Preface and Acknowledgements

The Indian economy continues to grow as a global economic powerhouse. India’s development is particularly impressive, given the considerable obstacles in fostering economic growth. These obstacles are truly epic with widespread poverty, limited natural resources and one of the largest populations. While this growth is impressive, India continues to have hundreds of millions in abject poverty and much of the economic prosperity has been fairly localized to specific regions and sectors. The booming software and technology sector receives daily world attention; however those languishing in poverty remain largely ignored. Thus, it is important to understand whether the nascent economic prosperity has also caused an increase in income inequality. Economic theories vary on both the causes and implications of income equality; however empirical evidence indicates that India has been able to maintain low income inequality during periods of significant economic growth. It is important to note that India’s economic miracle is a recent phenomenon and that future prospects are far from certain. How well the Indian people and government will be able to channel current growth into long-term prosperity remains to be seen.

Dandekar and Rath (1971) rightly remarked that:

*The problem of poverty and inequality is a problem of low national income and its unequal distribution; of slow pace of development and inequitable distribution of the small gain of development.*

In India even after six decades of planned development, the gap between the 'haves' and 'have not's has not been reduced. In general about 75 per cent of the national income is shared by the top 25 per cent of the population, whereas, 75 per cent population lives on remaining 25 per cent
national income. As a result of it about 30 to 40 per cent population is living below the poverty line. These poor are suffering either from unemployment or underemployment.

C.T. Kurian (1978) rightly remarked that:

*Poverty, for instance, is no abstract drawback of the economy; it is the concrete fact that all over the country there are men, women and children who do not have enough food to eat. It is the problem of the thousands of villagers in the dry regions of Tamil Nadu who do not have drinking water within their reach. It is the fact of the farm workers in Uttar Pradesh who have no land of their own to cultivate and cannot find enough work in other people’s land. It is the problem of the thronging million in Calcutta and Bombay who do not have a roof over their heads. If such is the nature of poverty, its eradication can also be only in terms of such common everyday categories—food for the hungry, work for jobless, shelter for the homeless.*

In the present socio-economic set up of the state of Himachal Pradesh, due to unequal distribution of income and wealth, i.e. productive assets, a large number of marginal and small farmers, agriculture labourers, rural artisans, scheduled castes and scheduled tribes household falls in the poverty trap. The rural households, who remained backward and constitute the poorest segment among the poor, are characterized with higher percentage of illiteracy, higher proportion of dependents, lack of productive assets, lack of regular gainful employment, meagre household income, higher amount of debt burden and predominance of age old customs, traditions, faith and beliefs. Most of the poor households have either too little land which cannot be cultivated due to the rough, stony and steep topography, or no land and only livestock. They are suffering either from
disguised unemployment or underemployment. The Anti-Poverty Programmes have been implemented so carelessly that the better-off households have benefitted the most and the worse-off have been benefitted the least.

The present study has been divided into nine chapters. The statement of the problem, an overview of the state economy of Himachal Pradesh in general and an overview of the economy of Mandi district has been discussed in chapter I. Chapter II deals with the review of related studies. The objectives, methodology and definition of concepts have been dealt in chapter III. Chapter IV deals with the socio-economic, profile of the sample households. Chapter V deals with the pattern and extent of inequalities in the distribution of household assets and income. Pattern of household employment and extent of unemployment among the sample households have been dealt in chapter VI. The pattern and extent of inequalities in the distribution of household’s consumption expenditure and extent of absolute poverty has been dealt in chapter VII, whereas, chapter VIII deals with the impact of Rural Development Programmes on the sample households. Chapter IX deals with the Summary, conclusions and Suggestions.