

DISTRIBUTION OF RURAL HOUSEHOLD ASSETS: A SURVEY OF NAGGAR BLOCK OF DISTRICT KULLU IN HIMACHAL PRADESH

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ABSTRACT

Economic prosperity is linked to the wellbeing of its inhabitants, and development policies aim to achieve growth targets with 'Social Justice'. Economic development involves higher per capita real income, increased production and productivity, reduced income inequalities, asset distribution, and unemployment removal. However, underdeveloped economies often have severe socio-economic inequalities due to low development rates, resulting in income, wealth, and consumption inequalities, causing variations in the standard of living for different sections of society. Prior to planning, development was associated with high growth rates in aggregate and per capita income. International agencies set growth targets and developed performance indicators to allocate assistance, prioritizing equitable income distribution over maximizing Gross National Product (GNP). However, academicians, planners, and administrators often turned a blind eye to the distributive aspect of planning, focusing on growth rather than distribution. Himachal Pradesh, located in the north west of India, is a picturesque region with a predominantly agricultural population. Over the past 50 years, literacy rates in the region have increased from 21.26 percent in 1961 to 76.5% in 2001.

Key Words: Economic Prosperity, Social Justice, Gross National Product, Rural Household Assets.

INTRODUCTION

The prosperity of an economy is linked to its inhabitants' wellbeing, and development policies aim to achieve growth targets with 'Social Justice'. Economic development involves higher per capita real income, increased production and productivity, reduced income inequalities, asset distribution, and unemployment removal. The optimal utilization of human and physical resources leads to reduced unemployment and increased societal income. However, underdeveloped economies often have severe socio-economic inequalities due to low development rates, influenced by both economic and non-economic factors. These inequalities result in income, wealth, and consumption inequalities, causing variations in the standard of living for different sections of society. Dandekar and Rath (1971) revealed the issue of poverty and inequality is a result of low national income, unequal distribution, slow development pace, and inequitable distribution of small gains. Prior to planning, development was associated with high growth rates in aggregate and per capita income. International agencies set growth targets and developed performance indicators to allocate assistance. This focus on aggregate growth rate was prompted by the belief that rapid industrialization and structural transformation would spread benefits throughout society through a "trickle down" process. It was assumed that poverty reduction could only be tackled after a certain level of Gross National Product (GNP) was reached, as the cake had to be produced and made bigger before it could be equally distributed.

Equitable income distribution was often prioritized over maximizing Gross National Product (GNP) due to the immediate pursuit of GNP. Academicians, planners, and administrators who participated in the process of speeding and popularizing economic planning often turned a blind eye to the distributive aspect of planning, stating that their subject matter was growth (growth of output per head of population) and not distribution. They believed that once high-income levels were attained, distribution would exert its levelling effect more easily through rapid percolation. Therefore, greater inequality in earlier stages was postulated as a necessary pre-condition for rapid growth in various growth models. This initial trade-off between growth and distribution was seen as a transitional cost of successful development before their eventual complementary was established.

OVERVIEW: ECONOMY OF HIMACHAL PRADESH

Hill areas in India are classified into two categories: states like Jammu and Kashmir, Himachal Pradesh, Sikkim, and other smaller states. The Himalayan region covers an area of 68.7 thousand square kilometers, with 59.8 lakh people, and the western ghat region covers a large area of 160.5 thousand square kilometers with 388.4 lakh population. Himachal Pradesh, located in the extreme north west of India, is one of the most picturesque regions of the country. It is situated between 32° 22' 40" to 33° 12' 40" north latitude and 75° 40' 55" to 79° 04' 22" east longitudes, at altitudes ranging from 350 to 6,975 meters above the mean sea level.

Himachal Pradesh was formed on 15th April 1948 after the integration of 30 princely hill states. At that time, the state had four districts. In 1956, it was made a union territory and obtained full-fledged statehood on 25th January 1971. Today, the state comprises of 12 districts and has a total geographical area of 55,673 square kilometers. Agriculture is the main occupation of the people in Himachal Pradesh, accounting for about 70.8% of the total population engaged in this occupation and contributing about 45 percent of the Net States Domestic Product (NSDP). The population of Himachal Pradesh has grown rapidly, reaching 4.24 million in 1981, with a growth rate of 120.04 percent in 80 years. This growth may be attributed to sociological and economic factors, such as universality of marriage, lower age of marriage, limited use of contraceptives, low literacy levels, poor living conditions, and traditional ways of life among 80% of the rural population. According to the 1971 census, the population of male and female in the state was 17,66,957 and 16,93,477 respectively. The sex ratio in the state increased to 973 females per 1000 males in 1981. The rural population was 39,54,847, and the urban population was 3,25,974. The rural and urban growth rates were 22.88 and 34.74 percent, respectively.

TABLE 1.1: CHANGES IN THE COMPOSITION OF POPULATION IN HIMACHAL PRADESH BETWEEN 1951-2001 (NUMBERS)

S.NO.	ITEM	1951	1961	1971	1981	1991	2001	2011
1	Person	11,09,466	28,12,463	34,60,434	42,80,818	51,70,877	60,77,900	68,64,602
2	Rural	10,64,320	26,34,188	32,18,544	39,54,847	47,51,019	54,82,319	61,76,050
3	Urban	45,146	1,78,275	2,41,890	3,25,971	4,19,858	5,95,581	6,88,552
4	Schedule Caste	2,51,745	6,43,495	7,69,572	10,53,958	-	15,02,170	17,29,252
5	Schedule Tribe	2,830	1,22,326	1,41,610	1,97,263	-	2,44,587	3,92,126
6	Labour Force (15-59)	-	-	17,86,360	-	-	-	36,58,524
7	Workers	6,53,306	-	12,78,732	14,36,284	-	29,92,461	35,59,422
8	Cultivators	5,71,621	9,03,273	12,23,011	9,97,330	-	19,54,870	20,62,062
9	Agricultural Labourers	16,040	53,344	21,443	42,022	58,414	94,171	1,75,038

Source: Government of Himachal Pradesh, Statistical Year Book of Himachal Pradesh, Department of Economics and Statistics, Shimla – 2022-23.

Over the past 50 years, the population of Himachal Pradesh has seen significant changes, with a total population of 11,09,466 in 1951 and an increase to 28,12,463 in 1961, 34,60,434 in 1971, 42,80,815 in 1981, 51,70,877 in 1991, and 60,77,900 in 2001. The rural population increased from 10,64,320 in 1951 to 26,34,188 in 1961, 32,68,544 in 1971, 39,54,847 in 1981, 47,51,019 in 1991, and 54,82,319 in 2001. The majority of the population lives in rural areas. The number of scheduled castes and scheduled tribes also increased, reaching 2,44,587 in 2001. The labor force was 17,86,360 in 1971, and the workers population increased to 29,92,461 in 2001. The total cultivators and agricultural laborers increased from 5,71,621 in 1951 to 19,54,870 in 2001. Literacy in Himachal Pradesh has also improved, with literacy rates increasing from 21.26 percent in 1961 to 76.5% in 2001.

TABLE 1.2: SIZE DISTRIBUTION OF OPERATIONAL HOLDINGS IN HIMACHAL PRADESH DURING 1995-96 CENSUSES (HECTARES)

S.NO.	CATEGORY OF HOLDINGS	SIZE GROUP	NUMBER OF HOLDINGS	PERCENTAGE	AREA (HECTARES)	%Age
1	Marginal	> 1 hectare	5,55,632	64.4	2,30,198	23.0
2	Small	1.0 -2.0	1,73,455	20.1	2,40,737	24.1
3	Semi-Medium	2.0-4.0	95,057	11.0	2,56,302	25.7
4	Medium	4.0 – 10.0	34,019	4.0	1,94,128	19.4
5	Large	10.0 & above	4,734	0.5	78,311	7.8
All Categories			8,62,897	100.0	9,99,676	100.0

Source: Government of Himachal Pradesh, Agricultural Census of Himachal Pradesh 1995-96, Economics & Statistics Department, Shimla – 2005-06, p. 65.

Agriculture is the largest single industry in Himachal Pradesh, with 8,62,897 operational holdings covering an aggregate area of 9,99,676 hectares according to the 1995-96 Agricultural Census. The holdings are categorized into five broad size classes: less than one hectare, one to two hectare, two to four hectares, four to ten hectares, and ten hectares and above. Livestock, including all animals kept on farm or raised by farmers, are part of farmers' wealth and are used for milk, meat, power, manures, hides, wool, and other livestock products. The cattle population in 1992 was 21,65,034, which decreased in 1997 to 20,01,826, and increased to 21,96,538 in 2003. The buffalo population increased from 7,03,549 in 1992 to 7,73,229 in 2003. The total number of sheep was 10,78,940 in 1992, 9,08,831 in 1997, and 9,06,027 in 2003, while the total number of goats was 11,18,094 in 1992, 9,46,529 in 1997, and 11,15,587 in 2003.

TABLE 1.3: CHANGES IN THE NUMBER OF LIVESTOCK IN HIMACHAL PRADESH BETWEEN (1992- 2003) (NUMBERS)

S. No.	Item	1992	1997	2003
1	Cattle	21,65,034	20,01,826	21,96,538
2	Buffaloes	7,03,549	6,52,373	7,73,229
3	Sheep	10,78,940	9,08,831	9,06,027
4	Goats	11,18,094	9,46,529	11,15,587
5	Horses and Ponies	14,055	22,026	17,144
6	Total Livestock	50,79,672	45,31,585	50,08,525
7	Poultry	7,22,596	3,84,880	7,64,136

Source: Government of Himachal Pradesh, *Livestock Census of Himachal Pradesh*, Directorate of Economics & Statistics, Shimla, 2005-06, p. 69.

In 1992, the number of horses and ponies in Himachal Pradesh was 14,055, which increased to 22,026 in 1997 and decreased to 17,144 in 2003. The livestock population in the state was 50,79,672, which decreased to 45,31,585 in 1997 and increased to 50,08,525 in 2003.

ECONOMY OF KULLU

Kullu district is a district in Himachal Pradesh, located in the mid-hill zone area. It was once a princely state known as Kuluta and is bounded by Lahaul, Spiti, Kinnaur, Shimla, and Mandi. The district is administratively divided into four tehsils and two sub-tehsils, with five development blocks: Ani, Banjar, Kullu, Nirmand, and Naggar.

The climate in Kullu is cool and dry, with a total area of 5503 square kilometers, constituting about 9.9% of Himachal Pradesh's total. Agriculture is an important occupation for the majority of the population, with a total cultivated area of 64,973 hectares. However, within the subsistence economy, there are disparities, such as a high

concentration of land in the hands of a few, widespread uneconomic holdings, and a high proportion of landless laborers. This has led to low utilization of land and labor, low earnings, inadequate consumption, and unequal distribution of households' assets.

According to the 2001 Census, the total population of Kullu was 3,81,571, with the majority living in rural areas. The population density was 69 persons per kilometer, and the sex ratio was 927 in 2001. The literacy percentage in the district was increasing consistently, but it was low in rural areas. Diversely, domestic animals are the main source of power for tillage and transport of manures, invaluable human food, and various animal products. The inhabitants of Kullu attach great importance to their livestock, with the total number of cattle in 2003 being 3,86,456 and the total poultry population of 15,692.

There are five community development blocks in Kullu, with the Naggar community development block being the focus of this study. Before analyzing empirical results on household asset distribution in this block, it is essential to understand the Naggar block economy of Kullu.

ECONOMY OF NAGGAR BLOCK

Kullu became a district in 1963 and the Government of India launched a community development programme in the district, creating five development blocks. The Naggar Development Block, one of these, had a population of 87,080, with 28,119 agricultural workers and 10,013 non-agricultural workers. The percentage of workers to the total population was 43.79 percent. The block had 37 inhabited villages and 40 Panchayats. Livestock population increased due to animal husbandry facilities and diversified agriculture, as livestock generates power, manures, and income for households. The total cattle population in the block was 57,798 according to the 2001 Census.

REVIEW OF LITERATURE

Sandhu and Mahajan's 1980 study analyzed the factors causing income disparity in Batala and Marh Blocks of Punjab and Jammu and Kashmir after adopting the New Agricultural Strategy (NAS). They found that large farmers gained more than small and marginal farmers, with farm size contributing to 81.29% and 101.39% of income inequality, respectively. The study also found that farm size was more significant in Marh Block than in Batala Block. The study suggested that reducing farm income inequality could be achieved by redistributing land to small and medium farmers in Marh Block.

Thakur's 1991 study examined the socio-economic conditions of economically weaker sections in Bilaspur district of Himachal Pradesh. Based on primary data from 137

households, including marginal and small farmers, agricultural laborers, and backward classes, the study found that households with uneconomic holdings supplemented their income by working as wage-based laborers. The per capita value of household assets was lower among households with marginal holdings. The percentage share of agriculture income to total household income increased with larger holdings, while the percentage share of wage income decreased. Unemployment was higher among households with marginal holdings. The percentage of expenditure on food items decreased with income levels, and all households lived below the poverty line. The weaker section faced socio-economic problems such as high dependency ratio, low literacy percentage, low income, high consumption expenditure, unemployment, and high incidence of indebtedness in the rural area of Bilaspur.

OBJECTIVES

- The main objective of the present study is to analyse the distribution pattern of rural productive and household durable assets among the sample households.

METHODOLOGY AND SAMPLING PROCEDURE

The study investigates the distribution of household rural assets and their impact on employment and income in the Naggar block of district Kullu. The Naggar block has 40 panchayats, with 3 randomly selected from each to form a 9% sample. A list of villages was obtained from each panchayat, and each was arranged in ascending order based on population and village. Households were prepared in each village and categorized into marginal (0-1 hectare), small (1-2 hectares), medium (2-4 hectares), and large (4 hectares and above) holdings. A total of 100 households were randomly selected from six villages scattered over three panchayats. Out of these, 40 households fall in the marginal category, 28 in the small category, 20 in the medium category, and 12 in the large category. The study aims to understand the distribution of rural assets and their impact on employment and income in the Naggar block.

NATURE OF DATA USED AND COLLECTED

The study utilized both secondary and primary data from various government publications, individual publications, and administrative machinery. Secondary data was sourced from various departments such as Department of Economics and Statistics, Directorate of Land Records Census, Livestock Census and Directorate of Agricultural Census.

DISTRIBUTION OF RURAL ASSETS AMONG THE SAMPLE HOUSEHOLDS

Agriculture is a significant economic sector in Himachal Pradesh, with 76 percent of the working population employed in this sector. The majority of agricultural workers face labor-

intensive living conditions, often working in poor, hard, stony, denuding, and thin soils. The state's land holdings are scattered and fragmented, with terraced fields in the majority. Agriculture is the primary source of state income, accounting for nearly 40% of the total gross domestic product. If subsectors of agriculture are considered, the percentage could reach over 60.

TABLE 1.4: DISTRIBUTION PATTERN OF ALL HOUSEHOLD ASSETS AMONG THE SAMPLE HOUSEHOLDS (VALUE IN RS.)

SN.	ITEMS	SIZE OF HOLDINGS				
		MARGINAL HOLDINGS	SMALL HOLDINGS	MEDIUM HOLDINGS	LARGE HOLDINGS	ALL HOLDINGS
1	Productive Assets					
i	Land	482500 (70.39)	1650000 (85.35)	2550000 (85.97)	4666667 (89.72)	1725000 (84.85)
ii	Livestock	18395 (2.68)	26589 (1.37)	36290 (1.22)	51366 (0.98)	28225 (1.38)
iii	Agricultural Implements	1162.50 (0.16)	1774 (0.09)	2437 (0.08)	3453 (0.06)	1864 (0.09)
iv	Sub-total(i-iii)	502057.50 (73.23)	1678363 (86.81)	2588727 (87.27)	4721486 (90.76)	1755089 (86.32)
2	Household Durables					
i	Furnishing Articles	4250 (0.62)	8998 (0.46)	15770 (0.53)	27598 (0.53)	10686 (0.52)
ii	Electrical Appliances	46850 (6.83)	37212 (1.92)	162000 (5.46)	100148 (1.92)	73578 (3.61)
iii	Utensils and Beddings	23500 (3.42)	36427 (1.88)	46300 (1.56)	19699 (0.37)	31224 (1.53)
iv	Sub-Total(i-iii)	74600 (10.87)	82637 (4.26)	224070 (7.55)	147445 (2.82)	115488 (5.66)
3	Buildings	108750 (15.90)	172105 (8.93)	153100 (5.18)	332498 (6.42)	162210 (8.02)
4	Grand Total (1-3)	685407.50 (100.00)	1933105 (100.00)	2965897 (100.00)	5201429 (100.00)	2032787 (100.00)

Note: Figures in Parenthesis denotes percentage to the column total.

The study reveals an unequal distribution of household assets among different holding groups, with buildings having a decreasing percentage value with an increase in holding size. This is due to smaller farmers receiving loans on subsidized rates under Anti-Poverty Programmes like Indira Aawas Yojana for house construction. Land is the major productive asset in the area, with an increasing percentage value with an increase in holding size. The highest percentage value is 89.72, while the percentage value of household durables varies sharply from one holding group to another. These durables have a negligible direct effect on household income and employment patterns. The total productive assets percentage is 90.76, while the percentage value of household durables

is 2.82. This indicates sharp variations in the distribution of household assets from one holding group to another.

SUMMARY AND CONCLUSION

The study aims to investigate the distribution of household rural assets at both national and state levels. Kullu district, with five development blocks, was chosen for the study. A list of panchayats and villages was obtained from each block, and households were categorized into four groups: marginal (0-1 hectare), small (1-2 hectares), medium (2-4 hectares), and large size of holdings (4 hectares and above).

The total number of selected households in all six villages scattered over Naggar development block of district Kullu was 100. 40 households were classified as marginal, 28 as small, 20 as medium, and 12 as large size of holding groups. The required information was collected using a pre-tested schedule from the sample households.

The study found that out of 100 households, 40 were marginal, 28 had small holdings, 20 had medium holdings, and 12 were large farmers. Out of the total sample population of 512 persons, 191 were marginal, 137 were small, 108 medium, and 76 were large size of holding groups.

The study provides valuable insights into the distribution of household rural assets and their impact on the overall economic growth and development of the region. By examining the distribution of these assets, researchers can better understand the dynamics of rural development and improve policy interventions to support rural communities.

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