CHAPTER 1
INTRODUCTION
1.1 THE BACKGROUND

Diversification of rural economy has been at the central stage of development policy since the inception of planning era, in addition to raise of agricultural productivity in India as elsewhere. The rural non-farm sector (RNFS) is increasingly being recognized as a potential source of employment, diversified and diffused economic development. With the capital intensive nature of current economic growth, generation of adequate employment opportunities has emerged as a key concern of policy makers. As agricultural sector ceased to absorb reasonable degree of labour force in India, RNFS has gained a great deal of attention as promiseable source of employment and earnings. The RNFS, however, is a highly heterogeneous category (Singh, 2007).

A significant role played by the RNFS in the over-all development of rural economy is now well-recognized. Although the debate on agriculture induced diversification as the corner stone of the development of RNFS continues to attract a great deal of attention, many a recent studies on urban-linkages of rural non-farm growth have also gained prominence. The studies clearly point to the role of RNFS as an important link between industry and agriculture. In terms of employment generation, the role of RNFS in absorbing the labour, particularly in the context of the stagnant growth of employment in formal manufacturing sector, can hardly be overstressed. However, given the heterogeneity and diversity within the RNFS itself, there is a need to study the growth performance as well as labour absorption capacity of the sector in specific regional and sectoral contexts.

In view of growing marginalisation of land holdings and diminishing land frontiers, dealing employment elasticises in agriculture and urban manufacturing sector, a large section of rural labourers are finding it increasingly difficult to eke-out subsistence from agriculture alone. Therefore, rural non-farm employment seems to be one of the better alternatives available
for a large number of rural under employed and unemployed labour force to enhance and sustain their income levels. An occupational shift from farm to non-farm is quite discernible especially in the case of male workers.

The RNFE plays an important role in developing countries which are characterised by a set of problems such as mounting population pressure, diminishing land frontiers, small and fragmented land holdings, high incidence of unemployment and poverty. They constitute an important category of income and provide supplementary employment to the poor households, especially during the slack season and reduce income inequalities, stabilise their income levels and minimise the adverse impact of urbanization etc. In determining the total employment and income status of the poor households, RNFS has a place of great significance in the rural economy.

A shift in the structure of employment in favour of non-agricultural sector is considered to be an index of economic development. India is perhaps the only developing country where the proportion of the labour force dependent on agriculture has remained nearly constant despite considerable increases in per capital income. Some studies in the early 1980s observed the fall in the proportion of workers engaged in agriculture related activities and an increase in the share of the non-agricultural sector (Krishnamurthy 1982, 1984: 2121-28: Visaria 1984).

1.2 RURAL NON-FARM ECONOMY

The importance of RNFS in providing employment and earnings to a substantial section of the rural population has been clearly brought out by many studies (Liedhlam and Kilby, 1986; Shand, 1986; Visaria and Basant, 1994). The RNFS is no longer viewed as a 'passive side route' to provide employment for some, rather its centrality in the over all strategy of rural transformation is well recognized now. It is quite clear that in peasant economy, which is characterized by heavy demographic pressure on land, small and fragmented holding, iniquitous land distribution structures etc, agriculture alone can not solve the problems of rural unemployment and
underemployment (Chadha, 1993a). Given the low employment elasticity in the increasingly capital intensive manufacturing sector, and problems of urban congestion, the necessity for providing employment within the rural sector itself is being increasingly realized.

Modern agricultural growth is based on strong backward and forward linkages with industry and other non-agricultural activities some of which may partly be located in the rural areas themselves (Meller, 1976). The prospect of non-farm sector growth also critically depends on the nature and pace of agricultural growth at least because of three different reasons viz., expansion of demand for non-farm goods and services, growth of rural enterprises supplying agricultural inputs. Rising agricultural productivity and wages in agriculture by raising the opportunity cost of labour in the non-farm sector, which restructures the latter by a shift from low-return, labour intensive activities into more skilled, higher investment, high return activities (Hazell and Haggblade, 1991: 515). Similarly, a healthy growth of the rural non-farm sector can contribute substantially towards a more productive and diversified agricultural growth.

The advantages associated with rural non-farm sector, according to a number of studies, include utilization of local talent and local 'slack' resources, which cannot be easily shifted or utilized elsewhere; reduction in migration to urban, industrial centre i.e., 'localization of employment'; narrowing down of rural-urban gaps i.e., easing urban congestion; generally less capital-intensive and more labour absorbing growth-pattern; lesser degree of inequality in rural income distribution (Bhalla and Chadha, 1983:95-101); higher earnings and reduction in poverty levels (Chadha, 1994); higher participation of women in non-farm activities etc (Unni, 1991; Misra, 2000).

1.2.1. Conceptualisation of RNFE

The non-farm employment includes all activities such as mining and quarrying manufacturing (cottage and small rural industries and other forms of petty production), construction, trade and services in rural areas. The seasonal and contractual jobs, unconnected with farming as such, available within the
village or in the nearby town are also a part of non-farm employment (Chadha, 1986; Edgreen and Muqtada 1989; Fisher, Mahajan and Singha 1997; Biradar and Bagalkoti, 2001).

The rural non-farm economy (RNFE) is generally defined as comprising all those non-agricultural activities, which generate income to rural households (including income in kind and remittances), either through waged work or in self-employment. In other words, it includes all economic activities in rural except agriculture, hunting and fishing (Lanjouw and Lanjouw, 1995; 2001). Since it is defined negatively, as non-agriculture, it incorporates a wide range of activities including manufacturing, petty trading, services, as well as transfer of payments and remittances from temporary or seasonal migration to rural areas (Davis and Pearce, 2001).

The meaning of 'rural' in RNFE is critical in understanding its nature, importance and viability (Lanjouw and Lanjouw, 1995). There are some difficulties in defining the RNFE in a spatial perspective. Infact, the RNFE can be classified on many dimensions: on farm/off-farm, wage/self-employment, and agriculturally related/otherwise. Davis (2003) notes that an ideal classification of the RNFE should capture some or all of the following distinctions:

i) Links to farming or the food chain, since agricultural linkages are often. Key determinants of the RNFE’s potential for employment and income generation;

ii) Market linkages: Local markets or distant markets - since the latter have the scope to create employment and earnings independent of the rural economy; and,

iii) Relative earnings and scale effects: Those which are sufficiently large, productive and capitalized to generate incomes above returns obtainable in agriculture and those that offer marginal gains - since the capacity of the RNFE is to foster growth and that depends on the farmer, while the latter can maintain the households above the poverty line (Davis, 2003).
While diversification per se can refer to increasing mix or multiplicity of activities, regardless of the sector, RNFE refers to the shift away from traditional agricultural sector to non-agriculture activities. Again, there is a need to distinguish between different levels of diversification of as household or individual economy, though the two may be interrelated to some extent (Start, 2001). The RNFE may be characterized by at least three categories: the activities undertaken, employment and the use of labour time; and income generated. All these three categories, to some extent, overlap, but have distinct advantages and limitations. Income classifications have the advantage that they include sources that do not derive from activity and employment, such as transfers and rents, while data on employment, brings out a number of important dimensions such as, self-employment versus waged employment, full time versus part time, year-round versus seasonal, local versus distant etc.

1.2.2. Relevance of Rural Non-Farm Sector

Rural non-farm employment has in recent times assumed importance in economic development. The non-farm sector plays a positive role in the removal of poverty, generation of employment and decentralization. It is a significant source of income to the small and landless farmers during the slack season. It also facilitates structural transformation and provides non-food goods and services to the rural population (World Bank 1978:8).

The rural non-farm economy accounts for 23.94 percent of all full time employment in rural India and for nearly one third of rural income. It is the backbone of the economy of numerous small towns scattered through the countryside as well as the primary source of income and employment for many of India's poor. In view of this, the rural non-form economy will play a key role in determining the future prospects for employment growth and poverty alleviation in India (Basu and Kashyap 1992: A 173-A 189).

The rural non-farm sector in India has attracted attention in recent years as performing an increasingly significant rural income augmentation function. The rural non-farm sector is expected to feature accordingly in sectoral policy
debates regarding immersing agricultural growth and call for the rapid diversification of rural economic activities.

The rural non-farm economy is intimately linked to agriculture. A substantial share of rural manufacturing involves agro-processing and the production, repair and supply of farm inputs. Moreover, the dominant sectors in the rural non-farm economy consist of trade and service establishments that cater largely to rural consumer demand. The extent and importance of rural non-farm employment can be largely explained in terms of its contribution to the task of modernizing and servicing agriculture and catering and servicing to the non-food needs of the rural people.

The rural non-farm sector in India has attracted much attention in recent years as performing a significant function of augmenting rural income. Broadly speaking the non-farm sector can play a very important role in the economy. It is recognized that agriculture cannot absorb the excess increasing population. It is therefore, necessary to relieve agriculture from the pressure of excess labour to ensure increase in productivity in agriculture. The terms rural non-farm activity, the non-farm sector, and the rural off-farm employment are synonyms. Today the question is one of providing gainful employment to all the persons desirous of seeking employment not in agriculture but in the non-farm sector. There are many reasons for the current interest in the study of rural non-form employment, especially, in the context of rural India; the study of the rural non-farm employment is important not only because of its conceptual problem but also because of the enormous literature figuring in recent years.

The limited opportunity of employment in agriculture and the meagre opportunity in the organised industrial sector leave the only alternative of augmenting employment opportunity in the non-farm employment sector. The alternative to this is that the excess population would have to be siphoned to the carbon areas creating a large number of problems.

The RNFE are very small scale and based on traditional knowledge and skill and they are operated at a low level of investment. The working capital requirement is also low as compared to the large industries. Therefore, the
promotion of rural non-form employment is more feasible for a country like India where capital is scarce. Moreover, the development of the non-farm sector would help to provide backward and forward linkages to the other sectors of the economy. Hence, enhancing the possibility of providing more employment in the country.

An important objective of Indian planning since its inception has been to provide more gainful employment, reduce poverty and particularly reduce dependence on agriculture. An increase in non-form employment was seen as essential for improving the income and living standard of the rural masses by providing them gainful employment opportunities (Pravin Visaria 1995:388).

1.2.3. Share of Non-Farm Employment among Social Groups

Among the social groups, the disadvantaged castes (ST and SC persons) participation in workforce was higher than those of other (forward) caste persons during 1987-88 and 1999-00 i.e., before and after reforms. While the proportion of unemployed persons among SCs was more, it was less among scheduled tribes. During the reform period, while the proportion of non-working population was more or less stagnant among STs, it was marginally increased among SCs and others. The employment status among other backward castes (OBC) during 1999-2000 indicates that they were slightly better than STs and SCs in terms of low labour participation and low proportion of unemployment (Sambi Reddy, 2004:193).

Among the social groups, ST workers participation in the non-farm activities was very low compared to SCs and 'others'. In all social groups the females participation in non-form activities is lower than their counterparts in both the years. While an increased share in non-farm sector is evident after reforms among SCs and 'others ', a declined share is noticed in the case of scheduled tribes (Sambi Reddy, 2004: 199).
1.3. RESEARCH ISSUES

A detailed review of literature has been carried out in Chapter 2, wherein issues for research are identified. As is evident from the review of literature, most of the studies have not focused to analyse the dynamics of RNFE by age, education and size of landholdings among social groups at different agro-climatic conditions by conducting the primary survey. There is hardly any effort to examine the patterns of investment, expenditure and profit margins of RNFE by social groups at different agro-climatic conditions. The impact of RNFE on poverty and income distribution among social groups at different agro-climatic conditions is also not studied properly.

Many of the studies under review have not adequately addressed the dynamics of RNFE, which includes the following aspects. What are the socio-economic household characteristics of rural non-farm sector workers? What are the trends and patterns of RNFE among social groups? What are the factors influencing to the growth of RNFE among social groups? What is the relationship between poverty and RNFE among social groups? What is the investment and income pattern in RNFE among social groups? These aspects, though important they are have not been examined comprehensively as yet.

A brief review of literature clearly shows that no such attempt has been made to study the rural non-farm employment among social groups. To fill this gap and to bring out the trends, patterns, factors, structure, investment and income pattern of RNFE among social groups in Karnataka, the present study has been undertaken. Hence the statement of the problem is "Rural Non-farm Employment among Social Groups in Karnataka: A Household Level Study at Different Agro-Climatic Zones."
1.4. OBJECTIVES OF THE STUDY

The objectives of the study are to:

- Review of the existing studies on RNFE in India, emphasizing on social groups;
- Analyse the trends and patterns of RNFE among social groups in Karnataka;
- Examine the distribution of workers in RNFE among social groups by age, education and size of landholdings at different agro-climatic conditions;
- Study the investment and income patterns in RNFE among social groups at different agro-climatic zones;
- Offer policy guidelines for sustained growth of RNFE among social groups at different agro-climatic conditions.

1.5. HYPOTHESES

- Rural non-farm employment is positively associated with rate of literacy.
- Members of SC/ST households have limited access to RNFE as compared to Others.
- Household and agricultural assets are found to be higher in respect of Other households as compared to SC/ST households.
- Average investment in SERNA is higher for Other households vis-à-vis SC/ST households.
- Earnings from RNFE are higher in respect of Other households as compared to SC/ST households.

1.6. DATA BASE AND METHODOLOGY

1.6.1 Nature and Source of the Data: The study is based on primary and secondary data. The secondary data were collected from the published and unpublished documents of the Directorate of Economic and Statistics, Government of India and Karnataka. In order to examine the trends and patterns of RNFE at different agro-climatic conditions in Karnataka the data were collected from the employment and unemployment by National Sample Survey Organization (NSSO). Till date NSSO has conducted seven
quinquennial surveys [the first 27th round survey (1972-73), followed by the
32nd round survey (1977-78) 38th round survey (1983), 43rd round survey
(1987-88), 5th round survey (1993-94), 50th round survey (1999-2000) and the
60th round (2004-05) survey]. These surveys are the only source for
comprehensive, detailed data on employment/unemployment figures. Similarly
for census reports of India-Karnataka series, selected sample districts (Raichur
and Dakshina Kannada) census handbook, Districts (Raichur and Dakshina
Kannada) Gazetteers are used. The district statistical office of Raichur and
Dakshina Kannada, Tahasildar's office of Raichur, Lingasugur, Mangalore,
Bantwal, Gram Panchayats of selected sample (Yargera, Kalmala, Eachanhal,
Kotha, Talapady, Beluvali, Kavalamudoor and Kannyan villages) are taken into
account. Gazetteer, Universities (Karnatak University, Gulbarga University
and Mangalore University) libraries, libraries of different institutions (CMDR,
PRC and ISEC) engaged in research activities, various Economic Journals,
Books, Periodicals, Magazines, News Papers and Statistical reports, which
throw more light on the subject under the study are used as secondary sources.

An adequate, published information on rural non-farm employment
among social groups is not at all available and therefore data on such aspects
can be only collected by an empirical study designed specifically for this
purpose. Such a study would enable a proper analysis of the rural non-farm
sector workers among social groups and make suggestions for their upliftment.
Hence, the primary data were also collected by canvassing the structured
interview schedules among the sample households engaged in rural non-farm
activities in two districts of Karnataka, namely Raichur and Dakshina
Kannada. A structured household interview schedule was canvassed to elicit
the information relating to the identification details such as name of the head of
the household, caste, religion, household economic status and nature of the
family, basic details of the household, demographic details such as housing
condition, landholdings, livelihood strategies and income and household asset
position details of wage employment, details of self-employment (Rural Non-
Farm Activities), details of regular salaried employment, awareness and access
to social security measures, both promotional and protection, accessibility to health and medical care services, details of loans and savings, household savings and also the problems in rural non-farm activities were elicited from the sample household in the sample villages.

1.6.2. Study Area

The present study was carried out in Karnataka. For collection of primary data, the household level study was conducted at different agro-climatic zones in the state. As per the Zonal Planning Team (ZPT) setup by the Agro-Climatic Regional Planning (ACRP), the old twenty districts in Karnataka were classified into the four agro-climatic zones based their physiographic features, namely, arid, semi-arid, irrigated and coastal. Appropriate caution was taken to categorize the present 30 districts into different agro-climatic zones identified by the ZPT.

Out of four zones only two zones, viz., arid and coastal zones were selected for the present study. From each agro-climatic zone, one district viz., Raichur from arid zone and Dakishina Kannada from coastal zone were chosen. While from each district, two taluks (one advanced and one backward) were chosen. Further, from each taluk, two villages were selected for the present study (See Chart 1.1, Sampling matrix).

1.6.3. Sampling Design and Size

Multi-stage stratified random sampling technique, state as the first stage, Agro-climatic Zones as the second stage, districts as the third stage, taluks as the fourth stage, the villages as the fifth stage, and the households as the final or ultimate stage, was adopted for collection of the data among social groups. The stage wise selection procedure is described below.
1.6.3.1. Selection of State

Karnatak State is selected for the propose of present study. It is because the state which witnessed, of late or slow growth in RNFE has been chosen for an in-depth study at different agro-climatic zonal level. In view of the above fact as well as limited time and resources at the disposal of the researcher the Karnataka state has been purposefully selected for the study.

The Karnataka state has been classified into four sub-regions by the Zonal Planning Team (ZPT) constituted by planning commission, Government of India based on agro-climatic features such as type of soil, rainfall and cropping pattern. The team has categorized the districts (prior to formation of new districts) into four agro-climatic zones as shown below; Arid zone-Belguam, Bidar, Bijapur, Gulbarga, Raichur, Bellary and Dharwad; Semi-arid zone-Chitradurga, Tumakur, Bangalore and Kolar; Irrigated Zone-Mandya, Myasore and Hassan; and, Coastal Zone- Shimoga, Chikmagalur, Kodagu, Uttar Kannada and Dakshina Kannada. The sub-regional classification of the State proposed by the ZPT was used in the present study to analyze the RNFE among social groups in different agro-climatic features.

1.6.3.2. Selection of Agro-Climatic Zones

Out of the four zones only two zones; namely arid zone and coastal zone were selected for the field study. It is because these zones have different types of soil topography, elevation and climate, rainfall, and employment pattern. They don't occur uniformly everywhere, nor do they lend themselves to human manipulation, to the some extent. Further, these zones were chosen to get the data and represent with a more realistic picture of the region and to help clearer interpretation.

1.6.3.3. Selection of Districts

The next stage of selection is districts, the districts in the state are at different agro-climatic zones. Besides they are at different levels of development. From each agro-climatic zone, one district viz., Raichur from arid zone and Dakshina Kannada from coastal zone were chosen on the basis of
the comprehensive developmental index as estimated by the High Power Committee for Redressal in Regional Disparity in Karnataka headed by late Dr. D. M. Najundappa, the proportion of workers in RNFE among social groups, agricultural prosperity, rate of literacy, the incidence of unemployment and poverty and the SC/ST population density and the like.

### 1.6.3.4. Selection of Taluks

The fourth stage was the selection of taluks. Raichur district consists of five taluks (Devdurga, Lingasagur, Manvi, Raichur and Sindhanur) and Dakshina Kannada district also consists five taluks (Mangalore, Bantwal, Puttur and Belatangadi), which are at different levels of development. Eight development indicators were analysed to review the development levels of the above said taluks. The eight development indicators used for the analysis are:

- Percentage of urban population to total population.
- Percentage of net sown area to geographical areas.
- Percentage of net irrigated area to gross cropped area.
- Percentage of workers in RNFE among social groups to total workers.
- Percentage of industrial workers to total workers.
- Percentage of other workers to total workers.
- Percentage of SC/ST population to total population and
- Percentage of literates to total population.

The indicators were collected taluka wise for 2001. Based on the above indicators, from each district, two taluks, one advanced (Lingasugur) and one backward (Raichur) from Raichur district and one advanced (Mangalore) and one backward (Bantwal) from Dakshina Kannada district were chosen for the present study.
1.6.3.5. Selection of Villages

At the fifth stage 8 villages from 4 selected taluks were selected on the basis of agro-climatic features, agricultural growth, rate of literacy, SC/ST population density, availability of infrastructure and proximity to urban areas. On the basis of the above criteria one advanced village and one backward village from each taluk, viz., Yargera (advanced) and Kalmala (backward) from Raichur; and Eachanhal (advanced) and Kotha (backward) from Lingasugur; and Beluva (advanced) and Talapady (backward) from Mangalore, and Kannyana (advanced) and Kavalumoodur (backward) from Bantwal were chosen. While selecting the advanced and backward villages, sufficient attention was taken by considering the factors like proximity to the taluk head quarters or urban centers, availability of banking institutions, post offices, health centers, education societies, irrigation canals, cloth shops, transportation and communication facilities etc. Similarly, one backward village having few or none of the above mentioned facilities was selected to have appropriate representation. Thus, it is on the basis of these criteria that the researcher has selected 4 advanced villages and 4 backward villages from four selected taluks based on the multiple stratified random sampling method.

1.6.3.6. Selection of Sample Households

In the last stage the households were selected from the sample villages. For the selection of the sample households, a list of households with basic details was prepared in each of the sample village by a village census. Further, the sample households belonging mainly to SCs, STs and Others engaged in RNFE were randomly selected in each village of the study area. From each village, 50 households, of which 12 from SCs, 8 from STs and 30 from Others were selected with a view to ensure more representation from the Others caste community as the significant proportion is found to be higher and persistent. The total sample size of the study was 400 households consisting of 50 households each from 8 villages. The following Chart 1.1 presents the sampling design and size.
1.6.4. Tools of Data collection

Social sciences have developed various methods for enquiry, among which interview and questionnaire methods are important. From the economic perspective the interview method is considered as a very useful instrument to collect primary data. In the present study the essential supporting primary sources information was also collected through the interview method.

The researcher personally visited to the sample villages and collected the information with the help of the interview schedule prepared by him. The interview schedule was administered to the head of each household selected for study through sampling procedure. However, the observation method was also used. The researcher also keenly observed the assets and the type of life led by the respondents as this was support to analyse the data. This procedure was largely effective and useful.

1.6.5. Period of the Study

The household survey was conducted in the month of November and December 2009 and elicited the information for the agricultural year (June) 2008-(May) 2009. Similarly, the secondary data for the sample villages, relating to cropping pattern, land use pattern, number and area operated by different size of landholdings, population by social groups, rate of literacy, etc., were related to the 2007-08 year.

1.6.6. Tools of Data Analysis

Simple statistical tools and techniques like averages, ratios, percentages, and correlation matrix were employed for analysis of data. The results were presented through bar and line diagrams, wherever appropriate.

1.7. SIGNIFICANCE OF THE STUDY

Generally, the studies on RNFE are concentrated on the macro level only. But this is a unique and comprehensive study of its first kind. It analyses the structural changes in employment status among various groups of population on the basis of primary data. In that sense it has special approach.
The present study makes useful contribution to the existing body of literature in terms of analyzing the socio economic dimension of RNFE and schedule castes, scheduled tribes and Other castes by age groups, level of educational attainment's and size of land holdings. Empirical data on these aspects would be of immense help to the concerned extension agencies, research scholars and policy makers to identify their efforts to improve the socio-economic well being of the people in general and the weaker sections of the society (SCs, STs and other backward caste), in particular.

An important contribution of the present study is the analysis relating to the level of discrimination of the scheduled caste and scheduled tribe workers vis-a-vis others in the Indian labour market. The inferences drawn from such analysis certainly would help policy makers and development practitioner to undertake strategic programmes for improving the overall socio economic conditions of the weaker sections of the society.

1.8. LIMITATIONS OF THE STUDY

This study has some limitations in respect of collecting the primary and secondary data.

- The study which is mainly based on the primary data collected from the sample households who are mostly illiterate and did not keep any records. Despite sufficient care taken by way of incorporating adequate cross checks in the questionnaire, it cannot be ruled out that their reporting was based on memory to a greater extent.

- The study covers a small number of 400 household engaged in RNFE. The sample households are selected on a simple random basis. Hence, an element of bias cannot be ruled out.

- The workers who are engaged in RNFE do not maintain the records of their employment capital investment. Monthly turnover, monthly margin, and operational holdings, So, the responses of the workers about these aspects are mainly based on their memories. Thus, the inferences draw from such data may not be accurate and generalized.
• The study is confined only to two agro-climatic zones of Karnataka state. And the study is confined only to two districts and four taluks of two agro-climatic zones. In the selected taluks, the study is further confined to eight villages only where the concentration of SCs, STs and Other castes population is very high.

Therefore the findings of the present study cannot be generalized.

1.9. ORGANISATION OF THE THESIS

The study is organized into the nine chapters. Chapter 1 presents introduction covering the context, rural non-farm economy, conceptual issues of RNFE, relevance of rural non-farm sector, share of RNFE among social groups and also objectives, hypotheses, research design and limitations. Chapter 2 provides a detailed review of literature on RNFE and identifies a wide range of issues for research. The profile of the study area is sketched out in Chapter 3. The regional variation and determinants of RNFE in Karnataka are analyzed in Chapter 4. Chapter 5 presents the socio-economic profile of the sample rural non-farm households. The livelihood strategies of sample rural non-farm households are analysed in chapter 6. In Chapter 7, the dynamics of RNFE by other characteristics such as social groups, status of employment, age groups, level of education and size of landholdings are analysed. The economics of rural non-farm employment in terms of total and average capital investment, annual average income by social groups, size of landholdings, activities, level of education, age groups and gender are analysed in Chapter 8. In the last Chapter, the summary of the important findings and policy prescriptions are provided.

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