Chapter 7

MAIN FINDINGS AND CONCLUSION
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The last 14 years has witnessed a transformation in development thinking and there is change in paradigm which has led to the introduction of the concept of human development. The basic task of economic development is not only to improve the material condition of living of the people in a given society or region, and minimize or eliminate the deficiencies and deprivations of material well-being, but also to foster and promote the capabilities inherent in human beings. How are the twin goals best achieved, whether the trade-off that may exist between multiple objectives could be minimized, and how governance of development programmes in particular, could be directed to the welfare and well-being of the people are all debated extensively in the literature. With shift in development paradigm from 'growth only' to 'growth with sustainable development, it is increasingly realized that efforts of development
administration to alleviate poverty, through economic growth and redistribution of income and wealth would be meaningless unless it is accompanied by expansion of basic capabilities of the human beings in a given society or region, and of the basic amenities that condition such capabilities. If poverty and associated deprivations are results of social, economic and cultural factors, deprivations in basic amenities governing human capabilities and functioning often reflects the inefficiency of the institutions of governance that are undertaken by the state in the name of public interest and well-being. Discussions in human development cannot be complete without referring to the manifestations of class of human deprivations of which poverty of mankind in different forms is an important one.

Despite the importance of social sector expenditure at the state level, there are hardly any studies in the state of Assam that address this issue. One of the reasons for this situation is the extreme paucity of requisite data. In Assam the Panchayeti Raj Institutions are not very active and are responsible for implementing most of the social sector schemes.

In our study, we have identified three variables viz. Economic development, social sector expenditure and population growth which affect human development. By economic development we mean State Net Domestic Product (SNDP) or economic development is represented by SNDP. Construction of human development index by UNDP method for six districts of Assam viz. Cachar, Kamrup, Jorhat, Barpeta, North Cachar Hills had been undertaken in the study.

Jorhat district with the highest HDI rank is followed by Kamrup, North Cachar Hills, Cachar, Karimganj and Barpeta. Relatively higher and lower
human development index of the districts are caused by level of literacy and life expectancy in the districts.

Except Barpeta in all other districts literacy rate is higher than state average. Percentage of literacy is highest in Jorhat which is one of the most important causes of highest Human Development Index (HDI) in the district. Literacy is a better measure of social development. Though higher literacy represents higher social development in the districts of Jorhat and Kamrup but these districts are still lagging far behind the districts in advanced states like Tamil Nadu, Kerala, West Bengal in terms of literacy. The condition of Karimganj district is also not very impressive as literacy rate is not very high in the district. Social development as conditioned by literacy rate, shows that the condition of Barpeta district is worst in this respect.

For improving literacy in the districts Central Government as well as the State Governments literacy programmes must be implemented carefully. Central Government’s programmes such as Total Literacy Mission (TLM), Sarba Shiksha Abhiyan (SSA) must be implemented with much more seriousness in the state to increase literacy in the districts. Other than Government programmes, NGO’s should also be entrusted to adopt and implement some programmes like Employment Guarantee Schemes (EGS).

Serious efforts are needed specially in rural areas to raise the level of literacy as rural areas are lagging far behind urban areas in respect of literacy rates.

We have also measured the life expectancy of the individuals which has got an important influence on the level of human development. Higher life expectancy in a district results in higher human development index (HDI).
Our study has further shown that life expectancy is highest in Jorhat district. It is interesting to note here that human development index (HDI) is also highest in the district and ranking first among all the districts under our study. Second highest life expectancy is found in Kamrup district and the district is also ranked second in human development index (HDI). Thus there is a direct influence of life expectancy on HDI. Higher life expectancy leads to higher level of HDI.

It may be pointed out that higher life expectancy results from better health services and better nutrition. We have not studied the nutritional standard of individuals. It is a general perception that better nutrition depends on access over economic resources and assumed that higher income families have better nutrition. But health services are more important than nutrition, for life expectancy. It is observed in good number of studies that (Robert Hecht et al., 2004) better health services results in higher life expectancy. So far as health services in the state in general and districts in particular is concerned, government is constrained with financial resources (Bezbaruah and Sarmah, 2002) and unable to invest on health services specially in rural areas. In urban areas households with higher income can make private investment on health services and government health services are also better. So special efforts must be made to improve health services in rural areas.

Health also influence per capita income. Healthy workers are more productive than workers with poor health condition. The initial beneficiaries of health improvements are often the most vulnerable group children. Health improvements can spur economic performance.
Judging countries economic performance by GDP per capita, however, fails to differentiate between situations where health differs: a country whose citizens enjoy long and healthy lives clearly outperforms another with the same GDP per capita but whose citizens suffer much illness and die sooner.

Thus health services must be improved in the state to increase economic efficiency of the people and increase life expectancy. In this task apart from Government effort, Non-Governmental Organizations (NGO’s) and other voluntary organizations must be entrusted in the task and thereby to lead to improvement in human development in the state.

Assam is a state characterised by wide diversity in social and cultural identity. Consequently a single index of Human Development for entire districts may fail to capture the real conditions of living of the various social, religious and income groups.

For all the six districts of Assam in our study we have calculated HDI for different social, religious and income groups. Different social groups for which HDI is calculated are General Class, Other Backward Class (OBC), Schedule Castes (SC’s) and Schedule Tribes (STs). For Cachar district HDI is calculated for general category, OBCs and SC’s of the population. For ST’s data could not be collected from remote and hilly areas. Among the three social classes HDI of general class is highest followed by OBCs and SCs. The conditions of schedule caste population in the district is not good with respect to literacy and income which has led to lower human development index for this group. In Karimganj district also similar results were found in our analysis. For the districts of Kamrup, Barpeta and Jorhat, HDI for general class, OBC’s, SC’s and ST’s are calculated. HDI is very high for general classes in Jorhat and Kamrup districts.
it is also highest for this class in Barpeta district but much lower than Kamrup and Jorhat district. HDI is lower for SCs and STs again if we compare SC’s and ST’s, it is lowest for SC’s in these three districts. In North Cachar Hills district percentage of schedule caste population is very low, so we have constructed HDI for only general, ST’s and OBC’s. Some interesting observations can be made from the study. HDI is highest for general class followed by OBC’s and ST’s. Incase of other districts HDI of OBC’s are higher than ST’s while in N.C. Hills, the case is different.

We have taken five income groups to measure HDI according to the income groups. These income groups are (i) low in which income ranges upto Rs. 20,000, (ii) lower middle between Rs. 20,000 to Rs. 40,000 (iii) middle Rs. 42,000 to Rs. 62,000 (iv) upper middle Rs. 62,000 to 86,000 and (v) high income groups Rs. 86,000 and above. These are the yearly income for all groups. These income groups are based on the National Council of Applied Economic Research (NCAER’s) methodology. According to these income groups HDI for all the districts were calculated. A general trend is observed in case of all the districts of our study. Higher income groups are having higher human development lower income groups are having lower human development. From this finding we can conclude that level of income has a very significant influence on the level of human development. So for improving the level of human development new sources of income must be generated and more and more people have to undertake self employment opportunities as Government jobs are very few.

Other than social and income groups, we have also constructed Human Development Index (HDI) for different religious groups. In all the districts HDI for Hindus and Muslim religious groups were constructed except North Cachar
Hills. In these districts other than Hindus and Muslims, percentage of Christian and other population are very low. It was also very difficult to identify the localities where Christian households are located. So we have constructed HDI for only these two religious groups. In North Cachar Hills district we have two major religious groups Hindus and Christians for which HDI was calculated.

In most of the districts human development index for Hindus are higher than Muslim religious groups other than North Cachar Hills district. The higher HDI for Hindus may be due to higher literacy amongst the Hindus compared to that of Muslims. Again there is differences in the levels of income between the two religious groups which also causes differences in the level of human development among these two religious groups. Among the Muslims, most of the households fall in low or high income groups. There is very few middle income groups. Most of the families belonging to Muslim religious groups are from households in low income groups which may be responsible for lower human development index (HDI) of Muslim religious groups. In North Cachar Hills district, HDI of Christian religious groups are higher than Hindus. In this district there is an exception that HDI of Hindus are lower than Christians.

Thus there is an urgent need to take necessary steps to improve human development of Muslim religious groups in particular and overall human development index of the districts. It is a reality that HDI of lower income groups are always lower compared to that of higher income groups. For improving HDI of lower income groups first necessary step would be to increase their level of income. This may be done through improving literacy and enhancing health services to lower income groups. It is a common phenomena that lower income households are having lower literacy and poor health services.
The result of our regression analysis reveal that there is no relationship between HDI and the Net State Domestic Product (NSDP), since the coefficients of the function is not statistically significant. Since NSDP is the indicator of the level of economic development of the state, the non-acceptability of this function satisfies our first hypothesis that HDI do not depend on economic development. However, what emerges as a surprise is that social expenditure does not seem to have any direct impact on HDI. The reason could perhaps be that the social expenditure has not proved to be very effective in the state, the factors behind which needs to be explored further, or that the benefit of social expenditure takes many years to be fully felt by the beneficiaries. Therefore our hypothesis relating to the positive relationship between social expenditure and HDI, does not hold good at least in the state of Assam. It is further interesting to note that our hypothesis relating to population and HDI works out in the reverse way. Explanation could be sought in the fact that along with a rise in population literacy rate and health condition instead of deteriorating might have actually improved. It is also possible that the addition to population might be contributing more for the generation of income, combined effect of which is felt in the improvement in HDI.

Therefore though taken individually the variables may not appear to have much influence on HDI, but when seen in a holistic way, they do have a very significant impact on HDI. The reason could be that since they are variables, all of which have relevance in the social sector, their full influence can be realized only when their operation is taken into account simultaneously. The variables effect each other, which is not surprising in case of such socio-economic variables, before their full impact on HDI can be known.
The first hypothesis which we have tested is that Human Development Index (HDI) in the state is not dependent on economic development of the state. We have tried to represent economic development through NSDP. It has been observed in our study that HDI in the state always lagged behind economic development as the rate of increase of NSDP is much higher than the rate of increase in HDI. This implies that benefit of economic development has not trickled down to benefit the common man, and has been confined only to a small section of the beneficiaries. This finding is further supported by the wide gap in HDI among the different economic section of income groups as examined in our earlier sections. Thus we accept the first hypothesis as true.

In this study, the second hypothesis was that HDI is dependent on the social expenditure incurred in the state. This hypothesis is not true in our study since in so far as we have seen that though there is no direct relationship between social sector expenditure and HDI. Thus one can say that effect of a definite impact of social sector expenditure do not trickle down automatically to benefit common man.

Proper planning and judicious allocation of social sector expenditure across space and for different socio-economic and religious groups specially in a place like North-East is extremely essential for direct impact of social expenditure on HDI.

However, study reveals that HDI is higher in those places which has a better performance in health and education. This is an indication of the fact that if social expenditure had financed major performance of these two sectors. HDI then could have increased directly. However, in Assam most of the efforts with
respect to these crucial variables are at private level, due to which social expenditure taken alone is not able to explain performance of HDI.

The third hypothesis was that there is wide diversity in human development across various religious, social and income groups. This hypothesis is true since we found that generally level of human development is higher among the higher income groups compared to that of middle and lower income groups, marking a wide disparity in living condition among various income level. This may be a major cause for concern as wide differences in HDI among different groups may breed potential danger for future economic growth of the nation. Moreover significant differences in the level of human development are also observed among the various religious and social groups. HDI is higher for the general classes compared to other social groups like SC’s and ST’s in most of the districts in our study. So far as religious groups are concerned in all the districts HDI for Hindus are higher than Muslims. Thus we also accept this hypothesis as true.

The last hypothesis which we adopted was that HDI is inversely related to growth rate of population in the state. Through our regression analysis we have tested the relationship between population growth and the level of HDI and found that there is a positive relationship between population growth and HDI. Thus we drop this hypothesis and conclude that population growth do not have any direct impact on HDI.

The study has therefore attempted to get an in-depth insight into the quality of life across different socio-economic and religious groups of people spread across the entire state. The study concludes that some of the factors which play important role in determination of HDI in other parts of the country
such as social expenditure and population growth, especially their lagged values, do not appear to have any impact on HDI at least directly or in the short run in this region. Benefits of limited level of economic growth have been confined only to some section of the population as in most other states of the country. However, serious efforts and attempts are been made for such benefits to trickle down to the masses, though in this state a lot more effort in this regard needs to be made. In view of the hilly terrain and remoteness of some of the places of the state and transport and communication problems, even if efforts are made the results are not so easily evident as in other parts of the country. However, the hard reality that the study highlights is that HDI in the state and for different categories of people is way behind the rest of the country.

As there exist large disparities across districts there is variations in HDI, literacy and life expectancy, the State Govt. expenditure however continued to benefit largely the districts with higher levels of social sector attainment. There is need to restructure the state level expenditure on social sector in favour of districts with poor attainment level as is evident in case of certain districts.

Public health and education must be accorded higher priority and at district level there must be substantial increase in allocations to health sector particularly in poor performing districts. Expenditure compression in these sectors are due to financial constraint of the State Govt. Some stringent measures must be taken to improve performance of these sectors.

The analysis of our study emphasise that need for the Government to formulate and implement separate social policy on account of education, health and nutrition specific to the special problems of every area. The Govt’s. social policy should comprise two components viz. (i) fiscal allocations for the
provision of social sector services and the (ii) promotion and nurture of the requisite institutions so as to enable the poor to demand such services. The effectiveness of fiscal allocations in enhancing social attainments is dependent on the effectiveness of social sector delivery systems. It is also assumed that poor relied to a greater extent on the Govt. provisioning of social sector services.

A perusal of initial conditions at the district level study shows that there were formidable structural constraints in terms of incomplete structural transformation, substantial inequality in the distribution of assets and persistence of poverty at relatively high levels. Additionally there existed considerable rural-urban disparities in the provision of social infrastructure, particularly at the district level. In education sector, it was observed that despite nearly universal access to primary schools, the drop-out rates were quite high in the districts. The reason for drop-out by scheduled castes and scheduled tribes indicated that ‘not interested in education’ and economic reasons were important. In all the districts of our study, the range of services provided was better in Kamrup and Jorhat districts. The services provided by the primary health centres in the districts were unsatisfactory resulting in the relatively poor utilisation of such services, particularly in Karimganj, Barpeta and North Cachar Hills districts. Despite the poor quality of services provided in both education as well as health sectors, there is greater dependence of the poor on Government provisioning on account of the lower costs associated with such utilisation. The levels of attainments in life expectancy and literacy below the national average in all the districts of our study except Jorhat and Kamrup districts.
Since State Government incurred bulk expenditure on social sectors, this meant a decline in the allocations in relative terms as there is financial constraint in the state. At the level of the union government, there was a concerted thrust to direct social sector allocations towards basic level facilities. However, the impact of such measures was bound to be limited in view of the piecemeal nature of several initiatives and the fact that most schemes were implemented within the context of poor quality infrastructure that existed in the state. Furthermore, the success of the schemes depend critically on the participation of State Governments whose response was not encouraging on account of the fiscal implications of such measures.

There was no social effort made during the reform period by the State Government to increase the level of expenditure or restructure Government expenditure on social services. The pattern of allocation within social sector expenditure did not record any substantial change. This indicate there was no restructuring of Government expenditure on social sector towards basic level facilities. Thus there is total neglect of health services and nutrition facilities.

An interesting feature of the expenditure in social sector is that expenditure pattern is determined at state level and no district wise emphasis is given to determine social sector expenditure by giving emphasis on under developed districts. There is no evidence of increased social sector attainments in either districts, except in the case of general education. The stagnation or decline in allocations would not had have deleterious impact on social sector outcomes if the efficiency with which social sector delivery systems functioned had improved. Moreover, there is very poor quality of services provided in the districts. The functioning of public distribution system was also very poor in the districts.
A perusal of the quality of services provided in education, health and nutrition indicated that the performance of most of the district except Kamrup and Jorhat, are vulnerable. Complaints regarding poor quality emanated mainly from the households. With respect to the PDS, the perceptions were mostly those of deterioration.

In sum, the situation with respect to social sectors continued to be unsatisfactory in the districts. Notwithstanding the better than average performance in all the districts, the gap in social sector attainment when compared to the districts in Kerala or West Bengal with the six districts of our study is substantial. Ironically the districts are generally considered to be relatively under developed in terms of social sector attainments.

Our study highlights some important findings that have substantial implication for social policy. These are – First, the macro dimensions of social policy are of considerable significance in ensuring the proper functioning of delivery systems at the micro level. This needs to be highlighted because very often the range of causes that impede the effective functioning of delivery systems at the micro level are being identified as local factors. While not undermining the importance of those factors that do some times present hurdles at the local level. It is very clear from the detailed examination of macro as well as the fiscal policies of the state government that relative allocation to social sectors serves as powerful signal of political commitment of the government to specific sectors. This, in turn, reflects the efficiency of the Government Officials down the line, right upto the village level. Thus the repeated cry of grass root organizations that expenditure alone is not enough is true at the micro level, the allocation of expenditure is perhaps the single most important act of Government at the macro level. It is important to highlight that the pattern of
Government expenditure on social sectors, apart from its level, is critical in this respect. Thus there is an imperative need to substantially raise the level of spending on social sectors, in both relative and absolute terms while simultaneously restructuring social sector expenditure in favour of basic level facilities so as to improve social attainments in the near future.

Another important factor at the macro level is the fiscal health of the Government. It is evident from our analysis that political commitment to social sectors has to extend beyond raising relative fiscal allocations. It has also to find resources to finance these sectors. The critical fiscal situation that exist in the state implies that enhancing allocations to social sectors would require restructuring state finances as well.

The raising of allocations for social sectors as well as restructuring of state finances are more easily accomplished in a scenario where NSDP is growing. Another channel that could be relied upon is controlling the rate of growth of population. It can be said that performance of the state in social attainments could be better if both these elements were found in equal strength in the state.

The unsatisfactory situation was accentuated by the utter lack of synergy among the programmes designed and implemented by the Government for social sectors. The root cause for this lay in the lack of recognition of the linkages between economic growth and human development on the one hand, and the importance of structural factors in explaining social deprivation and the role of the Government in mitigating such conditions on the other. In the absence of such an understanding, a welfare orientation pervades social policy and inhibits Governments from reallocating substantial proportions of
budgetary resources away from ‘productive’ sectors towards social sectors. Additionally, there is also a lack of recognition that minimum levels of education, health and nutrition constitute the fundamental rights of every citizen. There has been a recognition of education as a fundamental right in recent times. However, the other elements that contribute to human development have yet to be recognised as such in the country. The lack of recognition of the synergistic relationship between the various components constituting the social sectors leads to emphasis being placed on one component to the utter neglect of other.

At the micro level, the importance of several organizational factors, attention to which could improve the utilisation of social sector services are also important. The involvement of local level institution and other voluntary bodies in ensuring the continuous monitoring of the services provided could go a long way in improving their quality.

The provision of minimum levels of education, health, nutrition and employment are the main instruments that can go a long way in enhancing human development in the districts in general and social sector attainment in particular as revealed by our study. Thus provision and monitoring of basic and minimum services to basic needs will lead to the ushering of a new era in the realm of social policy of the state and definitely it will lead to higher human development in the state.