CHAPTER-6:
CONCLUSIONS AND SUGGESTIONS

6.1.0 Chapter-VI is a summing-up of the earlier five chapters and has been divided into the following sections:

2. Highlighting the main points of ‘Economic Change’ observed.
3. Agents or factors of ‘change’.
4. Enunciating a suitable strategy for desired change.
5. Problems and limitations of this study.

6.1.1 STATEMENTS OF THE THESIS IN BRIEF

The thesis is essentially addressed to study the nature and extent of economic change, being experienced by the tribal economy (in terms of level, structure and spread of economic activity) during the period 1950-51 to 1990-91, in general, and since 1974-75 in particular. The focus of study is ITDP Kinnaur, with 1990-91 as the year of reference. The ‘change’ is sought to be examined, as one moves from a typical custom-governed socio-economic set-up (village Asrang, for instance, as Location-I) to a road-side village (village Sangla as Location-III), with village Lippa (Location-II) sandwiched between the two extremes.

Thus accessibility to road was treated as an important parameter for quantifying economic change, while keeping other factors in view as well. Further, in order to study and examine ‘economic change’, we postulated a tribal economy (Location-I), the outback village of our sample, to serve as a prototype of an autonomous and self-sufficient economic system. This was intended to serve as a benchmark for quantifying economic change. Economic change denotes change in the material circumstances of a community/region.

6.2.0 MAIN CHARACTERISTICS OF ECONOMIC CHANGE OBSERVED

In the post-Independence period, the biggest change as well as the cause of further economic change has been in land-tenure, conferring proprietary rights on
actual tillers. The introduction of Land Reforms (1953)\textsuperscript{1} in Himachal Pradesh changed the status of tenants into owner-cultivators, thereby motivating them to optimise their factor-inputs. As per this empirical study, almost cent percent cultivators of all size-classes (see Table 5.7) fall under the category of owner-cultivators. It is also interesting to observe that marginal and small operational holders\textsuperscript{2}, who numerically account for 64 percent of the total holdings of the over-all sample, are all owner-cultivators.

6.2.1 Another characteristic of the tribal economy is its un-balanced production structure, with most of its ‘land’ and non-land assets concentrated in the hands of a minority of larger land-holders viz. semi-medium, medium and large farmers. It would be seen from cols.10 and 11 of Table 5.25 that 64 percent of the marginal and small holdings accounted for 29.4 percent of the total value of ‘land’ and non-land assets, implying that the remaining (nearly 36 percent of the large farmers) owned 71 percent of the total assets. However, in relative terms, the distribution of land (the most important asset in a land-based agricultural economy), is more unequal than what we see in case of distribution of non-land assets viz. livestock and other agricultural wherewithal.

6.2.2 The transformation of labour-power into a commodity was another big step forward in the evolution of market, as it gave rise to a capitalistic mode of production.\textsuperscript{3} This new mode of production led, in turn, to higher on-farm investment and cultivation of agriculture with the help of hired wage labour. The tabular data (see col.8 of Table 5.14) would reveal that the extent of hired labour in the over-all sample was 8.8 percent. Though not a big change, but it does show a marked trend towards development of labour market that is lately emerging in the tribal economy. It also means, by implication, that the predominant mode of production still continues to be based on family labour as agricultural sector still continues to depend on own-family-labour to the extent of 91.2 percent.

6.2.3 Of late, with the introduction of ‘petty commodity production’\textsuperscript{4} in the agricultural sector, it can be safely inferred that now even marginal and small farmers are producing some amount of marketable surplus (see Table 5.15), and are thus turning into capitalist farmers. In fact, with the advent of ‘petty commodity production’, there has been a movement from ‘production of use-values for self-
consumption' to 'production of commodities for exchange'. Earlier, the village production was largely for self-consumption and not for sale. As a result of their active participation in this technical change, tribals’ absolute levels of real income as well as per capita income are rising.

6.2.4 Another manifestation of capitalist mode of production is the widespread use of money economy as a result of increasing commercialization of agriculture and the resultant unification of the market at the national level. This led to the need for a common medium of exchange for facilitating the process of exchange for a wider economy. This is amply borne out by the extent of monetization in the sampled villages (see Table 5.17). The extent of monetised transactions in the overall sample of this study was found to be 60.3 percent, which, in other words, means that the remaining 39.7 percent of the transactions are still being conducted on barter basis.

6.2.5 Another concomitant development of money wages could be seen in terms of break-down of traditional patron-client dyadic ties in the Indian economy. These dyadic ties, at one point of time, served as a substitute for the labour market, as a client (the cultivator in this case) was bound to provide certain services in return for the support he enjoyed from his patron, the landlord. Thus, now impersonal relations (based on money wages) are gaining precedence over the earlier personal/social patron-client bonds.

6.2.6 In the wake of introduction of several land reform measures, the former feudal production relations have no doubt undergone a significant change, but those relations have now simultaneously appeared in the new garb of large scale middle class farmers. Though the former concentration of land in the hands of erstwhile princes and their agents has been diluted inasmuch as former tenants have now been converted into owner-cultivators, yet a lot needs to be done in the field of terms of leasing land. In fact, even after introduction of land reforms and ceiling provisions, a high degree of inequality still continues to persist in our agrarian structure, see Table 5.25. As a result of this development, the remnants of former feudal relations are now surviving in the form of big landlords renting out their land on informal/oral terms.
6.2.7 Traditional cropping pattern in tribal areas (based on cereals and millets) no longer holds the status of a major source of income. In fact, a distinct tilt towards horticulture (a sub-sector of agriculture) is emerging. This change is being manifested mainly in the form of more area being sown to ‘apple’ crop and other off-season vegetables. In other words, quick-yielding cash-crops are now gradually seeping into the traditional millet-based economy of Kinnaur.  

With the onset of rapid commercialization of agriculture, profits of cultivation (rather than rent) are now emerging as the major source of income of a large number of farmers (see Appendix-17).

6.2.8 The tribal economy of Kinnaur still continues to be, by and large, a food-based economy. It is borne out by the fact that the area under non-food crops is literally non-descript. According to the Annual season and crop Report published by the Directorate of Land Records, H.P. for the year 1990-91, the total area under non-food crops for ITDP Kinnaur was merely 40 hectares (see page 40). The corresponding area figure (appearing at p.75 of Season and Crop Report for the year 2002-03) was 56 hectare. The same picture has been corroborated by this empirical study (refer Appendix 8, col. 2). The area under food crops in the sampled villages was found to be 100 percent which implies that no area was sown under non-food crops.

6.2.9 The Evaluation Study of H.P. University on ITDP Kinnaur (1990) p.115, reports that steady efforts have been afoot to bring out a technical change in agriculture through the use of High Yield Variety seeds and fertilisers. For example, the quantity of fertilisers, used during agricultural year 1978-79, was 83 metric tonnes and increased to 188 metric tonnes by 1988-89. According to this empirical study, the percentage value of ‘improved inputs’ to total input cost was found to be 5.8 percent, for the over-all sample. By implication, the proportion of other costs to total input-costs was as high as 93.2 percent, confirming that the tribal economy is still highly dependent on traditional inputs (refer Appendix-13).

6.2.10 Another facet of economic change can be seen in terms of expanding role of non-farm sector in the tribal economy. With the availability of a wide range of non-agricultural off-farm jobs, the occupational structure in the villages is becoming more diversified. Agricultural labour is becoming more common now. In fact, the
rising availability of these non-farm supplementary avenues of employment is providing a cushion against rising inequalities in income.

6.2.11 And, the last though not least is the emergence of a sharper class-divide between the poor and the non-poor, caused by inequalities in the distribution of assets and incomes. In this context, Julka (1986) rightly observes that all development measures, whether in the form of agricultural extension work or in the form of land reforms ---- all have tended to work to the advantage of relatively wealthy (Julka; 1986: 28).

Gunnar Myrdal (1958) sums up the same argument in a pithy way, by taking a biblical citation:

“For unto everyone that hath shall be given and he shall have abundance; but from whom that hath not shall be taken away even that he hath.” (cf. Gunnar Myrdal, Economic Theory and Under-Developed Regions, 1958, p. 24)

6.2.12 In retrospect, it can be summarily observed that tribal economy of ITDP Kinnaur is gradually emerging into a wider economy. The tribal people are now in a state of transition ---- turning into a peasant society and some of them even metamorphosing into an urban society, with all the attendant rules of a market economy.

6.3.0 AGENTS OF CHANGE

Very often, an economic change results from the interaction of an internal system with the external developments, coming either through outside contact or Government intervention. Major factors which accounted for economic change are enumerated below:

6.3.1 PIONEERING ROLE OF GOVERNMENT

The development administration in Himachal Pradesh, particularly by way of introduction of Land Reform measures since 1953, has been highly successful in creating adequate production potential in the tribal regions. The requisite stimulus for production came in the form of creation of adequate economic and social infrastructure ---- with ‘economic infrastructure’ providing direct support to the
production-process from within, whereas ‘social infrastructure’ providing indirect support to the economy from outside. In fact, creation of such socio-economic infrastructural facilities as roads, health-care, drinking water, rural electrification and education generated necessary leaven for change by way of externalizing costs of production for a region.

6.3.2 Integrated Rural Development Programme (IRDP), introduced in all the 69 Blocks of H.P. since Oct. 2, 1980, played a pivotal role by providing permanent income-generating assets to IRDP beneficiaries in the tribal areas on 50 percent subsidy. Financial assistance to the beneficiaries under this programme has been mainly for land development programmes, irrigation facilities, and for self-employment activities.

6.3.3 Since the inception of Tribal sub-Plan in 1974-75, the Government of Himachal Pradesh has comparatively given higher precedence to the provision of infrastructural facilities over the directly productive sectors; as, for example, to transport and communication, social and community services, water and power, etc. Accordingly, the State Tribal sub-Plan which has been of the order of Rs. 16 crore during the Fifth Five Year Plan (1974-78), rose to an allocation of Rs. 54 crore during the Sixth Five Year Plan (1980-85), and rose further to 132 crore during the Seventh Five Year Plan (1985-90) (cf. Karam Chand: 1990:47). Besides, the state govt. has now fixed a mandatory ceiling of 9 percent on annual state plan, being exclusively earmarked for execution of Tribal Sub-Plan in the State.

6.3.4 **ROAD SIDE ACCESSIBILITY OF THE SAMPLED VILLAGES**

This empirical study also revealed that the villages located near the roads do enjoy head-start locational advantages in availing the benefits of various Govt.-sponsored programmes. This is duly reinforced by the values of Gini’s coefficient in case of Location-III (see Table 5.31 and 5.32, Chapter-V).

6.3.5 **PRESENCE OF EX-SERVICEMEN IN THE VILLAGES**

The study also revealed that presence of servicemen in the village (most of them serving either in Indo-Tibetan Border Police or Special Service Bureau) also had
a demonstration-effect in motivating people to appreciate and accept change. The number of such persons was 16, 28 and 32 in Location-I, Location-II and Location-III respectively. Moreover, uniformed persons in a village are often looked upon as role-models by youngsters who, later on, become willing instruments for adopting ‘change’.

6.3.6 LEVELS OF LITERACY

Another factor for change has been the levels of literacy and education, as these determine levels of awareness in a society. It is always the rising expectations, backed by rising rates of literacy, which motivate people to become more enterprising in their pursuit for higher standards of living. According to Schultz (1962), it is not merely the levels of literacy (denoting three Rs. i.e. reading, writing and arithmetic), but also more importantly the levels of education which prompt people to accept and make use of new technology.

Gill too rightly observed in this context that what is new about developing countries of today is their growing awareness about the state of deprivation amongst them and the consequent resolve to do something about it (Richard T. Gill; 1970:85).

As per findings of this empirical study, the over-all literacy rates for location-I, location-II and location-III were found to be 52.1 percent, 54.2 percent and 59.1 percent respectively, as against 55.0 present for the over-all sample (see col.7 of Table 5.4). These rates are much higher than what were observed for district Kinnaur as a whole (5.6 percent) during the period 1961-71 (cf. Evaluation study of ITDP Kinnaur 1990, H.P. University: 146). During this field study, it was also found that the highest academic attainment in Location-I, Location-II and Location-III was MBBS, M. Sc and M.A. respectively, in addition to the presence of a fair sprinkling of ex-servicemen.

6.3.7 ROLE OF REMITTANCES

No less important has been the role of remittances to the sampled villages from its resident members working outside the village. These remittances played an important role in generating necessary surpluses for buying requisite inputs.
6.3.8 ROLE OF NON-FACTOR INPUTS

With the introduction of new-farm technology in tribal areas, the increasing use of other accompanying non-factor inputs (as, for example, irrigation, fertiliser, electricity, petroleum products, etc.) has also played an important role in influencing rates of productivity and production levels. The use of fertilisers and improved agricultural practices reduces the need to keep the land fallow and to that extent helps in augmenting the extent of ‘net area sown’.

6.4.0 SOME SUGGESTIONS

Though different tribal areas are at different stages of socio-economic development and, therefore, need different policy approaches and treatment, yet some suggestions, as listed hereunder, may be made on the basis of common similarities.10

6.4.1 Rural development justifiably continues to be the corner-stone of India’s strategy for economic development, but more emphasis still needs to be placed on the development of core infrastructure in the tribal economy of Himachal Pradesh. Core infrastructure includes development of roads, electrification, and irrigation, which would together ensure sustainable development in the long run (cf. Annual Tribal sub-Plan 2006-07, p. 200).

6.4.2 In the context of rural development, the reduction of incidence of poverty has been the main objective of India’s flagship scheme namely Integrated Rural Development Programme (IRDP). Since poverty levels vis-à-vis disparate distribution of assets and income do not automatically and proportionally fall with the level of rising economic growth (as amply demonstrated by the failure of percolation hypothesis in developing countries), the scenario, therefore, calls for active intervention of the Government, more so in the light of our latest slogan for ‘inclusive growth’.

6.4.3 In the context of land-based agricultural economy, the role of land reforms has a crucial bearing on the basic property relations, as these determine the nature and scope of economic change in a region. In this context, Adelman and Morris (1973) rightly observe that the only hope of significantly improving the asset
and income distribution in these countries lay in the transformation of institutional setting. (cf. Adelman and Morris: Chapter on Social Equity and Social Justice)

In fact, in the light of empirical findings on skewed distribution of assets and income (see Table 5.24), there is an urgent need for the State Government to take a pro-poor stance, as also ordained under Articles 38 and 41 of the Constitution of India.11

6.4.4 Since the villages, particularly in the upper Kinnaur, are situated in far-flung trans-Himalayas, there is, therefore, an urgent need for a network of roads and bridle-paths in the interior of H.P. The road connectivity would provide the residents with a convenient access to the nearest main-road for buying inputs as well as for disposal of surplus produce. It was also found during this study that there existed enough production potential for potatoes and green-peas (Location-I for instance), but it could not be tapped for want of road-connectivity. One need not overlook an important fact that the existing NH-22 is essentially a defence road and connects only some of those villages which lie alongside its alignment and hence by-passes most of the other villages. In fact, it is being genuinely felt by some people that simultaneous revival and maintenance of Old Hindustan-Tibet Road might be a wise exercise. Development of inter-connecting road infrastructure between villages is all the more important because of ITDP Kinnaur sharing common international borders with Tibet/China.

6.4.5 From policy point of view, there is also a clear-cut need for diversification of employment opportunities in the tribal economy. In fact, as elsewhere in India, a part of the existing work-force in the rural sector continues to be in a state of ‘disguised unemployment’ whose withdrawal from agricultural sector would make no difference to the total production. More precisely, these people need to be shifted from agriculture and livestock-rearing to household industries/cottage industries (as, for example, for weaving of woolen garments and other handicrafts) for which local resources (including skills) readily exist in the villages (cf. R. Swarup and Ranveer Singh: 1988:93). In fact, this resource-shift might be more fruitful in case of tribal economy where winter conditions restrict the effective period for farming to nearly 6-7 months in a year12.
6.4.6 In view of the economic set-up being predominantly agro-pastoral, there is also a need to supplement the economic base of the marginal and small farmers, by way of providing more liberal financial assistance to them for buying livestock, particularly sheep and goats. In fact, it was felt during this study that it would be more result-oriented if assistance to the beneficiaries is given in the form of livestock assets instead of granting ‘Nautor Land’. It was also found that ‘Nautor’ land is very often granted to the villagers at far-off places where they find it difficult to make use of.

6.4.7 One also ought to keep in mind that agricultural operations in tribal areas are highly labour-intensive. Besides, maintenance of bridle-paths and irrigation channels is very expensive as their alignment along the hill-slopes often exposes them to land-slides and debris, entailing annual recurring expenditure. The Government must provide for these unforeseen natural calamities which frequently afflict these areas during winter snowfall.

In addition, low density of population has its own implications in terms of high per unit cost of maintaining infrastructure. In fact, the provision and utilisation of social and economic overheads is another crying need of the hour (L.R. Sharma; 1987:35).

6.4.8 The need to strengthen assured irrigation infrastructure deserves special attention in view of:

I. these areas receiving scanty rainfall due to their locale in the rain-shadow region;
II. farming activity is possible only under conditions of assured irrigation;
III. the need to ensure stable crop-yields as these are prone to fluctuations from year to year due to erratic availability of monsoon precipitation.

6.4.9 While planning for tapping hydro-electric potential in the tribal areas, the Government needs to tread a little warily. Total assessed hydel potential of tribal areas is 8,813 MW, out of which Sutlej Basin alone (draining ITDP Kinnaur) accounts for 4,977 MW. While tapping this hydel potential, the planners should remember to treat these areas more as custodians of Himalayan ecology and saviours of people living downstream rather than looking upon them merely as net producers.
of goods and services\textsuperscript{11}. The damage to Nathpa Jhakri hydro-electric project during the past some years should serve as an eye-opener thereby underlining the need to review planning priorities. Installing micro level projects might be more advisable\textsuperscript{12} in the fragile terrain.

6.4.10 There is also a greater need to expand educational facilities in the tribal areas, particularly in view of the lagging rates of literacy among tribal women. Moreover, the educated people have been found to be the most change-prone category as the growing levels of awareness makes them more rational in attitudes --- to change over from ‘tradition and stability’ to ‘growth and change’. Gunner Myrdal rightly observes that education re-conditions an individual and society for higher rational motives (cf. Myrdal, 1957, Economic Theory and Under-developed Regions, pp. 93-94).

In the case of tribal areas of Himachal Pradesh, there is need to improve the quality of school infrastructure in the form of primary school buildings, including the hostel facilities (cf. Annual Tribal Sub-Plan 2006-07, p. 200).

6.4.11 While planning for tribal development, greater emphasis need to be brought on appropriate new farm technology (in the form of improved inputs, irrigation and better agronomic practices) in order to increase the productivity per unit of land. In the ITDP Kinnaur, the total ‘net cultivated area’ is around 7,800 ha (see Annual Season and Crop Report, 1990-91, p. 39) and the available cultivable land has already been saturated. Hence, the only hope of augmenting total production lies in increasing productivity per unit of land.

In this context, Julka (1986: 6-8) observes that since traditional Indian agriculture was already operating very close to the existing technological frontier (read Production Possibility Curve), therefore the only remedy lay in raising productivity per unit of land.

6.4.12 There is also an acute need to strengthen marketing infrastructure in the tribal areas. In order to enable a producer to realize the full value of his marketable surplus, he should be free to choose the time and place of marketing his produce. In an imperfect market working through the active operation of the intermediaries, these choices of the producer get restricted to their disadvantage.
Besides, the government should also regulate the practice of crop-secured loans in the market.

6.4.13 Given the fact that Scheduled Areas of Himachal Pradesh account for 42.5 percent of the total geographical area and inhabiting only 1.66 lakh people shows that it is certainly a case of harmonizing level of development with too few people spread over too much area. Added to this is the fact that the average altitude of habitations is 10,000’ above the mean-sea-level. The ITDP Kinnaur alone (with 6,401 sq. km.) accounts for 27.1 percent of the total geographical area of the tribal belt (see Annual Tribal Sub-Plan 2006-07, p.7). With a density of population of 7 persons per sq. km. per unit cost of maintaining infrastructure is indeed daunting. Hence, there is need for the Government to take a pro-active stance.

6.4.14 In order to reduce inequalities in wealth and income, the following recommendations need attention of the govt. Production process should be so organised and patterned that this results into reduction of over-all inequalities. It can be achieved by way of:

(a) Augmenting economic-infrastructure by promoting (I) minor irrigation, (II) water and soil conservation, (III) rural roads, and (IV) land reforms.

(b) In case of social infrastructure, emphasis need be brought on (I) drinking water supply scheme, (II) general education, (III) technical education, and (IV) health.

(c) In case of agricultural sector, priority should be on (I) horticulture, (II) animal husbandry, (III) dairy development, (IV) promotion of fisheries, and (V) forestry.

(d) In case of industrial sector, the emphasis should be on village and cottage industries. (cf. Karam Chand 1990:23).

6.4.15 This field study also underlines the need for concurrent evaluation of IRDP beneficiaries in order to ensure physical verification of the assets provided under the scheme. In quite a few cases, it was reported that a milch-cow provided under the scheme has either died or was reported killed by some wild animal which gave one the suspicion of a wrong statement or a fishy deal. Since animal
husbandry schemes dominate the IRDP, this tendency, therefore, certainly needs to be curbed by following a periodic visit to the house of a beneficiary.  

6.4.16 Even at the cost of repetition, there is need to say that the strategy for tribal development should be in sync with the local resource-configuration and the felt-needs of the people. Although an appropriate mechanism is already in place in the form of Project Advisory Committee, yet this suggestion needs to be kept in the forefront while formulating any scheme for tribal communities which have relatively a simple socio-economic organisation.

6.5.0 LIMITATIONS OF THIS STUDY AND ITS UTILITY

1. The basic assumption of this study has been its dependence on a cross-section of data for a single agricultural year 1990-91. Although the limitation of working with a single year has its own constraints, yet it served our purpose well in view of the fact that the field work was commenced in Sep. 1991 i.e., immediately after the conclusion of the agricultural year 1990-91, so that the respondents did not suffer from any material memory-lapse.

2. The ignorance and illiteracy of the farmers to provide correct information may be one of the limitations to arrive at objective inferences.

3. Due to financial and time-constraints, the size of the sample had to be restricted to the study of three villages and 150 households.

4. There was absolutely no intention to build up and understand the whole of the tribal economy in quantitative terms on the basis of intensive study of three sample villages. Nevertheless, it constituted a modest but earnest attempt to understand, as best as a village study could reveal, the socio-economic conditions of the tribes-in-transition.

6.5.1 UTILITY OF THIS STUDY

1. The results of this study are expected to form the basis for evaluation of ‘change’ in the wake of implementation of various development programmes in the State.

2. It would also help in critically commenting upon various aspects of the tribal economy of Himachal Pradesh; and

3. It might also help the policy makers/extension agencies and administrators in taking appropriate decisions to promote the interests of the farmers.
NOTES AND REFERENCES


2. Govt. of India, All India Report on Agricultural Census 1980-81, p. 6. An operational holding consists of all land cultivated by a particular operational holder, irrespective of the fact whether he owns it or not i.e., the concept of an operational holding denotes the de-facto access to land.

3. NCERT, Evolution of the Indian Economy (A Textbook in Economics for Class XI), 1977, p. 12 and p. 104. Capitalism denotes the highest stage of commodity production and is characterised by (I) spread of money economy, (II) production for sale in the market and not for producer’s own use, and (III) cultivation on substantial scale by employing hired labour.

4. Ernest Mandel, From Class Society to Communism— an Introduction to Marxism (1983), p. 28. ‘Petty Commodity Production’ denotes an economic organisation in which the producers, who produce some amount of production for exchange, still remain masters of their conditions of production.


8. Cf. Richard T. Gill; 1970:85. The term ‘Demonstration Effect’ was originally developed by James S. Dubenberry of the Harvard University (Income, Saving and Theory of Consumer Behaviour, 1949) to explain how consumers might
be affected by the living standards of other consumers within the domestic economy.


11. Refer Report of the Commission for Scheduled Castes and Scheduled Tribes (April 1981–March 1982), Govt. of India, p. 3. In terms of Article 39 (b), the State is required to direct its policy towards re-distribution of ownership and control of the material resources of a community in order to sub-serve the common good.


14. Deepak Sanan, the then Deputy Commissioner Kinnaur in Aug.1991; *Kinnaur: A brief overview*, a write-up collected personally from his office on 19-8-1991.