7.1 Introduction

The problem of a rural economy in a developing country like India or a region is how to overcome poverty and stagnation and ensure sustained growth. Some of the planning activities which are undertaken for the purpose are in the nature of efforts to develop the physical resources, the infrastructure of the economy and facilities for the supply of material inputs that are directly connected with production. There are also activities which aim at developing human resources by education and training. Further still, there are activities seeking to establish an appropriate institutional framework for collective action and more equitable distribution of income. In this way, the development debate appears to be, at last, coasting towards a consensus; developing nation must not focus their energies on the growth rates of their GDP, NNP, GNP, and the like but should instead try to achieve ‘human development’ or ‘comprehensive development’. A remarkable feature of these new goals is that everyone seems to be supporting them, although few know what the terms mean. This is in some sense understandable. First, the terms ‘human’ and ‘comprehensive’ are so enticing that no one can proclaim being against them without sounding absurd and boorish. And given that the aim of these new objectives is to go beyond narrow economic objectives to larger social and political goals, some vagueness in the target is inevitable. Attempts to give this sharper focus, as in the United Nations Development Programme’s construction of the Human Development Index, have inevitably been criticized for arbitrariness.

Though the share of agriculture in the aggregate economy has declined rapidly during the planned development of the country; it assumes a pivotal role in the rural economy. The NSS quinquennial surveys on employment show a decline in the share of agriculture and an increase in the share of non-agricultural sector in aggregate employment. Such a structural shift though expected in a developing economy, has been slower in the Indian economy. This process is even slower in the rural economy. Nevertheless in rural India the growth rate of employment in the non-agricultural
sector has been far short of the increase in the rural workforce. As a consequence, the incidence of rural employment on the basis of current daily status (CDS) is as high as 7 per cent in the year 1999-00. There is no evidence to suggest improvement in the quality of rural employment, which is generally associated with the structural changes of employment. In this context employment in agriculture remains important. The recent NSS quinquennial survey on employment shows that the number of agricultural workers has almost stagnated. Agricultural income during the ‘90s has however grown at an impressive rate. Does this suggest job-less growth in agriculture as well? The association between employment and income in agriculture needs to be investigated, considering a general perception that agriculture is a labour intensive proposition. There are studies reporting deceleration in the productivity growth in agriculture during 90s. Real wages in agriculture however, maintained an increasing trend. Increase of real wages in agriculture in the context of growth in agricultural income and a stagnation of agricultural employment is important. In this situation the kind of relationship that exists between employment, labour productivity and wages in agriculture needs to be investigated.

It is fact that to examine the changes which are happening in rural areas in West Bengal are very important because the majority of the population live in rural areas. Similarly, the state which has the considerable percentage of rural population is in the island of poverty even after implementation of different rural developmental programmes since independence but the achievement is not so praiseworthy. However, latest statistics show that agricultural growth and rural income has largely been unaffected by the economic slowdown, this, despite the fact that the contribution of agriculture to total rural income has actually come down. In view of these, the present study has been undertaken to make an economic analysis of rural change in Birbhum district of West Bengal.

7.2 Objective of the Study

The specific objectives of the present study are
(1) to examine the changes in the level of living, employment, income; etc. in the rural economy;
(2) to assess the present status of inequality in terms of income and food security in the rural areas;
(3) to estimate the poverty gap along with the poverty line;
(4) to identify what further possibilities are indicated by the process of actual changes; and
(5) to suggest policy measures based on the findings of the study.

7.3 Data Base and Research Methodology

There are 19 districts in West Bengal including Kolkata and Birbhum is one of the important districts in sub-humid laterite belt of West Bengal. Birbhum has been purposively selected for the present study. The basic considerations for the selection of the district are: (i) as per the population Census, 2001, majority of the population (91.42 per cent) live in rural areas, (ii) the intra-district imbalances with respect to the agro-technological and developmental parameters are very prominent in this district and (iii) even in spite of comparatively higher literacy rate of 59.9 per cent (Census, 2001) in rural areas, the incidence of rural poverty in this district is still quite high.

Birbhum district comprises of 19 blocks in three sub-divisions namely Suri (Sadar), Rampurhat and Bolpur. Out of 19 blocks, three blocks i.e. one block from each sub-division has been chosen randomly. Finally Sainthia Block from Suri Sub-division, Rampurhat–I Block from Rampurhat Sub-division and Bolpur-Sriniketan Block from Bolpur Sub-division has been selected for the present study. In the next stage the list of households of each block has been collected. The households have been sub-divided into various categories based on size of land holdings. These are Marginal (below 1.0 ha), Small (1.0-2.0 ha), Medium (2.0 - 10.0 ha), Large (above 10.0 ha) and landless households. Then 100 households have been selected from each block based on simple random sampling. Thus, all total 300 households have been selected as the ultimate sample unit of the study.
To analyse the level of living of rural households, the per capita consumption expenditure on food and non-food items (the quantitative aspects) as well as the housing condition, electrification, sanitation in terms of latrine use, sources of drinking water, number of health centre in the village and educational amenities (the qualitative aspects) have been considered in this study. The change in per capita consumption expenditure on food and non-food items in between 1991 and 2008 has been analysed by using the secondary data relating to National Sample Survey (various rounds) for the State and the primary data collected through field survey. On the other hand to know the change in housing condition, electrification, sanitation, sources of drinking water, number of health centre in the village and educational amenities, census data (1991 and 2001) has been used. Therefore, the decadal change in the level of living of rural households in the district of Birbhum in West Bengal has been captured by the help of tabular analysis.

To fulfil the objective of change in employment, work participation rate has been calculated among different categories (marginal and main workers) and sub-categories (cultivators, agricultural labourers) over the census decade 1991 to 2001.

In order to examine the changes in income in the district for the period from 1999-2000 to 2007-08 has been considered. The former year is the decade after the New Economic Policy-1991 and later is the year under review. The per capita income of the household for 1999-2000 has been estimated by per capita income in the district as per the methodology guidance of the National Accounts Division of the Central Statistics Organisation, Government of India which is followed to estimate Net District Domestic Product and the Net State Domestic Product by the Government of West Bengal. The brief guidance of the estimating methodology is as follows:

To estimate Net District Domestic Product (NDDP) by industry origin both at current and constant (1999-00) prices, in accordance with the methodology guidance of the National Accounts Division of the Central Statistical Organisation, Government of India, the entire economy is classified in three broad sectors, namely, Agriculture and Allied, Industry and Services. The estimates of NDDP have been obtained by product approach for commodity producing sectors like Agriculture, Forestry, Fishery,
Mining and Manufacturing (registered) and by a blend of income approach and expenditure approach for the remaining sector of the economy. In conformity with the production approach followed at Agriculture Sector, the estimates for value of output at district level for different crops have been prepared. In Forestry the estimates have been allocated amongst the districts using suitable indicators like district-wise forest area and district-wise rural population. For the Fishery Sector the district-wise estimates have been prepared on the basis of district-wise production of fish. In Manufacturing Registered Sector, the State level GVA has been allocated amongst the districts in proportion of the district level GVA prepared by ASI. In the sectors like Manufacturing (un-registered), Construction, Electricity, Gas & Water Supply, Transport, Storage & Communication, Real Estate, Public Administration and Other Services, the working force engaged in respective activities is used as the main indicator. The state level estimates for the sector Trade, Hotel and Restaurants have been allocated to districts in proportion to the gross value of output of commodity producing sectors by districts. In case of Banking and Insurance the State estimates are allocated to the districts on the basis of district-wise number of banks. The per capita income for the districts has been estimated by dividing the Net District Domestic Product (NDDP) by estimated mid-year population of the districts. Price-deflator with respect to the year 2000-01 was considered to examine the change in income in the year 2007-08 and was discussed with the help of simple tabular analysis.

Income inequalities among the different size-class households in the district were estimated by calculating Gini Coefficients (the range of Gini is zero—perfect equality—and one--- complete inequality) using primary data. The inequalities in food security have been measured in terms of per capita household expenditure on food items and here also Gini Coefficients have been used. To fulfil the third objective, poverty gap has been estimated along with the poverty line in rural West Bengal which is Rs. 384.82 per capita per month (2004-05) as estimated in NSS 61st Round from Mixed Recall Period (MRP) consumption expenditure distribution of households.
7.4 Main Findings

Level of living and quality of life are often referred to in discussions about the economic and social well-being of countries and their residents. The definitions of these terms can be difficult to tease apart and may overlap in some areas, depending on whom it is asked. It is more than just a matter of semantics. An evaluation of level of living commonly includes the factors such as income, quality and availability of employment, class disparity, poverty rate, quality and affordability of housing, hours of work required to purchase necessities, gross domestic product (GDP), inflation rate, number of paid vacation days per year, affordable access to quality health care, quality and availability of education, life expectancy, incidence of disease, cost of goods and services, infrastructure, national economic growth, economic and political stability, political and religious freedom, environmental quality, climate, safety etc.

In view of the above, the analysis of level of living or rural household is restricted in this study to few variables i.e. the per capita consumption expenditure on food and non-food items (the quantitative aspects) as well as the housing condition, electrification sanitation in terms of latrine use, sources of drinking water, number of health centre in the village and educational amenities (the qualitative aspects). The change in per capita consumption expenditure on food and non-food items in between 1999 and 2008 has been analysed by using the secondary data of the National Sample Survey (55th, 61st, 62nd, 63rd, 64th round) relating to rural West Bengal and the primary data collected through field survey. On the other hand to know the change in housing condition, electrification, sanitation in terms of latrine use, sources of drinking water, number of health centre in the village and educational amenities, census data (1991 and 2001) has been used. Therefore, the decadal change in the level of living of rural households in the district of Birbhum in West Bengal has been captured by the help of tabular analysis. There are some inherent problems in determining the threshold income or poverty line in the conventional income-based poverty measure. Therefore, attempt has been made to use some non-income parameters also for scrutinising the level of living of the people in West Bengal. Provision of residential houses and
access to basic amenities are among the prime non-income dimensions in judging the level of living.

Under the head consumption expenditures all items under food and non-food including expenditures on consumption durables are included. Primary data on expenditures on each item of food were collected on a monthly basis. Similarly, primary data for expenditures on non-food items like clothing, medical care and health services and education were collected for each member of the family on a yearly basis, whereas for expenditure on heads such as electricity on quarterly basis, Data on expenditure for consumer-durables were collected on a yearly basis for the household as a whole. Thus the technique of Mixed Recall Period, as used by NSSO, is followed in order to collect the data on consumer expenditure.

It has been observed that the average income for all households is Rs. 3090.53. The average consumption expenditure on food for all households is Rs. 1815.92 and for non-food items the average expenditure is Rs. 611.07 followed by an average expenditure of Rs. 2426.99. The consumption income ratio is 0.79 for all households. The per capita income for all households amounts to Rs. 641.63 and per capita consumption comes to Rs. 502.14. However, for the different size class average income, average consumption expenditure and consumption income ratio changes. The medium farms with an average income of Rs. 11988.95 are well off compared to marginal and small farms. These households spend an average amount of Rs. 3296.25 for food and Rs. 1915.21 for non-food items, leading to total expenditure of Rs. 5211.46 and an average propensity to consume of 0.43. It is interesting to note that the average propensity to consume (APC) is highest in small farms followed by marginal, landless and medium farms. The average income of the small farmers is Rs. 3408.55 which is only 28.43 per cent of the income of medium farms. Their annual expenditure on food and non-food items is Rs. 2448.75 and Rs. 1179.58 respectively. The total consumption expenditure for this group is Rs. 3628.33 resulting in a consumption income ratio of 1.06, which points to the fact that these household live beyond their means. To meet the excess of expenditures over income, they have either restored to borrowing or sale of existing assets.
The changes in consumption pattern of rural households i.e. monthly per capita consumption expenditure (MPCE) has been analysed by studying the differences in the expenditure on different items in the consumption basket. The different rounds of NSSO and primary data collected through survey on broad group of items per person per 30 days have taken into consideration. As per the National Sample Survey (NSSO) data, the total monthly expenditure on different food item is Rs. 246.70 in 1999-2000, Rs. 261.97 in 2004-05, Rs. 269.89 in 2005-06, Rs. 295.01 in 2006-07 and Rs. 323.89 in 2007-08. The average MPCE on food based on NSSO estimate is 71.73 per cent in 1999-2000, 64.12 per cent in 2004-05, 63.83 per cent in 2005-06, 64.17 per cent in 2006-07 and 63.51 per cent in 2007-08. The average MPCE on food based on field survey is 74.82 per cent. These are comparatively more than the expenditure on non-food items. But the most interesting feature is that the proportion of their food spending in their total expenditure is relatively reducing, because the food expense is basic, and not arising following the increasing of income or expenditure. It has been also observed that the monthly per capita cereal consumption in real terms was significantly higher in the former decade compared to the latter during the period under review.

The total MPCE of sample households is divided in to 12 standard groups that 8 food groups and 4 non-food groups. It is fact that consumption pattern of households vary with income. Generally, there is a tendency for the lower income groups to spend beyond their income. Many of the households receive low income with which they may not be able to make both the needs. They meet the excess of consumption over income either by borrowing or by sale of assets that they already possess. Considering the average income and consumption expenditures on food and non-food items of the different income groups, for the small size class APC is greater than one. In the consumption expenditure 74.82 per cent is for food and the rest for non-food items including consumer durables. It has been found that the Engel Ratio of food grains over the period is reducing, because the food expense is basic, and not arising following the increasing of income or expenditure. Similarly, Engel Ratios for vegetables, edible oil, fish, egg, meat, medical expenses, fuel and light and education are rising over the periods both in rural West Bengal and Birbhum.
It has been found that the decadal growth of residential houses was high in West Bengal during the 1990s. The change in permanent residential houses is more prominent in West Bengal as compared to Birbhum. However, the percentage change in semi-permanent and non-serviceable residential houses is higher in Birbhum than that of West Bengal. It is interesting to note that both in Birbhum and West Bengal, the changes in temporary residential houses are negative. The proportion of households with better conditions of residential houses in terms of materials used in roofs, floors and walls also increased during this decade. It is fact that during the 1990s, there had been very significant negative growth in kachcha (temporary) dwelling unit construction in all of the districts in West Bengal, and massive construction of semi-pucca and pucca houses. This huge asset formation would not have been possible had the economy not been moving forward.

Another interesting feature is that the share of households using drinking water from either hand pump, or tube-well or tap increased from nearly 61 per cent in 1991 to more than 67 per cent in 2001. Similarly, the number of villages having availability of drinking water through tap has increased by 38 per cent in Birbhum and 139 per cent in West Bengal and in case of tube-well it has increased by 5 per cent in Birbhum and 8 per cent in West Bengal during the period under review.

Although the use of electricity increased during the 1990s, 87.58 per cent of the rural households were unable to use electricity in 2001 in rural West Bengal but in case of Birbhum its use is severely decreased by 24.52 per cent keeping 88.50 per cent away from it. As per Census data, although the proportion of rural households with no latrine declined between 1991 and 2001, 78.95 per cent and 96.24 per cent of the respective rural households still had no latrine in 2001.

Apparently Birbhum performs very poor in terms of health related infrastructure. So looking at only vaccination or institutional delivery is inadequate. It has been observed that a mere 0.04 per cent of villages have government hospitals in its vicinity, 0.20 per cent of villages have primary health centers or sub-centres situated within the village, average distance of primary health center or sub-centres is 4.46 km., average distance of government hospital is 21.23 km., average distance of
private hospital or nursing home is 19.29 km. However, there is a considerable change in the number of primary health sub-centres between 1991 and 2001 both in Birbhum and West Bengal. The rate of change is more prominent in West Bengal than that of Birbhum. So by no means these can be considered good whether they exceed national average or not, though in many cases they are lower than the national averages.

Education is both a constituent and instrumental component of human development. It has a significant effect on life expectancy, infant mortality, nutritional status and environmental awareness. This part looks at the uneven developments in education in Birbhum and West Bengal. It is fact that West Bengal is the most densely populated state in the country because of various historical, sociological and economic reasons, provision of elementary education and also of primary health care has been a very challenging task. A considerable variation in educational attainments and educational infrastructure in Birbhum as well as in West Bengal has been observed in between two census periods under review. The literacy rate for the population in Birbhum is lower than the state average. But the percentage change in rural literacy in Birbhum was higher than that at the state level during these census periods. However, West Bengal registered relatively better progress in female literacy compared to Birbhum. Moreover, the literacy rate improved at a higher rate in Birbhum than in West Bengal during these periods.

The West Bengal Education Act, 1973, empowers the West Bengal Board of Primary Education to control and to develop the entire primary education in West Bengal. To meet the requirements of all the districts in the state, 19 District Primary School Councils (DPSC) in the district level are working for primary education under the aegis of the Board. The Directorate of School Education has been implementing the policy of the government. The observation that until the beginning of the present century West Bengal has had only moderate success in spreading elementary education among the masses is not much in dispute, and the record of Birbhum goes pretty well with the overall trend. There are 1770 primary schools, 334 middle, 222 secondary and 44 senior secondary schools and 10 colleges in Birbhum in 2001. Besides, there are 650 Sishu Siksha Kendras (SSK) that enrol about 49 thousand
children. These changes are more prominent during the periods under review in Birbhum especially in case of middle and secondary schools. There is a considerable decline in the number of colleges both in Birbhum and West Bengal. However, the rate of decline is more vigorous in West Bengal than that of Birbhum.

It has been found that the per capita district income in Birbhum has been lower than that of West Bengal for long. This is what one would expect given the limited range of modern sector activities in the district in comparison with several other districts and of course with Kolkata. But what is of particular interest is that how it has been growing vis-à-vis the state as a whole in the recent period. Figure-6.4 shows that between 1997-98 and 2003-04 per capita income in the state has grown faster than that of the district, and as a result the gap between the two has widened in the recent years. While the compound growth rate in per capita income in the district is 4.3 per cent per year, it is 5.4 per cent per year for West Bengal as a whole in the reference period mentioned above.

As mentioned earlier, Birbhum is predominantly an agricultural district. It shows that the share of primary production in net district domestic product is 38.51 per cent in 2003-04, which is much higher than the corresponding figure for West Bengal. Although this share has been declining in both Birbhum and West Bengal, it is not matched by a corresponding increase in the share of the secondary sector. It is the tertiary sector that has been growing fast all over West Bengal so that its share in total district or state income has been steadily increasing. In the case of Birbhum, roughly one-half of the district income can currently be attributed to the tertiary sector.

Given the low share of the secondary sector in district income, which means the production base for manufacturing is rather thin, it is more difficult for Birbhum to make a steady expansion of the secondary sector. This is for the economic logic of positive externality that feeds into the process of industrialization. The fact that there are very few industries in Birbhum feeds into the perceived notion that there must be district-specific factors less favourable to investment. This might have made it more difficult to attract investors to the district.
According to Census 2001, the share of workers in total population was 37.4 per cent in Birbhum, which was marginally higher than the state average of 36.8 per cent. Between the two census years i.e. 1991 and 2001, the district had experienced 4 per cent increase in work participation rate (from 33.2 per cent to 37.4 per cent). The work participation rate like in other districts in West Bengal is also higher for males compared to females in Birbhum. While the share of male workers in total male population was 54 per cent, that of female workers was only 20 per cent in 2001. However, the female work participation rate increased from 13 per cent in 1991 to 20 per cent in 2001. The overall increase in work participation is also reflected in the falling dependency ratio (expressed as a ratio of non-working population to working population) between the two latest census years. In Birbhum the dependency ratio came down from 2 in 1991 to 1.7 in 2001.

However, it is important to note that in Birbhum, increasing overall work participation has been associated with an increasing share of marginal workers in total work force. By census definition marginal workers are those who do not work for major part of the year, which could either be due to lack of opportunity or other reasons. Between the last two censuses the decadal growth in the number of main workers in the district was 5.67 per cent, whereas in the same period the number of marginal workers grew by an astonishing 321.10 per cent as against the state figure 356.45 per cent keeping the change in total workers same at about 33 per cent.

The number of worker engaged in agriculture (which includes both ‘cultivators’ and ‘agricultural workers’ – two census categories) as a percentage of total workers has decreased from 72 per cent in 1991 to 60 per cent in 2001. This corresponds to the overall common perception that more people are now engaged in non-agricultural activities, such as fishing, retail sales, vegetable vending, selling milk etc. As all these activities are at the lower end of the spectrum of marketable skills, it remains doubtful if these activities generate enough return for their family’s sustenance.

Although a falling agricultural workforce is an expected and desirable change as an economy progresses, it has not been an unmixed good in our context. The share
of agricultural labour in total workers engaged in agriculture increased over the Census decade (53 per cent in 1991 to 62 per cent in 2001). As a matter of fact, between 1991 and 2001, the absolute number of cultivators in Birbhum came down from 289155 to 260955 indicating a 10 per cent decennial fall, while during the same period, the number of agricultural labourers increased from 324701 to 416949 indicating a decennial growth rate of 28 per cent. In other words, while the overall dependency on agriculture has been coming down, an increasing number of landless in rural areas join wage work in agriculture as a major activity.

If overall the percentage of working population engaged in agriculture is coming down, then it must be the case that people are joining non-farm activities in increasing number. Census classifies non-farm employment into two categories: ‘household industry workers’ and ‘other workers’. In Birbhum the share of non-agricultural employment has increased from 28 per cent in 1991 to 40 per cent in 2001. What is remarkable is that even in rural Birbhum the share of non-agricultural employment increased from 23 per cent in 1991 to 35 per cent 2001. In 2001, 19 per cent of non-agricultural employment belonged to the household industry category and the rest belonged to ‘other workers’. The share of household industry in non-agricultural employment does not seem to have changed over time.

It is pertinent to mention that the income of a household is measured in terms of money value, either earned in monetary unit or in kind during the reference year 2007-2008. As the size of the household is different irrespective of the categories of the household, per capita income of the member of a household is considered to access the inequality in income. And it is obtained by dividing the total money earned in the reference year by the respective household size. Likewise, per capita food energy intake is taken as a measure of food security. In recent years, there has been a shift in policy focus towards household level food security. Therefore, to calculate the total food energy intake by a household, the quantity of different food items consumed by the households is converted into energy value as per the unit ratio shown in the consumer expenditure schedule for NSS 50th Round, 1993-94. To get the per capita per day energy intake by a member of a household, the aggregate food energy intake
per day is divided by total ‘consumer unit’ of the household. A ‘consumer unit’ as defined in National Sample Survey (NSS), is a normal male person doing sedentary work and belonging to the age group 20-39 years is taken as one unit and the other coefficients are worked out on the basis of calorie requirement. A consumer unit in rural areas is considered as ‘food secured’, accordingly, as the technique used by the United Nations World Food Programmes (WFP) and M. S. Swaminathan Research Foundation (MSSRF) is followed. It is corollary to the Food Security Atlas of Rural India released in 2001. The Report on the State of Food Insecurity in Rural India prepared jointly by WFP and MSSRF uses a cut-off point of 1,890kcal per consumer unit per day. Consequently, a household is considered as food secured if a consumer unit, on the average, intake more than 1890 kcal of food per day. To collect the quantities of food consumed by a household, the technique of Mixed Recalled Period is used, as per NSSO. The food-data are collected on major items comprising rice, wheat, pulses, edible oils, vegetables, meat, egg, fish, fruits, milk and milk products, acquired by households including food purchases, foods consumed from their own farms or gardens and foods received in kind.

Regarding the inequality in the share of income and population, rural Birbhum exhibits that the marginal farms constituting 31.33 per cent of the total population contribute only 26.04 per cent of the overall income, among which 1.36 per cent in agricultural income and 24.68 per cent in non-agricultural income. Whereas 9.00 per cent small farms contribute 9.90 per cent to the district rural income followed by the medium farms who are only 2.67 per cent of the total population. The landless households who are more than half of the total population are responsible for 53.74 per cent contributions to the rural income in the district. It is mentionable that the contribution from the non-agricultural income (94.38 per cent) is very much higher than that from agricultural income (5.62 per cent), in spite of agriculture being main livelihood of the rural population. It reveals that the condition of agriculture in the district is very deplorable. It follows the fact that non-agricultural sector has potentiality for reducing income inequality in the rural areas of Birbhum district where about 75 per cent of the rural population depends on agriculture.
As regards to the inequality by sub-groups, the Gini indices for the per capita income inequality among the different size-class farm households in the district show that the total income inequality index of the marginal farmers 0.5163 is the highest among all other categories of farms followed by the small and medium farms 0.4982 and 0.4086 respectively. The inequality in agricultural income of all categories of farms is low as compared to their respective indices for non-agricultural income. However, agricultural income source has the lowest inequality 0.0027 among the small farms and the highest 0.0655 among medium farms. The overall inequality in the district is 0.4295 which reveals that high income inequality exist in rural areas of the Birbhum district.

Considering the contribution of each sub-group to the WITHIN income inequality, the landless households (57.00 per cent) contribute the highest 70.34 per cent followed by marginal farms 27.14 per cent. The least of 0.49 per cent contribution comes from the medium farms.

While decomposing the Gini by sub-groups, 9.78 per cent of total inequality is explained by the BETWEEN the groups inequality and 36.07 per cent is explained by the WITHIN the groups inequality. Hence, 45.84 per cent of total inequality by sub-groups is explained by WITHIN and BETWEEN elements of the income distribution. The value of K, 0.2326 is high because the income ranks within each sub-groups change substantially as we rearrange the income distribution taking altogether. This is the case of overlapping that affects group ranks very much.

So it can be said that the contribution from the non-agricultural income is much higher than that from agricultural income in spite of agriculture being main livelihood of the rural population in the rural areas of the district where three-fourth of the total population depends on agriculture. It shows that the condition of agriculture in the district is very deplorable. Besides the share, the inequality in agricultural income of all categories of farmers is low as compared to their respective indices for non-agricultural income. The contribution of non-agricultural income to the total income inequality is much higher than that of agricultural income irrespective of size-classes. Hence, it implies that the non-agricultural sector has potentiality for reducing income inequality.
inequality in the rural areas of Birbhum district. Regarding the decomposability of income inequality by sub-groups, the inequality across the size-class is much less than the inequality within the size-class.

Food security is a major developmental objective in a developing economy especially in rural area. India achieved self-sufficiency in food grain production since 1970’s. The state West Bengal is not an exception. But the achievement of food grain security at the national and the state level did not percolate down to the households and the level of food insecurity still persisting. The monthly per capita average income and the monthly per capita average expenditure on food for the medium farms is the highest in absolute term and lowest as a percentage to the monthly income across the size class. It is the marginal farms whose mean income is the lowest of Rs. 533.08 followed by the small farms (Rs.580.45) and landless households (Rs. 644.95). However, the mean food expenditure is lowest of Rs 352.63 for landless households followed by marginal and medium farms. Considering food expenditure as a percentage to monthly income, landless household exhibit 54.68 percentage preceded by small and marginal farms, 73.93 percentage and 76.69 percentage respectively. To mentionable, the population of the rural area of Birbhum district spend 59.67 percentage of their monthly income, on the average, for the consumption of food. This high percentage reveals miserable condition of the rural economy.

It has been observed that cent per cent of the medium farms are food secured followed by the small farms (96.30 per cent). Marginal farms and landless households are of equally secured in percentage of about 80. It is also clear from the table that there is a positive relationship between the size of landholding and food security. Regarding food security, marginal farms show highest degree of inequality (0.1429) followed by landless households (0.1100) and medium (0.0994) though the small farms are of lowest inequality (0.0760). It is interesting to note that the inequality in income is much higher than that of their food security inequality irrespective of different size-classes.

In the present study three different measures of poverty that capture its percentage of incidence, depth and severity are constructed. The three measures are
the Head Count Ratio (HCR), the Poverty Gap (PG), and the Squared Poverty Gap (SPG). Poverty gap at rural poverty line is the mean shortfall from the poverty line (counting the non-poor as having zero shortfalls) as a percentage of the national rural poverty line. This measure reflects the depth of poverty as well as its incidence. Based on the surveyed data, the size class percentage distribution of APL/BPL in rural Birbhum along with size class poverty gap indices also been worked out. The lower incidence of poverty, despite the intervening crisis of economic growth, suggests that the various policies and programmes adopted in the process of economic development have helped the rural poor in Birbhum. Other available evidence also supports this view. The incidence of BPL households which reflects the economic conditions of rural people has been found to be lower than that of APL as a whole. In the year under review, the severity of poverty decreases with the increase in farm sizes in Birbhum. These trends are consistent and the economic growth led to the improvements in general living standards of living in rural Birbhum during the period under review.

7.5 Conclusion and Policy Implications

The post new-economic policy period in India has been a time of rapidly increasing agricultural productivity. During this time, the economy has gradually moved from one primarily based on agricultural production, to one based heavily on industrial production, and more recently to one based increasingly on service provision. These changes have led to a steady decline in the importance of agriculture to the economic base of rural India in general and rural West Bengal in particular. For many geographic areas, the decline has not been offset by equivalent increases in other economic sectors, and the population has followed the jobs into other, generally more urban areas. As a result, the population of rural areas has been shrinking relative to that of urban areas and many rural areas are facing population losses. There is some concern that the depopulation of rural areas could gradually erode the ability of many of these communities to provide the public services necessary for their citizens. While overall population and economic growth in West Bengal over the past few decades has been strong, averages obscure some disturbing trends. For example, a pattern of
dualistic development where rapid economic growth in and around urban areas is accompanied by economic stagnation and persistent poverty in more isolated areas has come to characterise. This dualistic development tends to increase the disparity between wealthy urban areas and poorer, more isolated rural areas. As a result, the rural area has the highest concentration of persistent poverty. Thus, stimulating rural economic development in the West Bengal remains a vitally important goal for policymakers at the local, state, and national levels.

It has been found that creative employment density shares common characteristics with employment density more generally, but also has some unique features. The positive effects of creative employment, and the positive roles of higher income and greater investment in infrastructure, are the common characteristics. In contrast, the negative effects of higher levels of natural amenities differ from earlier findings related to employment growth more generally. In addition, creative employment density appears to differ from employment density in that there seems to be higher creative employment density in rural areas. This finding should be good news for rural areas, as increasing creative employment may promote economic growth. Rural areas may also be heartened to know that increased expenditure on public infrastructure appears to promote creative employment.

The debate about what drives economic development and inclusion in rural areas started long before but its impact has led to fresh interest about the future direction of rural economies. It is now widely accepted that agriculture is no longer the main economic driver in rural economies and that the traditional analytical framework that saw rural areas through an agricultural perspective is out of date. Rural economies have undergone a process of uneven change over many years driven by different sets of internal and external drivers. The infrastructure in rural areas has changed radically when farming was the key rural industry. The mix of industrial sectors in rural areas is now very similar to that in urban areas with the service sector being by far the largest employer. Agricultural now accounts less employment. Further research is needed to better understand the impact of demographic and technological changes on rural economies. Thus the change in rural economies has
become less distinct and economies in different rural areas have developed along very different trajectories. Some clear differences between rural and urban areas remain, particularly the spar city of population and the importance of land based industries and the environment. Yet the main policy framework and much of the analysis of rural economies is still sectoral and centralised. It is certainly incompatible with other concerns associated with rural areas such as rural development, social inclusion and the environment. These changes, it is argued, suggest the need for a more integrated rural policy based on a regional rather than a national basis. In turn, this indicates the requirement for a different approach to the analysis of rural economies using territorial rather than sectoral frameworks and based on regions or sub-regions rather than the country as a whole. Regional analysis of economies may tend to still mask differences both between localities and social groups but it would offer a better way of capturing the difference that exist between rural economies as well as cutting across the various ‘policy silos’ that currently exist.

Models used to analyse the development of rural economies have evolved over the years. The traditional exogenous approach assumed that development was largely about promoting inward investment, providing road access and finding, where possible, economies of scales especially in agriculture. By the late 1970s, however, exogenous models had fallen into disrepute. Problems with the ever-increasing intensification of agriculture as well as the closure of many branch-manufacturing plants reduced confidence in this approach. Endogenous models of rural development emphasise the importance of enabling localities to realise their own potential by using local resources and capital and thereby developing from within. They emphasise the strong linkages between the high quality environment, regional identity and local prosperity. It is also argued that the diversity of rural areas means problems and needs are best identified and solutions developed at a local level. However, while these factors appear implicated in endogenous development, theory has not really been able to provide a model to inform the approach. Instead, it is suggested, it has often been driven by practical realities with development agencies focussing on buoyant areas and trying to transfer their experience.
Related to this approach is work on rural industrial districts. This describes how groups of small and medium sized firms located near each other, such as specialised food producing firms, can gain advantage through among other things low transaction and information costs. This work leads into a more recent approach to rural development that rejects the polarisation of the endogenous/exogenous approaches. It stresses the interplay of local and nonlocal forces in the development process. It views rural development as a complex mesh of networks: within businesses, between businesses, between businesses and local and non-local institutions and among institutions. Endogenous development involves the building of the ‘capacity’ of localities and there is often comment about the building of social capital. But there is concern that initiative to do so tend to favour those who are already powerful and articulate, particularly where the time frame associated with development projects is short. Further research is needed to inform our understanding of the role of informal economy and informal networks within rural economies, how social capital can be built, how it works and who benefits from the process. More information is also needed on rural business support needs.

Work is being carried out in a number of areas to identify the existence of poverty and social exclusion in rural areas. Area based indicators are often used but are criticised because the nature of rural areas is such that people of similar characteristics do not tend to cluster together (as is often the case in urban areas) and hence people in very different circumstances live in close proximity to each other. Work has also been carried out on the use of ‘bundles’ of indicators, an advantage of which is that by using several factors some of which may only be characteristic of either rural or urban areas, allows a better comparison between the two. Analysis of panel data has also provided information about the processes that cause social exclusion rather than a snapshot at a point in time. Further research is needed to provide a better comparison of the degree of social exclusion in rural areas when compared to urban areas. Research on service provision needs to go beyond ‘headline indicators’ and assess who is benefiting or not from local services – again relative to urban areas. Further evidence of how the processes of change in rural societies
connect with individuals, for example in the distinctive operation of rural labour markets, is also needed.

The importance of a ‘joined-up’, partnership approach is noted in the literature on economic development and rural regeneration and is highlighted in Government statements and reports. Monitoring may be needed to assess the degree to which all the bodies involved in rural development policy are acting in a ‘joined-up’ manner and further research may be needed to understand better the balance of power and influence in rural areas and what barriers there are to the implementation of public policy.

The alleviation of poverty cannot be effective through anti-poverty programmes alone but will require democratic participation on the one hand and changes in economic structures on the other to ensure access to all the resources, opportunities and basic services. Therefore, policies to alleviate poverty which is based on quality of life perspective will obviously be achieved through access to food security, access to resources, access to basic services, access to institutional facilities, access to employment opportunities and finally access to nutritional programmes. The poverty, thus can only be effectively attacked if an integrated approach highlighting on. The eradication of poverty requires universal access to economic opportunities that will promote sustainable livelihood and basic social services. The broad alleviation efforts include provision of food security, land rights, education, employment, primary health care services including reproductive health care, safe drinking water and sanitation. Unless until, the quality of life of the poor are improved, social development cannot be achieved in state. The goal is not a reality rather a myth. This is only possible through participatory poverty alleviation where the poor have to involve themselves in identifying the poor, prioritize their needs and monitor poverty at micro level. The participatory micro level poverty alleviation is probably the stepping stone towards achieving the goal of poverty alleviation in the state. Quality of life which is the basis for poverty perspective, encompasses both rights and duties of the poor. Legislation may have to be taken at the national level in order to ensure the basic human rights to be fulfilled. These are rights to land,
common property resources, work, food, credit, education, health, shelter and sanitation. The provision of rights for the growing million of population may not be realized at the initial years. There comes the bunch of duties where population control may have to be considered as family right or individual duty to have two children family. Therefore, families with two children may be ensured of the quality of life rights so as to pave the way for sustainable development with control of population. It may probably take not less than 20 years to eradicate poverty from West Bengal provided quality of life rights are assured with family rights to control birth with participatory poverty alleviation adopted through micro plan concept.

The ultimate goal should be to achieve social development through the participatory development process. This will be possible only if the individual and the community become the focal point of development. No such development is possible without bestowing the real decision making power on the community. Such empowerment has to be an essential ingredient in all our planning and implementation of programmes. This will call for large scale promotion of strong and viable self-help groups, community-based interest groups, user groups and genuinely strengthening the civil society movement. Merely devolving more functions to the PRIs without involving the community at the grassroots level will look upon only as a means to achieve the ultimate end of empowerment of people. What is need is 'mainstream of poverty concerns' through overhauling the policies of all government departments, under close supervision of the government.