmers cannot be brought about by mere government intervention. More important appears to be the need to ensure their active participation in the developmental process through the programmes of information, communication, and education. Once they become partners in development, their motivation for progress will increase and they would effectively resist attempts by the vested interests to take away what is legitimately due to these sections under various development programmes.

It is an undisputed fact that among the various anti-poverty programmes, the Integrated Rural Development Programme has succeeded best in the agriculturally developed areas. As such this programme needs to be implemented with greater vigour in the progressive areas. This calls for strengthening of the support system at the field level, greater facilities of rural credit and better agricultural inputs. The less progressive areas which are not much suited for the adaption of asset-based development schemes, need to be covered through wage-employment programmes in the short run. During this period the wage labour schemes should be used to build up agricultural infrastructure which may ultimately generate gainful self-employment. Another short term policy measure that deserves consideration is the strengthening of the public distribution system. An effective public distribution system can go a long way in improving the consumption standards of the rural poor.