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        OBJECTIVES

        HYPOTHESES

        RESEARCH METHODOLOGY

        RESULTS & DISCUSSION

        FINDINGS

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        CONCLUSIONS

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CONTRIBUTIONS TO BOOKS

●   Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

●   Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

●   Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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●   Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

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EXTENT OF ABSOLUTE POVERTY IN RURAL SECTOR OF HIMACHAL PRADESH: A MEASURE OF UNEMPLOYMENT

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ABSTRACT

Poverty, unemployment and inequality are related phenomenon. Success in solving or reducing one of these can be assumed to have a favorable effect on the others. Conceived in this broad sense, the alleviation of poverty in one form or the other has always occupied an important place in the list of stated objectives of all the five year plans of the country. The concern for a direct attack on the poverty problem emerged distinctly from the Fourth Plan from which various poverty elimination and employment generation programmes have been started. Yet, achievement has been for from satisfactory. The available data from different sources indicates that the condition of the poor continues to be as appealing as it was at the beginning of planning. This paper discusses the likely scenarios regarding the magnitude of poverty and unemployment in Himachal Pradesh. The extent of poverty/ unemployment has been worked out highest on the smaller size of holding and shows inverse relationship with an increase in the size of holdings. Policy interventions such as provision of non-farm permanent and seasonal employment, commercialization of agriculture, development of horticulture, animal husbandry, dairy development, forestry, cottage industry, art & craft industries, education & social services and public works etc. can benefit the chronically poor people.

KEYWORDS
household, man days, consumer unit.

INTRODUCTION

Poverty in India exists due to the slow pace of economic development as well as due to the unequal distribution of development gains. A large number of empirical studies conducted by the individual scholars and the Government agencies, by using different calorie norms and/or the value of poverty line put forth highly diverging figures of rural poverty. The concept of poverty in India has been used mostly in the sense of absolute poverty and has been measured in terms of a minimum level of per capita consumption expenditure needed to ensure a normative calorie intake. Poverty is found both in rural and urban areas but is more acute and widespread in rural areas. Moreover, urban poverty is an overflow of rural poverty. The incidence of poverty expressed as percentage of people below the poverty line in 1999-2000 is observed 27.1 percent in rural area and 23.6 percent in urban area. For the country as a whole, this percentage has been observed 26.1 percent during the same period. While in absolute term, the number of poor is observed 260 million with about 75 percent of these being in the rural areas for the same period. A number of studies revealed that the extent of poverty is higher in rural areas than in urban areas. A study by Minhas (1970) revealed that the extent of rural poverty was very high during 1956-57 i.e. 65 percent and this has been reduced to 56.6 percent during 1967-68. Ojha (1970) findings revealed that 51.8 percent of rural population was below poverty line during 1960-63 at calorie norm of 2250 per capita per day. Bardhan (1970) estimated that 38 percent during 1960-61 and 54 percent of the rural population was below poverty line during 1968-69. Dandekar and Rath (1971) by applying the minimum calories norm of 2250 per capita per day consumption expenditure during 1960-61, concluded that about 40 percent rural and 50 percent urban population falls below the poverty line. Hashim and Padam Singh (1986) studied the extent of rural poverty during 1960-61 to 1983-84. Their findings revealed that 55.50 percent of rural population was below poverty line during 1960-61 and 44.98 percent were below poverty line during 1970-71. This figure came to 40.40 percent during 1983-84. According to the Planning Commission of India the extent of poverty in rural India was 28.2 percent during 1989-90. Krishna (2003) found that a number of households had climbed out of poverty in the past 25 years. Simultaneously, however, a large number of previously non-poor households had also fallen into poverty, resulting in a rather small net improvement in the poverty situation in this area. Since the reasons for people overcoming poverty are quite distinct from the reasons why they succumb to it. Dev and Mahajan (2003) observed that employment growth recorded a drastic decline during 1993-94 to 1999-2000 as compared to the period of 1983-84 to 1993-94. Bhalla and Hazall (2003) on the basis of NSS data found that there were 3.98 million unemployed in India in 1973-74 and their number had increased to 7.49 million by 1993-94 and to as much as 9.15 million by 1999-2000. In the meantime the incidence of unemployment had increased from 1.64 percent in 1973-74 to 1.96 percent in 1993-94 and to 2.25 percent in 1999-2000. S.Mahendru et al.(2007) and Himanshu (2007)by using the NNS data concluded almost same that in spite of higher overall growth, the extent of decline in poverty in the post reform period (1993-2005) has not been higher than in the pre-reform period (1983-1993) ,further they concluded that the inequality has increased significantly in the post reform period and seems to have slowed down the rate of poverty reduction but the extent of decline in 1995-05 seems to have been higher than in 1993-2000 in spite of slower growth in agriculture in the latter years. Datta (2008) worked out that the estimate of Head count ratio of poverty for 2005-06 to 2004-05, the decline in the Head count ratio between two years is 1.4 to 1.6 percent due to higher rate of economic growth rate accompanied by the impressive growth in the agriculture sector while the trend rate of decline between 1993-94 and 2004-05was 0.8 percent. Martin (2008) in his article discussed that in 2005, 40 percent of India's population lived below poverty line whose consumption is less than $1.25 a day. While 25 years earlier 60 percent of India's population lived below the same real line. This is clear progress. India's long term pace of poverty reduction by this measure is no more than average for the developing world excluding China. Himanshu (2010) studied that estimates of the incidence of rural poverty show a head count ratio of 41.8 percent for 2004-05 as against the official estimate of 28.3 percent. The estimates reveal much larger rural-urban differences but less concentration of either rural or urban poverty in few states. In Himachal Pradesh 34.1 percent of population was living below the poverty line According to the study conducted by the federation of Chambers of Commerce and Industry in 1972. The extent of rural poverty in Himachal Pradesh on the basis of the value of poverty index for 1972-73 and 1973-74 has been calculated equal to 31.53 percent and 47.01 percent respectively (Sharma, 1982). Thakur (1985) concluded that on the basis of the value of poverty index the percentage of poor has been worked out 71.06, 50.65 and 26.34 percent on the marginal, small and medium size of holdings respectively. Ramna et al. (2008) worked out that the Percentage of poor on the marginal, small, medium and all holdings together are 43.46, 29.89, 20.17 and 33.53 percent respectively.

In this paper an attempt has been made to estimate the extent of poverty and unemployment in the rural sector of Himachal Pradesh with a view to achieve the following *OBJECTIVES*:
1.   to study the socio-economic characteristics of the respondents,
2.   to asses the extent of poverty & unemployment with the help of poverty/ income criterion; and
3.   to pinpoint the causes of poverty / unemployment and to suggest measures for reducing the volume of poverty and unemployment.

DATA SOURCE & METHODOLOGY
Himachal Pradesh is a hilly State. Cropping pattern and agricultural income of the farmers vary according to altitude of the State. Therefore on the basis of altitude the cultivated land in the State has been categorized into three zones viz., (a) low hill zone, ranging between 1200- 3000 feet, (b) mid hill zone from 3000-5000 feet and (c) high hill zone of 5000 feet and above. In the valley areas of low hill zone, the main agricultural products are food grain, i.e., wheat, maize,

paddy, pulses, sugarcane, oilseeds etc., whereas due to suitable topography and climatic conditions, the high hill zone of the state is widely known for horticultural products, viz., apple, seed potato, apricot, grapes, ginger, dry fruits etc. The agricultural activities in the mid-hill zone bear similarity in some areas to that of low-hill zone while in other areas to high hill zone. Therefore the present study is conducted in district Mandi of Himachal Pradesh because Mandi district falls in the mid hill zone of the state, so the topography, climatic conditions, access to resources as well as cropping, income, consumption and employment pattern in this district bear similarity to some area of low hill zone while, other area to high hill zone of the state. In order to provide the factual position of the problem, district Mandi from the mid-hill zone of the State has been selected purposely. A sample of 111 households consisting of 51 marginal having land <1 hectare, 40 small having land 1-2 hectares & 20 medium farmers having land above 2 hectares have been selected with the help of multistage random sampling. The required information has been collected from the sample households with the help of pre-tested schedule during 2002-03. After tabulating the data in homogenous categories and working out the averages and percentages, the following methods are applied with a view to find out the magnitude of poverty/ unemployment. The measure of poverty involves distinct problems. The first is the specification of the 'poverty line' i.e., which should be the value of consumption basket considered to represent the socially accepted 'minimum' standard of living. Once the poverty line is determined, the second step is that of determining an 'Index of Poverty'. In the present study the poverty line has been determined on the basis of the value of minimum nutritional requirements, i.e. 2400 calories per consumer unit per day as has been suggested by the Government of India, Planning Commission and Indian Council of Medical Research. The value of minimum per consumer unit per day consumption basket (i.e. both out of home grown stock as well as out of purchases) has been calculated by multiplying quantities of different food items by their respective actual retail prices prevailing in the sample area during the period of investigation i.e. 2002-03. The total number of males, females and children of varying age have been converted into 'Standard Consumer Units' or adult male value by applying the scale of coefficient suggested by the Indian Council of Medical Research, e.g. a family consisting of father, mother and three children aged 10, 8, 6 years has an 'adult male value' or consumption units of 4.9 (i.e. 1.6+1.2+0.8+0.7+0.6). Keeping in view the hilly topography and the extreme climatic variations in the area under study the minimum food requirements are 'necessary' but not sufficient for the survival of mankind. Therefore, in order to work out the value of 'poverty line' allowances have also been made to the minimum non-food requirements by working out the ratios of total non-food expenditure to the total food expenditure for each holding group.

RESULTS AND DISCUSSION

The results and discussion based on the first hand information are presented below;

SOCIO-ECONOMIC CHARACTERISTICS OF RESPONDENTS

Demographic profile is an important indicator of determining the socio-economic well being of the family and society at large. In the study area total sample population has been worked out 635 persons. The family human labour days by converting into 'standard mandays' by attaching proper coefficient of efficiency have been worked out 173.75, 155.75, 86.25 and 415.75 on the marginal, small, medium and among all the holdings together respectively. Sex-ratio is an important indicator to know about the proportion of males and females in the total population and has been worked out 871, 1025, 1096 and 972 females per thousand males on the marginal, small, medium and among all the holding groups together respectively.

TABLE I: BASIC CHARACTERISTICS: SOME INDICATORS

Sr. No.	Particulars		Size Class of Holdings			
			Marginal Holding	Small Holding	Medium Holding	All Holdings
1.	Total Number of Households		51	40	20	111
2.	Total Sample population	Male	139	120	63	322
		Female	121	123	69	313
		Total	260	243	132	635
3.	Sex-ratio per thousand male		871	1025	1096	972
4.	Average Size of Family		5.09	6.08	6.6	5.72
5.	Percentage of Family workforce		65.38	60.91	59.09	62.36
6.	Percentage of Dependents		34.62	39.09	40.91	37.64
7.	Total Standard Mandays		173.75	155.75	86.25	415.75
8.	Per Household Standard Mandays		3.41	3.89	4.31	3.75
9.	Total Number of Consumer Units		308.3	277.7	153.7	739.7
10.	Number of Per Household Consumer Units		6.05	6.94	7.69	6.67
11.	Literacy Percentage	Male	85.62	87.50	87.30	86.65
		Female	64.46	75.61	75.36	71.25
		Total	75.77	81.48	81.06	79.60

The average family size for the sample households has been worked out 5.09, 6.08, 6.6 and 5.72 on the marginal, small, medium and all holding groups together respectively. The percentage of family workforce (15-59 years) among the sample households has been worked out 65.38, 60.91, 59.09 and 62.36 percent on the respective size of holding groups. Total number of consumer units when converted into 'Standard Consumption Units' by applying the scale of coefficient suggested by the Indian Council of Medical Research have been worked out 308.3, 277.70, 153.70 and 739.70 on the marginal, small, medium and among all the holding groups together respectively. While the number of per household consumer unit came out 6.05, 6.94, 7.69 and 6.67 on the respective size of holding groups. While the percentage of literacy has been worked out 75.77, 81.48, 81.06 and 79.60 percent on the marginal, small, medium and all the holdings together respectively. This literacy percentage has been worked out lowest on the marginal size of holding mainly due to the reason that households falling on this holding size cannot afford to bear the expenses of education of their children due to meager household income and uneconomic size of holding. While households falling on the small and medium size of holdings can afford to make investment on the education of their children due to their sound and regular sources of income.

EXTENT OF ABSOLUTE POVERTY – A MEASURE OF UNEMPLOYMENT

The household consumption expenditure on both food and non-food items as well as the extent of absolute poverty which is used as a measure of unemployment among the sample households has been presented below.

VALUE OF POVERTY INDEX: A NUTRITION APPROACH

In the present study the value of average daily diet composition (at 2002-03 prices) has been suggested by the Indian Council of Medical Research (ICMR) which provides 2400 calories per consumer unit per day has been adopted for determining the value of poverty line. In order to arrive at the per consumer unit per month consumption of food items, the quantity of food items consumed by each household during the month preceding the survey have been divided by the number of respective households 'standard consumer units'. The value of per consumer unit per month consumption basket has been calculated by multiplying the quantities of different food-items by their respective prices prevailing in the study area during the period of investigation (i.e. 2002-03). In order to meet out the minimum requirements i.e. 2400 calories the value of per consumer unit per month food items has been worked out Rs. 262.80 and Rs. 124.65 on non-food items among the poor sample households. Per consumer unit per month actual consumption expenditure on food items has been worked out Rs. 391.33, 440.77 and 461.15 among the marginal, small and medium size of holdings respectively.

TABLE – II: PER CONSUMER UNIT PER MONTH CONSUMPTION EXPENDITURE ON FOOD AND NON-FOOD ITEMS AMONG THE SAMPLE HOUSEHOLDS

S.No.	Items	Size Class of Holdings (Value in Rs.)			
		Marginal Holding	Small Holding	Medium Holding	All Holdings
1	Food Items	391.33	440.77	461.15	431.08
2	Non-Food Items	148.73	216.01	248.58	204.44
3	Food and Non-Food Items	540.06	657.70	709.73	635.52
4	% Expenditure on Food Items	72.46	67.02	64.98	67.83
5	% Expenditure on Non-Food Items	27.54	32.98	35.02	32.17
6	% Expenditure of Non-Food Items to Food Items	38.01	49.22	53.90	47.43

1. Per consumer unit per month Consumption Expenditure on Food Items = Rs.262.80.
2. Ratio of Non-Food Expenditure to Food Expenditure = Rs.47.43% i.e. Rs.124.65.
3. Value of Poverty Index (1+2) i.e. Rs.262.80 + Rs. 124.65 = Rs.387.45.

Among all the holdings together the value of per consumer unit per month consumption expenditure on food items came out Rs. 431.08. While the per consumer unit per month actual consumption expenditure on non-food items has been worked out Rs. 148.73, 216.01, 248.58 and Rs.204.44 on the marginal, small, medium and among all the holding groups together respectively. This table further shows that the percentage of per consumer unit per month consumption expenditure on non-food items to food items has been worked out 38.01, 49.22, 53.90 and 47.43 percent on the marginal, small, medium and among all the holding groups together respectively. The percentage of per consumer unit per month consumption expenditure on non-food items to food items has been worked out lowest on the marginal size of holding and shows an increasing tendency with an increase in the size of holdings. This happened mainly due to the fact that marginal farmers have uneconomic size of holdings, meagre household income and lack of gainful employment opportunities & vice versa.

VALUE OF POVERTY INDEX: A NUTRITION PLUS APPROACH

Minimum food requirement is necessary but not sufficient for the survival of mankind. Like the minimum food requirement a certain minimum amount of non-food items is equally important for the survival of mankind. No specific norm comparable to 'minimum calorie requirements' has so far been suggested by any Government agency or individual scholar for non-food items. But in the present study due consideration has been given to the non-food items such as fuel, light, clothing, footwear, health, education, fairs and festivals etc. The minimum non-food requirements vary from region to region due to variation in the topography, climatic conditions, nature, type and intensity of economic activities carried out. Therefore, in this study in order to find out the value of poverty index the value of minimum non-food requirements has been worked out by calculating the ratio of total non-food expenditure to the minimum food expenditure. The per consumer unit per month consumption expenditure on food and non-food items among the holding groups consisting of poor has been worked out Rs. 431.08 and Rs. 204.44 respectively. Thus the ratio of non-food expenditure to food expenditure among the holding groups consisting of poor came out 47.43 percent (see table II). This ratio has been suggested by different individuals for different areas. Sastry and Suryanarayana (1981) have suggested 36 percent for the rural areas and 46 percent for the urban areas of Andhra Pradesh as the minimum monthly expenditure on non-food components to the food components. Thakur (1985) have suggested 46.63 percent of the rural poor of Himachal Pradesh as the minimum monthly expenditure on non-food components to food components. Sharma (1994) have suggested 65 percent for the tribal poor of Kinnaur District of Himachal Pradesh as the minimum monthly expenditure on non-food components to the food components. Sharma (1997) have suggested 65 percent for the tribal poor and 54 percent for the non-tribal poor of Chamba District of Himachal Pradesh as the minimum monthly expenditure on non-food items. In the present study the minimum non-food requirements to the poor in the study area has been worked out 47.43 percent. This percentage is higher to the percentage (i.e., 46.63 %) suggested by Thakur for the rural Himachal Pradesh and Sastry and Suryanarayana (i.e., 36%) for the rural Andhra Pradesh. The comparatively higher ratio of non-food expenditure in the present study came out mainly due to manifold increase in prices of non-food items like cloth, footwear, light, fuel, medicines as well as increase in fee in educational institutions. In order to determine the value of poverty index both minimum expenditure on food and non-food items has been calculated. Hence, the value of both minimum food and non-food requirements (i.e., Nutrition Plus Approach) has been worked out Rs. 387.45 (i.e., 262.80 for food items + Rs. 124.65 for non-food items). With the help of 'Nutrition Approach' i.e. by taking into account the value of minimum food requirements by providing 2400 calories per consumer unit per day the value of poverty index has been worked out Rs. 262.80. According to this 'poverty' or 'income criterion' all those persons who earn income less than the value of poverty index i.e., 262.80 are termed unemployed and/or underemployed as has been shown in Table II. Thus by applying this 'poverty' or 'income criterion' the percentage of unemployed and/or underemployed has been worked out 33.41, 23.41, 17.57 and 26.36 percent on the marginal, small, medium and among all the size of holdings together respectively (see Table III).

TABLE – III: PERCENTAGE OF POOR/ UNEMPLOYED BY SIZE CLASS OF HOLDINGS ON THE BASIS OF PER CONSUMER UNIT PER MONTH FOOD EXPENDITURE AT 2002-2003 PRICES

S.No.	Items	Size Class of Holdings (Value in Rs.)			
		Marginal Holding	Small Holding	Medium Holding	All Holdings
1	Total Number of Persons	308.30	277.70	153.70	739.70
2	Total Number of poor/unemployed Persons	103.00	65.00	27.00	195.00
3	Percentage of Poor/unemployed	33.41	23.41	17.57	26.36

While with the help of 'nutrition plus approach' the percentage of poor has been worked out 43.46, 29.89, 20.17 and 33.53 percent on the marginal, small, medium and among all the holdings groups together respectively (see Table – IV).

TABLE – IV: PERCENTAGE OF POOR/UNEMPLOYED BY SIZE CLASS OF HOLDINGS ON THE BASIS OF PER CONSUMER UNIT PER MONTH FOOD AND NON-FOOD EXPENDITURE AT 2002-03 PRICES

S.No.	Items	Size Class of Holdings (Value in Rs.)			
		Marginal Holding	Small Holding	Medium Holding	All Holdings
1	Total Number of Persons	308.30	277.70	153.70	739.70
2	Total Number of poor/unemployed Persons	134.00	83.00	31.00	248.00
3	Percentage of Poor/unemployed	43.46	29.89	20.17	33.53

It is obvious from the given tables (i.e., III & IV) that the percentage of poor according to 'nutrition approach' is lower than the percentage of poor according to 'Nutrition Plus Approach'. The poverty or 'income criterion' of unemployment can be worked out by taking into account only the value of minimum food items providing 2400 calories per consumer unit per day (i.e. the 'nutrition approach') because it ignored the expenditure made on non-food items such as clothing, footwear, light, fuel, health, education, fairs and festivals etc. While calculating the value of poverty index which is equally important for the survival of human being. Therefore, from the policy point of view the 'Nutrition plus approach' is more reliable to work out the value of poverty index or income criterion of unemployment and thereby the percentage of poor and/ or unemployed.

CONCLUSION AND SUGGESTIONS

The results of the study indicated that there exist a lot of variations in the literacy percentage, distribution of household consumption expenditure which resulted a wide variation in the extent of poverty/ unemployment in the study area. The magnitude of unemployment according to poverty/ income (Nutrition and Nutrition plus approach) criterion has been worked out highest on the marginal size of holding and shows a decreasing tendency with an increase in the size

of holdings. Uneconomic size of holdings, lack of regular and seasonal gainful employment opportunities, higher dependency and low literacy percentage, lack of irrigation facilities, uncertainty of rain and lack of awareness of the rural people etc. are the main causes of poverty/unemployment in the study area. In spite of various poverty alleviation programmes the desired objective of reducing rural poverty has not been achieved due to wrong identification of beneficiaries, administrative failures and poor delivery system, lack of adequate infrastructural facilities and lack of people's participation in effective implementation of these programmes. Thus in order to reduce the extent of poverty/unemployment emphasis should be laid down on the soil and water conservation, minor irrigation, rural roads and land reforms in the infrastructure sector; drinking water supply, general education, technical education and health in the social service sector; horticulture, animal husbandry, dairy development, forestry in the agricultural sector and small scale & cottage industries in the industrial sector etc.

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