CHAPTER VIII

SUMMARY AND POLICY IMPLICATIONS

8.1.1 Introduction

Integrated Rural Development Programme was launched in the country as a major instrument of poverty removal. The programme gained significance owing to the fact that for the first time genuine micro-level planning was attempted. In view of the importance of the programme in terms of its huge outlay on its various schemes, the employment potential and the promise of uplift of the weaker sections of society that it holds out, it is time now to evaluate this programme. The present study is such an attempt in terms of its effectiveness both as an anti-poverty programme and as an exercise in micro level planning. It is intended in this Chapter to present some broad findings of this study and to make some policy recommendations.

There were a few studies on IRDP at the macro and micro-levels but these had looked into the functioning
of IRDP in a narrower perspective. The review of literature carried out on the subject bring out the following research gaps in the available studies:

1. The basic idea of 'integration' has been left out in the past studies in the sense that these studies did not try to find out what actually happened to the 'integrated approach' at the field level.

2. The most important lacuna in these studies is that the interaction between the phenomenon that determines rural poverty and underdevelopment was not considered. The question that ought to examined but not considered at all by the earlier studies is whether the schemes or programmes selected are consistent with the requirements of particular village/block or region and whether horizontal and vertical linkages between different functions which need to be established are promoted at all.
In view of the above limitations of the available studies, the present study is made with the following specific objectives:

1. To ascertain how far IRDP had served the target groups by raising their household income and employment levels to the non-poverty levels.

2. And to study whether the formulation and implementation of IRDP was in accordance with the concept of micro-level planning.

The study was conducted in the State of Kerala using both primary and secondary data. Chapters II, III and IV are based on secondary data collected from the published and unpublished documents. Chapter V, VI and VII are based mainly on primary data collected from 336 households selected on the basis of purposive and random sampling technique. The data collected refer to the year 1984 and have been analysed with the help of simple statistical techniques.
8.2.1 **Major Findings**

The findings of the study may be presented under two broad heads: (a) findings relating to the effectiveness or otherwise of IRDP as an anti-poverty programme and (b) findings relating to IRDP as an exercise in micro-level planning.

8.2.2 **IRDP as an anti-poverty programme**

1) **Crossing of Poverty Line:**

Regarding the key objective of bringing the poor families above poverty line the present study finds that IRDP enabled only 7 per cent (after price level change adjustments) of the households to cross the poverty line. In the developed block only 2 per cent of the households could cross the poverty line. This is surprising because it is generally held that infrastructurally developed regions do well in regard to IRDP. However, using poverty line alone to judge the effectiveness of the programme may amount to under estimating the impact of IRDP.
Because, the crossing of poverty line by an assisted household depends much on the pre-IRDP family economic situation, the amount of incremental income it could manage on the investment (since investment too varies to income groups) and above all its ability to sustain the production activity. Another shortcoming of taking poverty line alone as the criterion to judge the success or failure of IRDP is that the duration of operation of the programme is too short to produce the expected result. In view of these inherent limitations other criteria were employed to judge the effectiveness of the programme as an anti-poverty programme. These are income mobility among the beneficiaries, employment generation, asset formation and changes in income distribution pattern.

ii) **Income Mobility:**

First, we probed into the income shifts, if any, among different income groups. The idea behind this analysis is to see whether the assisted families progressively moved in to higher income brackets from the
pre-IRDP income brackets. It was found that the highest shift took place in the case of the lowest income groups i.e. households having annual income of Rs.2500 and below. From both the blocks 60 per cent of the households which had pre-IRDP income of Rs.2500 and below, moved into higher income brackets. From the next immediate income group (2500-3500) 57.89 per cent moved upwards. From the third income group (3500-4500) 53.13 per cent of the households moved upwards. However, in respect of the higher income groups, the positive income shift is less. This leads to the conclusion that the lowest income group beneficiaries benefitted more from IRDP. Further the blockwise figures were examined and it was found that except in the income group of 7001-8000, all others belonging to Mananthavady block had higher income mobility.

iii) Economic Impact of the Programme:

We have compared the beneficiary households with non-beneficiary households in respect of income, employment, consumption, indebtedness and household assets.
It is observed that in the less developed block there was significant difference in all the variables used between beneficiary and non-beneficiary households. Beneficiary households were in an advantageous position in all respects (of course they were having higher indebtedness too). In the developed block the situation is a little different from the one that is obtaining in the less developed block. The inference that emerges from this is that in the less developed block IRDP is somewhat successful in the sense that it succeeded in providing better endowments to the beneficiaries. In the developed block, though IRDP provided better employment and income levels to beneficiaries, it has failed to show any significant difference in consumption and household assets with respect to non-beneficiaries.

When we disaggregated the income and employment gains schemewise, the income differentials in the case of mat weaving beneficiaries and non-beneficiaries in the developed block turned out to be insignificant. This calls for some explanation. The beneficiaries under
this scheme being members of scheduled castes, the average amount of assistance obtained by them was as low as Rs.772 and with such a low assistance it would be too much to expect a significant change in the household income and employment position of the beneficiaries. This supports the hypothesis that increase in income depends very much on the amount of IRDP assistance, pre-IRDP income, asset base of the household (It was less in this scheme compared to beneficiaries of other schemes) and the rate of return from the scheme (In the case of mat weaving beneficiaries, the return was negative).

iv) Income Distribution:

In our endeavour at measuring the impact of IRDP on distribution of household income, we worked out the Gini concentration ratios for the income of beneficiary households before and after the implementation of IRDP. The finding is that in both the blocks there was not much inequality in the distribution of household income
in the sense that we got a relatively low gini ratios for the two time periods (before and after) and for both the blocks. Hence it is difficult to say whether IRDP has made any impact on income distribution among beneficiary households in the study region.

v) **Analysis of Financial Statements:**

We also looked into the cost effectiveness of the schemes by using the information from income statement and balance sheet. The income statement ratios showed that the less developed block showed better performance with regards to the working of IRDP as compared to the developed block. We found that the operating ratios of almost all schemes were quite high in the developed block pointing to the fact that certain schemes like milch animal and goat rearing, were inefficient in their operation. The variable costs involved in such schemes were quite high in the developed block, which in turn led to low rate of return or profitability of the schemes. In the less developed block the operating ratios
were comparatively lower and the rate of return was slightly higher than that in the developed block. But there is a disturbing point which should be taken note of. That is, as against the average rate of return envisaged by the Planning Commission/MRR (0.67), in the study region the rate of return was as low as 0.22. The factors attributed to this are: inadequacy of working capital, relatively high input costs, non-functioning of many assisted schemes and the overestimation of returns by the planning commission.

Through the analysis of balance sheet ratios (See Table 5.7), we found that in both the blocks under study both beneficiaries and the non-beneficiaries were having a reasonable degree of credit worthiness or risk bearing ability. This finding dismisses the fear that IRDP has created a debt trap among the beneficiary households. But still we found that the beneficiary households, in both the blocks, were financially weak as compared to non-beneficiary households. Almost all the balance sheet ratios favoured non-beneficiary households.
in the matter of financial strength. This suggests that IRDP could not bring more financial strength to the beneficiary households which benefitted out of it.

vi) IRDP and Socio-economic Groups:

We also examined whether IRDP has had a differential impact on different socio-economic groups. The social groups consisted of SC/ST, and non SC/STs and economic group consisted of non-agricultural labour/artisan, agricultural labour and marginal/small farmers. A startling finding that emerged was that though IRDP aimed at assisting the poorest among the poor, the socially and economically deprived sections/groups received lower quantum of IRDP assistance as compared to other sections that are better off. We clearly observed this kind of discrimination in the case of all schemes except milch animal scheme in Panthalayani block. Another disturbing point is that the percentage of subsidy disbursed in the case of SC/STs is less than the proportion this group bears to the total number of beneficiaries, pointing to a lower average subsidy per family.
One of the reasons for this differential rate of investment or subsidy is that the SC/ST families were given schemes with a low capital content. This is not justifiable because it leads to lower income generation to them.

Coming to the occupational groups though the agricultural labour households had the lowest average pre-IRDP household income, marginal/small farmer households received higher amount as IRDP assistance. This means again that the objective of giving weightage to the poorest among the poor under IRDP has not been carried out in the matter of giving IRDP assistance. Secondly, by and large, IRDP has had a differential impact on SC/ST and non-SC/ST households with regards to income and employment generated. This supports the hypothesis that the differential impact was in accordance with the pattern of assistance to different groups. It was the non SC/ST households, and the marginal/small farmer households which got higher incremental income and employment as compared to the other socio-economic groups.

A disaggregated analysis was done with respect
to occupational groups by taking the respective non-beneficiary households in each group. This analysis shows that in the developed block the non-agricultural labour households had significant difference in household employment and income in relation to non-beneficiary households.

In the less developed block both the agricultural labour households and the marginal/small farmer households showed differences with respect to income and employment compared to the non-beneficiary households. The conclusion that emerges from this is that the poor in the developed block i.e. agricultural labour households, could not benefit substantially, whereas in the less developed block though they received lower quantum of assistance yet they were better off as compared to non-beneficiaries belonging to the same occupational group.

8.2.3 IRDP as an exercise in micro-level planning

The present study not only examined the effectiveness of IRDP as an antipoverty programme but also evaluat
the planning and implementation of this programme at the field level. Our second set of findings therefore are related to the planning and implementation of IRDP in the study region. More specifically the present study went into the operational aspects of IRDP as an anti-poverty programme.

i) Absence of Decentralisation:

Conceptually IRDP is an exercise in decentralised/micro-level planning. By decentralising planning it is sought to achieve a higher degree of dispersal of decision-making power to individuals or groups at 'lower' levels in the spatial hierarchy. Here the kind of decision to be taken relates to the question of bringing poor people into the production process. In other words, decentralised decision making/planning involves people in developmental activities which in turn provides more accurate and detailed knowledge about local needs and conditions. This helps to prepare better plans which are more likely to be relevant, implementable and acceptable to the local population. Decentralised planning involves planning for all sectors or types
of activity within a particular geographical area. In this sense this type of planning is also known as integrated area planning. 'Integration' implies bringing together different sectors; 'Integrated Planning' suggests an approach to planning which cuts across sectoral planning. It tries to achieve functional and spatial harmony between the activities of different sectors so that people's welfare can be maximised. In spite of this well conceived idea of decentralised planning/IRDP, the experiment has not produced satisfactory results mainly on account of the following reasons: (1) Lack of political will and commitment to decentralised decision making; (2) lack of people's participation in the planning system in the required degree; (3) absence of well developed spheres of action at different planning levels; and (4) lack of proper and effective functional arrangements to make decentralisation operational.

Hence at the conceptual level of IRDP, some of these factors have been side-tracked. This has resulted in a situation wherein IRDP works in a vacuum where there is no appropriate people's institutions which could
serve as a base for local level decision making. Sub-state units of governments are weak or non-existent. What we observed from the field was that due to the absence of people's institutions at the grassroot level, IRDP had become a bureaucratic ad hoc programme not different from the earlier beneficiary-oriented programmes.

ii) Working of Market Mechanism:

Another conceptual level lacuna in the system relates to the basic strategy of income generation or of bringing the poor into the production process. It is hypothesised that the poor lack capital and that capital assistance through subsidies will enable them to start viable household economic activities. This hypothesis in reality is absolutely a farce in the sense that it completely ignores the working of existing market mechanism dominated by monopoly elements. The new entrepreneurs (the poor beneficiaries under IRDP) are unable to take advantage of the benefits of extension of infra-structural facilities and technology; and they are also
subject to exploitation in the money, product and factor markets. A large flow of credit and reduced rates of interest are of little help when the products of 'small man' face constraints in relation to productive inputs, demand and marketing. Hence these contradictions between the objectives of IRDP and the existing structure of overall production mechanisms in the country appear to have worked as constraints on the effective functioning of this programme.

iii) **Operational Level Aspects:**

At the operational level the study mainly looked into the field level problems that cropped up in the course of the implementation of IRDP. The methodology of IRD plan suggested by MRR is dichotomous because it considers sectoral developmental programmes and target group development programmes as two separate parts of the planning process and identifies IRDP as part of the latter. However, on the question of integration of this target group development programmes the MRR guidelines are silent on certain aspects. For instance, there is nothing in the guidelines that would answer the question
of how to have a total approach that integrates the various rural developmental/anti-poverty strategies at the field level. What should be the planning body at the local level that could undertake the tasks of rural development? Should this body continue to be bureaucratic, leaving the people out of its decision-making mechanism? Further, we came across a number of field level problems at various stages of the implementation of IRDP. We may now present them for obtaining a view of the operational level problems of implementing the IRD programme.

a) Identification of Target Groups;

The main objective of IRDP being the integration of target groups with the production process, it is imperative that the really poor should enter into the target group. As a check-in-point the poverty line concept has been recommended by MRR (Rs.3500 per annum per family at 1979-80 prices). Only those households wish have a household income below this line are eligible to avail of assistance under IRDP. The present
study shows that according to this norm, 89 per cent of the sample households were misidentified in the study region. Even after allowing for the price level changes (i.e. taking Rs.7000 as the poverty line), we found that almost 45 per cent of the IRDP beneficiaries were not eligible for assistance. The high misidentification rate in the study region was attributed to (i) non-involvement of people's institutions in the planning process, (ii) insistence of the financial institutions on security, (iii) non-viability of schemes and (iv) target achievement mania of the programme implementing authorities.

b) **Drawing up of household Plan:**

Once the identification of the poor is over, the next step is preparation of household plans. These plans have to optimise the use of household resources. It has been observed that there was hardly any planning effort to achieve this objective. To our surprise, 28 per cent of the sample beneficiary households observed
that in their case no pre-IRDP household survey as such was undertaken. Most of the beneficiaries lacked any prior experience in the profession. The implementing agency was not keen on imparting training to them either. Not only that, in one of the blocks almost 82 per cent of the schemes was chosen by the beneficiaries themselves and the block machinery did not cross check the genuineness of their claims. It is noticed that the misutilisation and leakages were more in that block. However, in respect of land owned and manpower availability, the sample beneficiaries were having enough resources with them before the IRDP assistance. Therefore, though most of the schemes were appropriate to the beneficiaries from the physical household resource point of view, from the point of view of managing them efficiently the schemes proved to be inappropriate.

c) **Integration of Household Plan with Block Resource Plan:**

With a view to optimising its impact, the IRDP household plan was expected to be integrated with the block
resource and spatial plans and the district sectoral and non-sectoral plans. As such, IRDP as a microplan exercise was to become part of the block and district plans and to get enmeshed with them if it is to be effective as an antipoverty programme. According to MRR guidelines, this kind of integration can be achieved by preparing a Five Year development profile/perspective plan and annual action plans. But in the study region, other than the annual credit plans prepared by banks, no effort was made to prepare the perspective and action plans. It is, therefore, not surprising that there was no formal integration of economic activities of the IRDP beneficiaries in the study region.

It is insisted that while formulating household plans block resource position has to be taken into consideration. In the study region, it was observed that the implementing agency appears to have allocated schemes according to the general occupational pattern of the population. But while looking into the nature of block resources and IRDP schemes, it was found that none of
the schemes had met the input requirements within the block area. For instance, though animal husbandry happened to be the predominant scheme in the study region, there was no centre in the entire region which could supply good quality heifers to the beneficiaries. This resulted in inflow of milch animals from other States. Farmers were faced with higher risk because these animals were vulnerable to local climatic conditions. Likewise in the developed block there is no possibility of getting cheap fodder. Non-availability of goats to be distributed led to misutilisation by way of circulating the same goat from one person to the other in the name of IRDP. The study of other schemes also shows that though most of the schemes are well-conceived from the point of view of block resources the style of administering these schemes was not helpful for the following reasons: (a) The schemes were given in excess of the required number in the area (petty shop, work bullocks), (b) these were not given to eligible beneficiaries (work bullocks; land development); (c) the schemes were given without providing sufficient supporting infrastructure (milch animal, boat and net
and mat weaving); (d) the quantum of assistance given was so low that it thwarted efficient operation of the scheme (boat and net, mat weaving and petty shop); (e) non-availability of skills (milch animals for STs); (f) lack of demand for the products (petty shop, milch animal and mat weaving); (g) competition from modern industry (boat and net); and (h) lack of institutional set up for their development (all schemes).

**d) Integration of IRDP with Sectoral and Non-Sectoral Plans**

As was already pointed out, there were some informal efforts on the part of various departments and agencies to integrate the developmental activities in the study region. For example, agricultural department in Mananthavady block extended support service to IRDP beneficiaries in various ways. Animal Husbandry Department and various other agencies dealing with animal husbandry extended their service to the overall development of dairying in the study region. In Mananthavady block some integrated efforts were made to maximise production and distribution of milk.
Another component of planning that should be integrated with IRDP is the non-sectoral plans. The latter constitute the basic needs of the community and enhance the productive capacity of the community indirectly. In the study region some attempts have been going on in the direction of integrating the two. In the less developed block, Mananthavady tribal department has made efforts to rehabilitate bonded labourers by constructing houses for them. The department is extending a number of subsidies for tribal people in the hope of raising their social consumption.

From the review of post-plan developments in the study region, it is found that though the planning authority has not formally planned for integration, yet attempts were made by other departments/agencies to support the economic activities of the 'small producer' of IRDP. But whatever linkages one finds now in the study region are not the result of a formal planning exercise; the linkages were established as a result of administrative decisions taken and implemented during the post-plan period. The compartmentalisation of
functions has continued even after the setting up of an agency like DRDA. The inter-sectoral integration was conspicuous by its absence. The result is that IRDP has become a target group approach (failed to integrate it with area approach) in the sense that it isolates the household development programmes from sectoral developmental activities.

e) Institutional Coordination:

A noteworthy characteristic of anti-poverty programmes in the country is the invention of a number of independent agencies to deal with rural development-poverty eradication programmes. The present DRDA is one such agency in charge of IRDP implementation. However, the block organisation plans and executes the rural development schemes under IRDP. Most of such schemes also come under sectoral departmental programmes. It is true that sectoral departments are having better qualified and trained personnel than the block organisation to plan and implement schemes coming under the
respective sectoral supervision. In fact, the block organisation does not have any authority over sectoral departmental personnel. Hence what is happening in the field is that block organisation tries to implement sectoral schemes under IRDP without any support from sectoral departments. So in most cases duplication of work is bound to happen. For instance, in order to plan for land development schemes help from agricultural department is essential. But since the block officer did not have any control over the departmental staff, it resulted in the poor implementation of schemes.

8.3.1 Policy Implications of the Study

From the findings of the present study may be drawn certain policy implications. For a better handling of the poverty problem of the region under study the following suggestions are made.

1) Setting up of people's institutions to plan and to implement rural developmental programmes

One of the weak points of the present 'top-down'
anti-poverty programmes is found to be the poor implementation of chalked out schemes at the field level. At present the entire burden of implementing rural development programmes rests upon the shoulders of an inefficient and corrupt bureaucracy which is not accountable to anybody at the local level. If local level people's institutions are set up and provided with the task of working out and carrying out the plans and programmes they can control the bureaucracy and also take the responsibility for the success or failure of the programme. This will also take care of the local needs and resources and it will help to frame a people's plan involving people in their own development programme.

ii) **Agency Approach to Rural Development/Poverty Eradication**

At present a number of agencies like DRDA, ITDP, ICDP etc., are functioning side by side with the sectoral departments. These agencies are framed to serve the needs of the poor. They are also involved in decisions
with respect to the production activities that are being undertaken by the poor. For the fulfilment of such production decisions support from sectoral departments is a pre-requisite. Here lack of coordination is a constraint in programme implementation. In fact, the superimposition of such agencies over sectoral departments did not improve the functional integration of all the sectoral departments. The agencies have become a kind of hump over the overall administrative mechanism. Hence strengthening of sectoral department itself would appear to be a feasible solution for intersectoral integration. The agencies may be assigned with welfare programmes but not with developmental programmes which involve decisions on production

iii) **Setting up of Group Production Schemes**

The study has brought out that the individual family based economic activities sponsored under IRDP failed to fetch a higher rate of return. The factors identified for low returns were the diseconomies of scale both in the input market and in the output market.
As was noted earlier the small producer works under conditions where the market mechanism plays its own role. Often the IRDP 'small producer' is a loser in the bargain. Hence the need of the hour is to provide both input and output market facilities to him. The group of small producers can form themselves into a 'cartel' in the local area in order to improve bargaining capacity.

Another aspect to be considered before working out production schemes for those producers is the availability of local resources and skills. For example, in the less developed block, schemes were given to tribal beneficiaries without consideration of their preferences and skills. And in the developed block the animals were supplied without ensuring the availability of cattle fodder or feed. This scheme failed mainly because of the exorbitant cost incurred by the beneficiaries in getting cattle fodder. Many of such input constraints faced by individual operators can be resolved through collective efforts of the producers engaged in the same lines of production. Collectivity in economic efforts
is a necessity to achieve enduring economic benefit to the poor people under IRDP.

The kind of group schemes will facilitate the financing institutions to advance finances readily and without risks. Schemes organised on a group basis overcome the difficulty of entrepreneurial skill or spirit on the part of individual beneficiaries.

iv) Increase in the quantum of assistance to the poorest

The overall assistance per household under IRDP is far below the officially envisaged figure. Apart from this, there was discrimination against the SC and ST beneficiaries with regard to quantum of assistance. The problems arising out of this can be solved by increasing quantum of assistance and following positive discrimination policy in favour of those who stand at a disadvantage both socially and economically. It should be borne in mind that the assistance extended to a family should cover the entire cost of the scheme. Otherwise, the beneficiary either does not avail himself
of the benefit or goes to money lenders for additional help as has happened in the case of boat and net beneficiaries in Panthalayani block. In some other cases this led to misutilisation of the assistance. Considering all these facts the quantum of assistance has to be increased.

v) Assured Input Supply to the 'Small Producers' of IRDPs

One of the serious lacunae that was observed in the study region was the poor availability - both qualitywise and quantitywise - of the required inputs to the households which are involved in small production activities. For example, lack of crossbred milch animal/goat and lack of cattle feed are perennial problems for those engaged in animal husbandry. For that matter, for any scheme, input constraint was a regular phenomenon in the study region. The sectoral departments can accentuate the production of such inputs on a wider scale and can work out appropriate policies for supplying these inputs to the IRDP beneficiaries. This will not only solve the
input constraints but also will generate employment opportunities to local people. Hence the plea for intense inter-sectoral integration of activities.

vi) At the Macro-Level, Inter-block Allocation of Funds should be on the basis of development:

We have found that the fund allotted for poverty eradication did not take into account either the stage of development of respective block or the incidence of poverty. It is suggested that such allotments should be in accordance with the incidence of poverty, giving more weightage to the less developed blocks. In the case of staff pattern also weightage has to be given to the size of blocks (area) and the number of households to be covered. For example, in the less developed block a VEO has to look after on an average 3373 households under his jurisdiction whereas in the developed block a VEO has to cover only 1661 households. It is our submission that after considering the quantum of Extension Monitoring and Evaluation work that one VEO has to carry out,
at least for every 2000 households one fully trained VEO has to be appointed.

vii) Production Schemes of IRDP Beneficiaries have to be protected against unhealthy competition of large scale industry through a system of quotas and reservations:

In the study region it was found that the small producers under IRDP were facing great competition from large scale producers. For example, under the boat and net scheme, the fishermen of the developed block were always facing competition from the owners of big boats and boats having outboard engines. Such vessels encroach into the area of shallow waters where the small boat owners normally get their catch. Though there are some laws against such encroachment still the small boat owners are at the mercy of big owners. This was the case with many of the ISB sector activities under IRDP. Some protective legislation should be promulgated to ensure that the small producers shared the input and output markets.
viii) Introduction and administering of improved means of production to the production needs of IRDP beneficiaries:

Technologically improved equipments and accessories are lacking in the production units of small producers. For eg. the fishermen still depend on logs for making boats whose longevity is very short compared to the fibre glass boats developed recently. Likewise lack of highbred milch animals suitable to the local climate is a serious problem of the milch animal rearers of Mananthavady block. So whatever be the production schemes the implementing agency should also extend improved technological assistance to the small producers under IRDP.

ix) Asset Redistribution, particularly land in favour of poor and shift in terms of trade in favour of rural poor:

The present rural development programme particularly IRDP did not address itself to the rural inequality question. Many studies have pointed out that
one of the main reasons for rural poverty is inequitable distribution of wealth in the rural areas. Hence equitable redistribution of rural assets including land is a precondition to bring the poor into the production process. Another way by which the rural poor can benefit is through progressive investment by the State in rural community assets so as to enhance the productive capacity of them. The accessibility of rural poor to these community assets also should be ensured. One of the reasons for the poor not getting the benefit both from the direct investment on them and the indirect investment on infrastructural facilities is the lack of absorptive and retentive power arising out of lack of assets.

Another channel through which the incomes of the rural poor are drained off to the urban and richer sections is the business transactions that take place between them. The former sells his produce to the latter and buys wage goods for his consumption. It is essential that the small rural producer's commodities are
protected through appropriate price and fiscal policies and State subsidies extended to the rural poor in the case of consumption of wage goods. This study revealed that the fishermen's catch fetched a very low income while the goods which he bought cost him much. The same was the case with the small and marginal farmers involved in small scale agricultural production.