

ASSETS, INCOME AND CONSUMPTION INEQUALITY AMONG THE RURAL FARMERS IN HIMACHAL PRADESH

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ABSTRACT

This paper examines the extent and magnitude of inequality in the distribution of assets, income and consumption expenditure among the farmers of Malana village in Kullu district of Himachal Pradesh. Lorenz Curve and Gini-coefficient was used to analyze the data. The results revealed that their exits less inequality among the marginal holdings as compared to small holdings. The value of Gini-coefficient with the help of disaggregated analysis clearly indicates that the inequality in the distribution of household assets, income and consumption expenditure increase with an increase in the size of holdings.

KEYWORDS

Inequality; Rural Farmers; Himachal Pradesh.

1. INTRODUCTION

Economic inequality is multi-dimensional. Assets, income and consumption, independently and jointly, inform the perception and reality of inequality. Yet most studies of inequality limit analysis to one dimension. Studying inequality in two and three dimensions for same households deepens, broadens, and refines our understanding of inequality. Rising inequality has emerged as one of the most important problems confronting societies across the world. Within the Asian region, South Asia has experienced a rapid increase in income/consumption inequality during the recent period of its rapid growth. This is quite evident in case of India, the largest economy in the region with a billion people. Securing rapid economic growth and expansion of employment, reduction of poverty and inequality in income and wealth and prevention of concentration of economic power and creation of the values of attitudes of a free and equal society have been among the objectives of plans and policies.

One of the most striking experiences of planned efforts is that economically backward, less privileged and socially oppressed people in the backward regions has gained little. The benefits of plans and policies have passed more to the already developed regions, and even within sub-regions, benefits accrued proportionately more to the already rich and socially privileged sections of the society, perpetuating social inequalities and disparities of wealth and income distribution. The benefits of planning accruing only to a selected region and selected people are undesirable from the point view of balanced regional development and distributed justice. The degree of inequality of income and wealth, the concentration of economic surplus in relatively fewer hands and the fragmented allocated mechanisms constitute as socio-economic problem in which powerful dynamic forces tend to perpetuate and even a accentuate low standards of living of significant proportion to our population. The present study pertains to the Malana village in Kullu district of Himachal Pradesh. Till now, this region has remained alienated from the mainstream of socio-economic

transformation and economic development due to inaccessibility and remoteness.

2. OBJECTIVES AND METHODOLOGY

In the present study an attempt has been made to document and estimate the extent and magnitude of inequality in the distribution of assets, income and consumption expenditure among the farmers in the study area. Census method was adopted for the collection of necessary data on prescribed schedules from all the households. The reason behind adopting the census method is Malana village's smallness.

In the present study the extent of inequality has been worked out with the help of Lorenz Curve and Gini-coefficient.

$$G(Y) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)y_i$$

Where,

G = Gini-coefficient

y = Income (Rs.)

n = Population Size

z = Mean Income (Rs.)

y_i = Income of the ith person (Rs.)

3. RESULTS AND DISCUSSION

3.1 EXTENT OF INEQUALITY IN THE DISTRIBUTION OF ASSETS

MARGINAL FARMERS

The cumulative percentage of the value of household assets as well as the number of persons falling in each assets group among the marginal farmers of the sample households has been presented in Table-1. The cumulative percentage of the value of household assets and the population, when plotted on the graph paper gives the resultant shape of the Lorenz Curve which is evident from Figure-1. This Figure clearly indicates that the bottom 30 per cent of the population owned about 25 per cent of the total household assets on the marginal size of holdings group, whereas the top 30 per cent of the population possessed about 40 per cent of the value of the total household assets.

Table-1: Distribution of assets among the marginal farmers

Assets Group (Rs.)	Assets Value (Rs.)	Cumulative Value of Assets (Rs.)	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-300000	17414700	17414700	13.04	289	289	16.51
300000-500000	60798100	78212800	58.54	905	1194	68.23
500000-700000	23902300	102115100	76.44	293	1487	84.97
700000 & above	31479612	133594712	100.00	263	1750	100.00

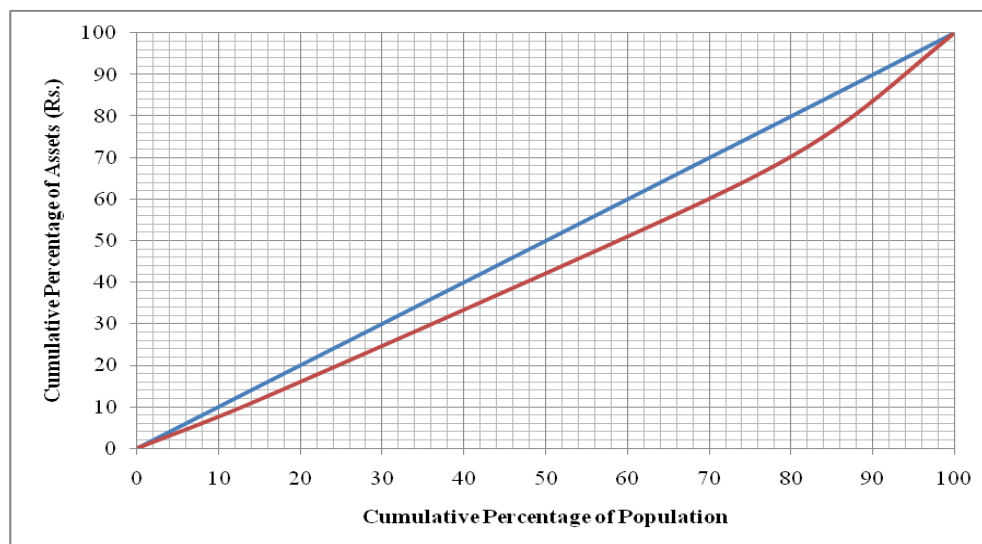


Figure-1

The value of Gini-coefficient for the household assets among the marginal farmers has been worked out as follows:

$$G(A) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)ai$$

$$\sum_{i=1}^n (n+1-i)ai = 91119935218.76$$

$$n = 1750$$

$$Z = \frac{133594712}{1750} = 76339.84$$

Therefore,

$$G(A) = 1 + \frac{1}{1750} - \frac{2}{1750^2 \times 76339.84} (91119935218.76)$$

$$= 1.0006 - \frac{2}{233729296470.86} (91119935218.76)$$

$$= 1.0006 - 0.000000000006 (91119935218.76)$$

$$= 1.0006 - 0.7797 = 0.2209$$

Thus, the value of $G(A) = 0.2209$

The value of the Gini-coefficient for the household assets has been worked out 0.2209, for the households falling on the marginal holding group. The low value of Gini-coefficient clearly shows that the inequality of assets distribution is less among the marginal farmers.

SMALL FARMERS

The cumulative percentage of the value of household assets as well as the number of persons falling in each assets group among the small farmers of the sample households has been presented in Table-2. The cumulative percentage of the value of household assets and the population, when plotted on the graph paper gives the resultant shape of the Lorenz Curve which is evident from Figure-2. This Figure clearly indicates that the bottom 30 per cent of the population owned 5 per cent of the total household assets on the small size of holdings group, whereas the top 30 per cent of the population possessed about 80 per cent of the value of the total household assets.

Table-2: Distribution of assets among the small farmers

Assets Group (Rs.)	Assets Value (Rs.)	Cumulative Value of Assets (Rs.)	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-2000000	16600000	16600000	10.47	127	127	57.99
2000000-10000000	32216208	48816208	30.80	36	163	74.43
10000000-15000000	39800000	88616208	55.90	22	185	84.47
15000000 & above	69900000	158516208	100.00	34	219	100.00

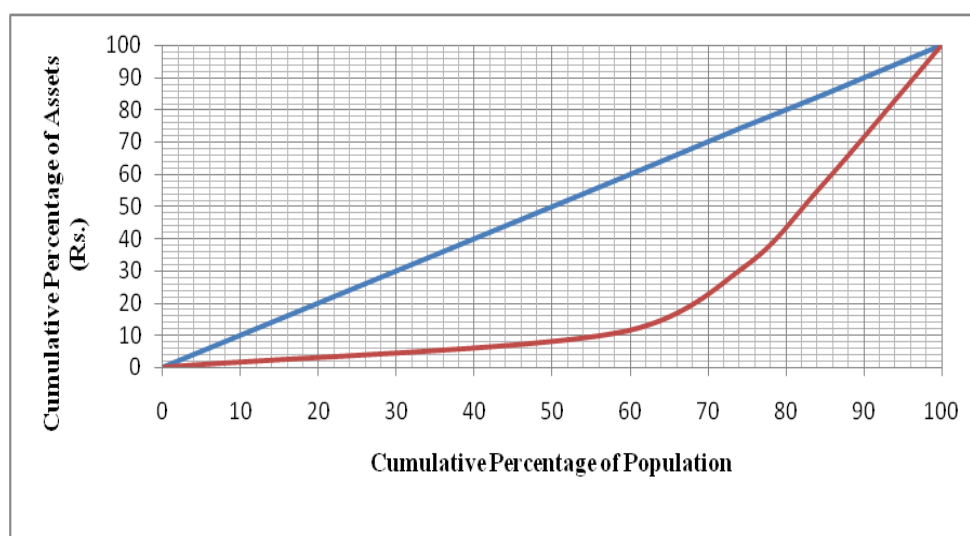


Figure-2

The value of Gini-coefficient for the household assets among the small farmers has been worked out as follows:

$$G(A) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)ai$$

$$\sum_{i=1}^n (n+1-i)ai = 7137785936$$

$$n = 219$$

$$Z = \frac{158516208}{219} = 723818.30$$

Therefore,

$$G(A) = 1 + \frac{1}{219} - \frac{2}{219^2 \times 723818.30} (7137785936)$$

$$= 1.0045 - \frac{2}{34715049552} (7137785936)$$

$$= 1.0045 - 0.000000000058 (7137785936)$$

$$= 1.0045 - 0.4112 = 0.5933$$

Thus, the value of $G(A) = 0.5933$

The value of the Gini-coefficient for the household assets has been worked out 0.5933, for the households falling on the small holding group which is higher to the value of Gini-coefficient for household assets on the marginal size of holding i.e. 0.2209, thereby indicating more inequality in the distribution of household assets on the former than the latter size of holding group.

ALL FARMERS

The cumulative percentage of the value of household assets as well as the number of persons falling in each assets group on all the holding groups has been presented in Table-3. The cumulative percentage of the value of household assets and the population, when plotted on the graph paper gives the resultant shape of the Lorenz Curve which is evident from Figure-4. This Figure clearly indicates that the bottom 30 per cent of the population owned 15 per cent of the total household assets on all the holding groups, whereas the top 30 per cent population possessed about 70 per cent of the value of the total household assets.

Table-4: Distribution of household assets among all the farmers

Assets Group (Rs.)	Assets Value (Rs.)	Cumulative Value of Assets (Rs.)	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-500000	78212800	78212800	26.78	1194	1194	60.64
500000-700000	23902300	102115100	34.96	293	1487	75.52
700000-800000	19809000	121924100	41.74	220	1707	86.69
800000-10000000	50486820	172410920	59.02	195	1902	96.60
10000000 & above	119700000	292110920	100.00	67	1969	100.00

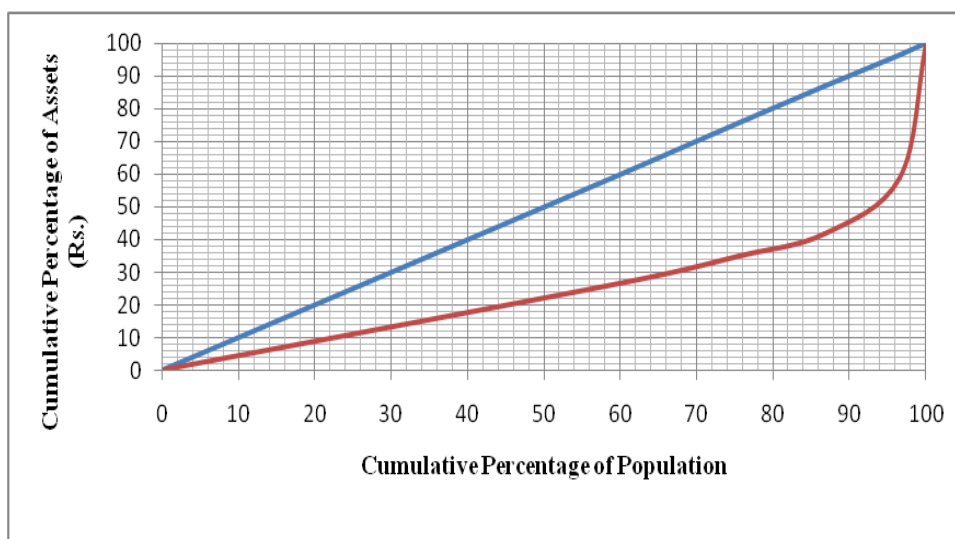


Figure-4

The value of Gini-coefficient of the household assets among all the sample farmers has been worked out as follows:

$$G(A) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)ai$$

$$\sum_{i=1}^n (n+1-i)ai = 126410933271$$

$$n = 1969$$

$$Z = \frac{292110920}{1969} = 148372.29$$

Therefore,

$$G(A) = 1 + \frac{1}{1969} - \frac{2}{1969^2 \times 148372.29} (126410933271)$$

$$= 1.0005 - \frac{2}{575233594840.50} (126410933271)$$

$$= 1.0005 - 0.00000000000035 (126410933271)$$

$$= 1.0005 - 0.4395 = 0.5610$$

Thus, the value of $G(A) = 0.5610$

Thus, for all the sample households together with the aggregated analysis the value of the Gini-coefficient for the household assets has been worked out 0.5610.

3.2 INEQUALITY IN THE DISTRIBUTION OF INCOME MARGINAL FARMERS

The inequality in the distribution of household assets among different regions of an economy as well as among different holding groups within a region leads to inequality in the distribution of income and thereby causes a wide range of variations in their levels of living. The cumulative percentage of the household

per month average income, as well as the number of persons falling in each income groups among the marginal farmers has been presented in Table-5. The cumulative percentage of income and population of the household falling on the marginal holding group, when plotted on a graph paper gives the resultant shape of the Lorenz Curve which is evident from Figure-5. This Figure clearly shows that the bottom 30 per cent of the population is sharing about 20 per cent of total income, whereas the top 30 per cent of the population shared about 45 per cent of the total income, which indicates minimum income inequality in the distribution of income among the households falling on the marginal size of holding group.

Table-5: Distribution of monthly income among the marginal farmers

Income Group (Rs.)	Monthly Income (Rs.)	Cumulative Monthly Income (Rs.)	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-30000	2928730	2928730	27.00	703	703	40.17
30000-40000	491040	3419770	31.53	87	790	45.14
40000-50000	933600	4353370	40.13	156	946	54.06
50000-80000	2674750	7028120	64.79	412	1358	77.60
80000 & above	3819277	10847397	100	392	1750	100

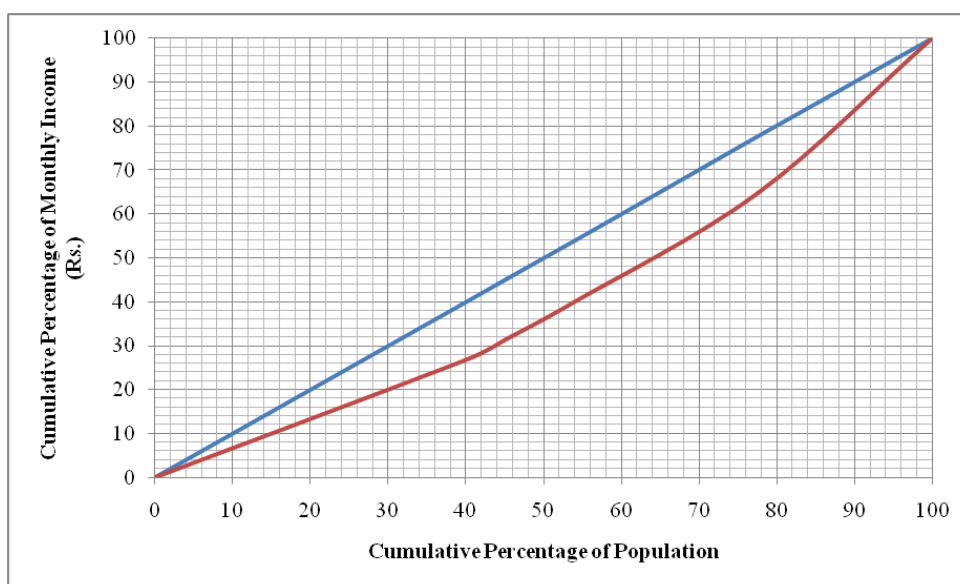


Figure-5

The value of Gini-coefficient for the distribution of per month average income of households falling on the marginal size of holding group has been worked out as follows:

$$G(Y) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)y_i$$

$$\sum_{i=1}^n (n+1-i)y_i = 7573609351$$

$$n = 1750$$

$$z = \frac{10847397}{1750} = 6198.51$$

Therefore,

$$G(Y) = 1 + \frac{1}{1750} - \frac{2}{1750^2 \times 6198.51} (7573609351)$$

$$= 1.0006 - \frac{2}{189854399979} (7573609351)$$

$$= 1.0006 - 0.0000000001 (7573609351)$$

$$= 1.0006 - 0.7979 = 0.2027$$

Thus, the value of $G(Y) = 0.2027$

The shape of Lorenz curve as well as the value of Gini-coefficient for the income distribution of household falling on the marginal holding group which come out 0.2027, clearly shows the fact that the extent of relative income inequality among the marginal farmers is minimum.

SMALL FARMERS

The cumulative percentages of the household per month average income as well as the number of persons falling in each income groups among the small farmers has been presented in Table 6. The cumulative percentage of income and population of the household falling on the small holding group, when plotted on a graph paper gives the resultant shape of the Lorenz curve which is evident from Figure 6. This Figure clearly shows that the bottom 30 per cent of the population is sharing about 8 per cent of total income, whereas top 30 per cent of the population shared about 58 per cent of the total household income.

Table-6: Distribution of monthly income among the small farmers

Income Group (Rs.)	Monthly Income (Rs.)	Cumulative Monthly Income (Rs.)	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-20000	60000	60000	3.98	30	30	13.70
20000-30000	122000	182000	12.08	52	82	37.44
30000-50000	535000	717000	47.58	107	189	86.30
50000 & above	789940	1506940	100	30	219	100

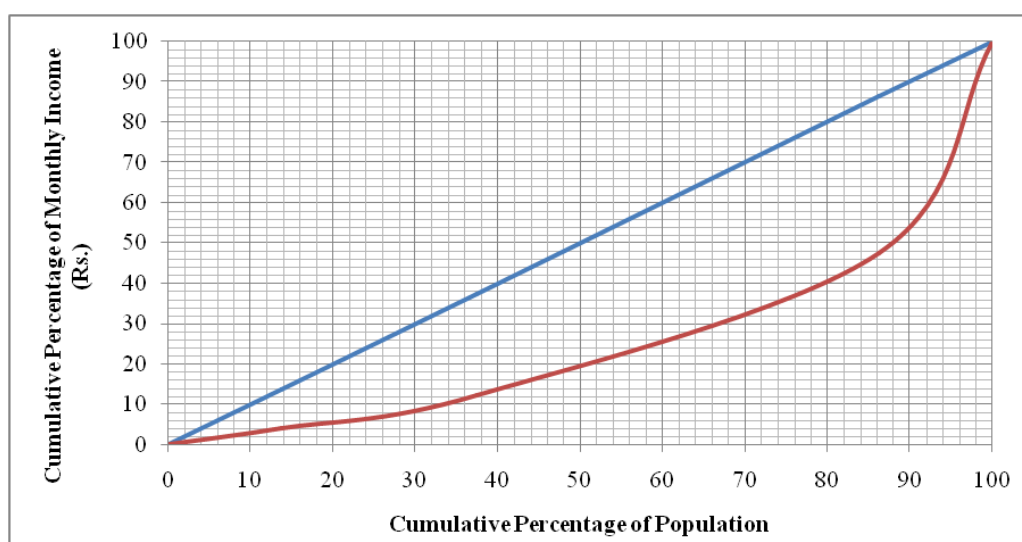


Figure-6

The value of Gini-coefficient for the distribution of per month average income of households falling on the small size of holding group has been worked out as follows:

$$G(Y) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)yi$$

$$\sum_{i=1}^n (n+1-i)yi = 77108200$$

$$n = 219$$

$$Z = \frac{1506940}{219} = 6881$$

Therefore,

$$G(Y) = 1 + \frac{1}{219} - \frac{2}{219^2 \times 6881} (77108200)$$

$$= 1.0045 - \frac{2}{330019860} (77108200)$$

$$= 1.0045 - 0.000000006 (77108200)$$

$$= 1.0045 - 0.4672 = 0.5372$$

Thus, the value of $G(Y) = 0.5372$

The shape of the Lorenz curve as well as the value of Gini-coefficient i.e. 0.5372 of the income distribution among the households falling on the small size of holding group, if compared with the shape of the Lorenz curve and the value Gini-coefficient of the income distribution among the marginal farmers, i.e. 0.2027 clearly indicates relatively higher inequality of income distribution among the former holding group than the latter holding group.

ALL FARMERS

The cumulative percentages of the household per month average income as well as the number of persons falling in each income groups among all the sample farmers has been presented in Table-8. The cumulative percentage of income and population of the household falling on the all holding group, when plotted on a graph paper gives the resultant shape of the Lorenz Curve which is evident from Figure-8. This Figure clearly shows that the bottom 30 per cent of the population is sharing about 18 per cent of total income, whereas top 30 per cent of the population is sharing 42 per cent of the total household income.

Table-8: Distribution of household monthly income among all the farmers

Income Group (Rs.)	Monthly Income (Rs.)	Cumulative Monthly Income (Rs.)	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-30000	3080730	3080730	24.94	779	779	39.56
30000-40000	556040	3636770	29.44	100	879	44.64
40000-50000	1283600	4920370	39.83	226	1105	56.12
50000 & above	7433967	12354337	100	864	1969	100

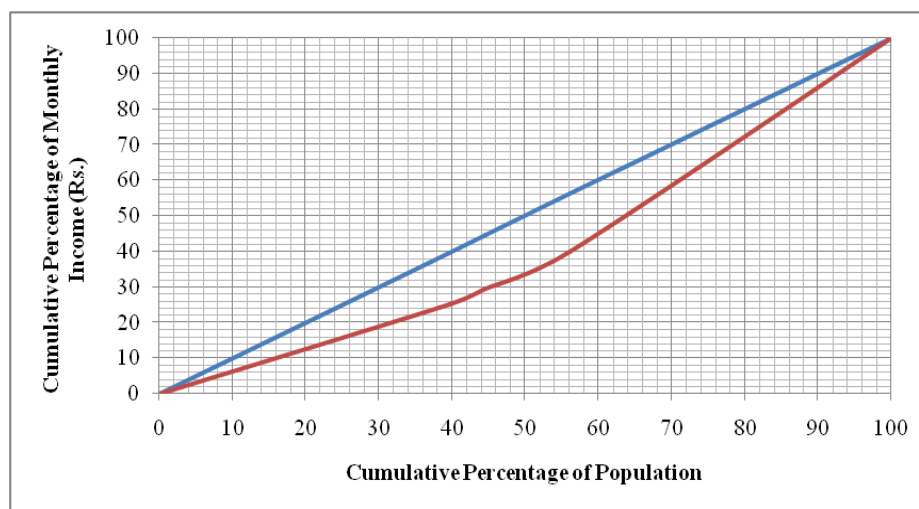


Figure-8

The value of Gini-coefficient for the distribution of per month average income among all the farmers has been worked out as follows:

$$G(Y) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)y_i$$

$$\sum_{i=1}^n (n+1-i)y_i = 9163269010$$

$$n = 1969$$

$$Z = \frac{12354337}{1969} = 6274.42$$

Therefore,

$$\begin{aligned}
 G(Y) &= 1 + \frac{1}{1969} - \frac{2}{1969^2 \times 6274.42} (9163269010) \\
 &= 1.0005 - \frac{2}{24328531382} (9163269010) \\
 &= 1.0005 - 0.00000000008 (9163269010) \\
 &= 1.0005 - 0.7533 = 0.2472
 \end{aligned}$$

Thus, the value of $G(Y) = 0.2472$

Both the shape of Lorenz curve as well as the value of the Gini-coefficient i.e. 0.2472 which are based on the aggregated analysis of the distribution of household income clearly indicate the overall income inequality prevailing among all the sample households in the study area.

3.3 INEQUALITY IN THE DISTRIBUTION OF CONSUMPTION EXPENDITURE

MARGINAL FARMERS

The percentage expenditure on food and non-food items varies from household to household as well as from one expenditure group to another. The 'Poor' rural households spend most of their income on food-items and very little is left to meet out their non-food requirements, whereas the 'not poor' households spending comparatively less on food-items and proportionately more on non-food items. The cumulative percentages of household monthly consumer expenditure on both food and non-food items as well as the number of persons falling in each expenditure group have been presented in Table 9. The cumulative percentage of household monthly consumer expenditure on both food and non-food items when plotted on the graph paper the resultant shape of the Lorenz Curve is evident from Figure 9. This Figure clearly shows that the bottom 30 per cent of the population is spending about 20 per cent of the total consumption expenditure on both food and non-food items whereas, the top 30 per cent of the population is spending about 40 per cent.

Table-9: Distribution of monthly consumption expenditure on both food and non-food items among the marginal farmers

Group (Rs.)	Consumption Expenditure (Rs.)	Cumulative Consumption Expenditure (Rs.)	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-6000	691279	691279	29.14	738	738	42.17
6000-10000	164300	855579	36.07	135	873	49.89
10000-13000	348666	1204245	50.77	232	1105	63.14
13000-16000	540244	1744489	73.55	306	1411	80.63
16000-17000	464699	2209188	93.14	253	1664	95.09
17000 & above	162770	2371958	100	86	1750	100

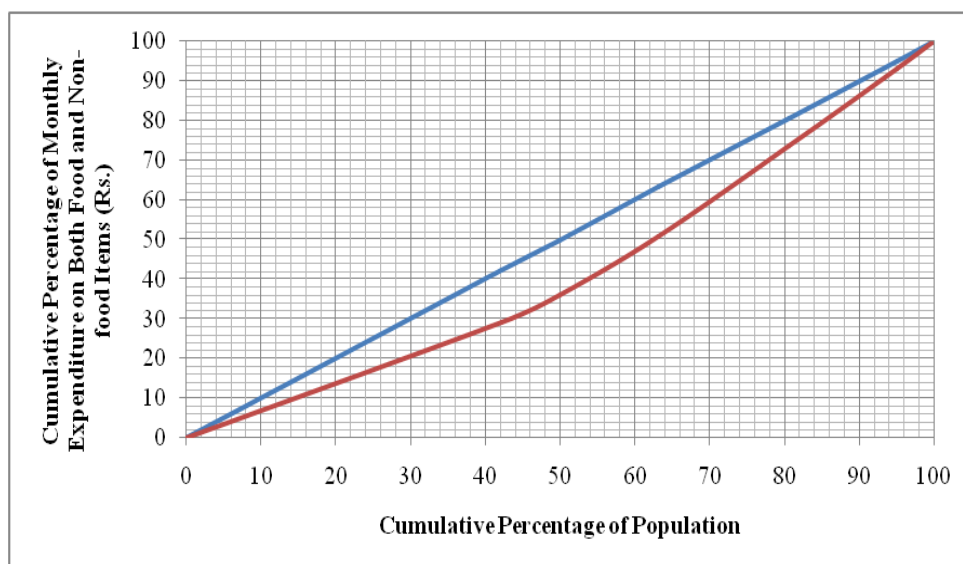


Figure-9

The value of Gini-coefficient for the distribution of total household consumption expenditure on both food and non-food items among the marginal holdings has been worked out as follows:

$$G(C) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)ci$$

$$\sum_{i=1}^n (n+1-i)Ci = 1720156559$$

$$n = 1750$$

$$Z = \frac{2371957}{1750} = 1355.58$$

$$G(C) = 1 + \frac{1}{1750} - \frac{2}{1750^2 \times 1355.58} (41051700)$$

$$= 1.0006 - \frac{2}{4151470372} (41051700)$$

$$= 1.0006 - 0.0000000005 (41051700)$$

$$= 1.0006 - 0.8287 = 0.1719$$

Thus the value of $G(C) = 0.1719$

Both the shape of Lorenz curve which is closer to the diagonal as well as the low value of Gini-coefficient i.e. 0.1719 indicate minimum level of inequalities in the distribution of household consumption expenditure on both food and non-food items on the marginal size of holding group.

SMALL FARMERS

The cumulative percentages of the consumption expenditure on both food and non-food items and the persons, falling in each expenditure group among the small farmers have been presented in Table-10. These cumulative percentages of

consumption expenditure on both food and non-food items as well as of population when plotted on a graph paper, gives the resultant shape of Lorenz Curve which is evident from Figure 10. This Figure clearly shows that the bottom 30 per cent of the population is spending about 20 per cent of the total consumption expenditure on both food and non-food items, whereas top 30 per cent of the population is spending nearly about 48 per cent of the total consumption expenditure.

Table-10: Distribution of monthly consumption expenditure on both food and non-food items among the small farmers

Group (Rs)	Consumption Expenditure (Rs.)	Cumulative Consumption Expenditure (Rs.)	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-10000	45800	45800	13.50	43	43	19.63
10-11000	40200	86000	25.35	36	79	36.07
11-13000	116786	202786	59.79	94	173	79.00
13 & above	136400	339186	100	46	219	100

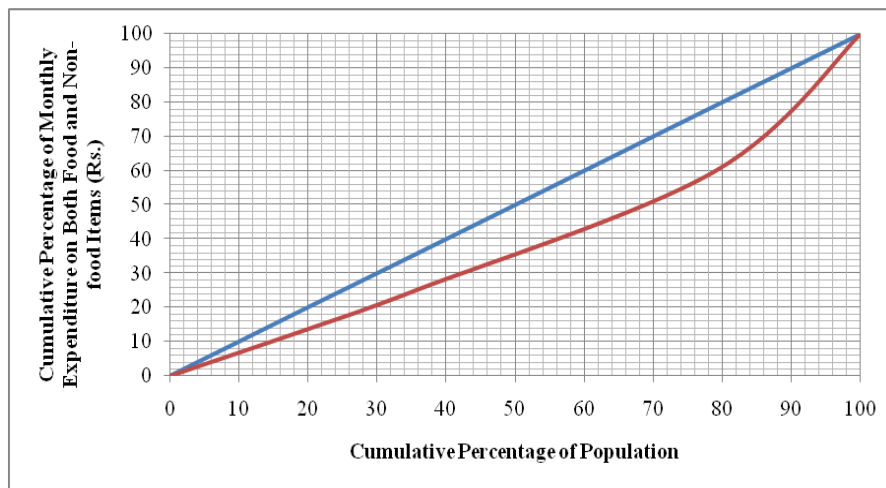


Figure-10

The value of Gini-coefficient for the consumer expenditure distribution on both food and non food items among the small farmers has been worked out as follows:

$$G(C) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n + 1 - i)ci$$

$$\sum_{i=1}^n (n + 1 - i)Ci = 25628514$$

$$n = 219$$

$$Z = \frac{339186}{219} = 1548.79$$

Therefore,

$$G(C) = 1 + \frac{1}{219} - \frac{2}{219^2 \times 1548.79} (24773000)$$

$$1.0045 - \frac{2}{47961} (24773000)$$

$$= 1.0045 - 0.000000027 (24773000)$$

$$= 1.0045 - 0.6900 = 0.3145$$

Thus the value of $G(C) = 0.3145$

The value of the Gini co-efficient for the distribution of household total monthly consumption expenditure on both food and non-food items among the small farmers has been worked out 0.3145. The shape of Lorenz Curve which relatively farther from the diagonal as well as the comparatively higher value of Gini-coefficient *i.e.* 0.1719, on the small size of holdings, if compared to the marginal farmers indicate more inequalities in consumption expenditure on the former than the latter holding group.

ALL FARMERS

The cumulative percentages of the consumption expenditure (on both food and non-food items) and the persons falling in each expenditure group among all the farmers have been presented in Table-11. These cumulative percentages of consumption expenditure on both food and non-food items as well as of population when plotted on a graph paper, gives the resultant shape of Lorenz Curve which is evident from Figure-11. This Figure clearly shows that the bottom 30 per cent of the population is spending about 20 per cent of the total consumption expenditure on both food and non-food items, whereas the top 30 per cent of the population is spending nearly 42 per cent of the total consumption expenditure on both food and non-food items.

Table-11: Distribution of monthly consumption expenditure on both food and non food items among all the farmers

Group (Rs.)	Consumption Expenditure (Rs.)	Cumulative Consumption Expenditure	Cumulative Percentage	No. of Persons	Cumulative Persons	Cumulative Percentage
0-5000	385508	385508	14.21939012	433	433	21.99086
5000-10000	545870	931378	34.35370248	514	947	48.09548
10-15000	747135	1678513	61.91163653	490	1437	72.98121
15000-17000	794660	2473173	91.22252128	440	1877	95.32758
17000 & above	237970	2711143	100	92	1969	100

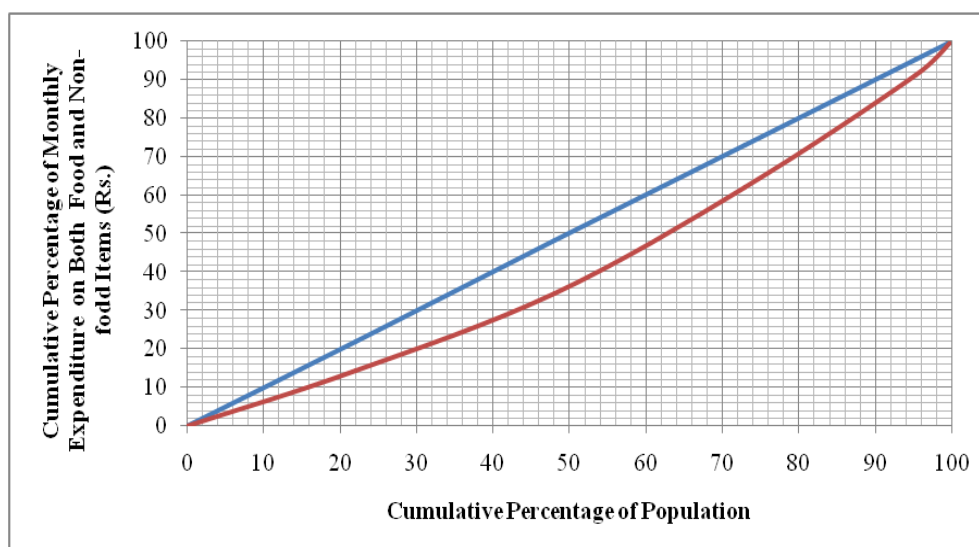


Figure-11

The value of Gini-coefficient of consumption expenditure on both food and non-food items among all the farmers has been calculated as follows:

$$G(C) = 1 + \left(\frac{1}{n}\right) - \left(\frac{2}{n^2 z}\right) \sum_{i=1}^n (n+1-i)ci$$

$$\sum_{i=1}^n (n+1-i)Ci = 2170652364$$

$$n = 1969$$

$$Z = \frac{2711143}{1969} = 1376.91$$

Therefore,

$$G(C) = 1 + \frac{1}{1969} - \frac{2}{1969^2 \times 1376.91} (194075100)$$

$$= 1.0005 - \frac{2}{5338864203} (194075100)$$

$$= 1.0005 - 0.0000000004 (194075100)$$

$$= 1.0005 - 0.8131 = 0.1874$$

Thus, the value of $G(C) = 0.1874$

Both, the shape of Lorenz Curve (i.e. the distance between the diagonal and Lorenz curve) as well as the value of Gini-coefficient i.e., 0.1874, which are based on aggregated analysis of household monthly total consumption expenditure on both food and non-food items.

3.4 CONCLUSIONS AND RECOMMENDATIONS

The results show that there exists less inequality among the marginal holdings as compared to small holdings. The value of Gini-coefficient with the help of

disaggregated analysis clearly indicates that the inequality in the distribution of household assets increase with an increase in the size of holdings. The analysis of income distribution with the help of disaggregated analysis also clearly reveals the sharp variation in the distribution of household income among the different holding groups i.e. the extent of relative income inequality indicates an increasing tendency with an increase in the size of holdings. Further within each size of holding group the majority of population falling at the bottom end of the income and/or consumption expenditure scale is sharing the lowest percentage of income and/or consumption expenditure, whereas contrary to it, the minimum percentage of population falling at the top of income and/or consumption expenditure scale is enjoying the lion's share of the total income/or consumption in the study area. In the rural areas there exists a lot of variation as well as economic and social inequality in the literacy percentage, distribution of household productive assets, source wise pattern of household income, distribution of household consumption expenditure, as a result of which there prevails wide spread variations in the magnitude poverty among the rural households.

On the basis of findings, following recommendations has been made to reduce the inequality in the distribution of assets, income and consumption expenditure in the rural economy of Himachal Pradesh;

- Agriculture research and rural infrastructure have to be increased significantly.
- The programs designed to remove the inequality must be implemented effectively with the active participation of the poor, so the poverty and economic inequalities could have been reduced to a great extent.
- The planning and strategy for the development of the rural areas should be judicious mix of beneficiary oriented programs, human resource development and infrastructural development programs.
- Due to hilly topography, extreme cold climatic conditions and lack of infrastructural facilities emphasis should be laid down on the minor irrigation works, soil and water conservation, co-operation, rural roads and land reforms in the infrastructure sector, drinking water supply, general and technical education and health in the social sector, horticulture, animal husbandry, dairy development and forestry in the agricultural sector and small scale as well as cottage industries using the local skill and raw material in the industrial sector. This type of policy which gives equal importance to all the sectors of an economy would be of utmost importance to remove the economic inequality in the rural areas.

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