

**IMPACT OF RURAL DEVELOPMENT ON
ERADICATION OF POVERTY: A CASE
STUDY OF MEGHALAYA**

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IMPACT OF RURAL DEVELOPMENT ON ERADICATION OF POVERTY: A CASE STUDY OF MEGHALAYA

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CHAPTER—I

1.1 Introduction:

The problem of rural development has been receiving high priority right from the beginning of economic planning in India. The development is normative concept and it implies qualitative and quantitative improvement of human life. Generally development is equated with economic growth measured in terms of GNP of per capita income. But development does not mean only economic growth but also equitable distribution of the fruits of economic growth with social justice. It implies planned institutional changes so as to bring a better fit between the social resources on one hand and the social policy on the other. The overall objective of any developmental programme is to ensure better quality of life for its people through better health, education, housing and welfare facilities. It envisages to remove inequality and poverty, increase material and social prosperity, equitable distribution of resources based upon distributive justice, removal of disparities, participation in decision making and enhancement of technology to bring in wide range of services for a better quality of life. The indicators of development of any country are the level of income of the people, type of technology and level of productivity in terms of industrialization, level of employment, nutrition, health, housing, literacy and welfare status of the people and status of women in a country. The economics of the present days are very much specialized and complex. The rural development may be defined as a continuous process, which aims at extending the benefits of development to those people whose future, lies in the pursuit of a livelihood in rural areas.

The major aspects of rural development in India are strengthening the socio-economic infrastructure of development in the rural areas, alleviating rural poverty and reducing regional disparities. The idea of rural development is derived from the Constitution itself which promises to secure for all citizens “equality of status and of opportunity” and to bring about a pattern of ‘ownership and control of material resources’ as would best sub serve the common good.” Rural development has been identified variously with economic growth, with

modernization, with increased agricultural productivity, with socialist form of organization and with services of basic needs such as health, education, transport and water supply. It is now widely recognized that rural development is by no means an agricultural or productivity problem alone, nor is it a technical problem. The World Bank had defined rural development as a strategy designed to improve “living standard of the masses of the low income population residing in rural areas making the rural development process self-sustaining.” The rural development policies are generally designed “to improve the conditions under which the rural people live and work.”

The rural economy and social structure in our country is characterized by widespread poverty, poor health conditions, illiteracy, exploitation, inequitable distribution of land, lack of infrastructure and public facilities like road and communication. The various dimensions of rural life form a part of integrated approach for the problem of rural development. Rural development takes into factors other than economic growth i.e., education, health facilities, social infrastructure facilities, employment generation, increase in productivity, distributive justice and equalization of opportunities in rural areas.

In India, the rural population is large, widely dispersed and has varied socio-economic and natural endowments. Since independence, there has been a great exodus of population from the villages to the cities and towns. In spite of this, the majority of our populations still live in villages. About three fourths of the country’s population lives in this sector. Occupation wise, the majority of the rural people are engaged in agriculture and allied activities. This concentration of population in rural areas, combined with low productivity in agriculture, gives rise to extreme poverty and disparities of income and wealth and also high magnitude of unemployment—both open and disguised. Any socio-economic policy for the development of the country must take into consideration, and in fact, start with the rural population inhabiting 95 per cent of the geographical area.

The successive Five Year Plans have deployed huge funds for village development. No doubt, some transformation has taken place in the villages, but

this only marginal. For instance, statistics show that more than half a million villages in the country have been electrified and over ten million tube wells have been energized. But ground realities are different and this calls for more effort on the part of our planners and those involved in developmental works.

The priority of the Indian planners has been to gear up Indian economy through centralized macro level planning putting greater emphasis on industrial and agricultural development. The policy of rural development was “to grow more food” which benefited big farmers only. The need and significance to incorporate the poor sections of the people in the process of development was seriously felt from the seventies onwards with the shifting of the approach to the planning from centralized to decentralize and from macro to micro.

The development scenario in rural areas in the state of Meghalaya and the NER are very much sad. It is now believed that most of the rural development strategies, so far adopted, have only widened the gap between the have and have not pushing down a greater number of rural people to poverty and unemployment. Perhaps there is a lack of empirical knowledge to help policy makers determine how best to use limited development funds to produce most desired result.

The objectives of development, particularly rural development, are to reduce poverty and inequalities among the masses by implementing various development measures. The poverty alleviation schemes are intended to fight poverty at the root so that the families below poverty line could come above it through the generation of additional monetary income.

1.2 Poverty Alleviation Programmes and its Strategy:

Poverty alleviation has been on the agenda of the national policy since long before independence. The Indian National Congress constituted a National Planning Committee in early 1938 which declared that the social objective should be “to ensure an adequate standard of living for the masses, in other words, to get rid of the appalling poverty of the people.” With the Fifth Five Year Plan, poverty alleviation came to be accepted as one of the principal objectives of economic

planning in the country. Poverty alleviation programmes have now been viewed in wider perspective of socio-economic transformation in the country. It is, therefore, in order to achieve the goals of development with social justice, necessary to ensure that pattern of overall economic growth itself is such as to generate adequate employment and income generation and on the development of the backward regions. There is no doubt that some achievements have been made in reducing the incidence of poverty in the country over the five decades but it has not attained the levels as anticipated by the Governments.

It was felt to integrate the poor unemployed into the development process so that they can be engaged in productive work with reasonable remuneration. During the fifties the Community Development Programme was introduced with the objectives: (a) To secure total development of the material and the human resources of rural areas (b) To develop local leadership and self governing institutions (c) To raise the standard of living of the rural people by means of rapid increase in food and agricultural produce and (d) To ensure a change in mental outlook of the people, instilling in them an ambition for higher standards. Initially Community Development Programme (CDP) covered 55 projects with a wide range of programmes for developing agriculture, animal husbandry, rural industries, health, education, housing and rural communication. Each project consisted of 3500 villages with coverage of 1280 sq.km. with 3,00,000 population. By the end of Third Plan all the blocks were covered. The CDP was instrumental in laying the foundation for the development of rural economy of India. It was followed by various rural development programmes introduced in the subsequent plan period.

The strategy of direct assault on poverty through rural development and rural employment programmes was first adopted in the 1970's. During that period, it was evidenced that green revolution has created regional disparities and generated discontentment among the landless workers. The Government was quick to realize that it would be urgent to introduce schemes for poverty alleviation: “ Garibi Hatao” (removal of poverty became a popular slogan. A number of special programmes for the rural poor were undertaken and a large sum

of money were allocated for specific schemes to general employment, but none of these programmes comprehensively covered the whole country, though in certain parts of the country some of these programmes operated simultaneously for the same target groups. This due to the lack of co-ordination between departments, absence of planning, lack of infrastructural facilities and absence of appropriate linkages had led to structural and administrative weaknesses in the execution of all the programmes on the ground level. The major limitation of these programmes was that they were reduced to mere-subsidy-giving programmes, lacking any planned approach to enable the rural poor achieve a higher level of income. Keeping in view of these limitations, Rath (1985) argues in favour of wage-employment programmes as the major plank of an 'antipoverty strategy' with IRDP as the supplementary programme. Wage employment programmes are easier to administer the creation of community assets, which is the responsibility of the Government.

Integrated Rural Development Programme (IRDP) was introduced in 1978-79. It was a major programme of poverty alleviation and rural development. The main objectives of this programme is to improve the economic and social conditions of the poorest sections of rural society by giving them income generating assets, credit facilities and other inputs. The basic strategy was self-employment of the poor with the help of these assets so that they manage to earn enough to rise above the poverty line. The Programme Evaluation Organization (PEO) of the Planning Commission, the RBI, the NABARD and Institute for Financial Management evaluated the performance of the IRDP at different points of time. The general conclusion that emerges from these studies is that the IRDP was not very effective as a poverty alleviation measure. However, it has now been restructured and renamed as Swarnajayanti Gram Swarozgar Yojana (SGSY). The scheme of Training Rural Youth for self-employment (TRYSEM) was started on August 15, 1979, with the objective of providing technical skills to rural youth to enable them to take-up self-employment in the broad fields of agriculture and allied activities, industries, services and business activities. Under the scheme only those rural youth who are in the age group of 18 to 35 years and who belong

to the families living below the poverty line, are eligible for training, so that skills could be imparted to them to become self-employed.

The National Rural Employment Programme (NREP) was launched in 1980 with a view to significantly increase employment opportunities in rural areas. The programme aims at (i) developing the production resource base of the rural poor and (ii) providing them opportunities of supplementary and direct employment, particularly during the lean season. The thrust of the policy has to be on opening up greater avenues of work for the rural poor in a manner, which, at the same time contributes directly to the creation of durable productive assets for the community. The NREP replaced the earlier Food for Work Programme and became a regular part of the Sixth Five Year Plan, from April 1, 1981.

The Rural Landless Employment Guarantee Programme (RLEGP) was launched on August 15, 1983. The basic objectives of the programme is to improve and expand employment opportunities for rural land less with a view to providing employment for at least one member of every landless household up to 100 days in a year and creation of durable assets for strengthening the rural infrastructure which will lead to rapid growth. The entire expenditure on the RLEGP was met by the center, and that of IRDP and NREP was shared equally between the Union and the States. But none of the programmes have really succeeded in substantially reducing poverty in the countryside. However, with a view to making the implementation of these wage-employment programmes more effective, NREP and RLEGP were merged into a single rural employment programme since April 1, 1989, namely Jawahar Rozgar Yojana (JRY). The basic objective of this programme was to generate additional gainful employment in rural areas. The secondary objective consists of creating objective community assets, which would benefit the poor section, thus strengthening the rural infrastructure.

Special programme for employment generation are being implemented in rural areas for alleviation of poverty. These programmes include Swarnajayanti Gram Swarozgar Yojana (SGSY) and Sampoorna Grameen Rozgar Yojana (SGRY). SGRY was launched in September 2001. The objective of this

programme is to provide wage employment as also food security in rural areas. Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS) were merged into it. In February 2006, National Rural Employment Guarantee Scheme (NREGS) was introduced, whose aim is to provide at least 100 days of guaranteed employment in a financial year to every household in the rural areas.

In spite of these well-planned schemes, poverty alleviation programme cannot be claimed to have achieved an impressive success mainly due to their weak execution and implementation. The rationale of poverty alleviation programmes particularly with an aim to bring about social justice is yet seriously debated across the country.

1.3 The Five-Year Plans and Removal of Poverty:

The raising of the standard of living of the masses is one of the objectives of planning in India. The **First Five Year Plan** (1951-56) had a dual objectives to correct the disequilibria in the economy caused by the war and partition of the country and the maladies persisting in the economy as a legacy of the British Raj and to initiate simultaneously a process of all round balanced development which would ensure a rising national income and steady improvement in the living standards in the coming years. Since the country had to import food grains on a large scale and there were inflationary pressures in the economy, the plan accorded the highest priority to agriculture, irrigation and power projects.

The **Second Plan** (1956-61) talked of creating a 'milieu' for the small man. This plan gave top priority to rapid industrialization and diversification of the economy. The Plan had a set of four objectives: (i) increase in national income (ii) rapid industrialization (iii) expansion in employment opportunities, and (iv) reduction in income inequalities. It was felt that the economy had reached a stage where agriculture could be given a low priority while a big thrust could be made to the development of heavy and basic industries so as to strengthen the industrial

base of the economy. The establishment of a socialistic pattern of society was accepted as the goal of economic policy.

The **Third Plan** (1961-66): After the experiences of the first two plans, more particularly of the Second Plan, the Third Plan reverted to the First Plan's sectoral priority favouring agriculture to strengthen the agricultural base of the economy and to attain self sufficiency in food production. It also laid adequate emphasis on the development of basic industries, which were vitally necessary for rapid economic development of the country. The Third Plan also laid emphasis on the development of education and other social services. The Plan provided for scientific research, technical education, family planning, housing and social development. To increase employment opportunities, the Plan adopted a two fold approach: (a) All development programmes should be employment oriented and (b) Development programmes should be speed up in those fields where labor intensive methods are used. It has been estimated that the Plan succeeded in creating employment opportunities for about 14 million people as against the increase in labor force of about 17 million persons, it still failed to find additional employment opportunities for nearly 3 million persons.

Like the earlier plans, the Third Plan also interpreted any shortfall in employment targets as mainly due to a shortfall in production targets. The production shortfall in the Third Plan could largely be explained by many extraneous elements like the India's conflicts with China in 1962 and with Pakistan in 1965 and many domestic events like the severe droughts of 1965-66 and 1966-67 and the industrial recession from 1966-67. However, in this period there were certain significant developments in the agricultural field. A breakthrough was achieved by the discovery of some high-yielding varieties of wheat and rice, which ultimately led to the 'green revolution' in the country.

The **Fourth Plan** (1969-74): According to the Plan, 'the basic goal is a rapid increase in the standard of living of the people', and again emphasis is placed on the common man, the weaker sections and the less privileged, especially through provision of 'employment and education'. In fact, the slogans of '*garibi hatao*' (removal of poverty) and '*growth with justice*' were coined

during the early 1970's to indicate clearly that the emphasis would be on removal of poverty and not simply on increase in national income. It also emphasized the attainment of 'national minimum' as an essential pre-requisite to improve the conditions of the 'lower income groups'. The Fourth Plan stated: "In the implementation of the programme, the weakest are looked after and the benefits of development are made to flow by planned investment in the underdeveloped regions and among the more backward sections of the community".

The Fourth Plan aimed at accelerating the tempo of economic activity in a manner that would ensure economic growth with stability. Realized output in almost all the sectors of the economy fell much short of the Plan targets. The objective of attaining self-sufficiency in food grains did not materialize, nor did the generation of employment opportunities make any significant dent in the widespread unemployment problem. Unemployment and underemployment are the important causes of poverty in the country, thus removal of poverty requires reduction of unemployment, which is the main objective of the economic planning in the country. The removal of unemployment would result in increase in gross national product and standard of living of the people and hence reduce poverty. The first two years of the Fourth Plan saw a dismal failure in employment creation. In the subsequent year, however, several special programmes such as crash scheme for Rural Employment, Rural Works Programme, and special programmes for educated unemployed etc. were undertaken to increase employment opportunities. The Fourth Plan, despite its sound logic, realistic planning and moderate targets, ended in almost a total failure.

It is evident from the above discussion that nothing special was done for the weaker sections at least up to the Fourth Plan. There was no anti-poverty programme up to this Plan. In these plans, it was supposed that as development would proceed, the number of poor people would automatically decrease and the problem of poverty would be solved. But empirical evidence does not support this view. It has been found that the size of poor population has increased after each

Five Year Plan. For this, some special measures were adopted in the subsequent plans for the eradication of poverty.

The **Fifth Plan** (1974-79): Removal of poverty and attainment of self-reliance were the two most important objectives set out in the Fifth Plan. Self-reliance means elimination of special forms of external assistance. The aim of the Plan was to bring larger sections of poor masses above the poverty line by assuming a minimum income of Rs. 40.60 calculated at 1972-73 prices. Removal of mass poverty depends on two factors: (a) achieving a proper rate of growth for the economy and (b) reducing inequality of distribution. Statistical evidence revealed that about 321 million people lived below the poverty line in 1973-74 and unemployment problem was mounting. While preparing the Fifth Five Year Plan it was recognized that trickle down effect of economic growth on the poor and unemployed was not working. “Towards an Approach to Fifth Five-year Plan” it was stated “Economic growth by itself would not lead to the solution of the problem of poverty and unemployment in the foreseeable future”. Thus poverty removal programmes were made an integral part of the Fifth Plan. In the Fifth Plan Approach when it stated: “Unemployment, underemployment and low resource base of a multitude of producers, particularly in agriculture, are the principal causes of poverty...The elimination of abject poverty will not be attained as a corollary to a certain acceleration in the rate of growth of the economy alone. In the Fifth Plan, it will be necessary to launch a direct attack on the problems of unemployment, underemployment and massive low-end poverty”.

The **Sixth Plan** (1980-85): The Plan placed a very high priority on the alleviation of poverty. Removal of poverty and unemployment were regarded as the key components of the Sixth Plan’s strategy of development. The Sixth Plan stated that, “According to a recent estimate using norms of calorie consumption, the per centage of population below the poverty line in 1977-78 may be projected at 48 per cent in the rural areas and 41 per cent in the urban areas. The total number of poor would be about 290 million and about 160 million of these falls below 75 per cent of the poverty line.” The planners are of the opinion that poverty is a reflection of the problem of unemployment and underemployment.

Thus, according to planners, 'both rural and urban poverty are identifiable with low productivity, low wages and intermittent employment as well as chronic lack of work.'

The Sixth Plan like its predecessor hoped that growth process would bring down the poverty per centage from 48.4 per cent in 1979-80 to 38.9 per cent in 1984-85.

The **Seventh Plan** (1985-90): The Plan reviewing the impact of the poverty programmes and stated, "There is ample evidence to show that the process of economic growth and anti-poverty programmes have made a significant dent into the problem of poverty and unemployment". According to the information provided by the National Sample Survey (38th Round), around 36 million people crossed the poverty line between 1977-78 and 1984-85. The per centage of population with consumption standard below the poverty line was expected to come down from an estimated 36.9 per cent in 1984-85 to 25.8 per cent in 1989-90. In absolute terms, the number of poor persons is expected to fall from 273 million in 1984-85 to 211 million persons in 1989-90. The expected decline in the poverty ratio was the combined result of the contemplated growth pattern and more effective implementation of various poverty alleviation programmes.

The **Eighth Plan** (1992-97): This Plan was being launched at a time of momentous changes in the world and India. Human development, in all its facets, is the ultimate goal of the Eighth Plan. In order to fulfill this goal, Eighth Plan accords priority to the generation of adequate employment opportunities to achieve near-full employment by the turn of the century. Special attention was given to employment in the rural areas during this Plan. If the full employment had to achieve by the turn of the 20th century, we would have to concentrate on creating job opportunities, particularly in the rural areas. The Central Plan has made a substantial step-up in the outlay for Department of Rural Development from Rs. 4,900 crore approved in the Seventh Plan to Rs. 30,000 crore in the Eighth Plan. The emphasis was to shift from the creation of relief type of employment to the building up of durable productive assets in the rural areas.

The Eighth Plan aims at reducing unemployment to negligible levels within the next ten years. The labour force is projected to increase by about 35 million during 1992-97 and 36 million during 1997-2002. The backlog of unemployed persons numbering around 23 million, the total number of persons requiring employment will be 58 million during 1992-97 and 94 million during 1997-2002. This would call for an employment growth rate of 4 per cent per annum over the ten-year period. But realizing such a high growth target rate of employment is unrealistic. The Eighth Plan, therefore, has set a target of 2.6 to 2.8 per cent per annum growth in employment, will reduce unemployment to negligible levels by 2002. The Plan focused not only on the creation of new jobs but also on augmenting productivity and income in the existing job because it is realized that larger and efficient use of available human resources is the most effective way of poverty alleviation, reduction of inequalities and for high pace of economic growth.

The **Ninth Plan** (1997-2002): The focus of Ninth Plan was on “Growth with Social Justice and Equity”. It assigned priority to agriculture and rural development with a view to generating adequate productive employment and eradication of poverty. The Plan document stated that Governments should have action intervention such as quality of life, generation of productive employment, wiping out regional imbalance. Quality of life would include food and nutrition, poverty alleviation programmes, providing adequate social infrastructure. The Plan emphasized providing alternative employment, liberal V.R.S. entitlements, retraining or reskilling the labour force to meet the challenges of emerging needs.

The Plan aimed at achieving GDP growth of 7 per cent per annum, since during the Eighth Plan, a GDP growth rate of 6.5 per cent had been achieved. Besides, it ensured food and nutritional security for all, particularly for the weaker sections of the society. However, the Ninth Plan failed to achieve the GDP growth target of 7 per cent and realized only 5.35 per cent.

In the employment perspective, the growth of job seekers is likely to be highest in the Ninth Plan period. The absolute number of labour force would peak after 2007. So effort would have to make to provide employment maximum

number of people as possible. If growth rate could be raised to at least 6.5 per cent then a large number of people could be employed. If the growth rate is 7.7 per cent in 2007, then near full employment would not be an impossibility.

The **Tenth Plan** (2002-07): The Plan has set an ambitious growth target of 8 per cent in GDP per annum. Even though this is lower than the requisite growth rate of 8.7 per cent, particularly in view of the deceleration experienced during the Ninth Plan. The Tenth Plan has set the targets for a few other aspects of human development. Some monitorable targets for a few key indicators of human resource development proposed in the Approach Paper.

The Tenth Plan emphasizes the goal of achieving 'equity and social justice'. According to the Plan, poverty alleviation has been one of the guiding principles of the planning process in India. Yet, the incidence of poverty continues to be very high. According to the Tenth Plan, "Effective implementation of anti-poverty programmes would be central to achieving the planned reduction in poverty. The challenge before the state is to provide employment opportunities, which provide enhanced incomes. This becomes more important in view of the fact that substantial additions to labour force are expected in the next five years. Enlargement of self-employment and wage-employment programmes and their effective delivery becomes an imperative in such a scenario".

The rigidities in the Indian economy make poverty reducing effects of economic growth ineffective. In this regard various poverty alleviation and employment generation programmes have been included for effective implementation. Tenth Plan intended to focus on the Swarnajayanti Gram Swarozgar (SGSY) for providing self-employment to rural poor, aimed to shift the programme to a 'process oriented approach' in five stages: (i) social mobilization for formation of self help group; (ii) savings among the group and internal lending among its members; (iii) provision of a revolving fund; (iv) micro finance; and (v) micro enterprise development. Network of institutions that promote the self-help movement were to be created during the Plan period, and partnership would be forged between NGOs and other community based

organization, Government agencies and other financial institutions. As far as wage-employment is concerned, Tenth Plan included Sampoorna Grameen Rozgar Yojana (SGRY), which would seek to address the need of rural infrastructure, ensure guaranteed employment of atleast 100 days in areas facing chronic unemployment/migration and provide relief in natural calamities such as floods, droughts, earthquakes and other contingencies. The Tenth Plan stated access to land to be an important element in the poverty alleviation strategy.

Tenth Plan accepts that 26 per cent of the population i.e. 260 million persons were below poverty line in 1999-2000. Out of these 75 per cent i.e. 195 million persons were in the rural areas and 25 per cent i.e. 65 million persons were in the urban areas. India accounts for 22 per cent of the world's poor. The Tenth Plan targets that India would be able to reduce poverty from 26.1 per cent in 1999-2000 to 19.34 per cent in 2006-07 for the country as a whole and this implies the total number of poor will be 220 million, about 170 million in the rural areas and 50 million in the urban areas. The Tenth Plan Approach Paper stated, "Mandated reduction in the poverty rate by 5 per cent points during the Tenth Plan and another 10 per cent points during the Eleventh Plan". This will still leave more than 11 per cent of the population, or about 130 million persons below the poverty line in 2012.

Tenth Plan targets to generate 50 million jobs over the Plan period. This is very ambitious objective and doubts have been raised about its feasibility. This is significant because no measures have been suggested in the Plan, which would make the process of economic growth more labour intensive.

In spite of the various poverty alleviation programmes during the Five Years Plan nothing significant has been achieved. We should keep in mind that the main reason behind poverty in India is unemployment. Our plans have failed miserably to create sufficient employment. At the same time, population has increased at a rapid rate. Consequently, the number of poor people has increased steadily. Hence to remove poverty, unemployment problem has to be solved, side-by-side, population growth should be kept in check and the price stability also to be maintained.

1.4 Objectives of the Study:

The main focus of the poverty alleviation programmes is two-fold, i.e. a) development of the backward areas and b) the improvement in socio-economic conditions of the weaker sections through raising their employment and income opportunities. Hence, the various intricacies and the crux of the programmes and its significance lie in the planning and implementation of the schemes.

Many studies have appeared in recent years on the performance of poverty alleviation programmes but most of them are confined to all India level, and very few micro level studies have also appeared but are with divergent conclusions. The fundamental reason behind the poverty alleviation programmes particularly with an aim to bring about socio-economic conditions of the people dwelling in the rural areas is yet seriously debated across the country. It is in this background that this study makes an attempt to critically examine the evolutionary process of the poverty alleviation programme, the Integrated Rural Development Programme (IRDP) in the state of Meghalaya and to assess the impact of the programme with the help of survey scheme “Concurrent Evaluation of IRDP”, conducted by the Department of Economics, North eastern Hill University, for the Ministry of Rural Development.

The present study is based on two poverty alleviation programmes, the Integrated Rural Development programme (IRDP), undertaken in the state of Meghalaya in the years 1986-87, 1987-88, 1989-90 and 1992-93, and the Swarnajayanti Gram Swarozgar Yojana (SGSY) undertaken from 2000-01 to 2007-08. The Study will confine mainly to the following objectives:

1. To assess how far this scheme (IRDP) has been successful in generating income for the beneficiaries.
2. To evaluate how far it has succeeded in lifting rural people above the absolute poverty line.
3. To ascertain the incidence of absolute and relative poverty among the beneficiaries in the districts of Meghalaya.
4. To assess the success or otherwise of the SGSY programme in uplifting the beneficiaries above the poverty line.

1.5 Hypothesis of the study:

In this study, we shall examine the validity or otherwise of the following hypotheses:

- (a) That the poverty alleviation schemes like the IRDP have been successful in generating income for the beneficiaries.
- (b) That the IRDP schemes have succeeded in lifting rural beneficiaries above the absolute poverty line.
- (c) That there is a sharp inter-district and inter-block variation in poverty incidence within the state.
- (d) That the SGSY scheme is performing better than the IRDP did.

1.6 Sample Design and Data Base:

The present study will utilize data on IRDP collected by the Cell for Research in Applied Economics, Department of Economics, North-Eastern Hill University for the Ministry of Rural Development under the survey scheme “Concurrent Evaluation of IRDP”. In order to enrich the study, since data on IRDP are not relatively current and the scheme, as it is, no longer exists, data on the Swarnajayanti Gram Swarozgar Yojana (SGSY), a scheme similar to IRDP, has been collected through secondary sources, and this has been compared with the IRDP scheme.

The sampling design and the schedules for the Concurrent Evaluation were finalized by an Expert Committee of the then Department of Rural Development, Ministry of Agriculture, government of India and later the Union Ministry of Rural Development. In the study, two development Blocks from each district were selected randomly. From each selected Block, a sample of four villages was selected (two villages consisting of old beneficiaries who received assistance in the three month period exactly two years preceding the survey month, and two villages consisting of new beneficiaries who received assistance in the three month period preceding the survey month). In each of these villages, the schedules were canvassed for 5 sample beneficiaries. Thus the total sample

size in each year's survey for each Block comes to 20 beneficiaries. This makes a total of 200 beneficiaries for the entire state in one-year survey. The survey was conducted in four different years, i.e. 1986-87, 1987-88, 1989-90 and 1992-93. A total of 800 beneficiaries were therefore, interviewed.

Important information on the schemes implemented and the beneficiaries in the respective surveys were gathered with respect to the schemes, information on the type of scheme, details of loans taken, benefits received, maintenance of assets and insurance etc. were gathered. Information on the household annual income, family size, gender, loans taken, repayment details and training etc. were gathered for each beneficiary.

1.7 Chapter Organisation:

The first chapter will deal with the concepts in use relating to rural development and poverty, the employment and poverty removal strategy adopted through the Plan periods, the objectives of the study and the sample design.

In the second chapter, Meghalaya's ecological base and her rural economy and the land holding system will be discussed.

In the succeeding chapter, we shall review the literature on (a) the incidence of poverty in rural India, (b) the measurement and conceptual problems related to poverty and (c) the methodology adopted in the present study of the incidence of poverty in rural Meghalaya among beneficiaries.

Chapter IV will deal with the results on the IRDP programmes as pursued for the years under study.

Chapter V will present empirical results on the incidence of absolute and relative poverty in Meghalaya among beneficiaries.

In Chapter VI will present the working of SGSY in Meghalaya.

Lastly, Chapter VII will conclude the study by presenting the policy implications.

CHAPTER - II

SOCIO-ECONOMIC PROFILE OF MEGHALAYA

2.1 Introduction

With the attainment of Independence by India, the two districts namely, United Khasi, Jaintia and Garo Hills, which were formerly the districts of Assam, under the British rule, were included under the administrative set up of Assam state of free India. The inclusion of these two districts under the state of Assam was against the political desire of the people who aspired for a separate political identity. That political expectation did not die down and the people continued to nurture the idea of a separate hill state. But that cherished idea of a hill state succumbed to political differences in the objective of the movement for attainment of that goal. Ultimately the movement for a separate state mainly for Khasis, Jaintias and Garos gained momentum and invariably, the Government of India yielded to the political pressure of the peaceful movement for a separate state under the Indian union. As such, an Autonomous State of Meghalaya under the state of Assam was created on the April 2, 1970. But the Autonomous State was fraught with unworkable administrative hurdles. Political persuasion for a full-fledged state continued and after a period of 21 month, the full state hood status was conferred to Meghalaya on 21st January 1972, with the state of capital at Shillong. Meghalaya, 'The Abode of Clouds', coined by Dr. S.K. Chatterjee, Professor Emeritus thus became the 21st state of India.

Geographical Location and Area

Meghalaya is situated on the North East of India bordering Bangladesh and it lies between 85°49' and 92°52' east longitude (90°45° meridian of longitude) and 25°1' and 26°5' north latitude (25°15°- 26° parallels of latitude). The geographical area of the state covers 22,429 sq.kms. The state is bounded on the North by Assam, on the South by Bangladesh. The eastern and western boundaries are bordered by Assam. Meghalaya is land-locked territory and geographically located in the eastern corner of the country. The

area is away from the main land but deviously connected with the rest of India through Assam.

Geographically, the state is also known as the 'Meghalaya Plateau'. It consists mainly of Archean rock formations, which contain rich deposits of valuable minerals like coal, limestone, uranium, siliminite etc. The state has many rivers and the important rivers in the Garo Hills are Daring, Sanda, Bandra, Bhogai, Dareng, and Simsang, Nitai and the Bhupai. In the central and eastern section of the plateau the important rivers are Umkhri, Digaru, Umium, Kynchiang, Mawpa, Umiew or Barapani, Myngot and Myntdu. The elevation of the plateau is from 150 m to 1961 m. The central part of the plateau comprising the Khasi Hills has the highest elevation, followed by the eastern section, the Jaintia Hills. The highest point in Meghalaya is the Shillong Peak has an altitude of 1961 m. The western section of the plateau, the Garo Hills Region is nearly plain. The Nokrek Peak is the highest point in the Garo Hills with an altitude of 1515 m.

Climate and Rainfall

Meghalaya experiences tropical monsoon climate, which varies from western parts of the plateau and summer, is for a period of about five months from the month of May to September where torrential rains are caused by the southwest monsoon. The rainfall varies from place to place and from altitude to altitude. Garo hills district has tropical climate characterized by high rainfall and humidity, generally warm summer and moderately cold winter. Khasi and Jaintia hills have high rainfall, moderately warm summer and severe cold winter with periodic depression to below freezing point at higher elevated area. For the entire state, the mean summer temperature is 26 degree Celsius and the mean winter temperature is 9 degree Celsius. The mean annual rainfall varies from 2000 mm to 5000 mm. A maximum rainfall of 12000 mm has been recorded in the southern slope of Khasi Hills along the Cherrapunjee-Mawsynram belt.

Soil

The soil of Meghalaya is mostly red loam and acidic in nature. It is comparatively rich in organic matter and nitrogen, but poor in phosphorus content. Meghalaya is rich in

natural resources and the mineral resources like coal, limestone, uranium, dolomite, sillimanite, and clay. However, due to the slow pace of development in the field of industry, the bulk of mineral produce is being transported outside the state. In recent years these minerals have gained place for their utilization in some industries in the state, like the Cement Factory, Limestone Factory etc. Meghalaya also has a large forest cover, rich biodiversity and numerous water bodies. However, the low level of industrialization and the relatively poor infrastructure base in the state acts as an impediment to the exploitation in these natural resources. Meghalaya with its beautiful topography, wonderful underground caverns, and the waterfalls mixed with exotic flora and fauna, its ethnic people and pleasant climate have attracted a large number of tourists in the state. The state has abundant hydropower potential in its numerous rivers and other water reservoirs like lakes.

Culture and society

Meghalaya has predominantly a tribal population. The main tribes in Meghalaya are the Khasis, the Jaintias and the Garos form the major ethnic groups of original inhabitants of the state. One of the unique features of the state is that a majority of the tribal population in Meghalaya follows a matrilineal system where lineage and inheritance are traced through women. The tribal people of Meghalaya are therefore a part of what may be the world's largest surviving matrilineal culture the majority of which lives in the rural areas. The villages are small and widely dispersed. It is, therefore, most of those people who constitute the unemployed in the state are the rural unemployed or underemployed. A high proportion of the rural inhabitants and part of the urban population are those classed below the poverty line. Planning Commission, the apex planning body under the Government of India, (in 2004-2005) has estimated the percentage of population below poverty line in Meghalaya continued to remain as high as 49 per cent. The incidence of poverty in rural areas at about 55 per cent is almost double the percentage of poverty in the rural areas.

Economy

Agriculture and other allied activities constitute the major sectors of the state's economy. Agriculture and allied activities engage nearly two-thirds of the total work force in the state. However, contribution of this sector to the state's GDP is very low. Thus the low agricultural productivity and unsustainable farm practices, giving rise to a high incidence of rural poverty. Meghalaya is a land-locked territory where the progress of industrialization is very slow. In view of this underdeveloped state of industrial sector, the majority of the population, mostly the rural masses had to depend on agriculture as the source of livelihood. Agriculture in the state is being carried on in primitive ways with 'Jhumming Cultivation' prevailing in many parts of the districts is dominants. This is however, considered destructive as vast areas of forests is cleared and burnt so that cultivation can be carried on for at least three to four years. Further, jhumming cultivation does not only destroy forests but also disturb the ecological balance and destroy the environment. Thus, jhumming also retards the economic development of the rural areas. The state has a long border with Bangladesh and development of this border areas are still lagging behind. The major means of transport like railway and waterway is absent in the state. Road transport therefore gained a very important place in the economy of the state. All these contribute to the high cost of providing infrastructure facilities like roads etc. It may however, be, recalled that prior to 1971, while being part of United Assam, the actual developmental activities were sluggish in the state. Yet another factor for the slow pace of development is the lack of technical expertise and skilled workers.

Districts:

At the time of creation of the state there were only two districts namely the United Khasi-Jaintia Hills Districts and Garo Hills Districts. There were three Civil Sub-Divisions including Sadar Sub-Division, two in United Khasi-Jaintia Hills and one in Garo Hills and twenty four Community Development Blocks, out of that, thirteen in United Khasi-Jaintia Hills and eleven in Garo Hills. At present there are seven districts namely the East Khasi Hills, the West Khasi Hills, the Jaintia Hills, the Ri-Bhoi and the East, West and South Garo Hills. There are thirty-nine Community Development Blocks as shown by the Table No. 2.1 below. However, when this study was taken up, the state was divided into thirty Development Blocks, distributed across the five districts namely East, West Khasi Hills, Jaintia Hills and East, West Garo Hills.

TABLE – 2.1

**DISTRICTS, COMMUNITY DEVELOPMENT BLOCKS, AREA AND
POPULATION, (2001-2002)**

Former Districts	Name of new Districts	Date of Creation	Area in Sq.Km. (2001)	Community Development Blocks (2002)	Population (2001)
United Khasi & Jaintia Hills	Jaintia Hills	21/02/1972	3819	5	299108
	East Khasi Hills	28/10/1976	2820	8	660923
	West Khasi Hills	28/10/1976	5247	6	296049
	Ri-Bhoi	04/6/1992	2376	3	192790
Garo Hills	West Garo Hills	23/10/1976	3715	8	518390
	East Garo Hills	23/10/1976	2603	5	250582
	South Garo Hills	18/06/1992	1849	4	100980
Meghalaya	21 st January 1972		22,429	39	2318822

Source: Statistical Handbook, Meghalaya, 2007.

The creation of new districts gradually paved the way for the opening up of more Civil Sub-Divisions. This has been felt in view of demanding situation of better governance in respect of administration and execution of law and order. The following Civil Sub-Divisions including Sadar Sub-Divisions are functioning at present in the state as shown by the Table - 2.2 below:

TABLE – 2.2

CIVIL SUB-DIVISIONS AND THEIR HEAD QUARTERS

Districts	Sub-Division	Headquarters	Date of Creation
(1)	(2)	(3)	(4)

Jaintia Hills	1. Jowai* 2. Khliehriat 3. Amlarem	Jowai Khliehriat Amlarem	05/27/1982 11/12/1976
East Khasi Hills	1. Shillong* 2. Sohra	Shillong Sohra	05/22/1983
Ribhoi	1. Nongpoh*	Nongpoh	**01/05/1977
West Khasi Hills	1. Nongstoin* 2. Mairang 3. Mawkyrwat	Nongstoin Mairang Mawkyrwat	10/19/1976 06/26/1982
East Garo Hills	1. Williamnagar* 2. Resubelpara	Williamnagar Resubelpara	04/30/1982
West Garo Hills	1. Tura* 2. Dadengiri 3. Ampati	Tura Dadengiri Ampati	08/17/1982 10/15/1982
South Garo Hills	1. Baghmara*	Baghmara	**12/07/1976

Source: Directorate of Economics and Statistics, Government of Meghalaya.

NB: * Sadar Sub-Division. ** Formerly as Civil Sub-Divisions.

2.2. Trends in population, age structure, sex ratio, population in the rural development blocks

2.2.1. Trends in population

Population trends are a function of not only birth rate, but also of the level and direction of migration. India and many other Third World Countries are now passing through the phase of population explosion. It is being argued that this situation has arisen because economic development in these countries has failed to maintain pace with

population growth. The thrust of this argument is that since rapid growth of population causes poverty and proves to be a barrier to development, these countries should take care of their population growth if they seriously wish to solve their poverty problem and put their economy on the path of economic development.

Among the states of India, Meghalaya holds the 21st rank in terms of population size. Population in the state in 1981 constituted 0.19 per cent of the countries total population, while in 1991, this rank risen to 0.21 per cent and in 2001, it has farther increased to 0.22 per cent. The Table No.2.3 below shows the population trend in Meghalaya.

TABLE – 2.3
POPULATION TREND IN MEGHALAYA (1901-2001)

Year	Male	Female	Total	Per centage Decadal Variation
1901	167256	173268	340524	-
1911	195706	198299	394005	+15.71
1921	211216	211187	422403	+7.21
1931	243993	236844	480837	+13.83
1941	282666	273154	555820	+15.59
1951	310706	294968	605674	+8.97
1961	397288	372092	769380	+27.03
1971	520967	490732	1011699	+31.5
1981	683710	652109	1335819	+32.04
1991	907687	867091	1774778	+32.86
2001	1176087	1142735	2318822	+30.65

Source: Census of India, 2001

A mere perusal of the above table - 2.3 makes it clear that in Meghalaya, the decadal growth rate in population was about 15.71 per cent during 1901 to 1911. However, it significantly decreased to 7.21 per cent in the year 1921 and after that the

rate again went up to 15.59 per cent during the decade in 1931 to 1941 and declined again 8.97 per cent in 1951. The highest percentage variation of growth by 32.86 per cent was observed during 1981-91. However, the decadal growth rate dropped to 30.65 per cent after 1991.

In Meghalaya, scheduled tribes constituted more than 85 per cent of the total population. According to census figures, Govt. of India, the scheduled tribes who formed the bulk of the population in the state constituted 85.94 per cent in 2001. The scheduled castes population in the state accounted to only 0.48 per cent and the population of non scheduled castes/tribes identified as others, accounted to about 13.58 per cent according to the available figures. The Table – 2.4 shows the number of scheduled castes, scheduled tribes and others in Meghalaya during 2001.

TABLE – 2.4
POPULATION OF SCHEDULED CASTES/SCHEDULED
TRIBES/OTHERS BY DISTRICTS IN MEGHALAYA, 2001

District	Scheduled Castes	Scheduled Tribes	Others	Total
Jaintia Hills	456	287049	11603	299108
East Khasi Hills	2332	512152	146439	660923
West Khasi Hills	42	290184	5823	296049
Ri-Bhoi	300	167779	24711	192790
East Garo Hills	347	241916	8319	250582
West Garo Hills	7436	397166	113788	518390
South Garo Hills	226	96616	4138	100980
Meghalaya	11139	1992862	314821	2318822

Source: Census of India, 2001.

In Meghalaya, total population of urban area in the state has increased considerably from 3,30,047 in 1991 to 4,54,111 in 2001, which shows decadal growth of 37.59 per cent. (Table – 2.5).

TABLE – 2.5

**RURAL AND URBAN POPULATION IN MEGHALAYA BY
DISTRICTS_(1991 AND 2001)**

Districts	Rural		Urban		Total	
	1991	2001	1991	2001	1991	2001
East Khasi Hills	306763	383175	231143	277748	537906	660923
	(57.03)	(57.98)	(42.97)	(42.02)	(100.00)	(100.00)
West Khasi Hills	205813	261451	14339	34598	220157	296049
	(93.49)	(88.31)	(6.51)	(11.69)	(100.00)	(100.00)
East Garo Hills	176826	214675	12004	35907	188830	250582
	(93.64)	(85.67)	(6.36)	(14.33)	(100.00)	(100.00)
West Garo Hills	356961	459412	46066	58978	403027	518390
	(88.57)	(88.62)	(11.43)	(11.38)	(100.00)	(100.00)
South Garo Hills	71179	92337	5894	8643	77073	100980
	(92.35)	(91.44)	(7.65)	(8.56)	(100.00)	(100.00)
Jaintia Hills	199872	274051	20601	25057	220473	299108
	(90.60)	(91.62)	(9.34)	(8.38)	(100.00)	(100.00)
Ri-Bhoi	127312	179610	##	13180	127312	192790
	(100.00)	(93.16)		(6.84)	(100.00)	(100.00)
Total State	1444731	1864711	330047	454111	1774778	2318822
	(81.40)	(80.37)	(18.60)	(19.58)	(100.00)	(100.00)

Source: Census of India, 1991 and 2001.

No area was declared as urban. (Figures in brackets are percentages to total)

The East Garo Hills District has shown the highest decadal increase of urban population by 199.13 per cent followed by West Khasi Hills District with 141.29 per cent and South Garo Hills District with 46.64 per cent during 1991-2001. Other districts have registered decadal growth of 28.03 per cent for West Garo Hills, 20.16 per cent for East Khasi Hills and 21.63 per cent for Jaintia Hills during the same period.

The Ri-Bhoi District accounted the highest percentage of rural population with 93.17 per cent during 2001 while East Khasi Hills recorded the lowest percentage of

57.98 per cent of rural population according to 2001 census. The rural population in the state has decreased from 81.40 per cent in 1991 to 80.37 per cent in 2001. However, urban population in the state has increased from 18.60 per cent in 1991 to 19.58 per cent in 2001.

2.2.2 Density of population

In Meghalaya, with the growth of population from one decade to another decade, the number of inhabitants gradually increased. During 1971, the density of population per square kilometer was only 45 persons. After a period of twenty years viz. in 1991 the density of population increased to seventy-nine persons per square kilometer.

According to 1991 census, the density of population in East Khasi Hills was highest with 128 persons per square kilometer and the lowest density of population 42 persons per square kilometer was recorded in West Khasi Hills District during the same period. West Garo Hills District recorded 86 persons per square kilometer, which was second to East Khasi Hills.

According to the census of India, 2001, this provides report, that there were 84 persons per square kilometer in the rural area and 1970 persons per square kilometer in urban area and 103 persons per square kilometer in the state as a whole. The highest density of population was recorded in East Khasi Hills Districts with 141 persons per square kilometer in rural area and 7976 persons per square kilometer in the urban area. The total in the district, the density was 241 persons per square kilometer. The lowest density of population with 48 persons per square kilometer is recorded in South Garo Hills in rural area and with 286 persons per square kilometer in urban area is accounted by the Ri-Bhoi District. In comparison with other districts, South Garo Hills has shown lowest density of population with 53 persons per square kilometer. (Table – 2.6)

TABLE – 2.6
AREA AND DENSITY OF POPULATION IN RURAL AND
URBAN AREAS IN THE DISTRICTS OF MEGHALAYA (1991 & 2001)

Year				
	1991	2001		

Districts	Area in Sq.Km	Density Per Sq.Km.	Area in Sq.Km (Rural)	Area in Sq.Km (Urban)	Density Per Sq.km. (Rural)	Density Per Sq.km. (Urban)	Total Area Sq.Km	Total Density Per Sq.Km
Jaintia Hills	3819	58	3811.2	7.8	96	2308	3819	77
East Khasi Hills	5196	128	2713.2	34.85	141	7976	2820	241
West Khasi Hills	5247	42	5150.4	96.63	51	347	5247	56
Ri-Bhoi	**	**	2402	46	75	286	2376	79
East Garo Hills	2603	73	2585.7	17.34	82	2071	2603	95
West Garo Hills	5564	86	3658.7	18.3	125	3191	3715	140
South Garo Hills	***	***	1878.2	8.8	48	982	1849	53
Total State	22429	79	22199	229.72	84	1970	22429	103

** Included in East Khasi Hills.

*** Included in West Garo Hills.

Source: Census of India, 1991 and 2001.

2.2.3 Birth and Death Rates

As per available information from the Register General, Ministry of Home Affairs, India, that the birth and death rates in the state have been fluctuating over the years (Table – 2.7). The birth rate in Meghalaya was at 29.5 per thousand in 1994, which rose to a high of 30.4 per thousand in 1996. After that, it continued to fall in 2005 at 25.1 per thousand. However, the birth rate in India showed a downward trend through the years. The birth rate over the years in the state was higher at the all –India level.

The death rate also showed a similar trend, which was recorded 7.1 in 1994, increased to 9.2 in 2000, after that, it fell through the years only to rise marginally 7.5.

TABLE – 2.7
BIRTH AND DEATH RATES

	Meghalaya	All India
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Year	Birth Rate	Death Rate	Birth Rate	Death Rate
1994	29.5	7.1	28.6**	9.2**
1995	28.9	8.9	28.3**	9.0**
1996	30.4	8.9	27.5**	9.0**
1997	30.2	8.8	27.2**	8.9**
1998	29.2	9	26.5*	9.0*
1999	28.7	9.1	26.1*	8.7*
2000	28.5	9.2	25.8*	8.5*
2001	28.3	9	25.4*	8.4*
2002	25.8	7.7	25.0*	8.1*
2003	24.7	7.4	24.8*	8.0*
2004	25.2	7.2	24.1	7.5
2005	25.1	7.5	23.8	7.6

** Excludes Jammu & Kashmir.

* Excludes Nagaland (Rural) due to part receipts of returns.

Source: Registrar General, Ministry of Home Affairs, Government of India.

2.2.4 Sex Ratio

Since 1901 over the six decades sex ratio in the state registered a significant decline from 1036 females per 1000 males to 937 females per 1000 males. The female male ratio (FMR) was as low as 937 in 1961. However, during 1971, there has been some improvement in the FMR. In 1971 it increased to 942 and in 2001, it was further increased to 975. But during 1991 it was again decreased to 947 (Table 2.8)

TABLE – 2.8
SEX RATIO IN MEGHALAYA, INDIA, 1901 – 2001

Year	Females Per 1000 males	
	MEGHALAYA	ALL INDIA

1901	1036	972
1911	1013	964
1921	1000	955
1931	971	950
1941	966	945
1951	949	946
1961	937	941
1971	942	930
1981	954	934
1991	947	927
2001	975	933

Source: Census of India, 2001.

The Table 2.8 reveals that, overall sex ratio (FMR) in the state favoured females till 1921. The sex ratio in the state is relatively higher than the sex ratio for the country as a whole except in 1961. The overall trend of sex ratio in the country since 1901, showed a continuous trend towards a decline in sex ratio, barring a marginal improvement in 1981.

District wise sex ratio in the state showed a continuous increase from 1991 to 2001 in almost all the districts except for East Garo Hills. However, East Khasi Hills district had recorded greater improvement in the proportion of females from 927 in 1991 to 984 in 2001. The following Table – 2.9 shows the district wise sex ratio in Meghalaya.

TABLE – 2.9
DISTRICT WISE SEX RATIO IN MEGHALAYA

Districts	(Females Per Thousand Males)	
	Year	
	1991	2001
East Khasi Hills	926	984
West Khasi Hills	958	972

Jaintia Hills	976	980
Ri-Bhoi	NA	941
East Garo Hills	960	960
West Garo Hills	953	988
South Garo Hills	NA	941
MEGHALAYA	927	975

Source: Census of India, 2001.

NA=Not available.

2.2.5 Population in the Rural Development Blocks

In order to achieve the aim of Community Development or Community and Rural Development, the Government realized that out of 24 Development Blocks, it would not be possible to provide the requirements essential for development at grass root level. This is mainly due to difficult terrain accompanied by transportation hurdles in rural area, which prevent easy access from villages to Block Headquarters. Therefore, carving out of those existing Development Blocks opened up new Community and Rural Development Blocks so that inaccessible areas could be covered for administrative convenience and efficient functions. With this aim in view, the fruits of political independence may usher in along with social well-being and economic betterment for the people, particularly the rural inhabitants. The Table – 2.10 shows the population in the Rural Development Blocks of different districts of Meghalaya according to census 1991 and 2001, Govt. of India.

TABLE – 2.10

BLOCK WISE POPULATION (Census 1991 and 2001)

Districts/ Blocks	Area Sq.Km	No. of Villages (2001 Census)	Population (1991 Census)			Population (2001 Census)			Decadal Increase (In %)
			Male	Female	Total	Male	Female	Total	
Jaintia Hills									
Thadlaskein	753	130	39032	39362	78394	51472	50299	101771	29.82
Amlarem	398	87	15310	14657	29967	18147	17878	36025	20.22
Laskein	553	88	23287	23287	46884	32760	32837	65597	39.91

Khliehriat	2115	194	34124	31104	65228	46997	45302	92299	41.5
Saipung	Opened in 2001 (created					20/03/2001)			
East Khasi Hills									
Mylliem	221	96	153270	140703	293973	186027	180599	366626	24.71
Mawphlang	345	214	23363	23322	46685	27526	28091	55617	19.13
Pynursla	505	155	23480	23691	47171	27862	28485	56347	19.45
Mawsynram	523	160	19445	18749	38194	22728	22275	45003	17.83
Shella-Bholaganj	578	202	23376	22423	45799	27432	26667	54099	18.12
Mawkynrew	355	71	15187	14983	30170	17029	17093	34122	13.1
Laitkor Khadarsnong			Opened in 2001 (created			20/03/2001)			
West Khasi Hills									
Mairang	1106	143	32225	30870	63095	40905	39870	80775	28.02
Mawkyrwat	858	141	28585	27186	55771	25762	25588	51350	
Ranikor	695	131	(Opened after 1991)			16413	15456	31869	49.21
Nongstoin	974	218	31369	29674	61043	37769	36621	74390	21.86
Mawshynrut	1614	310	20681	19567	40248	28310	27421	55731	38.47
Mawthadrai-shan			Opened in 2001 (created			20/03/2001)			
Ri-Bhoi									
Umling	1180	247	26221	24340	50561	38862	36632	75494	49.31
Umshning	1196	323	39355	37396	76751	60453	56848	117301	52.83
Jirang	Opened in 2001 (created 20/03/2001)								
East Garo Hills									
Dambo Rongjeng	885	313	30610	29582	60192	392201	37186	76387	26.91
Songsak	703	198	16357	15855	32212	21233	20647	41880	130.01
Samanda	547	139	15655	14439	30094	22097	21026	43123	43.29
Resubelpara	468	238	33822	32510	66332	43781	42384	86165	29.9
Kharkutta	Opened in 2001 (created					20/03/2001)			
West Garo Hills									
Dadengiri	617	125	31997	31173	63170	16564	16309	32873	
Tiknikilla	330	171	(Created 07/11/1992)			24781	24523	49304	30.09
Selsella	535	330	50541	49211	99752	65469	64532	30001	30.32
Rongram	867	233	46556	42990	89546	55991	57857	13848	27.14
Betasing	301	212	25949	25582	51531	32337	31422	63759	23.73
Zikzak	405	202	27541	26246	53787	34786	33345	68131	26.67

Dalu	660	264	23119	22122	45241	29512	28385	57897	27.97
Gambegre	Opened in 2001 (created					20/03/2001)			
South Garo Hills									
Baghmara	651	153	3823	3845	7668	23989	21746	45735	496.44
Ronggara	587	120	1651	1708	3059	8905	8593	17498	420.93
Chokpot	611	354	3201	3263	6464	18157	17715	35872	454.95
Gasuapara	Opened in 2001 (created					20/03/2001)			

Source: Compiled from Census of India, 1991, 2001. Statistical Handbook, Meghalaya, 2003, 2007.

2.3. Literacy

Literacy may be regarded as an important instrument to reflect the progress, at the level of understanding in everyday life of individuals. Literacy provides access to knowledge and accelerates the understanding of skills. Therefore, increase in literacy means increase in socio-economic development. According to census reports; the percentage of literate persons in the state as per 1981 census was 34.08 per cent. The percentage of literate persons in rural area of Meghalaya was 27.45 per cent while that of urban area was 64.12 per cent in the same period. However, it may be mentioned that, Meghalaya occupied 22nd position in the All India ranking among the States and the Union Territories in 1981. But in 1991 census, the literacy rate in the state had increased to 49.10 per cent and it holds 24th position in terms of overall literacy among all States and Union Territories of India. According to 2001 census, the percentage of literacy in the state has gone up to 63.31 per cent; despite increased in the literacy rate the state's rank in terms of literacy in all India level dropped down to 27th position.

The percentage growth of literate male and female has gone up considerably. The census, 2001 reveals that the male literacy rate in the state has increased from 37.89 per cent in 1981 to 66.14 per cent in 2001 (Table – 2.11)

TABLE – 2.11

PER CENTAGE GROWTH OF LITERACY IN MEGHALAYA 1981-2001

	Year
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Particulars	1981	1991	2001
Rural	27.45	41.05	57
Urban	64.12	81.74	87.19
Male	37.89	53.12	66.14
Female	30.08	44.85	60.41
TOTAL	34.08	49.1	63.31

Source: Census of India, 1991, 2001.

Among female, the literacy rate has increased from 30.08 per cent in 1981 to 60.41 per cent in 2001. The literacy rate is higher among males (53.12 per cent in 1991 and 66.14 per cent in 2001) than females (44.85 per cent in 1991 and 60.41 in 2001). However, if we compare males, females literacy growth rate over the decades, we find that female's literacy rate increased at a faster rate than the males. The female literacy rate in the state as per 2001 census is 60.14 per cent, which is much higher than the female literacy rate at the national level 54.28 per cent. However, overall literacy rate of the state is below the national average 65.41 per cent. It is also observed that percentage of literacy in the rural area of the state has increased remarkably from 27.45 per cent in 1981 to 57.00 per cent in 2001. There are huge gaps between rural-urban literacy. The literacy rates in urban areas are much higher than the rural areas.

The literacy rate varies to a great extent among the districts of the state and this variance is noticed among the rural and urban population. The literacy rates in the various districts of the state as per 2001 census, is shown by the Table – 2.12

TABLE – 2.12

LITERACY RATES OF MEGHALAYA BY DISTRICTS – 2001

(Per cent)

Districts	Total	Rural (M + F)	Urban (M + F)	Males Total (R + U)	Females Total (R + U)
Jaintia Hills	52.79	48.97	91.14	50.13	55.52
East Khasi Hills	74.74	63.72	88.65	74.89	74.58
West Khasi Hills	65.5	63.13	83.83	66.74	64.21
Ri-Bhoi	63.67	62.66	77.1	65.77	61.4
East Garo Hills	61.57	57.97	82.15	67.17	55.72
West Garo Hills	50.78	46.09	85.17	57.12	44.41
South Garo Hills	55.21	52.28	83.96	61.42	48.61
MEGHALAYA	63.31	57	87.12	66.14	60.41

Source: Census of India, 2001.

It is observed from the table – 2.12 that the East Khasi Hills District has the highest rate of literate persons in the state with 74.74 per cent, followed by 65.50 per cent in the West Khasi Hills District, while West Garo Hills Districts has been recorded with 50.78 per cent as the lowest in among all the Districts in the state. The proportion of rural urban literacy rates in the state has shown that the Jaintia Hills District has the highest percentage of literacy i.e. 91.14 per cent in the urban area, while 77.10 per cent shown as lowest in the Ri-Bhoi District. The percentage of literate persons in the rural area of the Districts was the highest attained by the East Khasi Hills with 63.72 per cent while the lowest percentage was 46.09 per cent shown by the West Garo Hills Districts in the State.

The East Khasi Hills District has shown highest percentage of literacy rate among males with 74.89 per cent while in Jaintia Hills District has shown the lowest literacy percentage of males with 50.13 per cent. As regards literacy of females, the East Khasi Hills District has again shown to be the highest with the percentage literacy of 74.58 per cent but West Garo Hills District with 44.41 per cent has been considered to be lowest in the state.

2.4. Growth of Labour Force and Employment in Meghalaya

Adequate supply of labour and its productive efficiency are important factors in the development of an economy. Supply of labour depends upon the size and composition of population in a country. All the people living in the country are not capable of working. While some of them are too young, others might be too old to work. Some may be physically or mentally handicapped and, therefore, cannot take up any job, and also those who are not willing to work including women in Indian society. Thus, if we deduct those from the total population, we arrive at the figures of labour force for the country. In India, many of the able-bodied, qualified and willing persons are staying idle in the absence of employment opportunities. If from the labour force of a country we deduct the number of people who are actually unemployed, we arrive at the figure of working force. Thus working force in a country refers to that portion of population, which is engaged in various productive activities in an economy. It refers to the number of people who are actually working and contributing to the national income. The economic progress depends upon the size of the working force. Larger the number of working force, more shall be the production in the country leading to higher income and better level of living for the people.

The size of labour force in an economy depends upon various factors such as the age composition, life expectancy and availability of work, etc. The size of labour force is an important factor, which affects the entire stream of production, savings and capital formation. A smaller proportion of labour force in the total population would imply a relatively larger proportion of 'dependency' and vice versa.

The occupational structure of a country is closely interlinked with its economic development. In the advanced countries a very large proportion of working force is engaged in tertiary and secondary sector and only a small proportion of workers are engaged in the primary sector. In underdeveloped countries, on the other hand, the largest proportion of workers is engaged in agriculture, while a very small fraction of the working force engaged in secondary

and tertiary sectors. Colin Clark writes, “A high average level of real income per head is always associated with a high proportion of the working population engaged in tertiary industries ... low real income per head is always associated with a low proportion of the working population engaged in tertiary production and a high percentage in primary production”. A.G.B. Fisher also reaches the same conclusion: “We may say that in every progressive economy there has been a steady shift of employment and investment from the essential ‘primary activities’ ... to secondary activities of all kinds and to still greater extent into tertiary production”. These conclusions regarding economic development and occupational structure are based on the empirical evidence gathered from the countries, which have already reached a high stage of economic development.

Occupational structure in an underdeveloped country reflects different character, which shows excessive dependence on agriculture. Between secondary and tertiary sectors, a large proportion is engaged in the service sector and a smaller proportion in the industrial sector. In underdeveloped countries, because of low incomes, large part of income gets used up in purchasing food and other agricultural products. Consequently, there is not much demand for goods and services of the industrial and service sector. Further modern capital goods and techniques needed by industries and services are very inadequate in these countries. For these reasons these sectors are unable to expand and as such cannot provide large work opportunities for the labour force.

In the light of the above observations, let us now analyse the changes in the occupational structure in Meghalaya. The Table – 2.13 shows the percentage people engaged in various sectors of the economy during 1991-2001.

TABLE – 2.13

**OCCUPATIONAL DISTRIBUTION OF WORKING FORCE IN
MEGHALAYA: 1991 – 2001 (In Per cent)**

Categories	Year					
	1991			2001		
	Rural	Urban	Meghalaya Total	Rural	Urban	Meghalaya Total

Cultivators	Male	60.44	2.71	50.76	52.41	4.25	44.88
	Female	70.47	5.77	64.61	57.2	7.91	51.88
	Total	64.63	3.51	56.25	54.47	5.46	47.8
Agricultural Labourers	Male	14.58	2.67	12.58	18.59	3.55	16.25
	Female	15.56	3.63	14.48	22.23	7.7	20.66
	Total	14.99	2.92	13.34	20.16	4.92	18.09
Household Industry	Male	0.88	1.68	1.01	1.46	1.26	1.43
	Female	0.86	1.98	0.97	2.6	1.69	2.5
	Total	0.87	1.76	0.99	1.95	1.4	1.88
Others	Male	24.1	92.94	35.65	27.54	90.94	37.44
	Female	13.11	88.62	19.95	17.97	82.7	24.96
	Total	19.51	91.81	29.42	23.42	88.22	32.23

Source: Census of India, 1991 and 2001.

(Percentage calculated based on census of India)

As for 1991 census, the majority of workers in Meghalaya were cultivators i.e. 56.25 per cent followed by 29.42 per cent in tertiary sectors. Agricultural labourers accounted for 13.34 per cent while the industrial sector accounted for 0.99 per cent. However, during 2001, the percentage of working force engaged in cultivation gradually fell to 47.80 per cent, but agricultural labourers increased from 13.34 per cent in 1991 to 18.09 per cent in 2001. Similarly in the case of secondary and tertiary sectors, the percentage of working force has increased from 0.99 per cent in 1991 to 1.88 per cent in 2001 and 29.42 per cent in 1991 to 32.23 per cent in 2001 respectively.

Now if we look into the total rural workers in the state, we find that the bulk of total rural workers engaged as cultivators during 1991 were 64.63 per cent, which came down to 54.47 per cent during 2001. In 1991, 70.47 per cent among female workers and 60.44 per cent among male workers fell in this category. However, during 2001, the percentage of female and

male workers under the same category came down to 57.20 per cent and 52.41 per cent respectively. Agricultural labourers during 1991 were 14.99 per cent, which increased to 20.16 per cent by 2001. The proportion of working population engaged in secondary and tertiary sector in the rural area over these years has also been increased from 0.87 per cent in 1991 to 1.95 per cent in 2001 in secondary sector and from 19.51 per cent in 1991 to 23.42 per cent in 2001 in tertiary sector. In the urban areas of the state, there were negligible number of cultivators and agricultural workers but their percentage in comparison to the 1991 figures are slightly increased. The proportion of working force engaged in secondary sector and tertiary sector during 1991 was 1.76 per cent and 91.81 per cent respectively, which came down to 1.40 per cent in secondary sector and 88.22 per cent in tertiary sector during 2001. The low percentage of working force in the secondary sector may be due to low manufacturing activities in the state's urban areas.

The distribution of one type of worker across urban and rural areas, we may observe from the Table – 2.14 that the largest proportion of working force both cultivators and agricultural labourers are 98.45 per cent and 96.30 per cent respectively found in rural areas and 89.83 per cent are in house hold industries and 62.78 per cent working force engaged in other activities are also found in rural areas.

It may be noted that majority of people in Meghalaya lives in rural areas. Thus occupational structure in the state has not shown much change over the last decade. Whatever changes have taken place, do not indicate any major shifts and are not indicative of significant variations in the occupational structure of the state. The main reason has been the whelming increase in population, which has

TABLE – 2.14

PER CENTAGE DISTRIBUTION OF MAIN WORKERS IN
MEGHALAYA, 2001

(Per cent)

		Cultivators	Agricultural Labourers	Household Industry	Others
Total		100	100	100	100
Rural	Male	98.52	96.59	86.21	62.07
	Female	98.36	95.98	92.72	64.25
	Total	98.45	96.3	89.83	62.78
Urban	Male	1.48	3.41	13.79	37.93
	Female	1.64	4.02	7.28	35.75
	Total	1.55	3.7	10.17	37.22

Source: Census of India, 2001.

retarded the growth of industry and services in the state. Agriculture continues to be the main source of employment. However, it may be expected that as the State attains a high rate of growth, there will be change in the occupational structure that population of working force in primary sector will decline and that in secondary and tertiary sectors will decline. But this will happen only when growth rate of population is also controlled.

Employment:

The main avenue for employment in the state is mostly in Government services of both Central and State Governments. Meghalaya is economically backward and industrially underdeveloped and this could be observed by the absence of industries in the state. Employment opportunities in both the public and private sectors appeared to have reached saturated point. The Table – 2.15 shows the number of persons employed in both the public and the private sectors in the state during 2000-2001 and 2001-2002.

TABLE – 2.15
EMPLOYMENT IN PUBLIC AND PRIVATE SECTORS IN
MEGHALAYA

Sector	Year
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	2000 - 2001	2001-2002	Per centage Increase/Decrease
Public Sector			
Central Government	16279	15874	-2.49
State Government	37496	39175	4.48
State Quasi Government	7746	7135	-7.89
Central Quasi Government	8029	7789	-2.99
Local Bodies	2776	2835	2.13
Total	72326	72808	0.67
Private Sector			
Larger Establishment	7452	6173	-17.16
Smaller Establishment	1989	2384	19.86
Total	9441	8557	-9.36

Source: Statistical Hand Book, Meghalaya, 2007.

It is observed from the table – 2.15 that the highest number of persons (39175 persons) employed during 2001-2002 under State Government in public sector followed by 15874 persons in the Central Government during the same period. But the number of persons employed in the Central Government came down from 16279 persons in 2000-2001 to 15874 persons in 2001-2002. In the State Government, the number of persons employed increased from 37496 persons in 2000-2001 to 39175 persons in 2001-2002, which shows 4.48 per cent increase annually in the State Government and 2.49 per cent decrease in the Central Government. However, number of persons employed in other sectors had decreased by

7.89 per cent in State Quasi Government, 2.99 per cent in Central Quasi Government and increased by 2.13 per cent in Local Bodies from 2000-2001 to 2001-2002.

Now if we look at the overall employment trend in the public sector during the period 2000-2001 and 2001-2002, we find that total number of employed persons during 2000-2001 were 72326, which increased to 72808 persons in 2001-2002, which shows 0.67 per cent annual increase in the employment. In the private sector, total number of persons employed during 2000-2001 was 9441 persons, which decreased to 8557 persons during 2001-2002, which is registering 9.36 per cent decrease in the employment. The public sector has been the larger employment than the private sector. It accounts for 88.25 per cent of total employment in the state in 2001-2002.

The Employment Exchanges are the index of the employment situation prevailing in the state. The Table – 2.16 shows the number of applicants who have

TABLE – 2.16
APPLICANTS IN THE LIVE REGISTER OF EMPLOYMENT
EXCHANGES IN MEGHALAYA

Items	Year						
	1999	2000	2001	2002	2003	2004	2005
No. of Employment Exchanges	10	10	11	11	11	11	11
Registration	10694	11729	10826	8126	10752	10688	9556
Vacancies Notified	295	433	186	833	323	171	1071
Placement	66	87	57	186	40	19	25
No. of Applicant on the Live Register	36094	35411	38727	36718	35940	37359	37396

Source: Statistical Handbook, Meghalaya, 2007.

registered with the Employment Exchanges in the state. The number of persons registering their names with the Employment Exchanges is fluctuating. But the situation of unemployment is actually more than could

be reflected, as many more unemployed do not register themselves with the exchanges due to ignorance or perhaps, considering such registration to be impractical.

2.5 Land Resources and Land Use

Land happens to be one of the most important resources available to man.

It comprises soil, water and associated plant and animals involving the total ecosystem. It provides man with living space, food, clothing and housing materials. In a broader sense, land includes all free gifts of nature or the entire natural environment that exists independently of man's activity. Land is the most important and critical factor among the natural resources of production. Land resources have a continuous interaction with the human activities and they are almost infinitely large in number, complex and diverse in nature. Their inter-relations between land resources and human activities are extremely dynamic, and hence, change rapidly and continuously with time.

Rapid development has, however, been leading to continuous increase in pressure on natural resources in general and land resources in particular. The ever-rising population pressures and rising development needs have rendered land to be the scarcest factor in a country like India. This focuses on the attention to the fact that land should have multiple uses - such as urban and rural land use. The demographic pressure and the economic development increase the demand for both rural and urban land. Rural land use may broadly correspond to the economic activities originating in the rural sector of the economy. Urban land use on the other hand, may be associated with a variety of primary, secondary and tertiary sectors.

Land use simply means the utilization of land to obtain optimum benefits. Since land happens to be extremely finite and limited, the ever-rising population pressures and rising development needs have rendered land to be the most scarce factor in N.E.R., and particularly in Meghalaya. Meghalaya had abundance of land, reflecting in the high and favourable land-man ratio. But the impact of increased demand has not been uniformly distributed over time, space or the sector in which land is used. Level and structure of prices of land and their produce have also been changing rapidly.

TABLE – 2.17
LAND-USE CLASSIFICATION IN MEGHALAYA
(In Hectares)

Particulars	Year		
	2002-03	2003-04	2004-05 (P)
A. Total Reporting Area Under Land Utilization	2227100	2227100	2227100
1. Forest	947038	947219	941786
2. Not available for Cultivation	225321	225380	227945
3. Other Uncultivable Land (excluding Fallow Land)	600824	599589	607717
4. Fallow Land	238392	235688	230760
5. Net Area Sown	215525	219224	218892
6. Area Sown More Than once	46597	46650	45963
7. Total Cropped Area Under Land	262122	265874	264855

Source: Directorate of Economics and Statistics, Meghalaya.

Land-use classification is based on the land and the information collected on the basis of sample surveys. Total area for which information is available is called 'reporting area' and remaining for which land use information is not available is called 'non-reporting area'. Total geographical area of the state is, thus, equal to the reporting area plus the non-reporting area. Land utilization statistics provide detailed information of the land use in the state. The Table – 2.17, gives such information. Meghalaya has a total geographical area of 22,429 Sq.Kms. Total reporting area for land utilization has been recorded 2227100 hectares in 2004-2005. The area under forests covered about 941786 hectares of land during 2004-2005, thus forming around 42.29 per cent of the reporting area. The area under forest, which was recorded as 947038 hectares in 2002-03, has reduced to 941786 hectares in 2004-2005, showing a decrease by 0.55 per cent of forest area.

About 9.9 per cent of the reporting area is under residential, industrial and commercial uses, and is thus not available for cultivation. Another 27.57 per cent are represent other uncultivated lands, which comprises a) cultivable waste lands i.e. those land areas where cultivation can be done only after reclamation b) permanent pastures and other grazing grounds and c) land are under miscellaneous tree crops. In 2002-03, other uncultivable land was recorded 600824 hectares has increased to 607717 hectares in 2004-2005, there by showing an increase of uncultivable land by 1.15 per cent. Over 10 per cent of the reporting area consists of fallow lands i.e. land which has been left deliberately uncultivated as it is being given rest to recoup its natural fertility lost over the years of continuous cultivation. This land accounted to 238392 hectares in 2002-2003, which came down to 230760 hectares in 2004-2005, showing a decrease by 3.2 per cent. The decreased area under fallow land may either be brought under cultivation or used for other purposes.

It is observed from the table – 2.17 that the over all net sown area in the state has increased from 215525 hectares in 2002-03 to 218892 hectares in 2004-2005, which is showing an increase of about 1.56 per cent. The area sown more than once has shown a decrease by 1.36 per cent. This added to the net sown area, gives a total cropped area of 264855 hectares in 2004-2005, which constitute about 11.89 per cent of the total

reporting area. The total cropped area sown was 262122 hectares in 2002-03 has increased to 264855 hectares in 2004-2005 showing a marginal increase of 1.04 per cent.

Farmers and cultivators depend on monsoon for the supply of water to paddy fields. In the failure of monsoon, cultivators and farmers had to face various problems. In order to solve these problems, Government has taken up irrigation channels in some areas of the state. Government has however, not levied any irrigation charges for supply of water to farmers and cultivators from such channels. This is due to the fact that area constructed by such irrigation channels is in the ownership of non-Government land. It may be stated that the land tenure system in Meghalaya is different from the other state. In this respect, Government land in the state accounted to only 10 per cent or so, while the rest of the state area is under the ownership of private parties, community land or local bodies.

2.5.1 Area under major food and non-food crops in Meghalaya

The principal crops that are grown in the state are rice, maize and other cereals. Other important crops include jute, mesta, cotton, ginger, turmeric, banana etc. Potato has now become one of the important cash crops in the state; the area and production of this crop had also increased during the last two decades. Though rice is a staple food of the state, yet its production is not sufficient to meet the requirement in the state.

The area under important crop like rice has slowly increased. During 2001-02 it was 107761 hectares, which gradually increased to 111550 hectares in 2004-2005, which shows an additional increase in the area of 3789 hectares (3.52 per cent) (Table-2.18). The area under cultivation of wheat showed decreasing trend. The area under wheat in 2001-02 was recorded 2753 hectares, which decreased to 863 hectares in 2004-2005. The area under maize had slightly increased to 16875 hectares in 2004-2005, from 16866 hectares in 2001-02. The area under total food grains recorded during 2001-02 was 133525 hectares, which had increased to 135365 hectares in 2004-2005.

The production of principal crop like rice was 188971 tons in 2001-02, which had increased to 200702 tons in 2003-2004, showing an increase of production marginally by 6 per cent. However, the production of rice came down to 3.5 per cent (193719 tons)

during 2004-05. The production of wheat was recorded 4812 tons during 2001-02, which decreased to about 67.5 per cent (1564 tons) in 2004-05. The production of cereals increased marginally by 0.15 per cent

TABLE – 2.18
AREA AND PRODUCTION OF MAJOR CROPS IN MEGHALAYA

Crops	Area (In Hectares)				Production (In Tonnes)			
	2001-02	2002-03	2003-04	2004-05	2001-02	2002-03	2003-04	2004-05
1. Rice								
a) Autumn	31628	31668	31734	32667	36172	37766	35822	37766
b) Winter	70392	70355	70475	69659	130892	131031	134723	118514
c) Spring	5741	5719	7512	9224	21907	22140	30157	37439
Total Rice	107761	107742	109721	111550	188971	190937	200702	193719
2. Wheat	2753	2714	862	863	4812	4745	1540	1564
3. Maize	16866	16922	16900	16875	25247	25879	25929	24000
4. Other Cereals	2720	2762	2661	2651	2152	2313	2209	2241
Total Cereals	130100	130140	130144	131939	221182	223874	230380	221524
5. Total Pulses	3425	3371	3420	3426	2543	2546	2603	2622
Total Foodgrains	133525	133511	133564	135365	223725	226420	232983	224146
6. Sesamum	1331	1629	1617	1628	694	858	849	860
7. Castor	25	23	25	32	13	12	14	20
8. Rapseed& Muster seed	7156	7202	7218	7202	4782	4670	4645	4743
9. Linseed	66	74	74	75	31	36	34	35
Total Oilseed	8578	8928	8934	8937	5519	5576	5542	5658
10. Jute**	4061	4074	4043	4019	25057	35826	35699	20153
11. Mesta**	4550	4513	4502	4195	24526	20689	20459	19018
12. Cotton*	7323	7310	7281	7231	7873	7829	7792	7765
13. Sugarcane	83	80	83	80	226	219	228	218
14. Dry Chillies	1825	1809	1807	1844	1158	1150	1168	1303
15. Tobacco	728	719	723	729	480	470	472	479
16. Turmeric	1523	1543	1561	1632	8577	8642	8656	8752
17. Arecanut	11128	11189	11189	11233	14101	14167	14244	14169
18. Potato	18151	18071	18035	17287	159032	167884	149428	141622
19. Sweet Potato	4942	4953	4853	4974	16627	16412	16016	16172
20. Tapioca	3971	3958	3974	3975	20637	20950	20588	20644
21. Soya bean	981	999	984	967	939	959	963	935
22. Ginger	8897	8896	8882	9222	46600	46731	49215	47138
23. Pineapple	9315	9389	9480	9565	82398	83333	91671	92036
24. Citrus fruits	7750	7994	8046	9669	34645	33006	36636	36142
25. Banana	5311	5344	5628	6276	63773	65659	66875	67838
26. Papaya	535	535	652	582	4297	4325	4435	4484

* Production in bales of 170 Kgs. ** Production in bales of 180 Kgs.

Source: Directorate of Economics and Statistics, Meghalaya.

in 2004-05 (221524 tons) from 2001-02 (221182 tons) while the area under cultivation increased by more than 1 per cent from 130100 ha. to 131939 ha. during the same period. The production of food grains recorded an increasing trend. The production of oil seeds had also increased by 2.5 per cent in 2004-2005 from 2001-02, and its area under cultivation had also increased by 4 per cent during the same period. The production of crops like jute, mesta, cotton, sugarcane, potato, soyabean, showed a decreasing trend through the years, and the area under cultivation of these crops also decreased. However, the production of other crops like tobacco showed a marginal decrease, but its area under cultivation also showed a slight increase, while the other crops like turmeric, areca nut, chillies, tapioca, ginger, pineapple, citrus fruits, banana, papaya showed an increasing trend during the period 2001-02 to 2004-05 and the area under cultivation of these crops also increased.

TABLE – 2.19
YIELD RATE OF SOME IMPORTANT CROPS IN MEGHALAYA
(Kgs. /Hectares)

Crops	2001-02	2002-03	2003-04	2004-05	(%) Increase/ Decrease
1. Rice					
a) Autumn	1144	1193	1129	1156	1.05
b) Winter	1859	1862	1912	1701	-8.50
c) Spring	3816	3871	4015	4059	6.37
Total Rice	1754	1772	1829	1737	-0.97
2. Maize	1497	1529	1534	1422	-5.01
3. Rapeseed & Mustard seed	688	648	643	659	-4.22
4. Jute	1111	1583	1589	903	-18.72
5. Potato	8762	9290	8285	8192	-6.50

Source: Directorate of Economics and Statistics, Government of Meghalaya.

The yield rates of some principal crops had shown a decreasing trend. The yield per hectare of the major crops like rice, maize, and jute showed an increasing trend from the period 2001-02 to 2003-04. During 2004-05 the yield rate came down to 1737 kgs/ha. from 1754 kg/ha. for rice, 1422 kg/ha. from 1497 kg/ha. for maize and for jute 903 kg/ha. from 1111 kg/ha. It is observed from the Table – 2.19 that the yield rate of potato was 8762 kg/ha. in 2001-02, which increased to 9290 kg/ha. in 2002-03, after that it continued to decrease at 8192 kg/ha. in 2004-05. The yield rate of rapeseed and mustard seed also showed a decreasing trend.

The consumption of fertilizers in Meghalaya has shown an increasing trend through the years 2000-01 to 2005-06 (Table – 2.20). In the Kharif season the total consumption of fertilizers was 2118 tons in 2000-01, which increased to 3503 tons in 2005-06, showed an increase of 65.39 per cent. In the Rabi season the total consumption of fertilizers was 1666 tons, increased to 2988 tons during the same period i.e. an increase of about 79.35 per cent. While the consumption of nitrogen, phosphate, potash in both Kharif and Rabi season showed an increase, although there was little fluctuation of consumption in the six-year period.

TABLE – 2.20
CONSUMPTION OF FERTILIZERS IN MEGHALAYA

Year	Kharif Season				Rabi Season			
	Nitrogen	Phosphate	Potash	Total	Nitrogen	Phosphate	Potash	Total
2000-01	1426	658	34	2118	898	664	104	1666
2001-02	1449	873	32	2354	1348	766	96	2210
2002-03	1539	936	51	2526	1139	741	52	1932
2003-04	1660	1100	91	2851	1490	902	142	2534
2004-05	1554	1146	52	2752	1294	755	129	2178
2005-06	2128	1298	77	3503	1674	1134	180	2988

Source: Directorate of Economics and statistics, Meghalaya.

One of the greatest handicaps of the state agriculture is the subdivision and fragmentation of holdings. The average holding of the cultivator in the state is very small. This is because land is divided and subdivided every time; it changes hands from one generation to the other. The extent of subdivision in the state has gone to almost ridiculous limits and as a consequence, the average size of land holding has gone down to less than 2 hectares in 1990-91. The Table – 2.21 shows below the number and area of operational holdings in the state and the area under them.

TABLE – 2.21
NUMBER AND AREA OF OPERATIONAL HOLDINGS IN MEGHALAYA,
(1990-91)

Category	No.of Operational Holdings	Per centage of Holdings	Area in Hectares	P.C of Total Area	Average Size of Holdings (in hec.)
Marginal Farmers	59427	34.73	32106	10.63	0.54
Small Farmers	51442	30.06	67903	22.48	1.32
Semi Medium Farmers	46393	27.11	117456	38.89	2.53
Medium Farmers	13017	7.61	71493	23.67	5.49
Large Farmers	841	0.49	13065	4.33	15.53
TOTAL	171120	100	302023	100	1.76

Source: Directorate of Economics and Statistics, Ministry of Agriculture, GOI.

It is seen from the table – 2.21 that the average size of operational holdings in the state during 1990-91 was 1.76 hectares, which was too uneven and therefore does not give any fair idea about how small the land holdings are in the state. It is clear from the table – 2.21 that the marginal holdings were the highest among all the categories of land holdings in the state, which accounted for over 34 per cent of the total holdings in the state, their numbers being 59427 while the area was only 32106 hectares. Thus the average area of these marginal holdings was 0.54 hectares.

The small and semi medium holdings formed the second largest group of land holdings in the state. The number of such holdings in 1990-91 was 51442 for small

farmers and 46393 for semi medium farmers, while the area under them was 67903 hectares and 117456 hectares respectively. Such holdings accounted for 57.17 per cent of the total land holding in the state. The average size of these holdings was 1.32 and 2.53 hectares respectively.

The medium size holdings were quite small and their number being 13017 and the area under them being 71493 hectares. Their average size of holdings being 5.49 hectares, but such holdings accounted for only 7.61 per cent of the total number of operational holdings in the state.

The number of large holdings is dismally small in the state. Their number was only 841 and they covered the land area 13065 hectares. These large farmers can accommodate more modern methods of production and abundantly contribute to increase in agricultural productivity in the state. Unfortunately, such land holdings in the state account for only 0.49 per cent of total holdings.

2.5.2 Land Holding System in Meghalaya

The land holding system in Meghalaya is quite different from that which is prevalent in other parts of India. The state had a multiplicity of land systems. Inadequate cadastral surveys, inaccessibility and hill terrain encouraged the continuation of the traditional pattern of relations. All the districts of the state reflected separate developments. In the plains of the Garo Hills, the settlement is mainly *Ryotwari*, except in a small portion falling under the Mechapara *Zamindari*, which was under the permanent settlement up to 1956. In Jaintia Hills, areas of land have been assessed for the purpose of land revenue as *ryotwari* since 1887. only the plain portions of the Garo Hills and the '*Hali*' land of the Jaintia Hills have been subjected to cadastral survey (Public registration of land for fiscal purposes).

Land Holding System in Khasi Hills

There are two main classes of land in Khasi Hills, namely '*Ri-Kynti*' or private land '*Ri-Raid*' or communal land. Under these there are many sub classes known by different or similar names in the various *elakas*.

Ri-Kynti is a type of self-acquired of only those that are connected with the *jait* system and perpetuated with the aid of state power. *Ri-Kynti* land is privately

owned and it is set apart for certain classes of people, the clans. The clans have proprietary, heritable and transferable rights over such land. The management and control of the '*Ri-Kynti*' land is in the hands of *Ri-Kynti* owners themselves. The state has no control over such lands. It's only right is to settle disputes between the claimants if they are brought to the Community Durbar. There are different classes of *Ri-Kynti* land. They are *Ri-Kur*, *Ri-Bitor*, *Ri-Dakhhol*, *Ri-Shyiang*, *Ri-Phniang*, *Ri-Iapduh*, *Ri-Lynter*, *Ri-Spah*, *Ri-Longdung*, *Ri-Pud*, *Ri-kut* and *Ri-Lyngdoh*, *Ri-Syiem* and *Ri-Khain Raibuh*.

Ri-Raid lands are those lands which are set apart for the community over which no person has proprietary, heritable or transferable rights excepting the right of use and occupancy. The management and control of *Ri-Raid* land belongs to the community. The community may be a village, a group of villages or a *syiemship*, a *sirdarship* or a *doloiship*. Every member of a community has the rights of use and occupancy of the *Ri-Raid* land with payment of land revenue. A member cannot claim more land than the area he can actually occupy or collectively make use of it. *Ri-Raid* lands comprise of *Ri-Shnong*, *Ri-Shnat*, *Ri-Kuna*, *Ri-Lyngdoh*, *Ri-Bam Syiem*, *Ri-Law Kyntang*, *Ri-Law Lyngdoh*, *Ri-Law Niam*, *Ri-Lawadong*, *Ri-Law Sang*, *Ri-Law Sumar*, *Ri-Bam Lang*, *Ri-Lynter*, *Ri-Leh Mokotduma*, *Ri-Aiti Mon Sngewbha*, *Riphlang Ribamduh*, *Ridiengsai-diengjin*, and *Ri-Samla*.

Land Holding System in the Jaintia Hills

In Jaintia Hills, land is divided into two categories namely '*Hali*' lands or irrigated paddy lands. *Hali* land is also called 'Low Land' and 'High Land'. *Hali* lands are again subdivided into different classes. They are as 1) Raj lands 2) Service lands 3) Village *Puja* lands 4) Private lands and 5) Patta lands.

Raj lands are irrigated tracts and are the property of the ruler of the area i.e. the property of the former *Syiem* or Raja of Jaintia Hills. They were originally unclaimed or unoccupied lands but vested with the Jaintia *Syiem*. These lands were taken by the British India and were assessed for revenue. Cadastral surveys in some of these areas were thus completed. As of now, these lands are under the state.

Service lands are allotted free of rent to *Dollois*, *Pattors*, *Basans* and other officials who carried administration for the rulers.

Village *Puja* lands are occupied by the *Langdohs* (priests) and the *Raid*, who paid rent to the *Dollois* and *Pattors*. These lands are set apart in each village for purposes of religious ceremonies and worship. They are not assessed for revenue.

Private lands are held by the individuals and are subject to transfer etc. These lands are also called *Buniaj* lands and are assessed for revenue tax.

Patta or lease lands were allotted and settled by the British Government during its regime. However, the Jaintia Hills Autonomous District Council constituted under the provisions of the Sixth Schedule to the Constitution of India, allots these lands to the individuals or institutions. This is in respect of paddy fields only, since the settlement of building sites have been discontinued by the District Council.

High lands are divided into two classes. These are a) Private lands and b) Unclaimed lands or Government Wastelands. The private lands are sort of tenure system and unclaimed lands or Government wastelands can be cultivated by any body on payment of rent.

Land Holding system in the Garo Hills

In the Garo Hills, land is divided mainly into two classes, viz., 1) *A'King* lands and 2) *A'Millan* lands. *A'King* lands are community lands owned by different lineage groups. The Autonomous District Council possessed complete records of the boundaries of each tract of *A'King* lands. According to the customary laws of the Garos, the wife of the '*Nokma*' (the head of the clan) is the sole heiress of the *A'King* lands. The management of the *A'King* land is entrusted to the *Nokma*.

Any particular clan does not claim the *A'Millan* lands. This is some sort of vacant lands. In ancient times one clan had to fight with another for exercising the claim over such lands. Some of these *A'Millan* lands were taken over by the authorities during the British rule and have now been converted to Government lands.

The land holding system of Meghalaya varies from district to district. This is so because the system is based on tribal customs and traditions and these vary from place to place. The traditional system of land holding system has under gone changes in the districts in the course of time and a tendency for private ownership of land is noticeable. There is need for introducing land reforms measures in the state. But the types

of measures applicable in the rest of the country may not be suited to the indigenous people of the state.

2.6. Urbanization and Economic Development in Meghalaya

Urbanization is a phenomenon, which is part and parcel of economic development in general. Urbanization, thus, refers to the process of population concentration entailing on increase in population living in urban areas. It has been considered not only as an index of economic development but also as an important factor of social change. Urbanization is not a mechanized process but it is governed by economic, social and cultural factors and the process of rural to urban migration is by far the vital components. As Tadaro remarked that “migration is accelerated mainly by rational economic consideration of relative belief and the decision to migrate depends on expected economic difference”. The provision of urban services such as transport, communication, water, sanitation and shelter alone is usually unlikely to stimulate large-scale urban development. Thus planning of urban development should essentially be supportive of economic development in the state or in the tertiary sector.

Meghalaya as one of the North-Eastern States is not only at a low level of urbanization, but it is characterized by regional disparity in the distribution of the urban population. However, the rate of urban population and urbanization has been rapid in the region since last few decades. Economic development is generally accompanied by the relative decline in the role of primary and the rise in the role of secondary and tertiary sectors of the economy. Urbanization implies economic development. But Meghalaya is basically an agricultural state. The very geo-physical structure is not conducive and stands in the way of industrialization of the state which is mainly due to acute communication, transport and other infrastructural facilities and has kept the state in isolation and thus deprived its due share in acquiring the knowledge of modern or appropriate technology.

TABLE – 2.22
GROWTH OF TOWNS AND ITS POPULATION IN MEGHALAYA,
(1971-2001)

Towns	Population						
	1971	1981	1991	2001	Decadal Growth (in%) (1971-1981)	Decadal Growth (in%) (1981-1991)	Decadal Growth (in%) (1991-2001)
1. Shillong U.A.	122732	174703	223366	267881	42.35	27.85	19.93
a. Shillong Municipality	87639	109244	131719	132876	24.65	20.57	0.88
b. Shilong Cantonment	4730	6620	11076	12385	39.96	67.31	11.82
c. Mawlai	14260	20405	30964	38241	43.09	51.75	23.50
d. Nongthymmai	16103	21558	26938	34209	33.88	24.96	26.99
e. Pynthormkhrach	*	10711	13682	22108	-	27.74	61.58
f. Madanrting	*	6165	8987	16700	-	45.77	85.82
g. Nongmynsong	*	*	*	#11362	-	-	-
2. Cherrapunjee	*	6097	7777	10086	-	27.55	29.69
3. Nongstoin	*	3880	14339	22003	-	269.56	53.44
4. Mairang	*	*	*	11517	-	-	-
5. Jowai	8929	12323	20601	25023	38.01	67.18	21.46
6. Williamnagar	*	4290	12004	18251	-	179.81	52.04
7. Resubelpara	*	*	*	17652	-	-	-
8. Tura	15489	35257	46066	58391	127.63	30.66	26.76
9. Baghmara	*	4183	5894	8643	-	40.90	46.64
10.Nongpoh	*	*	*	#13165	-	-	-
TOTAL	147150	240733	330047	452612	63.60	37.10	37.14

Source: Directorate of Economics and Statistics, Meghalaya.

Stands newly declared as towns and * stands not declared as towns.

Meghalaya is endowed with rich variety of natural resources. However, the economic development of the region continues to be slow, since it is distant from the mainstream development process. Besides these, the lack of infrastructural facilities including transport and communication, depletion of agricultural resources through jhum cultivation, indiscriminate felling of trees, etc. continues to affect on the urbanization process. These reasons contribute in a very big way to the low level of urbanization of Meghalaya. The N.E.R has remained a lagging relation so far as urban development is concerned, while planned levels of investment in critical sectors have been rising over the years. The total allocation for the urban development sector in Meghalaya is inadequate.

The growth of towns is the result when villages with increasing population have attained a certain standard in respect of norms required for urban status. Meghalaya had only three towns in 1971 has gradually developed in urbanization and is having now one urban agglomeration and nine towns. The Table – 2.22 shows the growth of towns with their respective population during the last three decades.

Shillong, the state capital in East Khasi Hills, is the only major urban center of the entire state. The urban population of the state has steadily been rising from 1,47,150 in 1971 to 2,40,733 in 1981 (decadal growth 42.35 per cent) to 3,30,047 in 1991 (decadal growth 27.85 per cent) to 4,52,612 in 2001 (decadal growth 19.93). The proportion of population in each size class to total urban population varies from one census to another census. Over the years, the relative ranks of different towns have also shown noticeable change. The administration and administrative centers are distinctly out ranking other kinds of towns in their growth. Hence the urbanization has to be anticipated, properly directed for interalia in terms of basic urban services and infrastructural facilities.

2.7. Infrastructure in Meghalaya

Infrastructure is an umbrella term for several activities. It comprising power, railways, roads, transport, communication, tap water supply, sanitation and sewerage, major irrigation work etc. These activities are of the nature of facilitating the working of an economy. It is for this reason that infrastructure is defined as capital of a society that is embodied in such forms as help direct productive activities.

2.7.1 Power

In Meghalaya, Hydro Electric Company Limited was started in 1922 and after operating for about 55 years, was taken over by the Meghalaya State Electricity Board (MSEB) in 1977; the Nangal Bibra thermal project was launched and started providing electricity to eastern part of Garo Hills with an installed capacity of 8.00 Mega Watts. Since the take-over of the supply unit, considerable improvement has been made by MSEB to meet the growing power demand. The Table – 2.23, shows the total installed capacity of power of all the projects in the state during 1995-96 to 2005-2006.

TABLE – 2.23

INSTALLED CAPACITY AND GENERATION OF ELECTRICITY IN MEGHALAYA

Year	Installed capacity (In MW)	Generation (In MKWH)
1995-96	186.71	542.55
1996-97	188.76	486.01
1997-98	188.76	595.61
1998-99	188.76	555.79
1999-2000	185.20	633.54
2000-2001	185.20	657.86
2001-2002	185.20	675.59
2002-2003	185.20	526.97
2003-2004	185.20	526.97
2004-2005	185.20	637.65
2005-2006	185.20	514.44

Source: Meghalaya State Electricity Board.

Availability of power is one of the important sectors in accelerating the economic growth of the state. The total installed capacity of power of all the projects in the state during 1995-96 was 186.71 MW and the power generation was 542.55 MKWH, which has decreased to 185.20 MW in 2005-2006 with a generation of 514.44 MKWH. (Table – 2.23)

According to information available from the North Eastern Council sources that the state has the largest hydro-electricity potential in North East India. A total of about 30,000 MW hydro-electricity potentialities available in the region, out of this, Meghalaya has a potential of nearly 1,200 MW.

The present peak demand in the city is more than 20 MVA and the whole net work if properly designed and strengthened with adequate metering arrangements should enable the Board to earn substantial revenue.

Electrification of villages on the other hand showed a continuous increase (Table – 2.24) from 2407 number of villages in 1994-95 to 3301 numbers of

TABLE – 2.24
NUMBER OF VILLAGES ELECTRIFIED IN MEGHALAYA

Year	Villages Electrified (Nos.)	Percentage of Villages Electrified	Percentage of Rural Population Covered	Irrigation Pumpsets Energized (No.)
1994-95	2407	43.8	71.75	65
1995-96	2408	43.9	70.51	65
1996-97	2508	45.7	54.35	65
1997-98	2510	45.8	54.4	65
1998-99	2510	45.8	54.4	65
1999-00	2510	45.8	54.72	65
2000-01	2518	45.9	54.88	65
2001-02	2580	47.0	56.16	65
2002-03	2754	50.22	NA	25
2003-04	3301	60.19	NA	25

Source: Meghalaya State Electricity Board. NA = Not available.

villages in 2003-2004, constituting to about 60.19 per cent of the total villages in the state. The population covered under electrified villages is about 56.16 per cent as per available information from the MeSEB.

So far 3,428 villages have already been electrified in Meghalaya, out of the total of 5,782 villages, through the Rajiv Gandhi Gramin Vidyut Kiran Yojana (RGGVKY). The end of the 11th Five Year Plan would electrify the remaining 2,354 villages. The numbers of electrified villages in all the seven districts were East Khasi Hills with 805 villages, West Khasi Hills with 493 villages, Ri-Bhoi district with 427 villages, Jaintia Hills with 306 villages, East Garo Hills with 359 villages, West Garo Hills with 762 villages and South Garo Hills with 222 villages. The highest number of villages electrified is in East Khasi Hills (805 villages), while the lowest number of villages electrified is in the South Garo Hills (222 villages). In percentage, the number of villages being electrified in the state is still below the national average. The national average is 70 per cent while the state average is only 59.30 per cent. (The Shillong Times, April 23,

2008). The following table – 2.24 shows the number of villages electrified in the state from 1975-76 to 2001-2002.

2.7.2. Transport and Communication

With large population and itching for development, needs a variety of transport facilities and that also in ample quantities. Meghalaya, a land locked territory, has no railway lines and no water transport, though air transport is now available, but air travel may still be considered as the prerogatives of the few and a luxury to the populace.

Road Transport:

The road transport has special advantages of great significance for a state like Meghalaya. The road transport is very useful in such important matters as generation of employment, provision of relief to the poor, promotion of rural development and meeting several needs of the society. Road transport is the only means of transportation for carrying goods and passengers in the state as well as to and from the state. Another significance aspect is that road transport has become the lifeline of the state as far as its economy is concerned. Further, roads are also the only connecting link between Meghalaya and the rest of the country.

Road construction in the state gained momentum since the inception of the state. According to available statistics the total road length of the state in 1999-2000 was 7117 Km. with road density of 31.73 Km. per 100 Sq.Km., which increased to 7978 Km. in 2005-2006, with road density of 35.12 Km. per 100 Sq. Km. (Table – 2.25). This gives us an increase of 123 Km. per year on average. On

TABLE – 2.25
ROAD LENGTH OF THE STATE

Year	Surfaced (Km)	Un-Surfaced (Km)	Total (Km)	Road Density in Km. Per 100 Sq.Kms.
1999-2000	3284	3833	7117	31.73
2000-2001	3413	3915	7328	32.67
2001-2002	3523	4075	7598	33.88

2002-2003	4280	3210	7490	33.39
2003-2004	4498	3184	7682	34.25
2004-2005	4614	3263	7877	35.12
2005-2006	4721	3257	7978	35.57

Source: Statistical Hand book, Meghalaya, 2007.

P.W.D (R&B), Meghalaya.

the other hand, the increased in surfaced road during the 7 years period comes to approximately 205 Km. per year on average, while un-surfaced road comes down to approximately 82 Km. per year on average.

Motor Transport:

The state is mainly served by roads for the purpose of connectivity between one place with another or one village with other villages. The quickest means of transport are motor vehicles, which include trucks, buses, cars, jeeps, three wheelers and two wheelers. With the increase of the road length in the state after 1972 and onwards, the number of vehicles registered in the state gradually rose. The Table – 2.26 shows the trend on the number of vehicles registered in the state according to type.

TABLE – 2.26

NUMBER OF MOTOR VEHICLES REGISTERED IN MEGHALAYA

Type of Vehicles	Year			Per cent Increase/Decrease
	2002-2003	2004-2005	2005-2006	
Trucks	14028	15817	17058	21.60
Buses	2827	3244	3456	22.25
Cars	14595	19186	22351	53.14
Jeeps	9401	10490	11386	21.11
Tractors	441	466	487	10.43
Trailers	2304	2504	2607	13.15
Two Wheelers	21050	27238	31008	47.31

Three Wheelers	2934	4575	5231	78.29
Taxis	5030	7150	8338	65.77
Others	772	1525	2194	184.19
TOTAL	73382	92128	104116	41.88

Source: Commissioner of Transport, Meghalaya.
Statistical Handbook, Meghalaya, 2007.

Table – 2.26 shows that the number of vehicles on the road had increased since the inception of the state of Meghalaya. The state at the time of bifurcation from Assam had the total number of registered vehicles of 3849 in 1971-72 (not mentioned in the table – 2.26) and had increased to 73382 in 2002-2003, which further increased to 104116 numbers in 2005-2006.

The ratio of population and the number of registered vehicles in the state has improved remarkably during the last two decades. According to the census of India, there was one vehicle for every 262 persons in the state during 1971, which had improved to one vehicle for every 168 persons in 1981. Further, it showed the ratio of one vehicle for every 49 persons in 1991 and 34 persons in 2001, indicated a healthy sign of development in respect of motor transport in the state. The Table – 2.27 shows the ratio of vehicles to population in the state.

TABLE – 2.27
THE RATIO OF REGISTERED VEHICLES TO POPULATION IN
MEGHALAYA

Year	Total Population	Number of Registered Vehicles	Number of Person Per Vehicle
1971	1011669	3849	262
1981	1335819	7922	168
1991	1774778	35643	49
2001	2318822	67076	34

Source: Census of India, 2001.

Meghalaya Transport Corporation and other private vehicles are performing the transportation services in different routes of the state. The Meghalaya Transport Corporation is the only public sector undertaking whose aim is to serve the people and the operation of vehicles are to cover even those uneconomical routes. The Table – 2.28 shows the performance of the Meghalaya Transport Corporation in the state from the period 1972-73 to 2001-2002.

It is observed from the table – 2.28 that the corporation's initial fleet strength was only 35 numbers in 1972-73, covering a distance of 931 Km. The number of fleet vehicles had increased to 209 numbers in 1977-78, covering routes totaling 2431 Km. However, in 1994-95, the fleet strength decreased to 187 numbers but the coverage of road length increased to 8326 Km. It is observed from the table – 2.26 that the highest number of vehicles held by the corporation was 209 in 1977-78 and the highest number of road covered was 8326 Km.

in 1994-95, and the highest average number of passengers carried daily was 7448 in 1996-97, while the lowest was 1486 in 2001-2002.

TABLE – 2.28
STRENGTH AND PERFORMANCE OF MEGHALAYA TRANSPORT
CORPORATION

Year	Fleet Strength (Nos)	Routes Covered (Kms)	Average Number of Passengers Carried Daily
1972-73	35	931	NA
1977-78	209	2431	NA
1981-82	105	2893	3767
1991-92	168	7826	5968
1992-93	176	7911	5644
1993-94	191	8042	5630
1994-95	187	8326	4871

1995-96	184	7323	4392
1996-97	191	4632	7448
1997-98	191	4387	6050
1998-99	146	3852	2871
1999-2000	152	2510	2042
2000-2001	134	2221	1678
2001-2002	87	2200	1486

Source: Statistical Hand book, Meghalaya, 2003.

2.7.3. Post and Telecommunications

Postal services came into existence in the state of Meghalaya sometime in the later part of the 19th century. With the improvement of infrastructure, the postal system in the state has increased. The table – 2.29 shows the progress of postal services in the state during 2000-01 to 2005-06.

TABLE – 2.29
POSTAL SERVICES IN MEGHALAYA

Items	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
General Post Office	1	1	1	1	1	1
Head post Office	1	1	1	1	1	1
Sub-Post Office	63	64	64	63	63	60
Branch Post Office	419	424	425	428	428	424
Letter Boxes	1721	663	663	665	665	658

Source: Statistical Hand book, Meghalaya, 1993, 2007.

The General post Offices and Head Post Offices have not increased at all from 2000-01 till 2005-2006. Sub-Post Offices have decreased marginally from 63 numbers in 2000-01 to 60 numbers in 2005-2006. Branch Post Offices, however, have increased from 419 numbers in 2000-01 to 424 numbers in 2005-2006.

Telecommunication plays a vital role in different economic activities in the state. Through telecommunication system, villages and remote rural areas of the state have been brought under the map of telecommunications. The Table – 2.30, has shown the progress of telecommunication in the state from 2000-01 to 2005-06.

TABLE – 2.30
PROGRESS OF TELECOMMUNICATION IN MEGHALAYA

Year	Telephone Exchanges	Public Call Offices	Telephone Connections
2000-01	74	655	46283
2001-02	78	867	52490*
2002-03	97	1105	60410
2003-04	100	1496	67006
2004-05	86	1932	65645
2005-06	86	2349	66285

Source: Statistical Handbook, Meghalaya, 2007.

*- Including 106 WLL Connections.

2.7.4. Industry

In spite of being rich in minerals, the industrial sector is very low in comparison to national level. The number of registered factories in Meghalaya and their employment generation in these sectors had not shown a sizeable increase since the inception of the state. The Table – 2.31 shows the registered manufacturing industries in the state and its employment generation during the period 1991 to 2001.

TABLE – 2.31
REGISTERED MANUFACTURING INDUSTRIES IN MEGHALAYA

Year	No. of Registered Factories	Persons Employed	Per centage increase or decrease in the Number of Employment
------	-----------------------------	------------------	--

1991	55	2478	-
1992	55	2439	-1.57
1993	53	2604	6.76
1994	56	2746	5.45
1995	58	2800	1.97
1996	58	2822	0.79
1997	65	2929	3.79
1998	69	3079	5.12
1999	72	3232	4.97
2000	31	1507	-53.37
2001	31	NA	-

Source: Statistical Handbook, Meghalaya, 2003, 2007.

The number of registered manufacturing industrial units during 1991 and 1992 was only 55 and the number of persons employed in the units was 2478 and 2439 person respectively, which showed a 1.57 per cent decrease in the employment during the period 1991 to 1992. The number of such units dropped to 53 in 1993 but the number of persons employed in these units however, rose to 2604, i.e. an increase by 6.76 per cent. After that, the registered factories units and the employment continued to rise up to 1999 (72 registered factories and 3232 persons employed). But during 2000 and 2001 the number of registered factories dropped to 31 units and its employment during the year 2000 came down to 1507, which showed a decrease of employment by 53.37 per cent. This may be due to the fact that most of those forests based industrial units had to be closed down in view of the ban imposed by the Supreme Court of India.

Availability of increased infrastructure facilities, financial assistance has provided a favourable atmosphere to the small-scale industrial activities in the state (Table – 2.32).

TABLE – 2.32

SMALL SCALE INDUSTRIES IN MEGHALAYA

Year	No. of Units Registered (Directorate of Industries)	Persons Employed	Percentage increase or decrease in the No. of Persons Employed
1999-2000	3530	20086	-
2000-2001	3803	21416	6.62
2001-2002	4070	23052	7.64
2002-2003	4341	24332	5.55
2003-2004	4664	26237	7.83
2004-2005	5132	28894	10.13
2005-2006	5591	31467	8.90

Source: Statistical Handbook, Meghalaya, 2007.

In the small-scale industrial sector, the number of units increased from 3530 in 1999-2000 to 5591 in 2005-2006. The number of persons employed in the units rose from 20086 in 1999-2000 to 31467 in 2005-2006.

However, the figures relating to factories, small-scale industries in Meghalaya hardly portray the actual picture of the industrial sector of the state, unless it is known as to how many of these registered units are actually functioning. So far no empirical study has been made in order to assess the actual strength of the industrial sector in the state.

Summary

Prior to attaining full statehood, Meghalaya was given a semi-autonomous status in 1970. The main tribes in Meghalaya are the Khasis, the Jaintias and the Garos, and they form the major ethnic groups of original inhabitants of the state. The highest percentage variation of growth in population by 32.86 per cent was observed during 1981-1991. However, the decadal growth rate dropped to 30.65 per cent after 1991. Among the states of India, Meghalaya holds the 21st rank in terms of population size. Population in the state in 1981 constituted 0.19 per cent of the countries total population, while in 1991, this rank risen to 0.21 per cent

and in 2001, it has farther increased to 0.22 per cent. The scheduled tribes who formed the bulk of the population in the state constituted 85.94 per cent. The scheduled castes population in the state accounted for only 0.48 per cent and the population of non scheduled castes/tribes, identified as others, accounted for about 13.58 per cent (during 2001). The rural population in the state has decreased from 81.40 per cent in 1991 to 80.37 per cent in 2001. However, urban population in the state has increased from 18.60 per cent in 1991 to 19.58 per cent in 2001. According to the 2001 census, there were 84 persons per square kilometer in the rural area and 1970 persons per square kilometer in urban area, and 103 persons per square kilometer in the state as a whole. The highest density of population was recorded in East Khasi Hills Districts with 241 persons per square kilometer. South Garo Hills District has shown lowest density of population with 53 persons per square kilometer. Further, in 2005, the birth rate in the state has decreased as compared to 1994, while the death rate fell from the year 2000, only to rise marginally to 7.5 per thousand in 2005 from 7.2 per thousand in 2004. However, the number of females per thousand males has decreased in 2001 as compared to 1901. The literacy rate has increased from 30.08 per cent in 1981 to 60.41 per cent in 2001.

Occupational structure in the state has not shown much change over the last decade. Whatever changes have taken place do not indicate any major shifts and are not indicative of significant variations in the occupational structure of the state. Agriculture continues to be the major occupation of the people of Meghalaya where cultivators and agricultural workers constituted larger proportions of the total main workers. The public sector has been the larger employment than the private sector. It accounts for 88.25 per cent of total employment in the state in 2001-2002.

With regards to land utilization in agriculture, net sown area has increased by about 2 per cent during 2002-03 and 2004-05, while the total cropped area has shown a marginal increase of 1.04 per cent during the same period.

Food grains production have increased by 68 per cent in 2004-05 compared to 2001-02. Productions of other crops (except tobacco and soya bean)

have also shown a phenomenal growth rate over the years. The production of total oil seeds have decreased by about 34 per cent during 2001-02 and 2004-05. The yield rates of some principal crops had shown a decreasing trend. The yield per hectare of the major crops like rice, maize, and jute showed an increasing trend from the period 2001-02 to 2003-04, but during 2004-05, the yield per hectare of these crops has decreased again. The consumptions of all fertilizers have, however, increased in Meghalaya through the years (2000-01 to 2005-06).

The average size of operational holdings in the state during 1990-91 was 1.76 hectares. The marginal holdings were the highest among all the categories of land holdings in the state, which accounted for over 34 per cent of the total holdings in the state. The small and semi medium holdings formed the second largest group of land holdings in the state. The number of large holdings is dismally small in the state.

The land holding system is different between the various areas of the state. While the districts of Khasi and Jaintia Hills have similar land tenure system, the districts of Garo Hills have a different system. In Meghalaya, there is no system of Panchayati Raj.

The total installed capacity of power of all the projects in the state during 1995-96 was 186.71 MW and the power generation was 542.55 MKWH, which has decreased to 185.20 MW in 2005-2006 with a generation of 514.44 MKWH. The number of villages electrified however, increased to about 60 per cent in 2003-2004. The road length in the state has increased by 44 per cent in 2005-06. The ratio of population and the number of registered vehicles in the state has improved remarkably during the last two decades. The numbers of telephone connections have increased through the years. However, the numbers of post offices have not increased through the years.

The number of registered factories in the state has decreased by 44 per cent during 1991 to 2001; however, the number of employed persons in these factories has decreased during the same period. The number of registered small-scale factories and employment in these factories has, however, increased by 58 per cent and 57 per cent in 1999-2000 and 2005-2006 respectively.

CHAPTER – III

REVIEW OF LITERATURE

The Concept of Poverty

Poverty is a complex socio-economic phenomenon where by the resources available to a society are used to satisfy the wants of the few while many do not have even their basic needs to meet. In other words, poverty in the developed countries and poverty in the developing countries have different connotations. For instance, the concept of poverty in the USA would be significantly different from that in India because the average person is able to afford a much higher level of living in the United States. According to Lewis, “we come closer to describing what poverty is when we define it as the inability to satisfy one’s material wants or need.” There is an effort in all definitions of poverty to approach the average level of living in a society and as such these definitions reflect the existence of inequalities in a society and the extent to which different societies are prepared to tolerate them. Over the ages ‘culture of poverty’ has got transmitted from generation to generation in India. For example, in India, the generally accepted definition of poverty emphasizes minimum level of living rather than a reasonable level of living. This attitude is borne out of a realization that it would not be possible to provide even a minimum quantum of basic needs for some decades and, therefore, to talk about a reasonable level of living or good life may appear to be wishful thinking at the present stage.

Backwardness has often been characterized by a syndrome of collective poverty. Amartya Sen (1984), states about poverty that “it is obvious enough. One does not need elaborate criteria, cunning measurement, or probing analysis, to recognize same poverty and to understand its antecedents.” Townsend (1970), suggests that, ‘needs which are unmet, can be defined satisfactorily only in terms relative to the society in which they are found.’ He does not accept the distinction between ‘absolute’ and ‘relative’ poverty, because he argues that the need which

are believed to be basic or absolute can be shown to be relative. He says that “Poverty must be regarded as a general form of relative deprivation which is the effect of maldistribution of resources and that section of the population whose resources are so depressing from the mean as to be deprived of enjoying the benefits and participating in the activities which are customary in that society can be said to be in poverty.”

According to Martin Rein (1970), poverty can be defined as ‘subsistence, inequality and externality.’ Subsistence is concerned with the minimum provision needed to maintain health and working capacity. Inequality is concerned with the relative position of the income groups to each other. Externality is concerned with the social consequences of poverty for the rest of the society rather than in terms of the needs of the poor.

The studies on poverty trends indicate two related phenomena – an intensification of inequality between the higher income group and poverty group as well as increase in the overall incidence of poverty computed on the basis of income levels for basic calorie requirements. Sen argues that “inequality is fundamentally a different issue from poverty”. It is true that inequality and poverty are related issues, but one does not necessarily include the other. He opines that “Even the poverty line to be used for identifying the poor has to be drawn with respect to contemporary standards in the community in question, so that poverty may look very like inequality between the poorest group and the rest of the community.” According to Townsend, the poor do not necessarily form a single coherent class. They are not a fixed homogenous group that shows common outlook. Jackson considers the problem of defining poverty as a predominantly cultural one and the ground that its assessment inevitably involves a cultural arbitrariness.

Poverty indices suggested by Rowntree (1901), Orshansky (1965), The Planning Commission (1984) and Paul (1989) offer many alternative definitions. Rowntree’s definition of absolute poverty as “that level of income which is inadequate to obtain even the minimum necessities for the maintenance of human efficiency.” According to this definition, estimation of absolute poverty requires

us to answer the question as to what is the minimum level of income that guarantees efficiency. We must also address ourselves to the question as to what are the absolute minimum necessities and what are the minimum quantities of such absolute necessities to bring about efficiency in human existence. The survey of literature suggests that absolute poverty in India have invariably been equated to the lack of physical standardized level of living. For instance, in the USA, absolute poverty connotes socially acceptable standardized levels of living. Thus, in two different countries, absolute poverty norms have different standards.

Poor in the relative sense, on the other hand, have been defined as those who are worse-off than other members of the community in which they live. But a basic question arises, while drawing the relative poverty line as to how much short of the income must a person falls to be considered as poor? To this question, there cannot be a unique answer as relative poverty is also determined and guided by subjective considerations. This is indirectly to suggest that both absolute and relative poverty definitions involve the elements of subjectivity in content. That is why, and how, a third concept of poverty has emerged-that is subjective poverty. Under the definitions of subjective poverty, it is the individual who himself classifies whether he is poor or not. Goedhart et. al. (1977), had defined a family as poor if his actual income was found to be less than what his family considers as just sufficient. Attempts have been made to estimate the society's poverty line empirically on the basis of such subjective considerations.

Poverty, either absolute or relative, is, therefore, a feeling of deprivation. In a low-income society, absolute poverty has a special relevance and in this direction Rowntree's definition is appealing. Serious disagreements would arise with regards to the identification of the minimum needs and their respective minimum quantities. An expert judgment is needed for both. That granted, the next step is to draw the absolute poverty line. In this direction three approaches, namely (i) Consumption basket approach (ii) Engel's coefficient approach and (iii) Actual behaviour approach have been suggested.

Under the consumption basket approach, Rudra (1974) lists three alternative diets as suggested respectively by Sukhatme (1981), F.A.O. and

Patwardha (1960) as the minimum calorie intake for adult. The costs of these diets at 1960-61 prices are Rs.18, Rs. 21 and Rs. 13 per person per month respectively. Under the Engel's coefficient approach those households, which have a higher Engel coefficient for food items, are considered poor. Under the actual behaviour approach, an absolute poverty line is drawn to include only those who fail to meet one or more needs. The Planning Commission has used this method while drawing urban and rural absolute poverty lines in India. The Planning Commission (1979) has defined poverty threshold as the per capita monthly expenditure of Rs.49.09 for rural areas and Rs. 56.64 for urban areas at 1973-74 prices. This poverty line as mid point of the monthly per capita expenditure class having a daily calorie intake of 2400 per person in rural areas and 2100 in urban areas.

It is very difficult to arrive at a definition of poverty which could separate the poor from non-poor with introducing a certain degree of arbitrariness, depending on how stringently or leniently defines poverty. Hence, poverty is not an objective but a normative concept, depending on one's own value judgments. There has been a long way debate on the measurement of poverty and many studies have come up on this subject. The general consensus for an ideal measure of poverty is that which takes into account all the subsistence requirements of an individual. A United Nations Report suggested that the overall Level of Living Index should be made up of the following: (a) basic physical needs, i.e. nutrition, shelter and health (b) basic social and cultural needs including education, leisure and security, and (c) higher needs in the form of surplus income. In calculating a particular level of living index, it described equal weights to each of the components listed above.

The problem of poverty is essentially a problem of imbalance between the population and economic resources of the country. While India has the second highest population in the world, its tapped resources, land, mineral, capital etc., are not adequate to meet the requirements of these teeming millions. Coupled with this is the high growth rate of population, which counter-balances the most

development efforts. Consequently, our per capita income and per head availability of goods and services remain low.

In almost all underdeveloped countries where per capita income is very low, income inequality has resulted a number of evils, of which poverty is certainly the most serious one. Even now in India, inspite of all the development during the past five decades, nearly 35 per cent of the population was getting less than \$1 (PPP) a day in 1999-2000. This percentage of population was considered to be poor on an international criterion suggested by World Development Report (World Development Report 2007, Table 2, p. 290).

The poverty line is drawn on the basis of a barest minimum desirable nutritional standard of calorie intake. Even when defined in these modest terms, it is estimated that nearly half of India's population is deprived of this basic requirement. People below the poverty line comprise largely of those whose consumption is very low and who have little physical resources. Quite often they are located in the climatically unfavourable regions with extremely low and fluctuating levels of production, income and meager avenues of gainful employment. Consistent with the objective of successive Five Year Plans in the realm of poverty alleviation, a number of general as well as specific programmes were implemented for improving the living conditions of the poor. However, in spite of these efforts, the problem of poverty alleviation continues to elude any solution.

Estimation of Poverty

The concept and measurement of poverty has always been a debatable topic in the Indian context. An underdeveloped country, where food shortages frequently occur, a poverty line must be based on some notion of a minimum diet or calorie intake necessary for subsistence. A study by Dandekar and Rath (1971) has received the most attention. The defined poverty line in terms of nutritional adequacy that was put at 2250 calorie per capita per day. The income equivalent of this calorie norm was Rs.170 per capita per annum at 1960-61 prices. On the basis of this poverty line, the authors estimated that about one third of the rural population was poor. A similar study by Bardhan (1974) related to India by using

NSS data for the year 1960-61, 1967-68 and 1968-69. He used two alternative poverty norms. First, poverty line of Rs.20 per capita per month at 1960-61 prices as recommended by a group of experts and accepted by the Planning Commission. On the assumption that prices in the rural areas are lower than in urban areas, Bardhan (1973) defined poverty line to be Rs.15 per capita per month at 1960-61 prices for the rural people. Secondly, a nutritional norm based on the diet formula drawn up by the Central Government Employees Pay Commission (1957-58). He estimated that 38 per cent of the rural population lived below the poverty line in 1960-61. Incidence of poverty increased from 38 per cent in 1960-61 to 54 per cent in 1968-69.

Bardhan (1974), Dandekar and Rath (1973) found that at the beginning of the sixties about one third of the rural population lived below the poverty line. By making certain adjustments they tried to show that while the consumption of the poorest 5 per cent declined by 1 per cent, as one moved up the income groups, there was a steady increase in consumption. Both studies came to similar conclusions through different means, while Minhas (1970) and Vaidyanathan (1974) have come to the conclusion that the proportion of people below the poverty line has declined during 1960-61 to 1967-68. In his study he attempts both an inter-regional and inter-temporal analysis of trends in inequality. Minhas does not split the minimum requirements to draw the poverty line between rural and urban areas. He defines poverty line in terms of minimum amount of per capita consumption expenditure. Minhas observes “The great bulk of India’s rural poor consist almost exclusively of land less labourers and small farm operators.”

Ahluwalia (1978) estimated rural poverty on the basis of NSS data on the distribution of consumer expenditure for the period 1956-57 to 1973-74. These estimates show wide fluctuations from 54.1 per cent in 1956-57 to 39 per cent in 1960-61 and then an increase to 56.5 per cent in 1967-68 and again a decline to 39.1 per cent in 1977-78. He concludes that there is no firm basis for the view that the incidence of rural poverty has increased over time especially in the period after the green revolution.

The estimates of poverty provided by Minhas, Ahluwalia, Bardhan, Dandekar and Rath are quite old and do not indicate exactly the same incidence of poverty. The divergence between the results of these economists is quite large. Ahluwalia, Bardhan, Dandekar and Rath had determined poverty line slightly lower than Minhas, and yet incidence of poverty according to their estimates was greater than that indicated by Minhas's estimates, because despite the fact that these economists used the same data source for their studies, their methodology was not the same. To non-experts these results may look intriguing, but even they should have no difficulty in realizing the fact that not only the absolute number of poor in this country during the 1960's was large, but their proportion to the total population of the country was also very high.

The Planning Commission has provided estimates of the incidence of poverty since the early 1970's. It determined poverty line for rural population at Rs.49.09 (at 1973-74 prices) per capita per month while for urban poverty line was fixed at Rs.56.64 per capita per month. These estimates of the Planning Commission suggest spectacular decline in the incidence of poverty during 17-year period from 1977-78 to 1994-95.

The Planning Commission (1978-83) had defined a poverty line on the basis of recommended nutritional requirements of 2400 calories per person per day for rural areas and 2100 calories per person per day for urban areas. The cut-off points for determining the poverty line turned out to be Rs.61.80 and Rs.71.30 for rural and urban areas at 1976-77 respectively. However, the Seventh Plan estimated the per capita monthly expenditure at Rs.107 in rural areas and Rs.122 in urban areas in order to derive the poverty line at 1984-85 prices. With a change in the Government, a revised Sixth Plan (1980-85) was formulated having a section on 'social justice'. The Plan concludes, "A greater degree of distribution has to be built into our development effort." The Plan further identified that the root cause of rural poverty in India is landlessness. Dandekar and Rath argued that the incidence of poverty among the agricultural labour households was much greater than for the rural population in general. According to Minhas the majority

of the poor came from agricultural labour household while a large proportion of the remaining were small landowners with holdings of less than 5 acres.

An estimate of poverty by the Poverty and Human Resources Division of the World Bank (1996), using NSS data, provides a long series from 1951 onwards. According to these estimates, there was no long-term time trend in poverty from 1950-51 to 1973-74. Thereafter there was a steady decline in poverty till 1989-90 when it was reversed. Even these estimates indicate that the incidence of poverty was quite high in early 1990s. Gaurav Datt (1999) has provided estimates of poverty for the period 1995-97 as well. In 1993-94, according to these estimates, while 36.7 per cent of rural population was below the poverty line, in urban areas the incidence of poverty was as high as 30.5 per cent.

The estimates of poverty prepared by Ozler, Datt and Ravallion (1996), and updated by Datt, S.P.Gupta and Sundaram-Tendulkar have been brought together by Abhijit Sen to show that rural poverty did not register a declining trend during the 1990s. Infact, Gupta and Sundaram-Tendulkar show an increase in rural poverty to about 45 per cent in 1998.

There are some studies on poverty by Panikar (1972), Sukhatme (1977) and Scott (1981), which hold divergent views on the incidence of poverty in India. However, these appear, by and large, a consensus on two aspects: first, that the percentage of population below the poverty line has not decreased despite three decades of planning on the ideals of a just and equitable distribution of income; and second, that the absolute number of persons below the poverty line has certainly increased by large numbers during the period.

In the most of the studies cited above observations are available for only two points in time. A line joining two points has no statistical basis, and is not indicative of trend. Diversity in methodology, database, and coverage of time period makes it difficult to draw conclusions.

A number of micro-level studies have shown that the largest group of people below the poverty line in India are the landless or near landless. Vaidyanathan (1974) says that redistribution of land cannot be the whole answer

to the question of rural poverty. 'The rich households do not consist exclusively of big land holders nor all big land holders rich.' Raj Krishna, Minhas, Dandekar and Rath (1982) also argue that the poverty of the landless cannot be solved by the redistribution of land because there is not enough land to redistribute.

Rural development policy in India has been so shaped as to consciously improve conditions in all these aspects. It becomes necessary to assess progress in terms of changes in these dimensions along with changes in per capita consumption. However, the cause of poverty may be identified with an aim to diagnose the problem in an accurate manner.

Methodology on Poverty Measures

Two approaches are adopted in poverty measurement – absolute and relative poverty. The relative approach interprets poverty in relation to the prevailing living standard of society, by recognizing explicitly the interdependence between the poverty line and the entire distribution of income. According to this criterion, poverty is measured by various inequality measures, coefficient of variation, standard deviation, Ginni coefficient of concentration etc.

Absolute poverty is defined in relation to the poverty line, and the line is determined in terms of income or expenditure level. In the same manner, the incidence of under-nutrition is measured by taking the calorie norm instead of the expenditure norm. Most of the literature on poverty deals with the number of people below the poverty line. Alternatively, the incidence of poverty is measured and is known as the Head Count Measure or Poverty Measure. However, this measure does not reflect the intensity of poverty suffered by the poor, as it is insensitive to the distribution of the poor among the groups lying below the poverty line. An index based on the poverty gap is suggested which is the total income needed to bring the poor up to the poverty line. Both measures, the Head Count Ratio and the Poverty Gap Measure, however, have their own limitations.

Sen (1976), Kakwani (1980) and Anand (1983), among others, had proposed alternative indices. Sen's index is based on an axiomatic approach that employs an ordinal welfare concept. The other indices, retaining the axiomatic approach, also considered income transfers from the rich to the poor. However, all

these are distributional indices and are useful only when poverty is to be compared over a period of time or across socio-economic groups in a given year. The basic difference among these indices lies in the normalization and income weighing schemes.

Following the notation of Sen,

Let n = Size of total population,

Y_i = Income received by the i th person in the population,

Y = Mean income of the total population,

x = Mean income of the non-poor population,

m = Mean income of the poor,

z = Poverty line,

q = Number of poor,

G_p = Ginni coefficient of the distribution of income among the poor.

If the income $Y_1, Y_2 \dots$ are arranged in ascending order,

$$Y_1 < Y_2 \dots < Y_q < z < Y_{q+1} \dots < Y_n$$

where there are q units below the poverty line z . The proportion of population below the poverty line is given by the Head Count Ratio (HCR) as

$$H = q/n \quad \dots \quad (1)$$

is the simplest of all poverty measures that takes the number of poor (q) as a proportion to the total population (n). This measure (H) ignores how poor the poor are, and, therefore, remains unchanged when the poor become poorer.

The total income needed to bring all the poor upto the poverty line is given by an index based on the average Poverty Measure (GAP) as

$$GAP = (z - m) q \quad \dots \quad (2)$$

where $(z - m)$ is the poverty gap, i.e., the income shortfall of the poor from the poverty line.

Another index known as the Poverty Gap Ratio is also suggested as an alternative to the Head Count Measure, where the ratio is the proportion of the average income shortfall from the poverty line. If the degree of misery suffered by an individual is proportional to the income shortfall of that individual from the

poverty line, then the sum total of this shortfall may be considered an adequate measure of poverty. Such a measure, the Poverty Gap Ratio (g), can be written as

$$g = H [(z - m)/z] \quad \dots \quad (3)$$

The measure (g) will provide adequate information about the intensity of poverty if all the poor are assured to have exactly the same income, which is less than the poverty line. In practice the income of the poor is unequally distributed and therefore, (g) cannot be an adequate measure of poverty. However, as it is sensitive to both the numbers of poor and to the intensity of poverty, it is an improvement over the Head Count Ratio. Besides, it has an interpretation that makes it extremely attractive from a policy point of view. It indicates the poverty gap as a fraction of total income needed to support every one in the population at the poverty line. Thus, the transfer of resources required to completely eradicate poverty could be assessed with this index. Though perfect targeting of resources is not possible, this index at least provides a lower bound on the amount of transfers. However, this measure is insensitive to the redistribution of income within the poor. This drawback was corrected by Sen himself who derived a modified index by considering a specific rank order-weighting scheme. A higher rank to the person who is far removed from the poverty line relative to a person, who is nearer to the poverty line, is assumed. The construct of the weighing scheme is arbitrary.

This index may be written as:

$$P = A \sum_{i=1}^q (z - Y_i)(q + 1 - i) \quad \dots \quad (4)$$

Using the normalization principle,

$$p = z / (q + 1) n z \sum_{i=1}^q (z - Y_i)(q + 1 - i) \quad \dots \quad (5)$$

For large q , p can be written as

$$P^* = q [(z - m)(1 - G_p)] / n.z \quad \dots \quad (6)$$

Where G_p is the Ginni coefficient of the distribution of income among the poor. If $G_p = 0$, P^* reduces to the normalized value of the Sen's index as given by the equation (3). We may note that the Sen's modified index takes into consideration

the income inequality among the poor, and $m(1 - G_p)$ in the index is the familiar “equally distributed equivalent income”. Hence, Sen’s modified index is the product of the Head Count measure and the proportion of the equally distributed equivalent income of the poor from the poverty line. Its value lies between zero and one. It assumes a zero value when everyone’s income is above the poverty line, and one when everyone has a zero income.

The index due to Kakwani is based on the following normalization:

$$K = q(z - m)/ny \quad \dots \quad (7)$$

K is interpreted as the proportion of total income needed to close the poverty gap so that the income of everyone below the poverty could be raised to z . It leads to the relative mean deviation. If the poor among the poor are ranked ordered as Sen did, the modified Kakwani’s index would read as:

$$K^* = q[(z - m)(1 - G_p0)]/ny \quad \dots \quad (8)$$

K^* lies in between 0 and z/y , and the income required to close the poverty gap is seen to be a fraction of the total income.

In 1983, Anand proposed another index, which expresses the income, required to close the poverty gap as a fraction of the total income of the non-poor. The normalized index of Anand reads as:

$$A = q(z - m)/nx \quad \dots \quad (9)$$

and the modified index analogous to Sen’s indices are given by

$$A^* = q[(z - m)(1 - G_p)]/nx \quad \dots \quad (10)$$

We may note that the Kakwani’s (K^*) and Anand’s (A^*) indices, and in consequence K and A , could exceed unity if the poverty line happens to be at a level higher than the mean income of the society. These two indices are quite useful in the case where enough income to bring everyone in the population above the poverty line exists in which case they also will lie between zero and unity.

The indices offer only a partial solution to evolve income generating/transfer programmes to alleviate poverty in the economy. Infact, transfer programmes are possible only when the society’s average income is above the poverty line. Thus the existing distribution of income provides only a

partial understanding of the phenomenon, while the alleviation depends to a large extent on the stipulated economic policies of the Government.

In the present exercise, we would consider the Head Count and Poverty Gap Ratios, and the Ginni Coefficient to derive poverty and inequality in each of the then five districts of Meghalaya.

CHAPTER – IV

INTEGRATED RURAL DEVELOPMENT PROGRAMME IN MEGHALAYA: An Evaluation.

Introduction

The problems of poverty and unemployment have been the focus of attention of the planners and policy makers. Consistent with the objectives of the successive Five Years Plans in the realm of poverty alleviation, a number of general as well as specific programmes were initiated by the Government of India for improving living conditions of the poor, raising their productivity levels and affording them greater employment opportunities. One such programme, the Integrated Rural Development Programme (IRDP) was launched in 1978-79 and happened to be the then most important anti-poverty programme in India, both at the conceptual level and in operational terms. Infact, IRDP has been a single most important programme for the improvement of the rural poor. The genesis of this programme was two fold: a) the failure of beneficiary-oriented programme especially launched during the Fourth Five Year Plan to facilitate the rural poor to generate their income above the poverty line and b) there were at least 40 per cent of the rural households below the poverty line in rural areas. This proportion has remained undiminished despite the inconsiderable growth in national income as well as in the rural sector.

As such, based on the past experiences of various beneficiary-oriented programmes particularly Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labourers Development Agency (MFALDA) the Planning Commission, in its Drafts Sixth Plan 1978-83 (revised), reviewed the approach to rural development, especially with reference to the poor. It visualized an integrated plan of development at the block level, within which a special beneficiary-oriented plan for the poor was to be appropriately fitted. In this context, the Draft Plan stated, “The imperative laid for the plan for rural areas of the country is increasing productivity through a strategy of growth with social justice and providing full employment to the rural sector within a ten years time

frame”. As a comprehensive strategy and approach for translating these objectives in to specific programmes the IRDP now contemplated involves a multipronged attack on the problems of rural development. It would replace the multiplicity of programmes for the rural poor operated through a multiplicity of agencies and seeks to remove rural poverty through a comprehensive and integrated programme. Integrated covers four principal dimensions: integration of sectoral programmes, spatial integration, integration of social and economic processes, and above all the policies with a view to achieving a better fit among growth, removal of poverty and employment generation. More specifically, it involves a sharp focus on target groups comprising small and marginal farmers, agricultural labourers and rural artisans and craftsmen, scheduled castes and scheduled tribe people and other categories of the poor and an extremely location specific planning in the rural areas. However, the IRDP was incorporated in the Sixth Five Year Plan (1980-85), turned out to be a purely anti-poverty programme. It is more comprehensive and integrated programme of rural development with its emphasis on solution of rural poverty. The rationales and approaches block plan for overall rural development the programme of IRDP was started with effect from October 2, 1980 in all the 5011 blocks of the country.

Objectives of the IRDP

This programme had the following three basic objectives:

1. Growth and production.
2. Benefits to the poor belonging to target group by providing them with income generating assets and facilities for credit and other inputs so that they can move above the poverty line.
3. To generate additional employment opportunities to absorb surplus manpower and reduce disguised unemployment through the implementation of the productive schemes under IRDP.

Implementation of the Programme

The Integrated Rural Development Programme (IRDP) was a centrally sponsored programme and the funding pattern was 50:50 between the Centre and the State. The implementation of the programme was started by taking up 30 lakh families for the year 1981-82 to bring them above the poverty line. A sum of Rs.125 crore was earmarked for that year under this programme.

This programme was governed and monitored at various levels so as to meet the felt needs of the people and to simultaneously fulfill the national objectives. At the centre, a Central Committee under the then Department of Rural Areas and Employment were set up for reviewing and monitoring the programme through periodical reports, field visits, review meetings and conferences. At the State Government level, State Level Co-ordination Committee (SLCC) was set up for planning, implementation and monitoring of this programme. At the District level, the programme was implemented by the District Rural Development Agency (DRDA)/Zila Parishad (ZP). The Governing body of DRDA represented by the District Collector (Chairman), Members of Parliament, Members of the Legislature, Chairman of the Zila Parishad etc. provides guidance and directions to DRDA. The Project Director, who is full-time functionary, is the Chief Executive of the DRDA. At the field level, block machinery was entrusted with responsibility of implementation of the programme.

The identified beneficiaries from target group consists of small farmers (a cultivator with a land holding of 2 hectares or below), marginal farmers (a cultivator with a land holding of 1 hectare or below), agricultural labourers (a person without any land other than homestead and deriving more than 50 per cent of his income from agricultural wages), and rural artisans. In addition to the above persons covered under the target group, the programme also provided safeguards to disadvantaged sections of the society like the Scheduled Castes, Scheduled Tribes, physically challenged persons and women. Only those households living below the poverty line (BPL) were to be considered to belong to the target

group and entitled to the IRDP assistance. The poverty line was defined initially at Rs.3,500 in terms of the annual income of the households. Subsequently, it was raised to Rs.6,400, and ultimately, families having annual income less than Rs. 11,000 at 1991-92 prices were considered as those living below the poverty line. However, Rs. 8,500 annual income per household is to be considered as cut-off line for IRDP assistance.

The procedure followed in the identification of beneficiary households was that first a detailed household survey was to be conducted by the Development Blocks to assess the income level of the household and to identify the families below the poverty line. The selection of families for extending assistance under IRDP was done from this list of poor families in every village. The Gram Sabha, as per the guidelines, would be responsible for selection of families. Based on the BPL survey, village-wise records were prepared giving the list of families below poverty line along with information on other classificatory characteristics.

Next, some bankable schemes were selected suitable for the identified families. The selection of such schemes were determined by the following criteria: 1) Family preference and aptitude 2) Technical skill or scope of acquiring necessary skill by the family 3) Availability of resources in the locality 4) Backward and forward linkages available or proposed to be made available for the successful operation of the scheme.

Under the programme, the selected schemes for the beneficiary families were financed partly by Government subsidy and partly through bank loan. Differential rates of subsidy varied from 25 per cent to 50 per cent of the capital cost of the scheme. The pattern of subsidy was 25 per cent for small farmers, 33 per cent for marginal farmers, agricultural labourers and rural artisans and 50 per cent for scheduled castes and scheduled tribes beneficiaries and physically handicapped persons. The ceiling on subsidy was Rs. 3,000 in normal areas, Rs. 4,000 in DPAP and DDP areas and Rs. 5,000 for families belonging to SC/ST and physically handicapped persons up to 1992-93. However, with effect from 1993-94,

the ceiling on subsidy was increased by Rs. 1,000 for each of these three different categories.

Apart from the above, some new initiatives were taken during 1995-96 by the Department of Rural Areas and Employment to improve the implementation of IRDP. These are: -

1. Constitution of High Power Expert Committee under the Chairmanship of Dy. Governor, RBI to review various aspects of the programme and recommend policy measures for further strengthening the programme. The following steps were taken:

(a). With effect from 1.1.96, ceiling on subsidy activities was enhanced to Rs. 1.25 lakh or 50 per cent of project cost (which ever is lower) for all group ventures involving at least 5 persons.

(b). With effect from 1.1.96, literate unemployed youth belonging to poor families in rural areas were to be given subsidy up to Rs. 7,500 or 50 per cent of the project cost (whichever is lower).

(c). During the financial year 1995-96, physical targets were abolished and financial targets were introduced. The target for credit mobilization during 1995-96 was Rs. 1930 crores. The target for average level of investment per family was fixed at Rs. 13,500.

(d). The ceiling limit on funds used for infrastructure development was enhanced from 10 per cent of allocation to 20 per cent of allocation in all states barring NE states where it was raised to 25 per cent of allocation for the programme.

2. Increase in the package of assistance to Rs. 12,000 per family during the financial year 1994-95/1995-96.
3. Revision of infrastructure norms giving greater flexibility at the district level to implement infrastructure projects.
4. Abolition of Purchase Committees in about 50 per cent of the Blocks giving the beneficiary freedom to choose asset of his/her choice. Scheme of District Cash Disbursement was to be extended to all the Blocks of the country.

5. Family Credit Plan for investments in the range of Rs.15,000 to Rs.25,000 introduced in 213 districts of the country, which later was extended to all the districts by the end of the Eighth Plan.
6. Abolition of the cut-off line enabling any family below poverty line of Rs.11,000 to be assisted under the programme.
7. Special intervention in the Northeast and J&K in view of the unique problems in these areas.

Types of IRDP schemes

1. Individual beneficiary schemes consisting of land development, supply of agricultural inputs, irrigation, fishery, dairy, goatery, piggery, tailoring, weaving, wool knitting, rickshaw pulling, fish netting, black smithy etc.
2. Schemes for infrastructure development pertaining to both general category and administrative. 10 per cent of the IRDP allocation is allowed to be spent to cover the critical gaps in the infrastructure.
3. Support to institutions may take the form of support to the credit institutions in the form of interest free share capital loans to the extent of a maximum Rs.40 to the individual beneficiaries for purchase of shares of cooperative society.

Training for Rural Youth for Self-Employment (TRYSEM) is an essential component of IRDP. Under this programme, necessary training for about 6 months is given to the selected rural youth in new schemes, occupations and modern technology relating to agricultural and allied activities, industrial schemes etc., so that skills could be imparted to them to become self-employed. They become eligible for financial assistance from IRD programme after they complete the training.

Introduction to the Study of the Scheme

IRDP is perhaps the one programme that has attracted the maximum public attention among all the development/redistributive

programmes introduced in the country over the years. The main objective of the present study is to evaluate the working of IRDP in terms of income generation to the beneficiaries. It would be examined whether the resources spent on the programme can be justified on the grounds of equity and social justice as well as economic efficiency. In other words, it would be assessed whether IRDP is a worthwhile endeavour. Though this scheme no longer exists in its earlier form, yet this study would give us an understanding of its working, its successes and failures, and enable policy makers to better formulate such rural schemes which will provide maximum benefit to the target groups.

It is very difficult to get a correct picture regarding the achievement of IRDP in a state from the official reports, which are partial, subjective and biased. The official performance report sent periodically from the field to the higher authorities highlight mainly the aggregated physical and financial progress in the IRD programme. But such reports do not contain authentic information regarding the impact of the programme so far implemented on the economic condition of the target group, or in other words, to what extent the beneficiary families have been able to be uplifted above the poverty line. For instance, the physical targets and achievements of IRDP in Meghalaya given in the Government report for 1998-99, as against the target of 7236 families to be benefited by the IRDP, the achievement was only 4219 i.e. 58.3 per cent. But this target does not indicate anything about the economic condition of these families.

Sampling Design on IRDP

An attempt is now made to examine the working of the IRDP and its impact on income of the beneficiary households on the basis of the data collected from the survey of selected beneficiary households under the Concurrent Evaluation undertaken by the then Department of Rural Areas and Employment. For the purpose of this study, all the then five (now

seven) districts in Meghalaya were taken up. The survey was conducted during 1985-86, 1987-88, 1989-90 and 1992-93. In each district, two development Blocks were chosen at random and from each Block, a sample of four villages were selected randomly; thus, a total of 160 villages were included in the survey in the 4 years of study. And from each village 5 beneficiaries were selected. Thus the total sample size in each year's survey for each Block comes to 20 beneficiaries and for each district 40 beneficiaries. This makes a total of 200 beneficiaries in each year's survey for the entire state. However, in 1985-86 and 1989-90, not all 200 sample beneficiaries could be interviewed and, therefore, included in the study. During 1985-86, only 17 beneficiaries in Mawsynram Block (East Khasi Hills district), 10 in Nongstoin Block (West Khasi Hills district) and 8 in Dambo Ronjeng Block (East Garo Hills district) were available for interview. In 1989-90, in Laskein and Khliehriat block of Jaintia Hills district, only 15 and 10 beneficiaries respectively in each block could be interviewed. Thus, a total of only 760 beneficiaries could be interviewed (instead of 800) in the four years survey in the state.

Table – 4.1 below lists the 160 sample villages covered during 4 year's survey to evaluate the IRDP in Meghalaya.

TABLE – 4.1
LIST OF SAMPLE VILLAGES IN THE DISTRICTS OF
MEGHALAYA

East Khasi Hills District					
Year	Block	Name of Villages	Year	Block	Name of Villages
1985-1986	Mawkynrew	Mawkynrew	1987-88	Mawphlang	Mawreng(o)
		Umtong			Mawreng(n)
		Mawlat			Mawphlang (o)
		Jongsha			Mawphlang (n)
	Mawsynram	Lawbah		Bhoi area	Umdenumroi (o)
		Laitmansingh			Umdenumroi (n)
		Wahmawpat			Umtrew (o)
		Laitsohum			Umrang (n)
1989-90	Myllem	Laitkor	1992-1993	Mawphlang	Mawngap

		Pomlakrai			Laitpynter
		Myllem			Kynrohnglum
		Sadew			Krang
	Shella-	Laitryngew		Myllem	Mawjrang
	Bholaganj	Laitduh			Laitkor
		Wahlong			Madanriting
		Shella			Nongbet

West Khasi Hills District

Year	Block	Name of Villages	Year	Block	Name of Villages
1985-1986	Nongstoin	Mawleit	1987-88	Mawkyrwat	Marhillong (o)
		Nongspung			Marhillong (n)
		Mawlyndep			Nonglang (o)
		Sohphria			Mawlangwir (n)
	Mawshynrut	Nongdaju		Mairang	Mawblei (o)
		Riangdo			Pyndengumiong (n)
		Shallang			Nongrimai (o)
		Seinduli			Nongthymmai (n)
1989-90	Mawshynrut	Kynshi	1992-1993	Mawshynrut	Mawdongkiang
		Demdngiem			Mawtynrangbam
		Riangdo			Porsohsan
		Mawthengkut			Nongryngkew
	Mairang	Pyndengumiong		Mawkyrwat	Wahsiej
		Mawlong			Mawlangwir-Sohkhyllam
		Nongthymmai			Rangmaw
		Mairangbah			Mawranglang
Year	Block	Name of Villages	Year	Block	Name of Villages

East Garo Hills Districts

1985-1986	Songsak	Napakbolchugiri	1987-88	Resubelpara	Nishangram (o)
		Mendal			Rongkamirchi (n)
		Dobuapal			Nolbari (o)
		Chidimitnegsat			Babukona (n)
	Dambo-	Mendima		Dambo-	Nonchram (o)
	-Rongjeng	Nilwagaurichol		Rongjeng	Nonchram (n)
		Rongmil			Rongjeng
		Gabil Daningka			Rongmil
1989-90	Samanda	Dobetkolgiri	1992-1993	Samanda	Dilmadebrakgiri
		Rongalgiri			Dinaminggiri
		Rongsakgiri			Kusimkolgre
		Bansamgiri			Bansambilbra
	Resubelpara	Dharampara		Songsak	Mendal
		Khaskona			Norekbollonggiri
		Khataragiri			Geruapal
		Nolbari			Napaksongma

West Garo Hills District

Year	Block	Name of Villages	Year	Block	Name of Villages
1985-1986	Dalu	Nokatgiri	1987-88	Selsella	Harigaon (o)

		Noksi			Simbukolgiri (n)
		Chandabhui			Baklagiri (o)
		Koimadubi			Haldibari (n)
	Chokpot	Chirengpara		Dambukaga	Nilwagiri (o)
		Baigonkana			Nobagiri (n)
		Warimagiri			Goka (o)
		Dobogiri			Goka (n)
1989-90	Rongra	Gaubari	1992-1993	Rongram	Anogiri
		Disingiri			Rombaading
		Rongra BlockHq.			Chikasingri
		RongraRongtotna			Edenbari
	Betasing	Nirghini		Sellsella	Benabazar
		Jwilgiri			Ketkipara
		Khongpara			Harigaon
		Latrigiri			Balalgiri
Jaintia Hills District					
Year	Block	Name of Villages	Year	Block	Name of Villages
1985-1986	Thadleskein	Moopyut	1987-88	Amlarem	Amtapoh (o)
		Nartiang			Amtapoh (n)
		Nongbah			Pdengkarong (o)
		Madan Tyrpiat			Pdengkarong (n)
	Amlarem	Sohmanong		Laskein	Mawkaiew
		Moobakhan			Mawraiewsapahai
		Mawlong			Umsaliat
		Amtapoh			Motyshiah
1989-90	Laskein	Shangpung	1992-1993	Thadleskein	Ionglwit
		Madankynsaw			Mihmyntdu
		Mawkyndeng			Mukhla
		Mulieh			Umladang
	Khliehriat	Bataw		Amlarem	Shnongpdeng
		Pynurkba			Nongbarehlyntiar
		Mawkaiew			Pasadwar
		Khliehrangnah			Satpator

Source: Ministry of Rural Development, Government of India.

Performance of IRDP in Meghalaya

Evaluation of IRDP in Meghalaya has been evaluated in terms of

- annual household income
- extent of asset formation and asset retention
- facilities for credit and other inputs to the beneficiary households
- extent of loan repayment among the beneficiary households
- income generation among the beneficiaries.

These aspects have been taken keeping in view the main objects of the IRDP, which are

mainly related to generation of income and employment of the poor section of the rural areas.

Classification of Beneficiaries according to their Occupation

In 1985-86, the highest priority was given to Agricultural farmers (49 per cent), followed by Small Farmers (26 per cent) and Marginal Farmers (24 percent) (Tables 4.2 & 4.3). In 1987-88, the priority shifted to Marginal Farmers (46 per cent), followed by Agricultural Farmers (30 per cent) and Small Farmers (22 per cent). In 1989-90, priority was given to Small Farmers (51 per cent), followed by Marginal Farmers (31 per cent) and Agricultural Farmers (12 per cent). In 1992-93, the priority shifted back to Marginal Farmers (47 per cent). Artisans received assistance under the scheme only in 1987-88 (3 per cent). Non-agricultural labourers were also given a low priority in all the four years.

TABLE – 4.2

SAMPLE BENEFICIARY HOUSEHOLDS BY OCCUPATION

(In per cent)

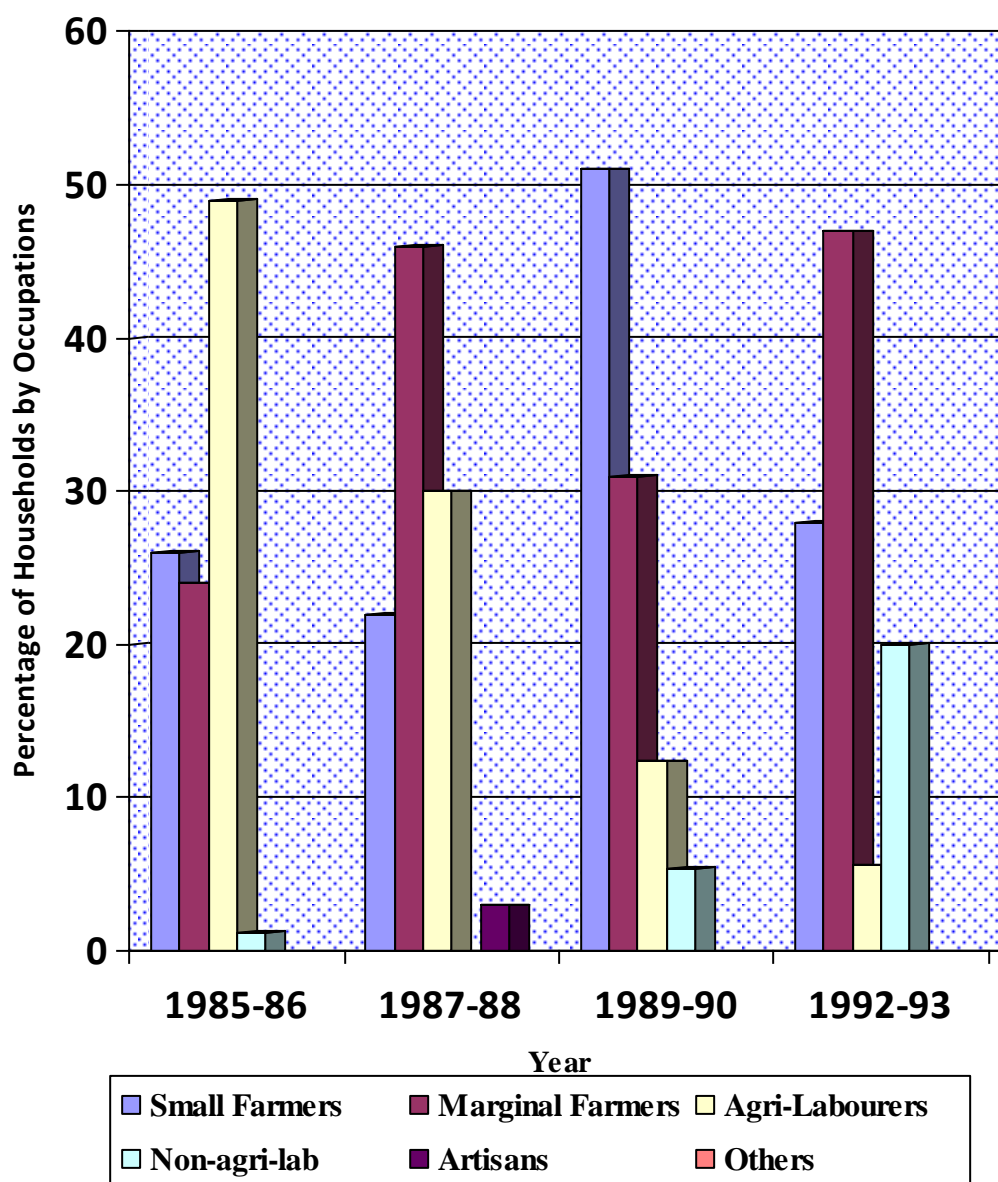
<u>Occupation of IRDP Beneficiary</u>							
<u>Year</u>	<u>Small Farmers</u>	<u>Marginal Farmers</u>	<u>Agricultural Labourers</u>	<u>Non-Agricultural Labourers</u>	<u>Artisans</u>	<u>Others</u>	<u>Total Beneficiaries</u>
<u>1985-86</u>	<u>26</u>	<u>24</u>	<u>49</u>	<u>01</u>	<u>=</u>	<u>=</u>	<u>75</u>
<u>1987-88</u>	<u>22</u>	<u>46</u>	<u>30</u>	<u>=</u>	<u>3</u>	<u>=</u>	<u>71</u>
<u>1989-90</u>	<u>51</u>	<u>31</u>	<u>12</u>	<u>06</u>	<u>=</u>	<u>=</u>	<u>85</u>
<u>1992-93</u>	<u>28</u>	<u>47</u>	<u>06</u>	<u>19</u>	<u>=</u>	<u>=</u>	<u>90</u>

otal	T	1	1	97	26	3	=	7
		27	48					60

Source: Ministry of Rural Development, Government of India.

Figure – 4.1

**PER CENTAGE OF SAMPLE BENEFICIARY HOUSEHOLDS BY
OCCUPATION**



Social Classification of Beneficiaries

The State of Meghalaya being predominantly inhabited by Scheduled Tribes, this community was the major beneficiary under this scheme in all the four years (Table – 4.3) in the whole state, with least being in 1985-86 (93.7 per cent). In the latter two years, all beneficiaries were Scheduled Tribes. Males were the major beneficiaries in 1985-86 (64 per cent), 1987-88 (54.5 per cent) and 1992-93 (51 per cent). It was only in 1989-90 that females outnumbered males as IRDP beneficiaries (51.9 per cent). Overall however, the male-female ratio in the state among the selected beneficiaries was almost 50:50.

TABLE – 4.3
CLASSIFICATION OF BENEFICIARIES BY SOCIAL GROUPS

Year - 1985-86						
Districts	Scheduled Castes	Scheduled Tribes	Others	Males	Females	Total Sample
East Khasi Hills	-	37	-	23	14	37
West Khasi Hills	-	30	-	21	9	30
East Garo Hills	-	28	-	24	4	28
West Garo Hills	-	29	11	29	11	40
Jaintia Hills	-	40	-	15	25	40
Total State	-	164	11	112	63	175
		(93.7)	(6.3)	(64.0)	(36.0)	(100.0)
Year – 1987-88						
Districts	Scheduled Castes	Scheduled Tribes	Others	Males	Females	Total Sample
East Khasi Hills	-	40	-	14	26	40
West Khasi Hills	-	40	-	23	17	40
East Garo Hills	-	40	-	30	10	40
West Garo Hills	-	34	6	26	14	40
Jaintia Hills	-	40	-	16	24	40
Total State	-	194	6	109	91	200

		(97.0)	(3.0)	(54.5)	(45.5)	(100.0)
Year – 1989-90						
Districts	Scheduled Castes	Scheduled Tribes	Others	Males	Females	Total Sample
East Khasi Hills	-	40	-	6	34	40
West Khasi Hills	-	40	-	14	26	40
East Garo Hills	-	40	-	33	7	40
West Garo Hills	-	40	-	23	17	40
Jaintia Hills	-	25	-	13	12	25
Total State	-	185	-	89	96	185
		(100.0)	-	(48.1)	(51.9)	(100.0)

Year - 1992-93						
Districts	Scheduled Castes	Scheduled Tribes	Others	Males	Females	Total Sample
East Khasi Hills	-	40		7	33	40
West Khasi Hills	-	40		24	16	40
East Garo Hills	-	40		31	9	40
West Garo Hills	-	40		23	17	40
Jaintia Hills	-	40		17	23	40
Total State	-	200		102	98	200
		(100.0)		(51.0)	(49.0)	(100.0)

Source: Ministry of Rural Development, Government of India.
Figures in the brackets denote percentage.

In three of the four years under study, both East Khasi Hills District (except for 1985-86) and Jaintia Hills District (except for 1989-90) had more female beneficiaries than male.

Beneficiary Families Based on Annual Income

The income strata was divided into five classes by the Department of Rural Areas and Employment (later Ministry of Rural Development):

Rs.0-2265 (Destitute); Rs.2266-3500 (Very Very Poor); Rs.3501-4800 (Very Poor); Rs.4801-6400 (Poor); Rs.6401 and above (not BPL). For identification of new families to be assisted during the Eighth Plan, the poverty line was redefined and revised by the Planning Commission at 1991-92 prices at Rs.11000 annual income of a family. A family having annual income below Rs.11000 may be treated as below the poverty line. A list of families with an income below the poverty line was drawn up, and these were divided into the same five classes of BPL families as Rs.0-4000 (Destitute); Rs.4001-6000 (Very Very Poor); Rs.6001-8500 (Very Poor); Rs.8501-11000 (Poor) and 11001 and above (not BPL).

Tables 4.4 to 4.7 show the number of beneficiary families based on their different classification of annual income during the four years.

TABLE – 4.4
BENEFICIARY FAMILIES ACCORDING TO FAMILY INCOME –
1985-86

Districts	Block	Family Income							Ratio of Non-Poor to Total
		Total Beneficiaries	Up to Rs.2265	Rs.2266- Rs3500	Rs.3501- Rs.4800	Rs.4801- Rs.6400	Total Poor	Rs.6401 & Above	
East Khasi Hills	Mawkynrew	20	-	5	8	4	17	3	15%
	Mawsynram	17	4	5	3	3	15	2	11.76%
	TOTAL	37	4	10	11	7	32	5	13.5%
West Khasi Hills	Nongstoin	10	1	4	3	2	10	-	-
	Mawshynrut	20	1	4	4	6	15	5	25%
	TOTAL	30	2	8	7	8	25	5	16.7%
East Garo Hills	Songsak	20	12	5	-	3	20	-	-
	Dambo-Rongjeng	8	2	6	-	-	8	-	-
	TOTAL	28	14	11	-	3	28	-	-
West Garo Hills	Dalu	20	1	1	5	6	13	7	35%
	Chokpot	20	1	3	5	1	10	10	50%
	TOTAL	40	2	4	10	7	23	17	42.5%
Jaintia Hills	Thadlaskein	20	1	14	-	5	20	-	-
	Amlarem	20	2	11	4	3	20	-	-

TOTAL	40	3	25	4	8	40	-	-
TOTAL	175	25	58	32	33	148	27	15.4%
Proportion to Total Poor	-	(16.9)	(39.2)	(21.6)	(22.3)	(100)	-	

Source: Department of Rural Areas & Employment, Govt. of India.

Note: Figures in the brackets denote percentage.

TABLE – 4.5
BENEFICIARY FAMILIES ACCORDING TO FAMILY INCOME –
1987-88

Districts	Block	Family Income							Ratio of Non-Poor to Total
		Total Beneficiaries	Up to Rs.2265	Rs.2266- Rs.3500	Rs.3501- Rs.4800	Rs.4801- Rs.6400	Total Poor	Rs.6401 & Above	
East Khasi Hills	Mawphlang	20	5	15	-	-	20	-	-
	Bhoi Area	20	20	-	-	-	20	-	-
	TOTAL	40	25	15	-	-	40	-	-
West Khasi Hills	Mawkyrwat	20	4	9	7	-	20	-	-
	Mairang	20	5	12	3	-	20	-	-
	TOTAL	40	9	21	10	-	40	-	-
East Garo Hills	Resubelpara	20	12	5	3	-	20	-	-
	Dambo-Rongjeng	20	12	5	3	-	20	-	-
	TOTAL	40	24	10	6	-	40	-	-
West Garo Hills	Selsella	20	11	8	1	-	20	-	-
	Dambukaga	20	8	10	2	-	20	-	-
	TOTAL	40	19	18	3	-	40	-	-
Jaintia Hills	Amlarem	20	7	11	2	-	20	-	-
	Laskein	20	10	10	-	-	20	-	-
	TOTAL	40	17	21	2	-	40	-	-
TOTAL		200	94	85	21	-	200	-	-
Proportion to Total Poor			(47.0)	(42.5)	(10.5)	-	100%	-	-

Source: Department of Rural Areas & Employment, Govt. of India.

Note: Figures in the brackets denote percentage.

TABLE – 4.6
BENEFICIARY FAMILIES ACCORDING TO FAMILY INCOME –
1989-90

Districts	Block	Total Bene- ficiari es	Family Income						Ratio of Non- Poor to Total
			Up to Rs.2265	Rs.2266- Rs.3500	Rs.3501- Rs.4800	Rs.4801- Rs.6400	Total Poor	Rs.6401 & Above	
East Khasi Hills	Myllem	20	-	10	10	-	20	-	-
	Shella/Bholaganj	20	-	16	4	-	20	-	-
	TOTAL	40	-	26	14	-	40	-	-
West Khasi Hills	Mairang	20	1	14	5	-	20	-	-
	Mawshynrut	20	5	8	7	-	20	-	-
	TOTAL	40	6	22	12	-	40	-	-
East Garo Hills	Samanda	20	9	2	9	-	20	-	-
	Resubelpara	20	-	12	8	-	20	-	-
	TOTAL	40	9	14	17	-	40	-	-
West Garo Hills	Rongra	20	4	12	4	-	20	-	-
	Betasing	20	-	1	18	1	20	-	-
	TOTAL	40	4	13	22	1	40	-	-
Jaintia Hills	Laskein	15	4	10	1	-	15	-	-
	Khliehriat	10	-	7	3	-	10	-	-
	TOTAL	25	4	17	4	-	25	-	-
TOTAL		185	23	92	69	1	185	-	-
Proportion to Total Poor		-	(12.4)	(49.8)	(37.3)	(0.5)	(100)	-	-

Source: Department of Rural Areas & Employment, Govt. of India.

Note: Figures in the brackets denote percentage.

TABLE – 4.7
BENEFICIARY FAMILIES ACCORDING TO FAMILY INCOME –
1992-93

Districts	Block	Total Beneficiaries	Family Income						Ratio of Non- Poor to Total
			Rs.0- Rs.4000	Rs.4001- Rs.6000	Rs.6001- Rs.8500	Rs.8501- Rs.11000	Total Poor	Rs.11000 & Above	
East Khasi Hills	Mawphlang	20	14	6	-	-	20	-	-
	Myllem	20	-	20	-	-	20	-	-

	TOTAL	40	14	26	-	-	40	-	-
West Khasi Hills	Mawshynrut	20	16	4	-	-	20	-	-
	Mawkyrwat	20	19	1	-	-	20	-	-
	TOTAL	40	35	5	-	-	40	-	-
East Garo Hills	Samanda	20	12	8	-	-	20	-	-
	Songsak	20	17	2	1	-	20	-	-
	TOTAL	40	29	10	1	-	40	-	-
West Garo Hills	Rongram	20	18	2	-	-	20	-	-
	Selsella	20	18	2	-	-	20	-	-
	TOTAL	40	36	4	-	-	40	-	-
Jaintia Hills	Thadlaskein	20	20	-	-	-	20	-	-
	Amlarem	20	6	5	8	1	20	-	-
	TOTAL	40	26	5	8	1	40	-	-
TOTAL		200	140	50	9	1	200	-	-
Proportion to Total Poor		-	(70.00)	(25.00)	(4.50)	(0.50)	(100)	-	-
All India		18246	(36.82)	(38.46)	(17.62)	(7.10)	(96.3)	(3.68)	

Source: Department of Rural Areas & Employment, Govt. of India.

Note: Figures in the brackets denote percentage.

It can be seen from the above tables 4.4 to 4.7 that it is only in the first year of implementation of the IRDP scheme in the state that there were IRDP beneficiaries from among households who were above the poverty line. At the aggregate for the four years, there were upto 15 per cent such households who actually did not qualify for the assistance. The proportion of such families was highest in West Garo Hills District with 42.5 per cent of such households being given assistance. In that year, except for East Garo Hills and Jaintia Hills districts, all districts had some beneficiaries who were above the poverty line. In the last year of 1992-93, while there were no beneficiaries from above the poverty line in the state, at the all-India level there were upto 4 per cent such beneficiaries. At the Block level, Chokpot Block had only half its beneficiaries who were below the poverty line.

Among the poor, the poorest of the poor (i.e. Destitutes and Very Very Poor) were the major beneficiaries of the scheme in all the years, with the maximum being 95 per cent in 1992-93 as against 75 per cent at the all-India level. Most of the beneficiaries belonged to the Destitute category in 1987-88 (47

per cent) and again in 1992-93 (70 per cent) as against only 37 per cent in 1992-93. Maximum beneficiaries were from the Very Very Poor category in 1989-90 (49.8 per cent). In the Very Poor category, the highest percentage of such beneficiaries was in 1987-88 (37.3 per cent). In the category next to the poverty line, i.e. the Poor category, except for the 22.3 per cent of beneficiaries in the first year, there were little or no beneficiaries from this category in the other years.

Beneficiary Families Based on Assets

The main objective of the IRDP is to provide income-generating assets to the eligible families engaged in various sectors of economy – primary, secondary and tertiary. Assistance under the primary sector was for bullocks, horticulture, social forestry, dug wells, sheep, goat, piggery, duckery, fishery, and other activities. Assistance under the secondary sector included bee-keeping, handloom, handicrafts and others. In the tertiary sector, assistance was given for agro-based industries, repair and maintenance shops, tailoring and knitting, and others.

TABLE – 4.8
DISTRIBUTION OF BENEFICIARY HOUSEHOLDS BY ASSETS

Districts/Year	Primary Sector	Secondary sector	Tertiary Sector	Total Beneficiaries
1985-86	%	%	%	
East Khasi Hills	100.0	-	-	37
West Khasi Hills	96.7	-	3.3	30
East Garo Hills	96.4	-	3.6	28
West Garo Hills	87.5	12.5	-	40
Jaintia Hills	97.5	-	2.5	40
Total (Meghalaya)	95.4	2.9	1.7	175
1987-88				
East Khasi Hills	92.5	-	7.5	40
West Khasi Hills	62.5	7.5	30.0	40
East Garo Hills	92.5	2.5	5.0	40
West Garo Hills	75.0	25.0	-	40
Jaintia Hills	90.0	2.5	7.5	40
Total (Meghalaya)	82.5	7.5	10.0	200

1989-90				
East Khasi Hills	62.5	-	37.5	40
West Khasi Hills	55.0	12.5	32.5	40
East Garo Hills	90.0	5.0	5.0	40
West Garo Hills	75.0	22.5	2.5	40
Jaintia Hills	28.0	64.0	8.0	25
Total (Meghalaya)	64.9	17.3	17.8	185
1992-93				
East Khasi Hills	72.5	-	27.5	40
West Khasi Hills	62.5	-	37.5	40
East Garo Hills	72.5	15.0	12.5	40
West Garo Hills	75.0	22.5	2.5	40
Jaintia Hills	65.0	27.5	7.5	40
Total (Meghalaya)	69.5	13.0	17.5	200
All India	51.0	9.0	40.0	

Source: Ministry of Rural Development, Government of India.

While the majority of assistance given under the scheme was in the primary sector (Table 4.8), the proportion diminished through the years, from 95.4 per cent in 1985-86 to 64.9 per cent in 1989-90, only to increase marginally in 1992-93 to 69.5 per cent. During this fourth year of 1992-93, only 51 per cent of the beneficiaries received assistance under the primary sector at the all-India level.

Except for the first year, assets under the tertiary sector were the second highest assistance given. Only 2.9 per cent beneficiaries received assistance under the secondary sector in the first year.

At the district level, all beneficiaries in the first year were given assistance under the primary sector. Further, it was only in Jaintia Hills District in 1989-90 that the majority of beneficiaries received assistance under the secondary sector (64 per cent). Assistance under the tertiary sector was substantial in East Khasi Hills in 1989-90 (37.5 per cent) and 1992-93 (27.5 per cent), and West Khasi Hills in 1987-88 (30 per cent), 1989-90 (32.5 per cent) and 1992-93 (37.5 per cent).

TABLE – 4.9
BENEFICIARY HOUSEHOLDS BY ASSETS – 1992-93

		Primary Sector											
		<u>Agriculture</u>				<u>Irrigation</u>	<u>Animal Husbandry</u>						
Districts	Block	Total Benefic iaries	Vegetable Growing	Fruit Growing	Others	Others	Dairy Unit	Goat Unit	Poultry Unit	Duckery Units	Pisciculture	Piggery Units	H
East Khasi Hills	Mawphlang	20	-	-	-	-	-	-	-	-	-	14	
	Myllem	20	-	-	-	-	-	-	-	-	-	15	
	TOTAL	40	-	-	-	-	-	-	-	-	-	29	
		(100.0)	-	-	-	-	-	-	-	-	-	(72.5)	
West Khasi Hills	Mawshynrut	20	-	10	-	-	5	-	-	-	-	-	
	Mawkyrwat	20	-	-	-	-	-	7	-	-	-	3	
	TOTAL	40	-	10	-	-	5	7	-	-	-	3	
		(100.0)		(25.0)	-	-	(12.5)	(17.5)	-	-	-	(7.5)	
East Garo Hills	Samanda	20	-	8	-	-	-	-	-	-	1	5	
	Songsak	20	-	2	4	-	-	2	-	-	4	3	
	TOTAL	40	-	10	4	-	-	2	-	-	5	8	
		(100.0)	-	(25.0)	(10.0)	-	-	(5.0)	-	-	(12.5)	(20.0)	
West Garo Hills	Rongram	20	-	7	3	-	5	-	-	-	4	-	
	Selsella	20	-	5	-	1	-	-	-	5	-	-	
	TOTAL	40	-	12	3	1	5	-	-	5	4	-	
		(100.0)	-	(30.0)	(7.5)	(2.5)	(12.5)	-	-	(12.5)	(10.0)	-	
Jaintia Hills	Thadlaskein	20	-	-	-	-	-	4	1	-	2	2	
	Amlarem	20	4	-	8	-	-	-	-	-	1	4	
	TOTAL	40	4	-	8	-	-	4	1	-	3	6	
		(100.0)	(10.0)	-	(20.0)	-	-	(10.0)	(2.5)	-	(7.5)	(15.0)	
Total (Meghalaya)		200	4	32	15	1	10	13	1	5	12	46	
		(100.0)	(2.0)	(16.0)	(7.5)	(0.5)	(5.0)	(6.5)	(0.5)	(2.5)	(6.0)	(23.0)	

Source: Ministry of Rural Development, Government of India.

In 1992-93, under the primary sector, most of the assistance given was on plantations, dairy units, goat units and piggery units (Table 4.9). Plantations and piggery units were more popular. In the secondary sector, only handloom and handicraft units were provided. In the tertiary sector, tailoring and knitting was more popular, followed by repair and maintenance workshops.

On an average for all the four years, 61.5 per cent of the beneficiaries in the state were found to have the assets intact (Table 4.10); this was lower than the national average of 79 per cent. West Garo Hills district recorded the highest percentage of intact assets in 1989-90 and 1992-93 (85 per cent), followed by East Garo Hills in 1985-86 (82 per cent) and Jaintia Hills in 1992-93 (80 per cent).

There were several reasons that are attributed to the assets not being intact. In most of the cases, this was due to unexpected events like illness of the beneficiaries, death of the animals, inadequate income from the assets, defective assets, high cost of maintenance of the assets, compulsive household consumption requirements, unsuitable assets, and other reasons. In some cases, the assets were given only to be disposed off to receive the cash benefit of the subsidy rather than to generate income.

On the quality of assets, data was available only for the last two years (Table 4.10). At the state level, most of the assets were found to be of good quality – 64.3 per cent in 1998-99 and 70.5 per cent in 1992-93 (which was the same at the all-India level). However, there were also some assets that were found to be of poor quality. At the district level, all assets were found to be of good quality in the first year in East Garo Hills district. Jaintia Hills district recorded a high of 40 per cent of poor assets in the first year and almost all assets of good quality in the following year.

TABLE – 4.10
QUALITY AND STATUS OF THE ASSETS BY ALL INCOME GROUP OF
BENEFICIARIES

Districts/Year	Total Beneficiary	(In Per cent)				
		Quality of Assets			Status of Assets	
		Good	Average	Poor	Intact	Not Intact
1985-86						
East Khasi Hills	37	-	-	-	54.1	45.9
West Khasi Hills	30	-	-	-	50.0	50.0
East Garo Hills	28	-	-	-	82.1	17.9
West Garo Hills	40	-	-	-	70.0	30.0
Jaintia Hills	40	-	-	-	47.5	52.5
Total (Meghalaya)	175	-	-	-	60.0	40.0

1987-88						
East Khasi Hills	40	-	-	-	50.0	50.0
West Khasi Hills	40	-	-	-	57.5	42.5
East Garo Hills	40	-	-	-	45.0	55.0
West Garo Hills	40	-	-	-	67.5	32.5
Jaintia Hills	40	-	-	-	65.0	35.0
Total (Meghalaya)	200	-	-	-	57.0	43.0
1989-90						
East Khasi Hills	40	47.5	32.5	20.0	50.0	50.0
West Khasi Hills	40	45.0	42.5	12.5	60.0	40.0
East Garo Hills	40	100.0	-	-	57.5	42.5
West Garo Hills	40	87.5	7.5	5.0	85.0	15.0
Jaintia Hills	25	28.0	32.0	40.0	40.0	60.0
Total (Meghalaya)	185	64.3	22.2	13.5	60.0	40.0
1992-93						
East Khasi Hills	40	85.0	7.5	7.5	30.0	70.0
West Khasi Hills	40	20.0	70.0	10.0	50.0	50.0
East Garo Hills	40	62.5	32.5	5.0	62.5	37.5
West Garo Hills	40	87.5	7.5	5.0	85.0	15.0
Jaintia Hills	40	97.5	2.5	-	80.0	20.0
Total (Meghalaya)	200	70.5	24.0	5.5	61.5	38.5
All India	-	70.0	27.0	03.0	79.0	21.0

Source: Department of Rural Areas & Employment, Govt. of India.

Bank Credit

Role of Banks in IRDP Financing

Bank credit is one of the components of the IRDP scheme. The banks were expected to play a very important role in IRDP financing. However, due to the paucity of time, shortage of manpower and indifference of the block machinery, the bankers were forced to keep their involvement in the IRDP at the minimum. Table – 4.11 indicates the role of different credit institutions in providing loan to the beneficiaries in the state in the last two years of 1989-90 and 1992-93.

Commercial Banks, as compared to Regional Rural Banks and Cooperative Banks, were more active participants in the granting of loans. At the state level, Commercial Banks sourced between 45 per cent and 51 per cent of loans, Co-

operative Banks between 26 per cent and 37 per cent, and Regional Rural Banks between 19 per cent and 23 per cent of loans during 1989-90 and 1992-93.

At the district level, Commercial Banks again sourced the most loans in both years except in West Khasi Hills where the Meghalaya Cooperative Apex Bank sourced the most number of loans (47.5 per cent) in 1989-90, and West Garo Hills in the same year where the same number of loans as the Commercial Banks was sourced by the Cooperative Banks. The Regional Rural Bank sourced the largest number of loans (62.5 per cent) only in 1992-93.

TABLE – 4.11
SOURCE-WISE DISTRIBUTION OF LOAN

Districts/ Year- (1989-90)	Block	Commercial Bank	Regional Rural Bank	Co-operative Bank	Benefit Received		Total benefic- iaries
					Yes	No	
East Khasi Hills	Myllem	-	10	10	-	20	20
	Shella/	20	-	-	-	20	20
	Bholaganj	-	-	-	-	-	-
	TOTAL	20 (50.0)	10 (25.0)	10 (25.0)	-	40 (100.0)	40 (100.0)
West Khasi Hills	Mairang	-	10	10	-	20	20
	Mawshynrut	11	-	9	-	20	20
	TOTAL	11 (27.5)	10 (25.0)	19 (47.5)	-	40 (100.0)	40 (100.0)
East Garo Hills	Samanda	18	2	-	-	20	20
	Resubelpara	5	15	-	6	14	20
	TOTAL	23 (57.5)	17 (42.5)	-	6 (15.0)	34 (85.0)	40 (100.0)
West Garo Hills	Rongra	20	-	-	2	18	20
	Betasing	-	-	20	3	17	20
	TOTAL	20 (50.0)	-	20 (50.0)	5 (12.5)	35 (87.5)	40 (100.0)
Jaintia Hills	Laskein	10	5	-	-	15	15
	Khliehriat	10	-	-	-	10	10
	TOTAL	20 (80.0)	5 (20.0)	-	-	25 (100.0)	25 (100.0)

Total (Meghalaya)		94	42	49	11	174	185
		(50.9)	(22.7)	(26.4)	(5.9)	(94.1)	(100.0)
District/Year-(1992-93)							
East Khasi Hills	Mawphlang	10	7	3	-	20	20
	Myllem	5	-	15	-	20	20
	TOTAL	15	7	18	-	40	40
		(37.5)	(17.5)	(4.5)	-	(100.0)	(100)
West Khasi Hills	Mawshynrut	-	20	-	-	20	20
	Mawkyrwat	-	5	15	1	19	20
	TOTAL	-	25	15	1	39	40
		-	(62.5)	(37.5)	(2.5)	(97.5)	(100)
East Garo Hills	Samanda	20	-	-	-	20	20
	Songsak	10	-	10	2	18	20
	TOTAL	30	-	10	2	38	40
		(75.0)	-	(25.0)	(5.0)	(95.0)	(100)
West Garo Hills	Rongram	20	-	-	1	19	20
	Selsella	-	-	20	3	17	20
	TOTAL	20	-	20	4	36	40
		(50.0)	-	(50.0)	(10.0)	(90.0)	(100)
Jaintia Hills	Thadlaskein	11	-	9	5	15	20
	Amlarem	13	6	1	1	19	20
	TOTAL	24	6	10	6	34	40
		(60.0)	(15.0)	(25.0)	(15.0)	(85.0)	(100)
Total (Meghalaya)		89	38	73	13	187	200
		(44.5)	(19.0)	(36.5)	(6.5)	(93.5)	(100)

Source: Ministry of Rural Development, Government of India

Note: Figures in the brackets indicate percentage.

Repayment of Loan

The repayment and recovery of loans is critical for the success of the programme. Data on loans and their recovery was available for 1992-93 only. It was found that the recovery position of loans under this programme was poor. The defaulters consist of those with either irregular repayments or who had altogether stopped repayment. According to the guidelines issued by the RBI, all IRDP loans should be medium term loans whose repayment schedule should not be less than 3 years and more than 5 years. However, in case of assets with a

gestation period, a certain grace period for repayment is permitted. These conditions are extremely important from the viewpoint of economic viability of the IRDP schemes. However, in actual practice the banks have not adhered to the guidelines and have sanctioned loans even for a period of less than 3 years. In such cases the beneficiaries were unable to repay such loans on time, as a result of which the banks had to suffer.

TABLE – 4.12
REPAYMENT OF LOAN SCHEDULE (1992-93) (Per cent)

State	Less than 3 Years	3 Years	More than 3 Years but less than 5 Years	More than 5 Years
Meghalaya	4.06	41.62	6.09	48.22
All India	10.48	21.52	26.73	41.27

Source: Department of Rural Development and Employment, Govt. of India.

It is seen from Table 4.12 that only 4.06 per cent of loans were having less than 3 years of repayment schedule as against 10.48 per cent at the all-India level. The maximum number of loans, however, had repayment schedules of 5 years and above (48.22 per cent) which followed the all-India trends. Loans with 3 to 5 years of repayment tenures accounted for 48 per cent in Meghalaya which was the same at the all-India level.

During this period, upto 57.87 per cent of dues were repaid (Table – 4.13). However, what is disturbing is the fact that upto 41.12 per cent of loan installments of Rs.2000 and above were overdue. A similar trend was observed at the all-India level.

TABLE – 4.13
AMOUNT OF OVERDUES (1992-93)

State	(Percentage in different ranges in Rupees.)					
	0	1-250	251-500	501-1000	1001-2000	2000 above
Meghalaya	57.87	-	-	-	1.02	41.12

All India	58.82	1.79	2.4	4.85	8.55	23.28
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Source: Department of Rural Development and Employment, Govt. of India.

The data revealed that of the reasons for over dues, willful defaulters accounted for 15.85 per cent as against a high of 43.63 per cent at the all-India level (Table 4.14). Most of the defaulters in the state (81.71 per cent) were found to be in the lower pre-assistance income group (Destitutes and Very Very Poor), who utilised the income generated from the scheme for household consumption, at least in the initial phase of the programme, and were, therefore, unable to repay the loan installment repayments.

TABLE –4.14
REASONS FOR OVERDUES

State	(In per cent)						
	Inadequate Income	Unforeseen Calamity	Repayment of Old Dues	Tight Repayment Schedule	Lack of Marketing Facility	Willful Defaults	Others
Meghalaya	1.22	1.22	-	-	-	15.85	81.71
All India	16.72	9.25	0.84	0.89	1.69	43.63	26.98

Source: Ministry of Rural Development and Employment, Govt. of India.

Other Factors Impacting the Scheme

The proper implementation of the programme is a matter of concern, both from the planning and implementation point of views. The main problems regarding IRDP programme as observed from the survey are as follows.

In many cases it is found that the IRDP schemes failed to generate income on a permanent basis to enable the poor households to cross the poverty line. The factors responsible for this failure are: (a) The average amount sanctioned for a scheme were too small to make a dent on the poverty situation, (b) no attempt was made to provide the necessary infrastructure and “after-sale” services for the success of the scheme, and (c) the beneficiaries failed to get proper supervision

and guidance from the technical staff of the concerned development departments in implementing the scheme.

It was also observed that there was undue delay in providing assistance to the beneficiaries. This was due to various formalities both at block office and bank office level. This led to the assistance becoming worthless, particularly in the agricultural and horticultural schemes, where the assets (e.g. seed and seedlings) were received after the planting season.

In almost all villages, there was a complaint of corruption, particularly for the clearance of schemes from the Rural Development Agencies (RDA).

It was also seen that there was no follow-up action and support for the old beneficiaries.

Marketing support by the government for the products generated by the schemes was absent with the beneficiaries not being able to sell their produce.

Conclusion

The majority of beneficiary households were marginal farmers followed by small farmers, and then agricultural labourers. There were some variations in each of the four years. Distribution of IRDP schemes to the beneficiary households was found maximum in the primary sector.

The objectives of the IRDP as enumerated earlier are to generate income for the target groups through assistance under the various schemes in order to eliminate poverty. It is evident from the preceding analysis that the income of a high percentage of beneficiaries had not increased given the high level of assets that no longer existed and a large proportion of beneficiaries that were defaulters in the repayment of loan.

Further, no guidance and proper support was given to the beneficiaries prior to releasing the assets and the loan component.

No post-harvest support was provided to the beneficiaries.

CHAPTER – V

INCIDENCE OF POVERTY:

Empirical Results

Introduction

In this chapter, the empirical results on the incidence of poverty based on the primary data obtained from empirical survey in the state of Meghalaya in the year 1985-86, 1987-88, 1989-90 and 1992-93 have been presented. In the study, 160 sample villages distributed across 40 development blocks in the then five districts of the state have been presented. The tools used for this purpose are the Head Count and the Poverty Gap Ratios. Besides, Sen's modified index on poverty and mean annual household income in each block covering all the sample beneficiary households in all the sample villages have also been estimated. As income varies from household to household, the instability of income of the households has been estimated by the Ginni Coefficient for the poor.

Distribution of the poor

The Planning Commission of India during the Seventh Five Year Plan had defined the poor as those households, with a family size of five members, whose annual average per family income is less than or equal to Rs.6400. This perhaps suggests that the per capita income per annum is Rs.1280/-. The annual income of each beneficiary household was thus analyzed by means of this poverty line upto 1989-90. In 1992-93, this was revised to Rs.11000.

As mentioned in the earlier chapter, in this study, all five districts were included. In each district, two development Blocks were chosen at random and from each Block, a sample of four villages were selected randomly; thus, a total of 160 villages were included in the survey in the 4 years of study. And from each village 5 beneficiaries were selected. Thus the total sample size in each year's survey for each Block comes to 20 beneficiaries and for each district 40

beneficiaries. This makes a total of 200 beneficiaries in each year's survey for the entire state. However, in 1985-86 and 1989-90, not all 200 sample beneficiaries could be interviewed and, therefore, included in the study. During 1985-86, only 17 beneficiaries in Mawsynram Block (East Khasi Hills district), 10 in Nongstoin Block (West Khasi Hills district) and 8 in Dambo Ronjeng Block (East Garo Hills district) were available for interview. In 1989-90, in Laskein and Khliehriat block of Jaintia Hills district, only 15 and 10 beneficiaries respectively in each block could be interviewed. Thus, a total of only 760 beneficiaries could be interviewed (instead of 800) in the four years survey in the state.

TABLE – 5.1
DISTRICT-WISE DISTRIBUTION OF RURAL POOR AND NON POOR – 1985-86

Category	Districts					Total Sample
	East Khasi Hills	West Khasi Hills	East Garo Hills	West Garo Hills	Jaintia Hills	
Poor	32 (86.49)	25 (83.33)	28 (100.00)	23 (57.50)	40 (100.00)	148 (84.57)
Non Poor	5 (13.51)	5 (16.67)	- -	17 (42.50)	- -	27 (15.43)
Total Sample	37 (100.00)	30 (100.00)	28 (100.00)	40 (100.00)	40 (100.00)	175 (100.00)

TABLE – 5.2
DISTRICT-WISE DISTRIBUTION OF RURAL POOR AND NON POOR – 1987-88

Category	Districts					Total Sample
	East Khasi Hills	West Khasi Hills	East Garo Hills	West Garo Hills	Jaintia Hills	
Poor	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	200 (100.00)
Non Poor	-	-	-	-	-	-

Total	40	40	40	40	40	200
Sample	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)

TABLE – 5.3

DISTRICT-WISE DISTRIBUTION OF RURAL POOR AND NON POOR – 1989-90

Category	Districts					Total Sample
	East Khasi Hills	West Khasi Hills	East Garo Hills	West Garo Hills	Jaintia Hills	
Poor	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	25 (100.00)	185 (100.00)
Non Poor	-	-	-	-	-	-
Total Sample	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	185 (100.00)

TABLE – 5.4

DISTRICT-WISE DISTRIBUTION OF RURAL POOR AND NON POOR – 1992-93

Category	Districts					Total Sample
	East Khasi Hills	West Khasi Hills	East Garo Hills	West Garo Hills	Jaintia Hills	
Poor	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	200 (100.00)
Non Poor	-	-	-	-	-	-
Total Sample	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	40 (100.00)	200 (100.00)

Source: Ministry of Rural Development, Government of India.

Note: Figures in the brackets denote percentages to column total.

From the above tables 5.1 to 5.4, we see that it is only in the first year that there were beneficiaries who were from households above the poverty line; there were upto 15 per cent such households who did not qualify for the IRDP assistance. The number of such families was highest in West Garo Hills District (42.5 per cent). In that year, except for East Garo Hills and Jaintia Hills districts, the other three districts had some beneficiaries who were above the poverty line.

Distribution of Poor Household by Income Level

It may again be mentioned that the empirical results on the incidence of poverty was based on the annual income of each beneficiary household were the poverty line was taken at Rs.6400 for the years 1985-86, 1987-88 and 1989-90, and Rs.11000 for 1992-93.

TABLE – 5.5
PERCENTAGE DISTRIBUTION OF HOUSEHOLDS ACROSS INCOME GROUPS

Years	Income Levels					
	Destitute (%)	V.V.Poor (%)	Very Poor (%)	Poor (%)	Above Poverty Line(%)	Aggregate Sample Level
1885-86	14.3	33.1	18.3	18.9	15.4	175
1987-88	47.0	42.5	10.5	0.0	0.0	200
1989-90	12.4	49.8	37.3	0.5	0.0	185
1992-93	70.0	25.0	4.5	0.5	0.0	200

Source: Ministry of Rural Development, Government of India.

The data showed that among the poor households, the poorest of the poor, that is the Destitutes and Very Very Poor together, were the major beneficiaries of the scheme in all the years, with the highest being 95 per cent in 1992-93 (Table 5.5 and Figure 5.1) as against 75 per cent at the all-India level (Table 5.9). Most of the beneficiaries belonged to the Destitute category in 1987-88 with 47 per cent and again in 1992-93 with 70 per cent. The highest number of beneficiaries was from the Very Very Poor category in 1989-90 with 49.8 per cent. In the Very

Poor category, the highest percentage of such beneficiaries was in 1987-88 with 37.3 per cent. In the category just below the poverty line (Poor category), except for the 22.3 per cent of beneficiaries in the first year, there were little or no beneficiaries from this category in the other years.

Figure – 5.1

PER CENTAGE DISTRIBUTION OF HOUSEHOLDS ACROSS INCOME GROUPS IN THE STATE

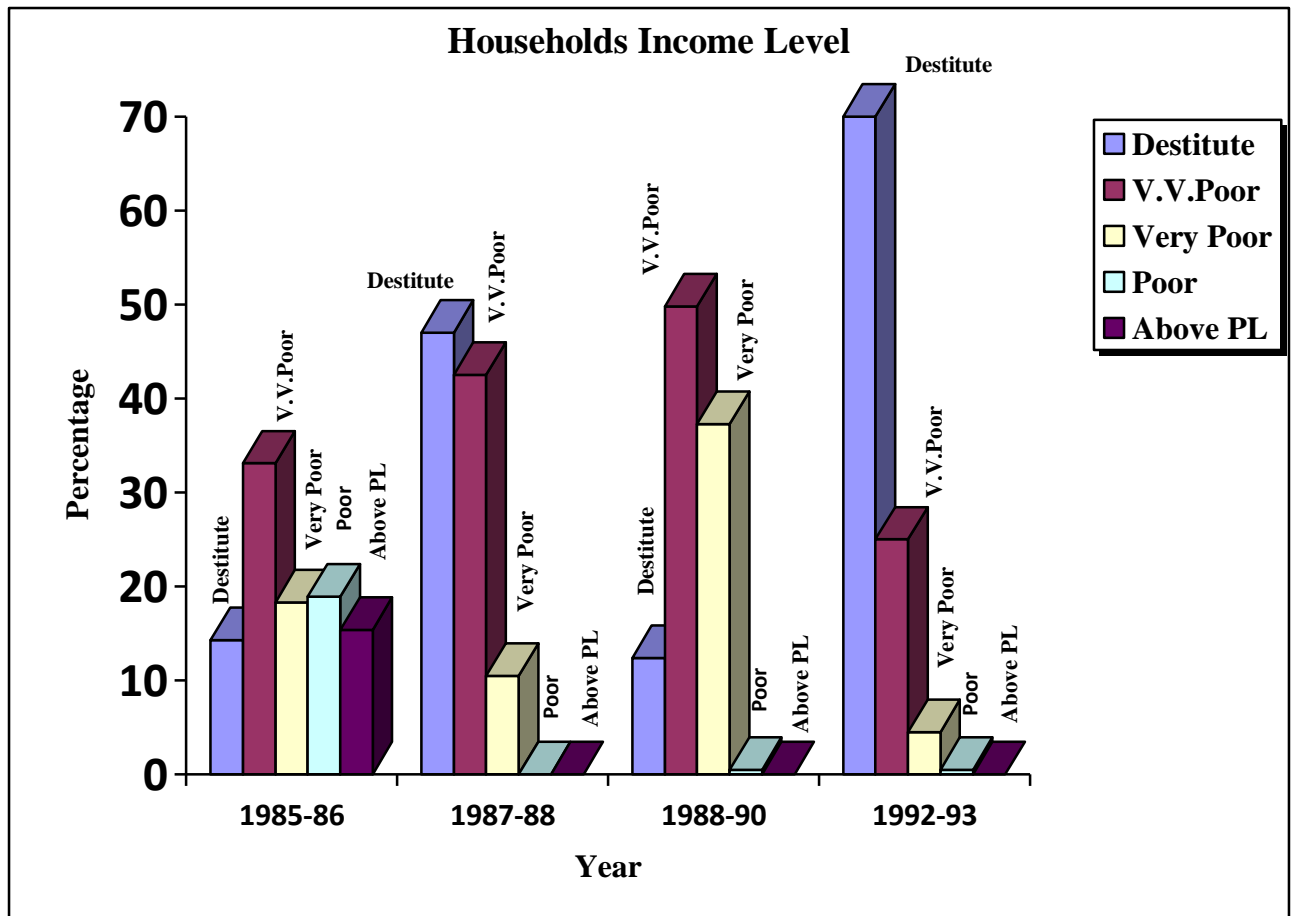


TABLE – 5.6

DISTRIBUTION OF RURAL POOR HOUSEHOLDS IN FOUR INCOME GROUPS – 1985-86

	Family Income Intervals
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District/Block	Up to Rs.2265 Destitute	Rs.2266- Rs.3500 V.V.Poor	Rs.3501- Rs.4800 Very Poor	Rs.4801- Rs.6400 Poor	Aggregate Sample Level (Total Poor)	Total Non- Poor
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	East Khasi Hills		4 (12.5)	10 (31.2)	11 (34.4)	7 (21.9)	32 (100.0)	5
Mawkynrew Block	0 (0.0)	5 (29.4)	8 (47.1)	4 (23.5)	17 (100.0)	3		
Mawsynram Block	4 (26.7)	5 (33.3)	3 (20.0)	3 (20.0)	15 (100.0)	2		

	West Khasi Hills		2 (8.0)	8 (32.0)	7 (28.0)	8 (32.0)	25 (100.0)	5
Nongstoin Block	1 (10.0)	4 (40.0)	3 (30.0)	2 (20.0)	10 (100.0)	-		
Mawshynrut Block	1 (6.6)	4 (26.7)	4 (26.7)	6 (40.0)	15 (100.0)	5		
East Garo Hills	14 (50.0)	11 (39.3)	0 (0.0)	3 (10.7)	28 (100.0)	-		
Songsak Block	12 (60.0)	5 (25.0)	0 (0.0)	3 (15.0)	20 (100.0)	-		
DamboRongjeng Bl	2 (25.0)	6 (75.0)	0 (0.0)	0 (0.0)	8 (100.0)	-		

	West Garo Hills		2 (8.7)	4 (17.4)	10 (43.5)	7 (30.4)	23 (100.0)	17
Dalu Block	1 (7.7)	1 (7.7)	5 (38.4)	6 (46.2)	13 (100.0)	7		
Chokpot Block	1 (10.0)	3 (30.0)	5 (50.0)	1 (10.0)	10 (100.0)	10		

	Jaintia Hills		3 (7.5)	25 (62.5)	4 (10.0)	8 (20.0)	40 (100.0)	-
Thadlaskein Block	1 (5.0)	14 (70.0)	0 (0.0)	5 (25.0)	20 (100.0)	-		
Amlarem Block	2 (10.0)	11 (55.0)	4 (20.0)	3 (15.0)	20 (100.0)	-		
TOTAL SAMPLE	25 (14.3)	58 (33.1)	32 (18.3)	33 (18.9)	148 -	27 (15.4)		

Source: Ministry of Rural Development, Government of India.

Note: Figures in the brackets denote percentages to column total.

In 1985-86, the number of households falling under the Destitute category was very low both at the total sample level and across all development blocks in all the 5 districts (Table 5.6). Jaintia Hills district recorded the least number of beneficiaries from this category (7.5 per cent). Other districts too had only between 8 per cent to 12 per cent of Destitute beneficiaries, except for East Garo Hills district which had upto 50 per cent of Destitute households. At the block level, except for Songsak block of East Garo Hills district with 60 per cent of Destitute households, other blocks had a dismal proportion of such beneficiaries from the poorest of the poor. In Mawkynrew block of East Khasi Hills district, there was not a single household from this category. Further, in this year, there were at least 15 per cent of beneficiary households whose income were above the poverty line.

The majority of beneficiaries under the Very Very Poor category were found in Jaintia Hills district (62.5 per cent). At the block level, Dambo Ronjeng (75 per cent) in East Garo Hills district and Thadlaskein (70 per cent) in Jaintia Hills recorded the largest proportion of beneficiary under this category. Only Bhoi Area block in East Khasi Hills district had no beneficiary from this income-class.

West Garo Hills (43.5 per cent) and East Khasi Hills (34.4 per cent) districts had the highest percentage of beneficiaries from the Very Poor category. Dalu block in West Garo Hills district had the highest number of Very Poor beneficiary households (38.4 per cent).

In West Khasi Hills district, along with the Very Very Poor category, the Poor category also had the highest proportion of beneficiaries (32 per cent). However, Dalu block in West Garo Hills had the highest proportion of Poor beneficiaries (46.2 per cent).

TABLE – 5.7
DISTRIBUTION OF RURAL POOR HOUSEHOLDS IN FOUR
INCOME GROUPS – 1987-88

	Family Income Intervals	Aggregate
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District/Block	Up to Rs.2265 Destitute	Rs.2266- Rs3500 V.V.Poor	Rs.3501- Rs.4800 Very Poor	Rs.4801- Rs.6400 Poor	Sample Level (Total Poor)
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	East Khasi Hills		25 (62.5)	15 (37.5)	0 (0.0)	0 (0.0)	40 (100.0)
Mawphlang Block	5 (25.0)	15 (75.0)	0 (0.0)	0 (0.0)	20 (100.0)		
Bhoi Area Block	20 (100.0)	0 (0.0)	0 (0.0)	0 (0.0)	20 (100.0)		

	West Khasi Hills		9 (22.5)	21 (52.5)	10 (25.0)	0 (0.0)	40 (100.0)
Mawkyrwat Block	4 (20.0)	9 (45.0)	7 (35.0)	0 (0.0)	20 (100.0)		
Mairang Block	5 (25.0)	12 (60.0)	3 (15.0)	0 (0.0)	20 (100.0)		

	East Garo Hills		24 (60.0)	10 (25.0)	6 (15.0)	0 (0.0)	40 (100.0)
Resubelpara Block	12 (60.0)	5 (25.0)	3 (15.0)	0 (0.0)	20 (100.0)		
DamboRongjeng Block	12 (60.0)	5 (25.0)	3 (15.0)	0 (0.0)	20 (100.0)		

	West Garo Hills		19 (47.5)	18 (45.0)	3 (7.5)	0 (0.0)	40 (100.0)
Selsella Block	11 (55.0)	8 (40.0)	1 (5.0)	0 (0.0)	20 (100.0)		
Dambukaga Block	8 (40.0)	10 (50.0)	2 (10.0)	0 (0.0)	20 (100.0)		

	Jaintia Hills		17 (42.5)	21 (52.5)	2 (5.0)	0 (0.0)	40 (100.0)
Amlarem Block	7 (35.0)	11 (55.0)	2 (10.0)	0 (0.0)	20 (100.0)		
Laskein Block	10 (50.0)	10 (50.0)	0 (0.0)	0 (0.0)	20 (100.0)		
TOTAL SAMPLE	94 (47.0)	85 (42.5)	21 (10.5)	0 (0.0)	200 (100.0)		

Source: Ministry of Rural Development, Government of India.

Note: Figures in the brackets denote percentages to column total.

In the following year 1987-88, the defects in identification of beneficiaries seemed to have been corrected (Table 5.7). Firstly, there were no beneficiaries whose incomes were above the poverty line. Secondly, the majority of beneficiaries were from the Destitute and Very Very Poor categories together, both at the district and block level.

The number of households falling under the Destitute category was very high both at the total sample level (47 per cent) and across three districts. It was only in West Khasi Hills and Jaintia Hills districts that beneficiaries under this category did not constitute the highest group among all categories (22.5 per cent and 42.5 per cent respectively). At the block level, all the beneficiaries in the Bhoi Area block fell under this category.

At the total sample level, the households falling in the Very Very Poor category constituted the second largest group of beneficiaries (42.5 per cent). Both West Khasi Hills and Jaintia Hills districts recorded the highest proportion of beneficiaries under this category (52.5 per cent). However, at the block level, Mawphalang block of East Khasi Hills district had upto 75 per cent of households among the Very Very Poor this category as against none in Bhoi Area of East Khasi Hills district.

The number of households falling under the Very Poor category was very low at the total sample level (10.5 per cent) as well as district and block levels. In the East Khasi Hills district, not a single beneficiary fell in this category. There were no beneficiary households in any district falling in the Poor stratum.

TABLE – 5.8
DISTRIBUTION OF RURAL POOR HOUSEHOLDS IN FOUR INCOME GROUPS – 1989-90

Districts/Block	Family Income				Aggregate Sample Level (Total Poor)
	Up to Rs.2265 Destitute	Rs.2266-Rs3500 V.V.Poor	Rs.3501-Rs.4800 Very Poor	Rs.4801-Rs.6400 Poor	
East Khasi Hills	0	26	14	0	40

	(0.0)	(65.0)	(35.0)	(0.0)	(100.0)
Myllem Block	0	10	10	0	20
	(0.0)	(50.0)	(50.0)	(0.0)	(100.0)
Shella/Bholaganj Block	0	16	4	0	20
	(0.0)	(80.0)	(20.0)	(0.0)	(100.0)
West Khasi Hills	6	22	12	0	40
	(15.0)	(55.0)	(30.0)	(0.0)	(100.0)
Mairang Block	1	14	5	0	20
	(5.0)	(70.0)	(25.0)	(0.0)	(100.0)
Mawshynrut Block	5	8	7	0	20
	(25.0)	(40.0)	(35.0)	(0.0)	(100.0)
East Garo Hills	9	14	17	0	40
	(22.5)	(35.0)	(42.5)	(0.0)	(100.0)
Samanda Block	9	2	9	0	20
	(45.0)	(10.0)	(45.0)	(0.0)	(100.0)
Resubelpara Block	0	12	8	0	20
	(0.0)	(60.0)	(40.0)	(0.0)	(100.0)
West Garo Hills	4	13	22	1	40
	(10.0)	(32.5)	(55.0)	(2.5)	(100.0)
Rongra Block	4	12	4	0	20
	(20.0)	(60.0)	(20.0)	(0.0)	(100.0)
Betasing Block	0	1	18	1	20
	(0.0)	(5.0)	(90.0)	(5.0)	(100.0)
Jaintia Hills	4	17	4	0	25
	(16.0)	(68.0)	(16.0)	(0.0)	(100.0)
Laskein Block	4	10	1	0	15
	(26.7)	(66.7)	(6.6)	(0.0)	(100.0)
Khliehriat Block	0	7	3	0	10
	(0.0)	(70.0)	(30.0)	(0.0)	(100.0)
TOTAL SAMPLE	23	92	69	1	185
	(12.4)	(49.8)	(37.3)	(0.5)	(100.0)

Source: Ministry of Rural Development, Government of India.

In 1989-90, the selection of IRDP beneficiaries again seemed somewhat faulty. At the aggregate sample level, the proportion of poor households falling in the Destitute category was only 12.4 per cent, with East Khasi Hills district having not a single beneficiary from among this category (Table 5.8). The highest proportion of Destitutes was in East Garo Hills district with 22.5 per cent. Only

Samanda block in East Garo Hills district had upto 45 per cent of beneficiaries in this category.

The proportion of poor households falling in the second lowest stratum (Very Very Poor) formed a larger proportion of 49.8 per cent at the total sample level, with Jaintia Hills district recording the highest at 68 per cent. Shella/Bholaganj block in East Khasi Hills district had upto 80 per cent of beneficiaries from this category. However, there were only 5 and 10 per cent of such beneficiaries in Betasing block of West Garo Hills district and Samanda block in East Garo Hills district.

At the total sample level, the households falling in the Very Poor category was 37.3 per cent. The number of poor households falling in this category was as high as 90 per cent in Betasing block of West Garo Hills district and as low as 6.6 per cent in Laskein block of Jaintia Hills district. There were a negligible number of beneficiaries in the Poor category with all but one district having no such beneficiaries.

TABLE – 5.9
DISTRIBUTION OF RURAL POOR HOUSEHOLDS IN FOUR
INCOME GROUPS – 1992-93

Districts/Block	Rs.0- Rs.4000	Family Income Intervals			Aggregate Sample Level (Total Poor)
		Rs.4001- Rs.6000	Rs.6001- Rs.8500	Rs.8501- Rs.11000	

East Khasi Hills		14 (35.0)	26 (65.0)	0 (0.0)	0 (0.0)	40 (100.0)
Mawphlang Block	14 (70.0)	6 (30.0)	0 (0.0)	0 (0.0)	20 (100.0)	
Myllem Block	0 (0.0)	20 (100.0)	0 (0.0)	0 (0.0)	20 (100.0)	

West Khasi Hills		35 (87.5)	5 (12.5)	0 (0.0)	0 (0.0)	40 (100.0)
Mawshynrut Block	16 (80.0)	4 (20.0)	0 (0.0)	0 (0.0)	20 (100.0)	
Mawkyrwat Block	19	1	0	0	20	

	(95.0)	(5.0)	(0.0)	(0.0)	(100.0)
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	East Garo Hills		29 (72.5)	10 (25.0)	1 (2.5)	0 (0.0)	40 (100.0)
Samanda Block	12 (60.0)	8 (40.0)	0 (0.0)	0 (0.0)	20 (100.0)		
Songsak Block	17 (85.0)	2 (10.0)	1 (5.0)	0 (0.0)	20 (100.0)		

	West Garo Hills		36 (90.0)	4 (10.0)	0 (0.0)	0 (0.0)	40 (100.0)
Rongram Block	18 (90.0)	2 (10.0)	0 (0.0)	0 (0.0)	20 (100.0)		
Selsella Block	18 (90.0)	2 (10.0)	0 (0.0)	0 (0.0)	20 (100.0)		

	Jaintia Hills		26 (65.0)	5 (12.5)	8 (20.0)	1 (2.5)	40 (100.0)
Thadlaskein Block	20 (100.0)	0 (0.0)	0 (0.0)	0 (0.0)	20 (100.0)		
Amlarem Block	6 (30.0)	5 (25.0)	8 (40.0)	1 (5.0)	20 (100.0)		
TOTAL SAMPLE	140 (70.0)	50 (25.0)	9 (4.5)	1 (0.5)	200 (100.0)		
All India	(36.8)	(38.5)	(17.6)	(7.1)	(96.3)		

Source: Ministry of Rural Development, Government of India.

In 1992-93, at the total sample level, it appears that further corrections were made in the selection of beneficiaries in that upto 95 per cent of the beneficiaries were from the poorest of the poor, that is from the Destitute and Very Very Poor groups together (Table 5.9). Of these, 70 per cent of the households were from the Destitute group All beneficiaries in Thadlaskein block of Jaintia Hills district were from the Destitute group, while all in Myllem Block of Khasi Hills district were from the Very Very Poor category. Only ten beneficiaries were from the Very Poor category and one from the Poor category at the state level.

Mean Income Levels

In the year 1985-86, the estimated mean annual household income among the poor across five districts was highest in the West Garo Hills district with Rs.4083 and lowest in East Garo Hills District (Rs.2517) (Table 5.10). However, while the highest mean income was recorded only in one block of West Garo Hills (Dalu Block), both Blocks of East Garo Hills district were the poorest.

TABLE – 5.10

DISTRICT AND BLOCK LEVEL ESTIMATES ON MEAN HOUSEHOLD INCOME AND GINI COEFFICIENT – 1985-86

District/Block	Mean Income of the Poor (Rs.)	Ginni Coefficient for the Poor
EAST KHASI HILLS	3769	0.070
Mawkynrew Block	4265	0.055
Mawkynrew Village	4000	0.048
Umtong Village	3500	0.136
Mawlat Village	4200	0.028
Jongsha Village	5100	0.060
Mawsynram Block	3207	0.159
Lawbah Village	4000	0.120
Laitmansingh Village	5200	0.032
Wahmawpat Village	3360	0.112
Laitsohum Village	1540	0.012
WEST KHASI HILLS	3844	0.070
Nongstoin Block	3230	0.080
Mawleit Village	2740	0.188
Nongspung Village	3720	0.056
Mawlyndep Village	-	-
Sohphria Village	-	-
Mawshynrut Block	4253	0.080
Nongdaju Village	3520	0.012
Riangdo Village	4120	0.040
Shallang Village	6000	0.060
Seinduli Village	4900	0.044
EAST GARO HILLS	2517	0.020
Songsak Block	2469	0.190

Napakbolchugiri Village	3317	0.032
Mendal Village	3160	0.132
Dobuapal Village	2200	0.156
Chidimitnegsat Village	1200	0.001
DamboRongjeng Block	2638	0.040
Mendima Village	2367	0.145
Nilwagaurichol Village	2800	0.056
Rongmil Village	-	-
Gabil Daningka Village	-	-
WEST GARO HILLS	4083	0.040
Dalu Block	4377	0.055
Nokatgiri Village	5200	0.012
Noksi Village	3750	0.204
Chandabhui Village	4000	0.100
Koimadubi Village	3850	0.028
Chokpot Block	3700	0.020
Chirengpara Village	3900	0.120
Baigonkana Village	3267	0.048
Warimagiri Village	4400	0.032
Dobogiri Village	3750	0.060
JAINTIA HILLS	3663	0.030
Thadlaskein Block	3865	0.001
MoopyutVillage	4300	0.032
NartiangVillage	3300	0.040
NongbahVillage	3660	0.032
Madan TyrpiatVillage	4200	0.180
Amlarem Block	3460	0.045
SohmanongVillage	4200	0.001
MoobakhanVillage	3120	0.042
MawlongVillage	3120	0.020
AmtapohVillage	3400	0.060

In 1987-88, West Khasi Hills recorded the highest mean income among the poor (Rs.2916), while East Khasi Hills exhibited the lowest mean income (Rs.1956) (Table 5.11). Here, while only one block (Mawkyrwat Block) recorded the highest mean income among all the other blocks (Rs.3193), only one block

again in the poorest district of East Khasi Hills (Bhoi Area Block) had the lowest mean income (Rs.1146).

TABLE – 5.11

DISTRICT AND BLOCK LEVEL ESTIMATES ON MEAN HOUSEHOLD INCOME AND GINNI COEFFICIENT – 1987-88

District/Block	Mean Income of the Poor (Rs.)	Ginni Coefficient for the Poor
EAST KHASI HILLS	1956	0.210
Mawphlang Block	2766	0.005
MawrengVillage(o)	2688	0.020
MawrengVillage(n)	2756	0.060
Mawphlang Village(o)	2940	0.084
Mawphlang Village(n)	2680	0.036
Bhoi Area Block	1146	0.170
UmdenUmroi Village (o)	720	0.072
UmdenUmroi Village (n)	1005	0.016
Umtrew Village (o)	1080	0.040
UmranongVillage (n)	1780	0.008
WEST KHASI HILLS	2916	0.050
Mawkyrwat Block	3193	0.080
Marshillong Village (o)	2460	0.172
Marshillong Village (n)	3300	0.064
Nonglang Village (o)	3200	0.004
Mawlangwir Village (n)	3792	0.008
Mairang Block	2638	0.005
Mawblei Village (o)	2112	0.044
Pyndengumiong Village (n)	3360	0.036
Nongrimai Village (o)	2680	0.068
Nongthymmai Village (n)	2400	0.001
EAST GARO HILLS	2571	0.070
Resubelpara Block	2188	0.075
Nishangram Village (o)	1992	0.176
RongkamirchiVillage (n)	2772	0.080
Nolbari Village (o)	2848	0.020
Babukona Village (n)	1141	0.072

DamboRongjeng Block	2954	0.145
Nonchram Village (o)	2265	0.010
Nonchram Village (n)	2265	0.010
Rongjeng Village	3006	0.008
Rongmil Village	4280	0.040
WEST GARO HILLS	2350	0.060
Selsella Block	2087	0.070
Harigaon Village (o)	2280	0.020
Simbukolgiri Village (n)	3000	0.076
Baklagiri Village (o)	884	0.056
Haldibari Village (n)	2184	0.096
Dambukaga Block	2613	0.035
Nilwagiri Village (o)	3100	0.024
Dobagiri Village (n)	2328	0.020
GokaVillage (o)	2392	0.024
Goka Village (n)	2632	0.048
JAINTIA HILLS	2396	0.030
Amlarem Block	2536	0.010
Amtapoh Village (o)	2498	0.032
Amtapoh Village (n)	2522	0.200
Pdengkarong Village (o)	2372	0.012
Pdengkarong Village (n)	2752	0.112
Laskein Block	2256	0.040
Mawkaiew Village	2432	0.080
Mawraiewsaphai Village	1955	0.036
Umsaliat Village	1554	0.048
Motyshiah Village	3083	0.032

In 1989-99, West Garo Hills again recorded the highest mean income among the poor (Rs.4164), while Jaintia Hills had the lowest mean income (Rs.2945) (Table 5.12). A similar pattern followed among the blocks.

TABLE – 5.12

DISTRICT AND BLOCK LEVEL ESTIMATES ON MEAN HOUSEHOLD INCOME AND GINNI COEFFICIENT – 1989-90

District/Block	Mean Income of the Poor (Rs.)	Ginni Coefficient for the Poor
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EAST KHASI HILLS	3386	0.200
Myllem Block	3550	0.002
Laitkor Village	3600	0.001
Pomlakrai Village	3540	0.001
Myllem Kyndong Village	3540	0.001
Sadew Village	3520	0.001
Shella/Bholaganj Block	3223	0.030
Laitryngew Village	3320	0.008
Laitduh Village	3340	0.036
Wahlong Village	2900	0.032
Shella Village	3330	0.056
WEST KHASI HILLS	3292	0.010
Mawshynrut Block	3385	0.015
Kynshi Village	3600	0.012
Demdngiem Village	3440	0.016
Riangdo Village	3000	0.072
Mawthengkut Village	3500	0.084
Mairang Block	3200	0.035
Pyndengumiong Village	2620	0.016
Mawlong Village	3460	0.018
Nongthymmai Village	3590	0.010
Mairangbah Village	3128	0.064
EAST GARO HILLS	3118	0.030
Samanda Block	2955	0.165
Dobetkolgiri Village	3880	0.001
Rongalgiri Village	4000	0.012
Rongsakgiri Village	1960	0.028
Bansamgiri Village	1980	0.056
Resubelpara Block	3280	0.030
Dharampara Village	2640	0.080
Khaskona Village	3920	0.084
Khataragiri Village	3120	0.052
Nolbari Village	3440	0.044
WEST GARO HILLS	4164	0.080
Rongra Block	3513	0.010
Gaubari Village	3266	0.124
Disingiri Village	3500	0.001
Rongra Rongtotna Village	4033	0.052

Rongra BlockHq. Village	3253	0.020
Betasing Block	4815	0.010
Nirghini Village	4800	0.001
Jwilgiri Village	4800	0.001
Khongpara Village	4540	0.020
Latrigiri Village	5120	0.044
JAINTIA HILLS	2945	0.050
Laskein Block	2727	0.010
Shangpung Village	2480	0.044
Madankynsaw Village	3150	0.070
Mawkaiew Village	2900	0.048
Mulieh Village	2567	0.036
Khliehriat Block	3273	0.040
Bataw Village	3011	0.032
Pynurkba Village	3535	0.040
Mawkyndeng Village	-	-
Khliehrangnah Village	-	-

In 1992-93, East Khasi Hills district recorded the highest mean income among the poor (Rs.4385), with East Garo Hills recording the lowest mean income (Rs.3248) (Table 5.13). While both blocks in East Khasi Hills recorded the highest mean income from among all development blocks, it is interesting to note that the Amlarem Block in Jaintia Hills district recorded the highest mean income among the poor (Rs.5415).

TABLE – 5.13

DISTRICT AND BLOCK LEVEL ESTIMATES ON MEAN HOUSEHOLD INCOME AND GINI COEFFICIENT – 1992-93

District/Block	Mean Income of the Poor (Rs.)	Ginni Coefficient for the Poor
EAST KHASI HILLS	4385	0.050
Mawphlang Block	3970	0.060
Mawngap Village	3120	0.052
Laitpynter Village	3520	0.004
Kynrohnonglum Village	5400	0.001

Krang Village	3840	0.052
Myllem Block	4800	0.005
Mawjrong Village	4680	0.004
Laitkor Village	4840	0.016
Madanriting Village	5040	0.020
Nongbet Village	4640	0.012
WEST KHASI HILLS	3668	0.020
Mawshynrut Block	3832	0.025
Mawdongkiang Village	3636	0.020
Mawtynrangbam Village	3800	0.020
Porsohsan Village	3490	0.048
Nongryngkew Village	4400	0.016
Mawkyrwat Block	3505	0.040
Wahsiej Village	3180	0.028
Mawlangwir-Sohkhyllam	3400	0.028
Rangmaw Village	3500	0.001
Mawranglang Village	3940	0.048
EAST GARO HILLS	3248	0.010
Samanda Block	3275	0.130
Dilmadebrakgiri Village	2400	0.001
Dinaminggiri Village	2440	0.084
Kusimkolgre Village	4180	0.004
Bansambilbra Village	4080	0.096
Songsak Block	3220	0.060
Mendal Village	2840	0.088
Norekbollonggiri Village	3000	0.001
Geruapal Village	3120	0.008
Napaksongma Village	3920	0.128
WEST GARO HILLS	3339	0.070
Rongram Block	2848	0.025
Anogiri Village	2200	0.024
Rombaading Village	3570	0.072
Chikasingri Village	2760	0.008
Edenbari Village	2860	0.012
Selsella Block	3830	0.020
Benabazar Village	3740	0.016
Ketkipara Village	3680	0.016
Harigaon Village	3980	0.056

Balalgiri Village	3920	0.012
JAINTIA HILLS	4260	0.140
Thadlaskein Block	3105	0.030
Ionglwit Village	3000	0.001
Mihmyntdu Village	2700	0.016
Mukhla Village	3520	0.008
Umladang Village	3200	0.001
Amlarem Block	5415	0.125
Shnongpdeng Village	7320	0.020
Nongbarehlyntiar Village	6200	0.028
Pasadwar Village	3600	0.064
Satpator Village	4540	0.160

At this point, it is relevant to ask the question as to how exactly poor they are and how far are they from the poverty line. How many of poor people's incomes have fallen short of the poverty line? We shall now examine the incidence of poverty in the state, districts, blocks and villages and the levels of income of the poor and its degree of instability.

Ginni Coefficient

The implication of the Ginni coefficient (G) is that the closer it is to 1, the more unequal the distribution of income.

In 1985-86, the distribution of income among the poor was most unequal in East and West Khasi Hills districts with a G value of 0.07 (Table – 5.10). The highest instability in mean incomes increased to 0.21 in 1987-88 (Table 5.11) and then 0.20 in 1989-90 in (Table 5.12), both years in East Khasi Hills district. In 1992-93, instability reduced with Jaintia Hills registering the highest Ginni value of 0.14 (Table 5.13).

At the block level, however, the instability was observed in Songsak Block (0.19) of East Garo Hills in 1985-86, Bhoi Area Block (0.17) in East Khasi Hills in 1987-88, Samanda Block (0.17) in East Garo Hills in 1989-90, and Amlarem Block (0.13) in Jaintia Hills in 1992-93. It may, therefore, be observed

that blocks and districts followed the same trends in instability of income in only two years (1985-86 and 1992-93) of the study.

There were extremely wide variations in the income instability level across villages in all the years. Further, it was observed that villages and blocks (or districts) did not follow the same trends in instability of income except in the last year of the study.

Head Count Ratio

The Head Count Ratio (HCR) is the proportion of the poor households to the total households. Table – 5.8 outlines the HCR across the districts, blocks and villages through the four years. It is observed, as mentioned earlier, that only in the first year of survey (1985-86), were there beneficiaries found even among those above the poverty line of Rs.6400. Thus, while the HCR in the latter three years is understandably 100 per cent, in the first year, while both East Garo Hills and Jaintia Hills had all beneficiaries from among the poor (HCR=100 per cent), both East and West Khasi Hills districts had a HCR of over 80 per cent. During this year, the HCR for West Garo Hills district was estimated at 57.50 per cent. Chokpot Block in West Garo Hills exhibited the lowest HCR of 50 per cent.

TABLE – 5.14
DISTRICT AND BLOCK LEVEL ESTIMATES ON HEAD COUNT AND
POVERTY GAP RATIO – 1985-86

District/Block	Head Count Ratio	Poverty Gap Ratio	Modified Poverty Gap Ratio
EAST KHASI HILLS	86.48	35.55	0.330
Mawkynrew Block	85.00	28.35	0.267
Mawkynrew Village	60.00	22.50	0.214
Umtong Village	80.00	36.25	0.313
Mawlat Village	100.00	34.37	0.334
Jongsha Village	100.00	20.31	0.190
Mawsynram Block	88.23	44.01	0.370
Lawbah Village	100.00	37.50	0.330
Laitmansingh Village	60.00	11.25	0.108
Wahmawpat Village	100.00	47.50	0.421
Laitsohum Village	100.00	75.93	0.750

WEST KHASI HILLS	83.33	33.27	0.309
Nongstoin Block	100.00	49.53	0.455
Mawleit Village	100.00	57.18	0.464
Nongspung Village	100.00	41.87	0.395
Mawlyndep Village	-	-	-
Sohphria Village	-	-	-
Mawshynrut Block	75.00	25.16	0.234
Nongdaju Village	100.00	45.00	0.444
Riangdo Village	100.00	35.62	0.342
Shallang Village	20.00	1.25	0.011
Seinduli Village	80.00	18.75	0.179
EAST GARO HILLS	100.00	60.67	0.594
Songsak Block	100.00	61.42	0.497
Napakbolchugiri Village	100.00	48.17	0.466
Mendal Village	100.00	50.62	0.439
Dobuapal Village	100.00	65.62	0.553
Chidimitnegsat Village	100.00	81.25	0.811
DamboRongjeng Block	100.00	58.78	0.564
Mendima Village	100.00	63.01	0.538
Nilwagaurichol Village	100.00	56.25	0.531
Rongmil Village	100.00	-	-
Gabil Daningka Village	100.00	-	-
WEST GARO HILLS	57.50	20.81	0.199
Dalu Block	65.00	20.54	0.194
Nokatgiri Village	100.00	18.75	0.185
Noksi Village	40.00	16.56	0.131
Chandabhui Village	40.00	15.00	0.135
Koimadubi Village	80.00	31.87	0.309
Chokpot Block	50.00	21.09	0.206
Chirengpara Village	40.00	15.62	0.137
Baigonkana Village	60.00	29.37	0.279
Warimagiri Village	20.00	6.25	0.060
Dobogiri Village	80.00	33.12	0.311
JAINTIA HILLS	100.00	42.76	0.414
Thadlaskein Block	100.00	39.60	0.395
Moopyut Village	100.00	32.81	0.317
Nartiang Village	100.00	48.43	0.465
Nongbah Village	100.00	42.81	0.414

Madan TyrpiatVillage	100.00	34.37	0.281
Amlarem Block	100.00	45.93	0.438
SohmanongVillage	100.00	34.37	0.343
MoobakhanVillage	100.00	51.25	0.490
MawlongVillage	100.00	51.25	0.502
AmtapohVillage	100.00	46.87	0.440

TABLE – 5.15
DISTRICT AND BLOCK LEVEL ESTIMATES ON HEAD COUNT AND
POVERTY GAP RATIO – 1987-88

EAST KHASI HILLS	100.00	69.43	0.548
Mawphlang Block	100.00	56.78	0.564
MawrengVillage(o)	100.00	58.00	0.568
MawrengVillage(n)	100.00	56.93	0.535
Mawphlang Village(o)	100.00	54.06	0.495
Mawphlang Village(n)	100.00	59.12	0.560
Bhoi Area Block	100.00	82.09	0.681
UmdenUmroi Village (o)	100.00	88.75	0.823
UmdenUmroi Village (n)	100.00	84.29	0.829
Umtrew Village (o)	100.00	83.12	0.798
UmranongVillage (n)	100.00	72.18	0.716
WEST KHASI HILLS	100.00	54.43	0.517
Mawkyrwat Block	100.00	50.10	0.461
Marshillong Village (o)	100.00	61.56	0.509
Marshillong Village (n)	100.00	48.43	0.453
Nonglang Village (o)	100.00	50.00	0.498
Mawlangwir Village (n)	100.00	40.75	0.404
Mairang Block	100.00	58.78	0.584
Mawblei Village (o)	100.00	67.00	0.640
Pyndengumiong Village (n)	100.00	47.50	0.457
Nongrimai Village (o)	100.00	58.12	0.541
Nongthymmai Village (n)	100.00	62.50	0.624
EAST GARO HILLS	100.00	59.82	0.556
Resubelpara Block	100.00	65.81	0.608
Nishangram Village (o)	100.00	68.87	0.567
RongkamirchiVillage (n)	100.00	56.68	0.521
Nolbari Village (o)	100.00	55.50	0.543

Babukona Village (n)	100.00	82.17	0.762
DamboRongjeng Block	100.00	53.84	0.460
Nonchram Village (o)	100.00	64.60	0.639
Nonchram Village (n)	100.00	64.60	0.639
Rongjeng Village	100.00	53.03	0.526
Rongmil Village	100.00	33.12	0.318
WEST GARO HILLS	100.00	63.28	0.594
Selsella Block	100.00	67.39	0.626
Harigaon Village (o)	100.00	64.37	0.630
Simbukolgiri Village (n)	100.00	53.12	0.490
Baklagiri Village (o)	100.00	86.18	0.813
Haldibari Village (n)	100.00	65.87	0.595
Dambukaga Block	100.00	59.17	0.571
Nilwagiri Village (o)	100.00	51.56	0.503
Dobagiri Village (n)	100.00	63.62	0.623
GokaVillage (o)	100.00	62.62	0.611
Goka Village (n)	100.00	58.87	0.560
JAINTIA HILLS	100.00	62.56	0.606
Amlarem Block	100.00	60.37	0.597
Amtapoh Village (o)	100.00	60.96	0.590
Amtapoh Village (n)	100.00	60.59	0.484
Pdengkarong Village (o)	100.00	62.93	0.621
Pdengkarong Village (n)	100.00	57.00	0.506
Laskein Block	100.00	64.75	0.621
Mawkaiew Village	100.00	62.00	0.570
Mawraiewsaphai Village	100.00	69.45	0.669
Umsaliat Village	100.00	75.71	0.720
Motyshiah Village	100.00	51.82	0.501

TABLE – 5.16
DISTRICT AND BLOCK LEVEL ESTIMATES ON HEAD COUNT AND
POVERTY GAP RATIO – 1989-90

Year- (1989-90)			
EAST KHASI HILLS	100.00	47.09	0.461
Myllem Block	100.00	44.53	0.444

Laitkor Village	100.00	43.75	0.437
Pomlakrai Village	100.00	44.68	0.446
Madanriting Village	100.00	44.68	0.446
Nongbet Village	100.00	45.00	0.449
Shella/Bholaganj Block	100.00	49.64	0.481
Laitryngew Village	100.00	48.12	0.477
Laitduh Village	100.00	47.81	0.460
Wahlong Village	100.00	54.68	0.529
Shella Village	100.00	47.96	0.452
WEST KHASI HILLS	100.00	48.56	0.480
Mawshynrut Block	100.00	47.10	0.464
Kynshi Village	100.00	43.75	0.432
Demdngiem Village	100.00	46.25	0.455
RiangdoVillage	100.00	53.12	0.493
Mawthengkut Village	100.00	45.31	0.415
Mairang Block	100.00	50.00	0.482
Pyndengumiong Village	100.00	59.06	0.581
Mawlong Village	100.00	45.93	0.451
Nongthymmai Village	100.00	43.90	0.434
Mairangbah Village	100.00	51.12	0.478
EAST GARO HILLS	100.00	51.28	0.497
Samanda Block	100.00	53.82	0.449
Dobetkolgiri Village	100.00	39.37	0.393
Rongalgiri Village	100.00	37.50	0.370
Rongsakgiri Village	100.00	69.37	0.674
Bansamgiri Village	100.00	69.06	0.651
Resubelpara Block	100.00	48.75	0.472
Dharampara Village	100.00	58.75	0.540
Khaskona Village	100.00	38.75	0.354
Khataragiri Village	100.00	51.25	0.485
Nolbari Village	100.00	46.25	0.442
WEST GARO HILLS	100.00	34.93	0.321
Rongra Block	100.00	45.10	0.446
Gaubari Village	100.00	48.96	0.428
Disingiri Village	100.00	45.31	0.452
Rongra Rongtotna Village	100.00	36.98	0.350
Rongra BlockHq.Village	100.00	49.17	0.481
Betasing Block	100.00	24.76	0.245

Nirghini Village	100.00	25.00	0.249
Jwilgiri Village	100.00	25.00	0.249
Khongpara Village	100.00	29.06	0.284
Latrigiri Village	100.00	20.00	0.191
JAINTIA HILLS	100.00	53.98	0.512
Laskein Block	100.00	57.39	0.568
Shangpung Village	100.00	61.25	0.585
Madankynsaw Village	100.00	50.78	0.472
Mawkaiew Village	100.00	54.68	0.520
Mulieh Village	100.00	59.89	0.577
Khliehriat Block	100.00	48.85	0.469
Bataw Village	100.00	52.95	0.512
Pynurkba Village	100.00	44.76	0.429
Mawkyndeng Village	100.00	-	-
Khliehrangnah Village	100.00	-	-

TABLE – 5.17
DISTRICT AND BLOCK LEVEL ESTIMATES ON HEAD COUNT AND
POVERTY GAP RATIO – 1992-93

Year- (1992-93)			
EAST KHASI HILLS	100.00	60.13	0.571
Mawphlang Block	100.00	63.90	0.600
Mawngap Village	100.00	71.63	0.679
Laitpynter Village	100.00	68.00	0.677
Kynrohnonglum Village	100.00	50.90	0.508
Krang Village	100.00	65.09	0.617
Myllem Block	100.00	56.36	0.560
Mawjrang Village	100.00	57.45	0.572
Laitkor Village	100.00	56.00	0.551
Madanriting Village	100.00	54.18	0.530
Nongbet Village	100.00	57.81	0.571
WEST KHASI HILLS	100.00	66.65	0.653
Mawshynrut Block	100.00	65.16	0.635
Mawdongkiang Village	100.00	66.94	0.656
Mawtynrangbam Village	100.00	65.45	0.641
Porsohsan Village	100.00	68.27	0.649
Nongryngkew Village	100.00	60.00	0.590

Mawkyrwat Block	100.00	68.13	0.654
Wahsiej Village	100.00	71.09	0.691
Mawlangwir-Sohkhyllam	100.00	69.09	0.671
Rangmaw Village	100.00	68.18	0.681
Mawranglang Village	100.00	64.18	0.611
EAST GARO HILLS	100.00	70.47	0.697
Samanda Block	100.00	70.22	0.610
Dilmadebrakgiri Village	100.00	78.18	0.781
Dinaminggiri Village	100.00	77.81	0.712
Kusimkolgre Village	100.00	62.00	0.617
Bansambilbra Village	100.00	62.90	0.568
Songsak Block	100.00	70.72	0.664
Mendal Village	100.00	74.18	0.676
Norekbollonggiri Village	100.00	72.72	0.726
Geruapal Village	100.00	71.63	0.710
Napaksongma Village	100.00	64.36	0.561
WEST GARO HILLS	100.00	69.64	0.647
Rongram Block	100.00	74.10	0.720
Anogiri Village	100.00	80.00	0.780
Rombaading Village	100.00	67.54	0.626
Chikasingri Village	100.00	74.90	0.743
Edenbari Village	100.00	74.00	0.731
Selsella Block	100.00	65.18	0.638
Benabazar Village	100.00	66.00	0.649
Ketkipara Village	100.00	66.54	0.654
Harigaon Village	100.00	63.81	0.602
Balalgiri Village	100.00	64.36	0.635
JAINTIA HILLS	100.00	61.27	0.526
Thadlaskein Block	100.00	71.77	0.696
Ionglwit Village	100.00	72.72	0.726
Mihmyntdu Village	100.00	75.45	0.742
Mukhla Village	100.00	68.00	0.674
Umladang Village	100.00	70.90	0.708
Amlarem Block	100.00	50.77	0.444
Shnongpdeng Village	100.00	33.45	0.327
Nongbarehlyntiar Village	100.00	43.63	0.424
Pasadwar Village	100.00	67.27	0.629
Satpator Village	100.00	58.72	0.493

Head Count Ratio

The Head Count Ratio (HCR) is the proportion of the poor households to the total households. Tables 5.14 to 5.17 outline the HCR across districts, blocks and villages through the four years of study. It is observed, as mentioned earlier, that only in the first year of survey (1985-86), were there beneficiaries found even among those above the poverty line of Rs.6400. Thus, while the HCR in the latter three years is understandably 100 per cent, in the first year, while both East Garo Hills and Jaintia Hills had all beneficiaries from among the poor (HCR=100 per cent), both East and West Khasi Hills districts had a HCR of over 80 per cent. During this year, the HCR for West Garo Hills district was estimated at 57.50 per cent. Chokpot Block in West Garo Hills exhibited the lowest HCR of 50 per cent.

Poverty Gap Ratio

We were interested in knowing as to how poor the poor are and how distant they are from the poverty line so as to assess the requirement of funds to ensure all households attain at least income equivalent to poverty line. In this regard we have also estimated the Sen's poverty gap ratio. The index measures the transfer that would bring the income of the poor household exactly up to the poverty line, thereby eliminating the poverty gap. In this way the poverty gap reflects the depth of poverty as well as its incidence. Thus the larger the estimated value, the higher is the requirement of resources to guarantee the entire population an income equivalent to the poverty line and its smaller estimated value denotes lesser resource requirement to do the needful.

We derived the following inferences on analyzing the empirical results as given in Tables 5.14 to 5.17 on the Poverty Gap Ratio (PGR). In 1985-86, East Garo Hills exhibited the highest PGR of 60 per cent, while West Garo Hills had a PGR of 20 per cent (Table 5.14). In line with district figures of the poverty gap ratio, both blocks in East Garo Hills and West Garo Hills districts recorded the highest and lowest PGR respectively.

In 1987-88, East Khasi Hills emerged as the district requiring the maximum funds to lift the beneficiaries upto the poverty line (69.43 per cent); this was influenced by a large PGR in Bhoi Area Block of 82.09 per cent (Table 5.15). West Khasi Hills required the least “reduction” funds (54.43 per cent) with Mawkyrwat Block recording a low PGR of 50.10 per cent.

In 1989-90, the highest PGR was recorded in Jaintia Hills district (53.98 per cent); Laskein Block in this district recorded the highest PGR (57.39 per cent) (Table 5.16). West Garo Hills district had the lowest PGR of 34.93 per cent, with Betasing Block in the district exhibiting the lowest PGR (24.76 per cent).

In 1992-93, East Garo Hills district had a PGR of upto 70.47 per cent, the highest recorded in the four years of survey (Table 5.17). East Khasi Hills district recorded the lowest PGR of 60.13 per cent. The highest and lowest PGR, block-wise, however, were not in these districts.

Modified Sen’s Index of Poverty Gap Ratio

Sen’s modified poverty measure overcomes the limitation of his earlier poverty gap ratio. Sen’s modified index of poverty gap ratio overcomes this drawback by the use of a specific rank order weighing scale. Ginni’s Coefficient was used to modify the poverty gap ratio. The empirical values of such a measure lie between zero and unity. It assumes zero value when every one’s income is above the poverty line and becomes unity when every one has zero income. Thus, lower the value of this measure; the closure is the distribution of the poor to the poverty line and vice versa. The empirical results are presented for districts and blocks for each year as follows (Tables 5.14 to 5.17).

In the year 1985-86, the modified poverty gap ratio assumed values close to zero showed in the Shallang village with 0.011 of Mawshynrut block in the West Khasi Hills and Warimagiri village (0.060) of Chokpot block in the West Garo Hills district thereby indicating that the distribution of poor is closure to the poverty line (Table 5.14). In the East Khasi Hills district, Jongsha village of Mawkyrnrew block and Laitmansing village of Mawsynram block assumed values for this measure is 0.190 and 0.108 respectively. Seinduli village in the

Mawshynrut block of West Khasi Hills, the value for this measure was 0.179 and Nakatgiri village (0.185), Noksi village (0.131), Chandabhui village (0.135) in the Dalu block of West Garo Hills district. This again indicated the preponderance of poor households near the poverty line. In this year (1985-86) the lowest value (0.199) was found in the district of West Garo Hills and highest (0.594) in the East Garo Hills district. At the block-level, the highest value (0.564) was found in the Dambo Rongjeng block of East Garo Hills and lowest value (0.194) was found in the Dalu block of West Garo Hills district. At the village-level, out of total 40 sample villages, the highest value (0.811) was found in the Chidimitnegsat village of Songsak block in East Garo Hills and lowest value (0.011) was found in the Shallang village of Mawshynrut block in West Khasi Hills. All other villages the values of Sen's modified poverty gap ratio lie between 0.011 and 0.750.

However, in 1987-88, the values of modified poverty gap ratio were higher than the year 1985-86 (Table 5.15). The highest value of the modified Sen's poverty gap ratio was observed in the UmdenUmroi village (0.829) of Bhoi-area block in East Khasi Hills and lowest was in the Rongmil village (0.318) of DamboRongjeng block in East Garo Hills. Remaining villages in the 5 districts, the values ranged between 0.404 and 0.823. Such high values in all cases suggest that there is sizeable deviation of poor across four income intervals.

The values of poverty gap ratio were slightly lower in the year 1989-90 than the year 1987-88 (Table 5.16). The highest value of this measure was observed in the Mawngap village (0.674) of Mawphlang block in the East Khasi Hills district and lowest value was in the Latrigiri village (0.191) of Betasing block in West Garo Hills district. Infact, all other villages in all the blocks showed the values ranged between 0.245 and 0.651. These values were however, smaller than the year 1987.

During 1992-93, it is observed that the highest value (0.781) of modified Sen's poverty gap ratio was found in the Dilmadebrakgiri village of Samanda block in East Garo Hills and the lowest of 0.327 was in the Shnongpdeng village of Amlarem block in Jaintia Hills (Table 5.17). The values of this measure lie

between 0.530 and 0.742 in all the villages in 10 sample blocks, and similar pattern was witnessed in all the villages in the 5 districts of the state.

Conclusion

In the first year of study, it was observed that all beneficiaries were not from households below the poverty line, where the Head Count Ratio varied from 57.50 per cent to 100 per cent. In the subsequent years, the selection of beneficiaries followed the norms where all were from households below the poverty line.

The poorest of the poor households, that is the Destitutes and Very Very Poor together, were the major beneficiaries of the IRDP scheme in all the years, touching upto 95 per cent in the last year of 1992-93.

The mean income levels showed wide variations across districts, blocks and villages in all the years.

It was observed that blocks and districts followed the same trends in instability of income in only two of the four years (1985-86 and 1992-93) of the study as indicated by the values of the Ginni coefficient. Further, it was observed that villages and blocks (and districts) did not follow the same trends in instability of income except in the last year of the study. There were extremely wide variations in the income instability level across villages in all the years.

The poverty gap ratios reflected varied depth of poverty as well as its incidence, both within each year and across the years – district-wise, block-wise and village-wise. This was also true of the Sen's modified poverty gap ratio.

CHAPTER - VI

SWARNAJAYANTI GRAM SWAROZGAR YOJANA (SGSY) IN MEGHALAYA

Introduction

The development of rural areas and the removal of rural poverty have always been a continuous concern in India's efforts at planned development. A more direct assault on poverty has been made with the help of a series of special programmes. The stress continues to be on complementary strategies such as increasing employment, meeting basic needs, reducing inequalities in income and wealth and raising the productivity of the poor. The process of rural development aims at promoting rural transformation by increasing the capacity of organizations to undertake small scale development activities. Through these programmes, attempt has been made to provide agricultural inputs and social welfare services to the rural areas, for improving the infrastructural facilities. This has been done in recognition of the fact that the success of rural development depends upon political, technical and financial support by the Government.

It was found from various studies that the Integrated Rural Development Programme (IRDP) did not succeed as anticipated by the Government. The main reason for its failure was lack of proper implementation and execution of this programme. This was also our conclusion in the previous chapters. The present chapter has the objective to analyse and examine the working of the present Swarnajayanti Gram Swarozgar Yojana (SGSY) programme, which came into existence by restructuring the existing IRD Programme. This programme was launched by the Ministry of Rural Development, Government of India, and was operative from 1st April, 1999 in rural areas of the country.

Objectives of the SGSY

1. The main objective of SGSY is to bring every assisted family above the poverty line within 3 years by providing them income generating assets through a mix of bank credit and Government subsidy.
2. Improvement in the quality of rural life.

Salient Features of Swarnajayanti Gram Swarozgar Yojana (SGSY)

1. SGSY is conceived as a holistic programme covering all aspects of self-employment such as (a) organization of poor into Self-Help-Groups (SHG) and their capacity building, (b) planning of activity clusters, (c) infrastructure buildup, (d) technology, (e) credit, and (f) marketing.
2. The programme seeks to eliminate poverty by assisting the selected poor households to get productive assets, technology and skill so that they become economically solvent.
3. SGSY aims at establishing a large number of micro enterprises in the rural areas and building upon the potential of the rural poor, given the right support to them. This should result in the rural poor being successful producers of valuable goods and services so as to raise themselves above poverty line.
4. This programme is based on individual or group approach to the alleviation of poverty. The assisted families, known as Swarozgaris, may be individuals or groups known as Self-Help-Groups. The SHG is a small body consists of 10-20 persons belong to BPL family formed by the people for meeting their specific objectives, particularly credit. It is managed by the rules and regulations formed by them and functions on democratic principle. Emphasis was given to the group approach. Efforts were made to involve women members in each SHG. At the block level, at least half of the groups were exclusively to be women SHGs. Group activity was given preference and progressively, majority of the funding was for SHGs.
5. The major share (75 per cent) of SGSY assistance was to be in activity clusters. For each block, 4-5 key activities are identified based on the resources, occupational skills of the poor and availability of markets. Selection of key activities is with the approval of the Panchayat Samiti at the

Block-level and the District Rural Development Authority at the District-level. The selection of activities should be such that the Swarozgari, with the asset provided and skill development, should be able to earn a net income of Rs.2000/- per month from the third year.

6. The banks and other financial institutions are closely associated and involved in preparing project reports in respect of identified key activities.
7. SGSY is a credit-cum-subsidy programme. However, subsidy is only a minor and enabling element. Banks are closely involved in the planning and preparation of projects, identification of activity clusters, infrastructure, planning as well as capacity building, choice of activity of the SHGs, selection of individual Swarozgaris, pre-credit activities and post-credit monitoring including loan recovery.
8. SGSY seeks to promote multiple credit rather than one time credit. The requirements of the Swarozgaris are carefully assessed by the banks.
9. SGSY seeks to lay emphasis on skill development through well-designed training courses. Those who have been sanctioned loans will be assessed and given necessary training. DRDAs are allowed to set apart upto 10 per cent of the SGSY allocation on training, which is maintained as 'SGSY – Training Fund.' SGSY ensures upgradation of the technology in the identified activity clusters. It also provided for promotion of marketing of the goods produced by the Swarozgaris. This involves providing of market intelligence, development of markets, consultancy services, and institutional arrangements for marketing of the goods including exports.
10. Subsidy under this programme is uniform at 30 per cent of the project cost, subject to a maximum of Rs.7500/-. However, in respect of SC/ST, this is 50 per cent subject to a maximum of Rs.10,000/-. For SHGs, the subsidy is 50 per cent of the cost of the scheme, subject to a ceiling of Rs.1.25 lakh. There is, however, no monetary limit on subsidy for irrigation projects.

Implementation of the Programme

The SGSY is a centrally sponsored scheme in which Union and State Governments share the total budget in the ratio of 75:25. This programme was

governed and monitored at various levels so as to meet the felt needs of the people and to simultaneously fulfill the national objectives. At the Centre, a Central Committee was set up for over all guidance and monitoring of this programme. At the State level, a Co-ordination Committee for Rural Development was set up for planning, implementation and monitoring of this programme. At the district level, the programme was actually implemented by the DRDAs through the Panchayat Samithis. The process of planning, implementation and monitoring integrated the banks and other financial institutions, the Panchayat Raj Institutions, NGOs, as well as technical institutions in the district.

Banks are actively involved in supervising and monitoring the scheme. SGSY cells were set up by the banks at Regional/Zonal offices for periodical monitoring and review of the credit flow to SGSY Swarozgaris, ensure the implementation of the guide lines of the scheme, collect data from the branches and make available consolidated data to the Head Office of the bank. At the Head Office, a senior officer has to be entrusted for the job and the progress of the programme has to be reviewed on a regular basis by the Top Management. The scheme provides for the setting up of SGSY committee at Block/District/State and Central level and banks are to actively participate in the periodical meetings of such committees and maintain closer co-ordination with the different agencies responsible for the implementation of the programme.

The list of families below the poverty line identified as those with land, landless labour, educated unemployed, rural artisans and disabled were covered under the scheme. The lists of BPL households identified through BPL census, duly approved by the Gram Sabha, were the basis for the assistance under SGSY. The assisted families were known as Swarozgaris either individuals or groups and was selected by three member team consisting of Block Development Officer, Banker and Sarpanch (village Headman). SGSY was focused on vulnerable sections of the rural poor. Accordingly the SC/ST was accounted for atleast 50 per cent, women 40 per cent and the disabled 3 per cent of those assisted.

As mentioned earlier, that the main objective of SGSY is to bring every assisted family above the poverty line within 3 years through provision of micro enterprise. The poverty line under this scheme has been defined by the Planning Commission at Rs.2000/- per month (or Rs.24,000/- annual income). Thus, those Swarozgaris having monthly income below Rs.2000/- are treated as below the poverty line. The Swarozgari is expected to expand his asset and skill base in 3 years, so that after the third year, the income should exceed Rs.2000/- per month, net of the repayment installment amount to the bank for the earlier loan taken.

Under this programme, as preference is given to the group approach, SGSY has focused on organization of the poor at grass root level through a process of social mobilization for poverty eradication. Social mobilization enables the poor to build their own organizations in which they participate fully and directly and take decisions on all issues concerning poverty eradication.

The success of SGSY, therefore, depends on the choice of activities, and the key element is that the choice of activity should be based on the local resources, the aptitude, and the skill of the poor. Instead of funding diverse activities, each block is to concentrate on a few selected activities (key activities) and attend to all aspects of these activities, so that the Swarozgaris can draw sustainable income from their investments. Major share (75 per cent) of assistance is for the key activities which have been taken up in clusters. For this, 4 - 5 key activities were to be identified in each block.

Farm activities to be assisted include minor irrigation, such as open dug wells, bores, tubewells, lift irrigation, check dams etc. Non-farm activities include those activities that result in the production of goods and services that have a ready market.

NABARD unit cost/scale of finance was considered for farm activities. In regard to loans falling under the Industry Service Business (ISB) sector, the responsibility of fixing the unit cost and other techno-economic parameters was of the District SGSY Committee.

The following aspects of SGSY have been taken up for the present study in the state of Meghalaya:

1. Physical and financial achievement at various levels.
2. Allocation and expenditure under SGSY in the state.

The period of study on this aspect is 2000-01 to 2007-08 on secondary data that is available.

Physical Achievements in Meghalaya

It is observed that from 2003-04 onwards, all beneficiaries under SGSY were SHGs (Table 6.1). Further, there has been a steady increase of SHGs assisted through the years (except in 2005-06), the maximum being in 2006-2007 (1660 SHGs). The growth rate in SHGs from 2000-01 to 2006-07 was 244 per cent. The absolute number of SHGs, however, reduced in 2007-08.

TABLE – 6.1
SGSY PHYSICAL ACHIEVEMENT IN MEGHALAYA
2000-2001 to 2007-2008

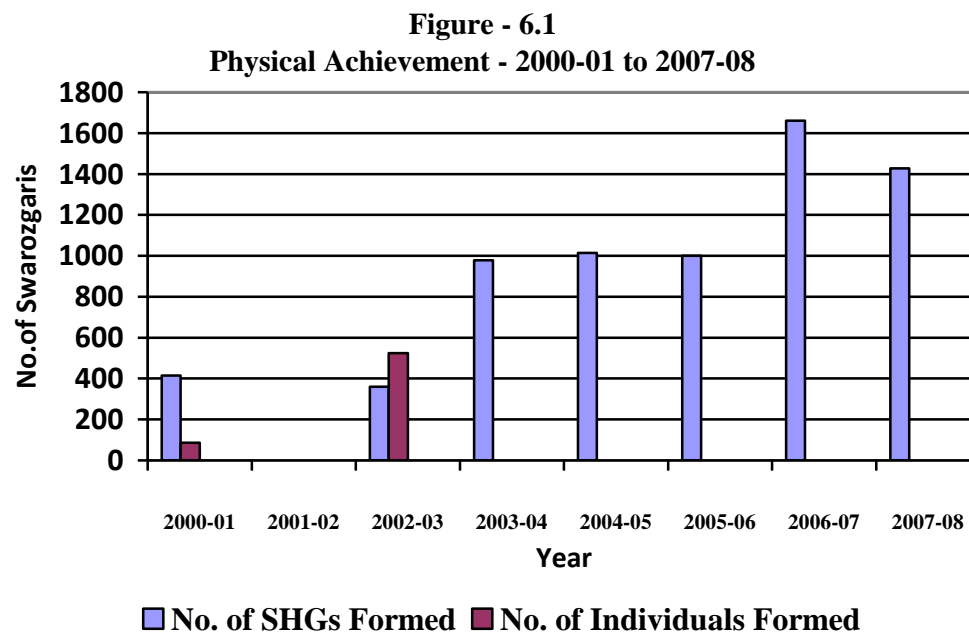
S S S o u r c e : C o m m u n i t y a n d R e g i o n	Years	Physical Achievement				
		Total No. of Swarozgaris (SHGs) Formed	Total No. of Swarozgaris (Individuals) Formed	SHGs Passed Grade-I	SHGs Passed Grade-II	Total SHGs passed Grade I & II
u	2000-2001	415	86	-	-	-
r	2001-2002	NA	NA	NA	NA	
e	2002-2003	360	524	200 (55.56)	109 (30.28)	309 (85.84)
:	2003-2004	979	NIL	485 (49.54)	172 (17.57)	657 (67.11)
C	2004-2005	1014	NIL	627 (61.83)	80 (7.89)	707 (69.72)
o	2005-2006	1000	NIL	657 (65.70)	191 (19.10)	848 (84.80)
m	2006-2007	1660	NIL	914 (55.06)	392 (23.61)	1306 (78.67)
u	2007-2008	1428	NIL	673 (47.13)	189 (13.24)	862 (60.37)
n						
i						
t						
y						
a						
n						
d						
R						

ral Development Dept., Govt. of Meghalaya.

NA = Not Available.

Figures in parenthesis indicate percentage out of total SHGs

While there was a steady increase of SHGs assisted through the years (except in 2005-06 and 2007-08), the proportion of such SHGs that passed either Grade-I or II taken together fluctuated through the years, the highest being in 2002-03 with 85.84 per cent of SHGs graded (Table 6.1). However, in all years where data was available, those SHGs that passed Grade-I far exceeded those that passed Grade-II.



The number of SHGs assisted exceeded individual beneficiaries through the years, except in 2002-03 (Figure 6.1). In fact, from 2003-04 onwards, there were no individual beneficiaries of SGSY.

Financial Achievements in Meghalaya

Financial achievement during 2000-2001 to 2007-2008 has been presented in Table 6.2. The total amount for the scheme received by the Central's share, State's share and others was Rs.456.41 lakh during 2000-2001 and this amount increased to Rs.786.96 lakh in 2007-2008.

TABLE – 6.2
SGSY FINANCIAL ACHIEVEMENT IN MEGHALAYA
2000-2001 to 2007-2008

S o u r c e Y e a r	Financial Achievement (Rs. in Lakhs)						
	Opening Balance	Amount Received in Current Year			Total Fund	Expendi ture	Balance
		Central Share	State Share	Others			
2000-01	278.73	55.57	67.74	54.37	456.41	88.94 (19.49)	367.47
2001-02	NA	NA	NA	NA	NA	NA	NA
2002-03	208.46	53.81	11.72	27.81	301.80	86.88 (28.79)	214.92
2003-04	227.18	71.22	10.66	39.33	348.39	161.86 (46.46)	186.53
2004-05	156.04	139.82	11.26	39.10	346.22	263.08 (75.99)	83.14
2005-06	83.21	305.40	106.47	11.17	506.25	363.87 (71.88)	142.38
2006-07	141.76	257.70	59.00	24.39	482.85	355.88 (73.70)	126.97
2007-08	128.14	498.32	149.90	10.60	786.96	531.38 (67.52)	255.58

Source: Community and Rural Development, Government of Meghalaya.

NA = Not Available.

Figures in parenthesis indicate percentage out of Total Fund.

It is observed that in all years, the expenditure falls short of the total funds at hand (Table 6.2), the lowest being in 2000-01 with only 19.49 per cent of the funds spent. In fact, in a number of years, the expenditure falls short of even the total funds received during the financial year (without taking into consideration the opening balance at hand)! This does not speak well of the implementation of the programme in the state.

There has also been a decrease in the growth rate in Other Receipts by 80 per cent from 2000-01 to 2007-08. However, it may be noted that the total funds

received from all the sources show an increase of 72 per cent from 2000-01 to 2007-08.

Expenditure Break-up in Meghalaya

Table 6.3 shows the details of expenditure under SGSY programme in the state of Meghalaya during the period 2000-01 to 2007-08.

Expenditure on both Training and Capacity Building is negligible, portraying the utter lack of sensitivity and acknowledgement on the part of policy implementers on the basic need of skill and personal enhancement for empowerment of people, rural or otherwise, in their livelihood activities.

Infrastructure received more attention in 2002-03, 2006-07 and 2007-08 with about 25 per cent of the expenditure being devoted to it during these years.

It is also observed that the proportion of expenditure on all heads fluctuated from one year to the other.

TABLE – 6.3
DETAILS OF EXPENDITURE ON SGSY IN MEGHALAYA
2000-01 to 2007-08

Source:
Community
and
Rural
Development
,
Government of Meghalaya.

Years	Expenditure on (Rs. in Lakhs)						
	Subsidy	Training	Infrastructure	Revolving fund	Capacity Building	Others	Total
2000-01	NA	NA	NA	NA	NA	NA	88.94
2001-02	NA	NA	NA	NA	NA	NA	NA
2002-03	31.48 (36.23)	13.63 (15.69)	22.22 (25.58)	18.50 (21.29)	0.87 (01.00)	0.18 (0.21)	86.88
2003-04	75.37 (46.57)	0.00 (0.00)	16.47 (10.18)	31.10 (19.21)	18.89 (11.67)	6.60 (04.08)	161.86
2004-05	75.86 (28.84)	17.84 (06.78)	57.14 (21.72)	73.50 (27.94)	28.93 (10.99)	9.82 (03.73)	263.08
2005-06	164.49 (45.210)	19.11 (05.25)	73.14 (20.10)	54.00 (14.84)	40.84 (11.22)	12.29 (03.38)	363.87
2006-07	154.33 (43.37)	55.16 (15.50)	87.60 (24.62)	45.73 (12.85)	NA	13.06 (03.67)	355.88
2007-08	212.94 (40.07)	92.36 (17.38)	132.25 (24.89)	70.60 (13.29)	NA	23.23 (04.37)	531.38

NA = Not Available.

Figures in parenthesis indicate percentage out of Total Expenditure.

Role of Banks in SGSY Financing

SGSY is a credit-linked scheme and credit is the key element. Subsidy is only a minor and enabling component. The major part of investment consists of bank credit from financial institutions comprising Commercial Banks, Regional Rural Banks and Co-operative Banks. Tables 6.4 and 6.5 indicate the role of different credit institutions in providing credit and its target achievement in the state during 2006-2007 and 2007-2008 respectively. The achievements were dismal in both years.

TABLE – 6.4
SOURCE-WISE CREDIT TARGET AND ACHIEVEMENT
IN MEGHALAYA: 2006-2007

Agency	Credit Target		No. of Loan Sanctioned		Credit Disbursed (Rs.Lakh)		Credit Target Achievement (%)
	No.	Amount (Rs.Lakh)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Commercial Banks	1842	879.28	3	592	1.58	188.81	21.65
Regional Rural Banks	1102	383.21	0	214	0	105.41	27.51
Co-operative Banks	656	293.92	41	50	9.75	20.10	10.16
TOTAL	3600	1556.41	44	856	11.33	314.32	20.92

Source: Agenda cum Background Paper, March 2008, State Bank of India, Lead Bank Department, Shillong.

In 2006-07, it can be seen that only 20.72 per cent of the credit target was achieved. Cooperative banks were the worst disbursers of credit with a target achievement of only 10.16 per cent. Regional Rural banks fared better with 27.51 per cent, followed by Commercial banks with 21.65 per cent.

TABLE – 6.5
SOURCE-WISE CREDIT TARGET AND ACHIEVEMENT
IN MEGHALAYA: 2007-2008

Agency	Credit Target		No. of Loan Sanctioned		Credit Disbursed (Rs.Lakh)		Credit Target Achievement (%)
	No.	Amount (Rs.Lakh)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Commercial Banks	2933	1271.72	0	497	1.00	252.09	19.90
Regional Rural Banks	1094	469.89	0	104	0	73.18	15.57
Co-operative Banks	839	362.21	0	35	13.12	14.95	7.75
TOTAL	4866	2103.82	0	636	14.12	340.22	16.84

Source: Agenda cum Background Paper, March 2008, State Bank of India, Lead Bank Department, Shillong.

The position in 2007-08 was even worst with only a 16.84 per cent overall target achievement. Here too the Cooperative banks had the lowest achievement of 7.75 per cent. During this year, the Commercial banks made the major contribution with a 19.90 per cent achievement, followed by the Regional Rural banks (15.57 per cent).

More SHGs than individuals received credit. In 2007-08, only SHGs were sanctioned loans.

In 2007-08, while no individuals were sanctioned loans, Union Bank of India disbursed one lakh as loans to individuals, and Meghalaya Cooperative Apex Bank another 13.12 lakhs.

The low target achievements of the banks during these last two years do not bode well for the success of the scheme.

Tables 6.6 and 6.7 show the number of Swarozgaris assisted and out of this, the number of SC/STs. Women and the disabled during 2006-2007 and 2007-2008.

In 2006-07, almost all beneficiaries were SC/STs, while in 2007-08, 89 per cent of Swarozgaris were SC/STs. Women beneficiaries also exceeded men, with 61 per cent of them assisted in 2006-07 and 72 per cent in 2007-08. In 2006-07, while only 2140 Swarozgaris were identified for assistance by the Regional Rural banks, upto 2400 of them (all SC/STs) were provided credit by these banks!

In both years, only the Commercial banks assisted the differently-abled.

TABLE – 6.6
SWAROZGARIS ASSISTED AND PHYSICAL ACHIEVEMENT
2006-2007

Agency	Total No. of Swarozgaris Assisted	Loan Disbursed to (Amount in Rs.Lakh)					
		SC/ST		Women		Disabled	
		No.	Amount	No.	Amount	No.	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Com. Banks	4768	4490 (94.00)	174.18	2597 (54.00)	85.69	32 (0.67)	1.19
R.R. Banks	2140	2400 (112.00)	105.41	1629 (76.00)	70.97	0	0

Coop. Banks	541	540 (100.00)	29.85	330 (61.00)	17.75	0	0
TOTAL	7449	7430 (100.00)	309.44	4556 (61.00)	174.41	32 (0.42)	1.19

Source: Agenda cum Background Paper, March 2008, State Bank of India, Lead Bank Department, Shillong.

Figures in parenthesis indicate percentage out of total number assisted.

In 2006-07, both the Cooperative and Regional Rural banks assisted all identified Swarozgaris, as against 94 per cent achievement by the Commercial Banks. In 2007-08, however, while Regional Rural banks and Commercial banks achieved 100 per cent and 92 per cent targets respectively, the Cooperative banks had a meager 10 per cent achievement in loan disbursement.

TABLE – 6.7
SWAROZGARIS ASSISTED AND PHYSICAL ACHIEVEMENT
2007-2008

Agency	Total No. of Swarozgaris Assisted	Loan Disbursed to (Amount in Rs.Lakh)					
		SC/ST		Women		Disabled	
		No.	Amount	No.	Amount	No.	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Com.Banks	6232	5722 (92.00)	238.13	4645 (75.00)	201.29	34 (0.54)	1.68
R.R. Banks	1040	1040 (100.00)	73.18	792 (76.00)	49.93	0	0
Coop.Banks	350	35 (10.00)	14.95	18 (5.00)	8.53	0	0
TOTAL	7622	6797 (89.00)	326.26	5455 (72.00)	259.75	34 (0.44)	1.68

Source: Agenda cum Background Paper, March 2008, State Bank of India, Lead Bank Department, Shillong.

Figures in parenthesis indicate percentage out of total number assisted.

Repayment of Loan

All SGSY loans are treated as medium term loans with minimum repayment period of five years. Loan installments have been fixed as per the unit cost approved by the NABARD/DLCC. Repayment installments should not be more than 50 per cent of the net income expected from the project. Number of installments has been fixed in accordance with the principal amount, the interest liability and the repayment period. Swarozgaris are not entitled for any benefit of subsidy if the loan is fully repaid before the lock-in-period as fixed by the bank. Table 6.8 presents the repayment of loans by the Swarozgaris in the state up to March, 2007 and 2008.

TABLE – 6.8
REPAYMENT OF LOAN
2006-07 and 2007-08

2006-07				
Agency	Demand	Recovery	Overdue	Recovery Percentage
Commercial Banks	164.6	62.49	102.11	37.96
Regional Rural Banks	86.53	46.38	10.15	53.6
Cooperative Banks	27.87	27.61	0.26	99.07
TOTAL	279.00	136.48	112.52	48.92
2007-08				
Agency	Demand	Recovery	Overdue	Recovery Percentage
Commercial Banks	331.62	158.55	173.07	47.81
Regional Rural Banks	107.82	50.44	57.38	46.78
Cooperative Banks	57.96	50.87	7.09	87.77
TOTAL	497.40	259.86	237.54	52.24

Source: Agenda cum Background Paper, March 2008, State Bank of India, Lead Bank Department, Shillong.

It is reported that in 2005-06, the recovery of dues by the banks was only 35.77 per cent (not included in the above Table). This improved to 48.92 per cent in 2006-07 (Table 6.8), and further to 52.24 per cent. Cooperative banks had the

highest success in recovery of loans (99.7 per cent and 87.77 per cent in 2006-07 and 2007-08 respectively). Commercial banks did not fare well in recovery of their debts from the Swarozgaris.

Conclusion

Most of the Swarozgaris assisted during the period of study were Self Help Groups. The number of Swarozgaris assisted also increased through the years. However, about 40 per cent of the SGSY beneficiaries did not receive any training.

The total expenditure in the state under this programme in all the years of study fell short of the total funds at hand. This does not speak well on the implementation of the scheme.

Expenditure on both Training and Capacity Building was negligible, portraying the utter lack of sensitivity and acknowledgement on the part of policy implementers on the basic need of skill and personal enhancement for empowerment of people, rural or otherwise, in their livelihood activities.

Disbursement of credit was dismally low with 20 per cent and below of the credit target. As expected, more SHGs than individuals received credit. The low achievements of banks in credit target do not bode well for the success of the scheme.

In 2006-07, almost all beneficiaries were SC/STs, while in 2007-08, 89 per cent of Swarozgaris were SC/STs. Women beneficiaries also exceeded men

On average, only about half of the loans were recovered. Cooperative banks, however, had the highest success in the recovery of their debts under this scheme.

CHAPTER – VII

CONCLUSION

This chapter seeks to sum up the main findings of the study by way of the assessment of the role of two poverty alleviation programmes – the IRDP, now no longer in existence, and SGSY, now in implementation. It is intended to examine the result and impact of the programmes implemented under different plans to increase the income of the rural people living below the poverty line in the state of Meghalaya.

The rationale of the poverty alleviation programmes lies in the goals of social justice. But the process of achieving social justice cannot be separated from the process of securing social and economic development. The benefits to be distributed in the interest of social justice may include potential benefits, for instance, creation of opportunities for more education, recreation and employment. It was also aimed to promote overall economic development of the country which should also be quick, if the country is to move smoothly towards the goals of economic well-being and social justice.

It is essential to accelerate the rate of economic growth and to speed up industrialization, to expand public sector and to build up a large and growing cooperative sector which may provide the economic foundations for gainful employment and raising the standard of living of the masses. The Government of India gives much importance to the role of village and small scale industries in the development of the economy. It has been observed from past experiences that the entire country can attain higher standard of living and provide social justice to all by securing a balanced and coordinated development of the industrial and agricultural economy in each region.

The First Five Year Plan was initiated with an aim not only to raise the standard of living of the people but also to bring about modernization, self-reliance and social justice. Community Development Programme (1952) and

National Extension Services (1953) had been launched with an aim to reduce poverty and unemployment of the rural poor. In the Second Plan, the establishment of a socialistic pattern of society was accepted as the goal of economic policy. In the Third Plan, emphasis was placed on the common man, the weaker sections and the less privileged. The Fourth Plan reaffirmed the objectives of the earlier plans and included such policies and programmes which were to help in the attainment of self-reliance with adequate growth rate, and to accelerate the progress towards a socialist society. The Fifth Plan aimed at speeding up the process of removing poverty by bringing larger sections of the poor masses above the poverty line with the assumption of a minimum income of Rs.40.60 calculated at 1972-73 prices. The Sixth Plan placed a very high priority on the alleviation of poverty and removal of unemployment as key components of the strategy of development. Like its predecessor, it anticipated that the growth process would bring down poverty from 48.4 per cent in 1979-80 to 38.9 per cent in 1984-85. The Seventh Plan, while stating that the process of economic growth and anti-poverty programmes has made a significant dent in the problem of poverty and unemployment, emphasized the need for taking up group oriented activities for beneficiaries so that the economies of scale are fully realized. The Eighth Plan accorded priority to the generation of adequate employment opportunities to achieve near-full employment by the turn of the century, and to this end, special attention was given to employment in the rural areas. The focus of the Ninth Plan was on “Growth with Social Justice and Equity”. It assigned priority to agriculture and rural development with a view to generating adequate productive employment and eradicating poverty. In the Tenth Plan, poverty alleviation was one of the guiding principles of the planning process. Yet, the incidence of poverty continues to be high.

Although the approach, contents and methodology of the poverty alleviation and social justice programmes have undergone numerous changes during the last five decades, yet the problem of improving the lot of rural poor has been the basic theme of rural development strategies. In the early years of planning, Community Development Programme (1952) was initiated to bring

about a desired qualitative change in rural areas through people's participation. It was found from various studies that this programme did not succeed as anticipated by the Government. The main reason for this was the improper execution and implementation of the programme. In 1960-61, a new programme, the Intensive Agricultural Development Programme was taken up in 15 selected districts in the country. In the light of experience gained after evaluating the performance of the programmes, the scheme was modified a few years later and implemented as the Intensive Agricultural Area Programme (1964). Both the programmes were concerned with the promotion of intensive agriculture. Later on, High Yielding Variety Programme (1965-66), Small Farmers Development Agency and Marginal Farmers and Agricultural Labourers Agency (1971), Drought Prone Area Programme (1975), 20-Point Economic Programme (1975), Training of Rural Youth for Self-employment (1979), National Rural Employment Programme (1980), Rural Landless Employment Guarantee Programme (1983), Jawahar Rojgar Yojana (1989) etc., were started in the country. Special programmes for employment generation are being implemented in rural areas for alleviation of poverty, like the Sampoorna Grameen Rozgar Yojana (2001). The objective of this programme is to provide wage employment as also food security in rural areas. Jawahar Gram Samridhi Yojana (JGSY) and Employment Assurance Scheme (EAS) were merged into it. In February 2006, National Rural Employment Guarantee Scheme (NREGS) was introduced, whose aim is to provide at least 100 days of guaranteed employment in a financial year to every household in the rural areas.

The state of Meghalaya is characterized by economic backwardness. It is one state where women's participation rate in the work force is very high. The state has virtually no industrial base despite being rich in minerals and scenic beauty, the latter being one economic resource vested in the hands of the entire community. This, in fact, is a common property resource, the utilization of which could lessen economic inequalities and raise the state's domestic product if tapped to attract tourist. Political unrest in the past had discouraged development of tourism. This has, therefore, left no option for the people but to seek employment

in agriculture. Agriculture and allied activities engage nearly two-thirds of the total work force in Meghalaya. However, the contribution of this sector to the state's NSDP is only about one-third. Agriculture in the state is characterized by low productivity and unsustainable farm practices, giving rise to a high incidence of rural poverty. As a result, despite the large proportion of population engaged in agriculture, the state is still dependent upon imports from outside for most food items. Crop cultivation, against the backdrop of the state's typical land tenure system, has posed another set of problems. Private enterprise has guided decision making processes only on privately owned agricultural land that have also shown no remarkable growth in yield rates due to traditional methods of cultivation. It may be mentioned that much of the scientific research in agriculture in the country has catered to the needs of the farmers in the plains of the mainland. Hill agriculture requires different technologies of cultivation and different suited crops. All these factors have led to low land, labour and capital productivity in this state.

The Integrated Rural Development Programme (IRDP) launched in 1978-79 and now no longer in existence, has attracted maximum public attention from among all the development/ redistributive programmes introduced in the country over the years. This study is intended to assess the impact of this programme on the beneficiaries in terms of improvement in income condition. The working of IRDP with regard to this objective has been evaluated in the state of Meghalaya for the years 1985-86, 1987-88, 1989-90 and 1992-93, using both primary and secondary data. Further, the Swarnajayanti Gram Swarozgar Yojana (SGSY) programme was also studied for the years 2000-2001 to 2007-2008 using secondary data.

Our study has shown that the majority of beneficiary households were marginal farmers followed by small farmers and then agricultural labourers. Most of the IRDP schemes were in the primary sector.

There were a high number of assets that were found to be no longer in existence, and therefore, no longer generating income to the beneficiaries. Further, a large proportion of beneficiaries were defaulters in the repayment of

credit. There was no guidance and proper support given to the beneficiaries prior to the release of assets and loan. Also, there was no post-harvest support provided to the beneficiaries. All this has contributed to a high percentage of beneficiaries whose incomes have not increased after the receipt of this assistance. This has negated our first two hypothesis, i.e. that the poverty alleviation scheme like the IRDP has been successful in generating income for the beneficiaries, and has succeeded in lifting rural beneficiaries above the absolute poverty line.

While guidelines stipulate that all IRDP loans should be medium term loans whose repayment schedule should not be less than 3 years and more than 5 years, with a grace period for assets with a gestation period, in actual practice the banks have not adhered to these guidelines and have sanctioned loans even for a period of less than 3 years. In such cases, the beneficiaries were unable to repay such loans on time.

It was also observed that upto 41 per cent of loan installments of Rs.2000 and above was overdue. Most of the defaulters in the state (82 per cent) were found to be in the lower pre-assistance income group (Destitutes and Very Very Poor), who utilised the income generated from the scheme for household consumption. Further, a more active role of the Regional Rural Banks in financing such developmental activities in the rural areas is called for.

There was undue delay in providing assistance to the beneficiaries. This was due to various formalities both at block office and bank office level. This led to the assistance becoming worthless, particularly in the agricultural and horticultural schemes, where the assets were received after the planting season. Further, in almost all villages, there was a complaint of corruption, particularly for the clearance of schemes from the Rural Development Agencies (RDA).

All these factors had a strong negative influence on the general impact and success of the programme.

In the first year of study (1985-86), it was observed that even households having income above the poverty line were beneficiaries under the IRDP scheme, where the Head Count Ratio varied from 57.50 per cent to 100 per cent. In the

subsequent years, however, the selection of beneficiaries followed the norms where all households were below the poverty line.

The Destitutes and Very Very Poor together, that is the poorest of the poor households, were the major beneficiaries of the IRDP scheme in all the years, touching a high of 95 per cent in the last year (1992-93).

The mean income levels showed wide variations across districts, blocks and villages. There were also extremely wide variations in the income instability level across villages, blocks and districts as exhibited by the values of the Ginni coefficient.

The poverty gap ratios reflected varied depth of poverty as well as its incidence, both within each year and across the years – district-wise, block-wise and village-wise. This was also true of the Sen's modified poverty gap ratio.

The above results confirm the third hypothesis that there is a sharp inter-district and inter-block variation in poverty incidence within the state.

Coming to the Swarnajayanti Gram Swarozgar Yojana (SGSY) programme, this scheme was introduced in 1999-2000 in the state of Meghalaya and now remains as the most important poverty alleviation programme due to restructure of the IRD Programme. This programme is to bring every assisted family above the poverty line within 3 years by providing them income generating assets through a mix of bank credit and Government subsidy.

It was found that most of the Swarozgaris assisted were Self Help Groups. The number of Swarozgaris assisted also increased through the years. However, 40 per cent of the SGSY beneficiaries did not receive any training.

The total expenditure in the state under SGSY fell short of the total funds at hand.

Expenditure on both Training and Capacity Building under this programme was negligible, leaving much to be desired with regards to the basic need of skill development and personal enhancement for empowerment of the rural people in their livelihood activities.

While more SHGs than individuals received credit as per norms of the programme, the disbursement of credit was dismally low. Most of the Swarozgaris were SC/STs. Women beneficiaries also exceeded men.

The recovery of loans by the banks is increasing over the years. There is a positive response in regard to the recovery of loan by the banks under this programme.

Our study found the following lacunae and deficiencies in the IRDP:

1. Poor targeting was reflected in the existence of non-poor and other non- eligible persons among the beneficiaries, particularly in the first year of study.
2. Leakage due to inappropriate works, inefficient implementation and corruption were high.
3. Quality of assets provided/created under the programme was poor or average in a large number of cases. Assets and schemes were frequently not appropriate to the needs and potentials of particular regions or groups.
4. There was little or no consultation with the local communities (not to speak of involvement) and target groups, in deciding and implementing schemes. Lack of accountability was a major problem.
5. The average amount sanctioned for each scheme was too small to make a dent on the poverty situation.
6. No attempt was made to provide the necessary infrastructure and “after-sale” services for the success of the scheme.
7. The beneficiaries failed to get proper supervision and guidance from the technical staff of the concerned development departments in implementing the scheme.
8. Targets in expenditure were not achieved, leaving the success of the programme in question.
9. The low achievements of banks in credit target do not bode well for the success of the scheme.
10. A longer repayment schedule and a stricter observance by the banks of the RBI guidelines are called for.

11. Typically the programme was administered by a separate agency with its own line hierarchy and operating independently.

12. The selection of beneficiaries, the distribution of loans and subsidies, and the recovery of loans offered much scope for patronage and corruption at the political and bureaucratic levels.

Thus, the IRDP in Meghalaya has proved to be wasteful and far less effective than expected, and its impact on income levels of the beneficiaries is dubious.

A study of the SGSY programme revealed that a number of corrections were made in this scheme after the experiences in the IRD Programme. Firstly, credit, and not the subsidy, was made the main component. Secondly, a target of three years was set as lifting the beneficiaries above the poverty line. Thirdly, people's participation in the implementation and running of the project was stressed with the result that more SHGs than individuals were assisted under this programme. Fourthly, training and skill development of beneficiaries formed part of the programme. Fifthly, multiple, rather than one-time, credit was stressed upon. Sixthly, banks were actively involved in supervising and monitoring the scheme. Seventhly, the Block Development Officers, Bankers and village Headmen jointly selected the beneficiaries.

The study reveals that the SGSY programme has not been able to achieve the required results. However, it is performing better than the erstwhile IRD Programme, confirming our fourth hypothesis.

Thus, what appears from the critical examination of some of the poverty alleviation programmes is that the various rural development programmes have achieved very little and may have been misconceived. But that does not mean that the attack on rural poverty is wrong. It is a continuous process. Although rural poverty cannot be eliminated immediately, yet continued efforts should be made to develop the rural areas on a priority basis. The crux of the problem is that the rural poor have to be further organized and motivated on an on-going basis to improve their living conditions.

In order to overcome the weaknesses of the rural development programmes, it is necessary to decentralize the development process. This will lead to greater participation of the people, particularly the women, and also will increase accountability on the part of the government authorities. There is a need and also scope for improving the efficacy of poverty alleviation programmes through better targeting, reduction in waste and corruption, making the programmes more meaningful in terms of relevance to local needs and priorities, and creating institutional conditions for greater accountability. The focus should be on rationalizing the approach, organization and priorities of the programmes rather than on cutting back the outlays. The number of poverty alleviation programmes should be reduced and streamlined to minimize duplication and fragmentation. What is needed is to identify only those programmes which will ensure that all communities have minimum access to schooling, primary health care, water supply, sanitation and connectivity.

The poor of course need special help by way of adequate information, technical advice and training to take advantage of growing investment opportunities. The Government has a key role in providing this help. However, it is not desirable for the Government to decide what assets are to be provided, to whom and on what terms. These tasks are better left to the community and community leaders. Those who want to invest in any enterprise can seek credit from financial institutions, who in turn must be left independent to judge the viability of the loan and the credibility of the borrowers. The Government's role here would essentially be to lay down guidelines such as priority sector lending, and providing subsidies or insurance of loans given to the poor.

From the view point of poverty alleviation, agriculture and related activities are the most important. The spread of education can enable the rural poor to ensure distributive justice and help them in actively participating in rural development programmes. The economic and social welfare programmes are to be coordinated to eliminate poverty.

For the multipronged attack on poverty, social attitude is the need of the hour. Unless this is done, all the programmes will end up with little effect on the

rural poor. What is most important is the will to strengthened the rural poor and give them ample opportunities to improve their rural environment and standard of living. Therefore, it is important to design the programmes in such a way that they are efficient and productive.

Success or failure of any programme purely hinges on how best it is managed and organized. An ambitious programme if put in inefficient hands, may end up in a dismal failure. Public consciousness is an important factor for making any scheme productive. In Meghalaya, the awareness of the people and their involvement in all development programmes are certainly the key to success.

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