

# " IMPACT OF URBAN CENTRE ON RURAL ECONOMY"

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OMEOKUMAR DAS INSTITUTE OF  
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## Foreword

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This study was conducted by Mr. Brajendra Saikia under the supervision of Dr. M.P. Bezbaruah. The scholar was one of the recipients of Rajiv Gandhi fellowship for the year 1993-94. The Institute is grateful to the Rajiv Gandhi Foundation for providing financial support to Institute's Junior Short-term Fellowship Programme, without which the Programme could not have been implemented with its present coverage.

# C E R T I F I C A T E

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I hereby certify that the research project entitled "*Impact of Urban Centre on Rural Economy - a case study of Guwahati and the surrounding villages*" was carried out by Mr. Brajendra Saikia under my supervision. The project report prepared to be submitted to the O.K. Das Institute of Social Change and Development, Uzanbazar, Guwahati - 1, is the output of his original work.

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Dated : 10.07.95

Guwahati - 24

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1.1. Impact of an urban centre on its peripheral rural areas usually has a number of aspects, such as, economic, social, cultural, environmental etc. The proposed study aims to confine itself only to the economic impact of a city on the neighbouring rural areas.

1.2. ECONOMIC IMPACT OF URBAN CENTRE ON PERIPHERIAL RURAL AREAS :

- *A Theoretical Discussion.*

Theoretically, the economic interdependence between an urban centre and the surrounding rural areas can be analysed in the framework of geographical dualism or centre-periphery models of regional disparity. Existing theories however, present contrasting views of the nature of this interdependence. According to neo-classical equilibrium theories, economic prosperity tends to get diffused from centre to periphery through mobility of factors of production and resulting equalisation of factor prices. (Thinwall, 1983). For instance, increased demand for labour and higher wage rates in a developed regions like a city centre would induce migration of workers from peripheral backward areas. The corresponding reduction of supply in this region would raise wages. Thus workers would be benefitted due to the employment growth in the urban centre and wage increase in the rural areas. This and similar other effects tend to benefit the backward regions around the advanced growth centre and disparities tend to disappear over time.

In contrast, the theories of cumulative and circular causation argue that economic and social forces generally lead to cumulative expansion of advanced centre at the expense of the peripheral areas, and hence disparities and disequilibrium situations tend to be strengthened rather than disappear. Gunnar Myrdal, who propounded this theory, contends that brighter prospects in advanced centre attract more dynamic elements in the society from the less developed peripheral regions (*Gunnar Myrdal, 1957*). Such migration denudes the peripheral areas of human capital and entrepreneurs, and thereby depresses demand for goods and services and factors of production. On the other hand, the movement into the advanced centre tend to stimulate enterprise and demand for products adding to the demand for factors of production. Thus a chain of cumulative expansion is set in motion in the favoured regions. This leaves the other regions with what Myrdal calls "Backwash effects". This backwash effects thus cause development differences to persist or even diverge.

Myrdal of-course recognises the favourable "Spread effects" of advanced centre on backward regions in the form of increased demand for backward areas products, diffusion of technology and knowledge etc. Thus, according to Myrdal, the growth in progressive regions affects the growth in lagging regions through "Spread effects" and "Backwash effects". The Spread effects are the centrifugal forces of expansionary momentum emanating from the centre of economic expansion to other regions. Thus, growth in advanced region, by increasing demand for raw materials and farm products on the one hand and making

advanced technology available, promotes growth in lagging regions.

In contrast, the backwash effects discourage growth in backward regions. The advanced regions attract flow of population, capital and goods leading to continual denudation of the backward regions. The backward regions are left with lopsided age structure, because it is the young, the educated and healthy that migrate. Thus, the growth of backward regions is retarded.

The two kinds of effects may temporarily balance each other leaving a region stagnating. But, any change in forces will start a cumulative movements upwards or downwards. According to Myrdal, in the normal case a change does not call countervailing changes but instead, supporting changes, which move the system in the same direction as the first changes but much further. He, however maintains that spread effects in general are weaker than the backwash effects. Hence if inter-regional differences are to be narrowed, state intervention will be required in favour of the backward regions.

Another economist, Hirschman explains regional imbalances differently. According to Hirschman, once growth gets started it tends to concentrate around the initial starting points because of external economies such as lower cost of production, localisation of linked firms and expansion of markets. Development in geographical growth points affects other regions both favourably and adversely. Hirschman has called the favourable forces as the "trickling down effect" and the adverse forces as the

"polarization effects", (S.K. Mandal, P. 108). Progress at the growth pole gets "trickled down" to backward areas through inter-regional trade, transfer of capital to backward areas and migration of labour which lessens the pressure of population in backward areas. On the other hand, greater compatibility of industries and better investment opportunities in the growth pole and denudation of backward regions of best of their resources lead to polarization at the growth pole and discourage growth in the hinterland. Though Hirschman's trickling-down and polarization effects are very much like Myrdal's spread and backwash effects, Hirschman reaches a conclusion which is quite in contrast to that reached by Myrdal. He feels that in the long run convergence movement will emerge because of diseconomies resulting from congestion of industries, insufficient size of home market caused by low income levels in the hinterland, weakening barrier to free flow of factors etc. These diseconomies and the existence of complementarities as well as government policy will ensure an extensive spread of development.

In light of these contentious theories, it was felt that an empirical investigation of the economic impact of an advanced centre on its peripheral less developed areas would be highly instructive. Accordingly, the present study of the impact of Guwahati City on the economies of the villages around it was taken up.

### 1.3 OBJECTIVES AND RESEARCH QUESTIONS

Apart from the overall economic impact of Guwahati city on the villages around it, the study also proposes to examine the impact across different sections of the village population. For, the impact is likely to be different in magnitude and nature on the different sections. For instance, farmers, particularly producers of perishable goods like vegetables, milk, fish etc. are likely to be benefitted from the proximity to the large market, which exists in the city. Property owners like landlords and house owners are also probable beneficiaries from enhanced valuation of their properties due to closeness to the city. On the other hand, landless labourers and other net buyers of foodgrains and vegetables are likely to be adversely affected by higher prices of these commodities in the village markets.

Thus the aims and objectives of this study can be summarised as :

- I. Identification of adverse effects and favourable effects of Guwahati city on the economy of the surrounding rural areas.
- II. Examination of the impact of the city on the economic conditions of the different sections of the village populations, and

### III. Policy suggestions for wider diffusion of economic gains across space and sections of population.

From the above discussion it follows that the basic research question being pursued in the study is whether proximity to the Guwahati city has helped or deterred the economic upliftment of the villages around it.

#### 1.4 COVERAGE AND METHODOLOGY :

##### 1.4.1 COVERAGE :

There are several villages around the Guwahati city and within the Guwahati subdivision. In the north bank of the river Brahmaputra, there are several villages in the North Guwahati and Hajo circles. In the south bank of the river Brahmaputra, there are several other villages in the Palasbari, Chay Gaon, Boko and Nagarbera circles. In the east of Guwahati, there is the Sonapur circle. But for a short duration project like the present one, it is not possible to cover all the areas around the city. Therefore, the field study had to be confined to only one circle, mainly the Hajo circle.

The Hajo circle is comprised of 143 villages. From these three villages were selected for field study. The selection was done by keeping an eye on the degree of remoteness of the locations. The village Abhaypur was selected as representative of those which lie on the main road. The village Satdala was selected as one which is remote and poorly connected with the main road. The other selected village namely

Manahkuchi-1, was somewhat off the main road but not as remote as Satdala.

#### 1.4.2. METHOD OF DATA COLLECTION AND SAMPLE DESIGN :

In each village, field investigation was carried out at two stages. In the first stage, the entire village was the unit of study. The purpose of this stage of field study was to assess the overall impact of the city on the village economy and to collect the preliminary information about the village (i.e. general economic activities, socio-economic infrastructure, demographic factors, factor prices etc.). In this stage, data were collected by interviewing Village Headmen and other informed individuals in the villages.

In the second level of the field study, the investigation was carried out on a sample of household in each selected village to analyse the impact of the city among different types of households.

Approximately seven percent of the households from each village were selected at random for the sample survey. Data were collected from each sample household by using a schedule of question.

#### 1.4.3 PROCESSING AND ANALYSIS OF DATA :

Data collected in the field study were processed through classifications and tabulations. The analysis of the data was carried out using simple statistical tools like ratios, percentages, averages etc.

Data collected from the different locations were compared to analyse the impact of the city on the villages at different distances.

#### 1.5. ORGANISATION OF THE REPORT :

The present report is comprised of four chapters. This introductory chapter is followed by one which presents the general background of the field study location and the broad profiles of the samples from the three villages. The presentation and analysis of the findings of the field study is reported in the third chapter. Finally, the fourth chapter presents the conclusion and policy suggestion emerging from the study.

### 2.1. LOCATION OF THE HAJO CIRCLE:

The Hajo circle is situated in the northern end of Guwahati subdivision. It is about twenty Kms. away from Adabari bus terminus. The Guwahati-Barpeta main road passes through this locality. Therefore the bus service is quite frequent between Guwahati and Hajo throughout the day. The Hajo area mostly consists of plain land except for some small hills which are mostly covered with forests. The plain area is comprised mainly of agricultural land, beels (swamps) etc. The river Baralia, which is a tributary of the Brahmaputra, flows through this locality.

The three villages selected for field study are Abhaypur, Satdala and Manahkuchi-1. The general profile of the villages is presented in the next sections.

### 2.2. GENERAL PROFILE OF THE SELECTED VILLAGES:

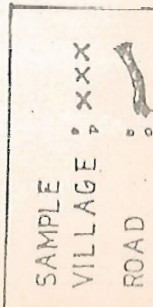
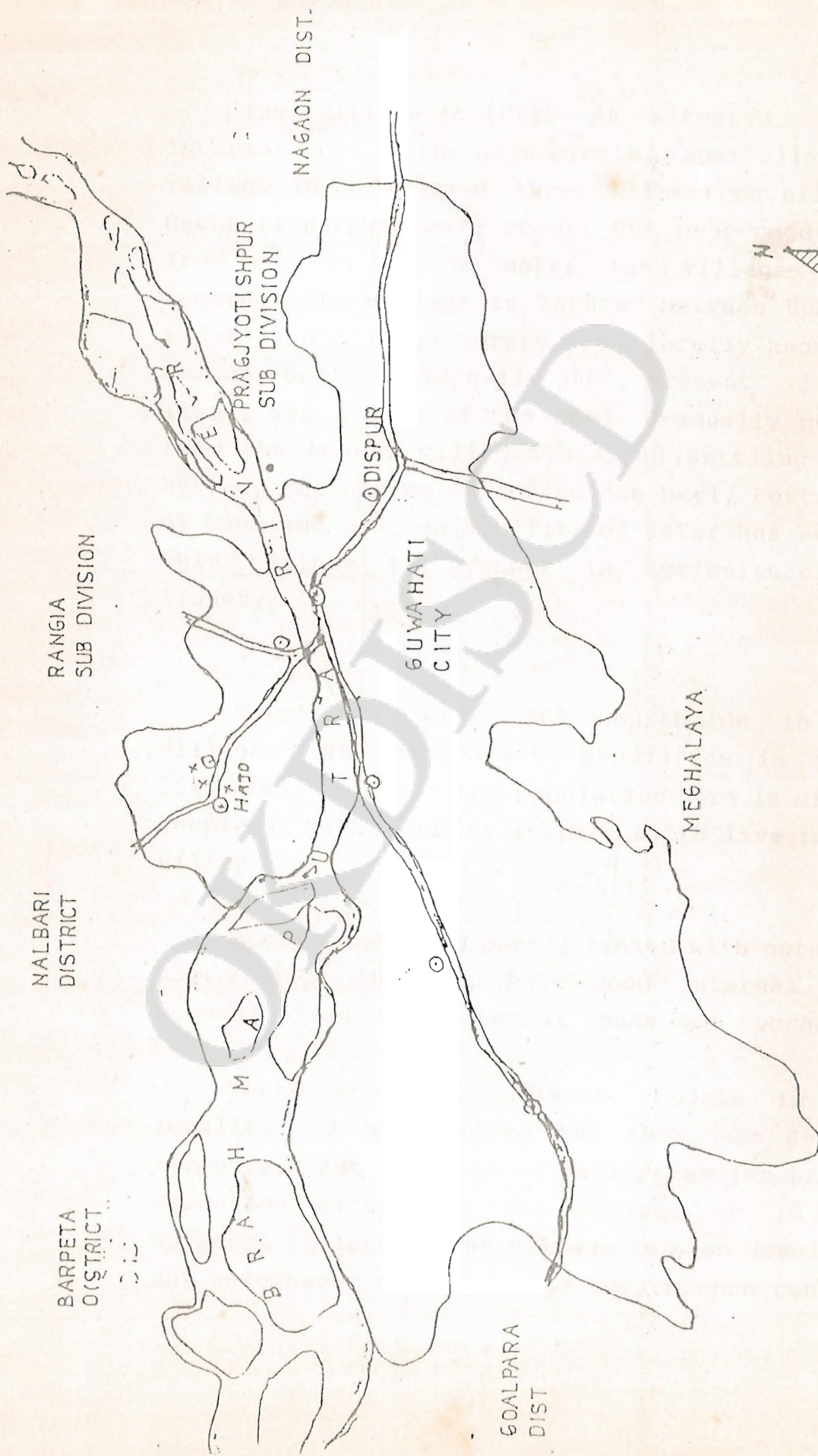
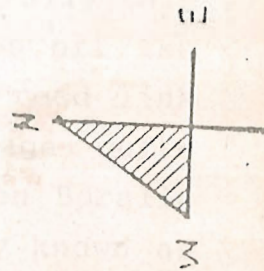
#### 2.2.1. ABHAYPUR:

The village Abhaypur is situated on the Guwahati-Hajo main road. The inhabitants of the village live on both sides of the main road. There are about 340 households and the approximate population is about 2720. The population is predominantly Hindu by religion.

Though the village is situated right on the Guwahati-Barpeta main road, the internal roads in the village are not in good conditions. All these internal roads are *Kuccha* and get muddy in the rainy season. Compared to the other two village Abhoypur has better facilities for education and health care. There are two primary schools, one M.E. school, one higher secondary school and one college in this village. The village is served by a government primary health centre.

The main occupations of the villagers are agriculture, small business, government service etc. Rice and vegetables are the principal agricultural products of the village.

The price of the agricultural land in this village is about Rupees fifteen thousand per bigha (approximately 0.14 hectares). The price of residential land is between Rupees fifty thousand to one lakh per bigha.



### 2.2.2. SATDALA:

The village Satdala is situated in an interior area of the Hajo circle. Spatially this village is only about three kilometres off the Guwahati-Barpeta main road. But poor road link from the main road makes the village quite remote. The village is located between Boralia river and a large marshy area locally known as Garjan Beel. Originally the present village itself was a part of the beel. Gradually people from the nearby villages started settling down here by reclaiming land from the beel. Fertility of the land and availability of water has helped this village to prosper in agriculture and fishery.

There are about 200 households in the village. The approximate population is about 1600. Religion-wise the population here is mixed. People of both Hindu or Islamic faith live in the village.

Apart from being poorly linked with outside, the village does not have good internal road communication. All internal roads are *Kuccha*.

There are four primary schools in the locality. A high school has also been set up recently. But there is no facilities for higher education either in the village or in the adjacent villages. The village is also devoid of any government dispensary or health care centre.

Agriculture, animal-husbandry and fish farming are the main economic activities of the village. The principal farm products are rice, flowers, fish and milk.

The price of agricultural land in this village is between Rupees five to ten thousand per *bigha*. The price of residential land is between Rupees twenty to thirty thousand per *bigha*.

### 2.2.3 MANAHKUCHI-1

The village Manahkuchi-1 is linked to the Guwahati-Barpeta main road by Sesa-Rangia road. Thus, although the village is not on the main road, it is more easily accessible than Satdala.

There are about 265 households and the approximate population is about 1855. People belong to two different religions - Hindu and Muslim.

As for educational facilities, there are two primary schools, one high school and one higher secondary school. Although a primary health centre is located in the village it is not properly equipped. On the other hand there is a water supply system in the village which is functioning quite well.

The main economic activities of the villagers are agriculture, small business, government service etc. The principal farm products are rice, fish, flowers, flower seedlings.

The price of agricultural land is between Rupees five to seven thousands per bigha. For residential land, it is between Rupees thirty to forty thousands per bigha.

### 2.3. THE PROFILE OF THE SAMPLE

A few general facts about the sample are presented in table 2.3.1.

Table -2.3.1

*Table presenting the broad profile of the sample.*

| Village       | No.of sample households | Average family size of sample households | Average land holdings of sample households (Hectares) |
|---------------|-------------------------|------------------------------------------|-------------------------------------------------------|
| ABHAYPUR      | 23                      | 8.34                                     | 1.77                                                  |
| SATDALA       | 17                      | 8.58                                     | 2.06                                                  |
| MANAH-KUCHI-1 | 18                      | 7.80                                     | 1.14                                                  |
| OVERALL       | 58                      | 8.24                                     | 1.65                                                  |

It is clear from the above table that the average family size in the three villages is more or less same. One important fact which becomes clear from the table is that in Manahkuchi-1 village households on the average have smaller land holdings than in the other two location of our field study.

Further details about the sample will be presented in chapter - 3.

3.1. As the title suggest, this chapter is devoted to analysis of the impact of Guwahati city on the economy of the peripheral rural areas on the basis of the findings of our field study. However to set the backdrop for analysis of the field study data, first a discussion on the probable favourable and unfavourable effects of the urban centre is presented in the following two sections.

3.2. PROBABLE FAVOURABLE EFFECTS OF AN URBAN  
CENTRE ON PERIPHERAL RURAL AREAS:

The probable favourable effects of an urban centre like the Guwahati city on its neighbouring rural areas are as follows.

- I. An urban centre provides a ready market for various farm products. This is particularly beneficial for producers of perishable commodities like vegetables, fish, milk etc. The farmers of such products can get better price due to their proximity to the ready markets in the nearby urban centre. In the process farm income also become higher than in more far-flung areas.
- II. An urban centre also provides employment opportunities to the people in the neighbouring villages in various

activities. Though in a city like Guwahati employment generation in the organized sector may not be expanding very fast, the informal sector provides opportunities for earning a livelihood from numerous different activities.

This favourably effects the working class. On one hand, urban employment opportunities reduce unemployment in the neighbouring villages. On the other hand, the reduced supply pressure in the local labour market tends to increase the wage level in the villages. Both these effects tend to increase income of the working class, which mainly comprise the bottom end of income distribution in any society.

III. The proximity to an urban centre also raises economic importance of such properties as land and buildings in the villages. Thus the owners of such properties in the neighbouring villages gain from the increases in both market value of their property and rent on their land and buildings.

### 3.3. PROBABLE UNFAVOURABLE EFFECTS OF AN URBAN CENTRE ON PERIPHERIAL RURAL AREAS :

The proximity to an urban centre may also have a few unfavourable effects on the economy of the neighbouring villages.

I. As discussed in chapter-one, it is usually the more talented and dynamic elements who first migrates from the villages to the urban centre. This may lead to denudation of the village of talents and enterprise. Such an effect is most likely to damage the future prospect of the village economy.

II. As discussed in section-3.2, the employment opportunities and increasing wages due to nearness to urban centre boost the income of the working class in the neighbouring village. However as far as production activities in the village is concerned, this might have some adverse consequences. The higher wages with definitely increase in the cost of production of those goods which are produced using hired labour.

However this effects may be neutralised to some extent if the producer is a net seller of these products . Because such producers are also benefitted by better marketing opportunities and prices for their products due to nearness to the city.

#### 3.4. FAVOURABLE IMPACT OF GUWAHATI CITY ON THE ECONOMY OF THE SAMPLE VILLAGES :

In this section, the finding of the field study are analysed to see whether the favourable

effects of the urban centre, which were discussed in the section 3.2., are present in the three selected villages.

- I. As mentioned in the section 3.2 one possible favourable effect of an urban centre on the agricultural economies of nearby villages is the receipt of remunerative prices by farmers. This effect is particularly significant for producer of perishable goods, as lack of marketing facilities for such goods results in sharp fluctuation of their prices. In Table - 3.4.1, a comparison of prices of the main perishable farm products in the sample villages and in Guwahati is presented.

TABLE - 3.4.1

Differences in the prices of perishable farm products at the selling points in the villages and buying points in Guwahati.

| PERISHABLE<br>FARM PRODUCTS          | EXTENT OF PRICE DIFFERENCE |                     |                |
|--------------------------------------|----------------------------|---------------------|----------------|
|                                      | FOR<br>ABHAYPUR            | FOR<br>MANAHKUCHI-1 | FOR<br>SATDALA |
| Fish (Per Kg.)                       | -25% to -16.6%             | -25% to -16.6%      | -25% to -16.6% |
| Egg<br>(Per 100 Pc.)                 | -11.11%                    | -11.11%             | - 24.44%       |
| Flower<br>(Per 1000 Pc.)             |                            |                     | - 50%          |
| Flower<br>seedling<br>(Per 1000 Pc.) |                            | -66.6% to -50%      |                |

In case of fish, the price differences between the selling points in the villages and the buying point in the city, range between -16.6% to -25% depending on the variety. There is however no difference in the prices between the three villages.

In case of eggs, farmers in the village Satdala receive a comparatively lower price than in the other two villages.

In case of flowers, the price differences is rather high, that is, about -50%. It is important to note that flower farming is found only in Satdala among the three villages included in the study.

From the above analysis it becomes clear that further off a village from the city centre, the lower tend to be the prices received on the marketed farm products. In other word, proximity to a city favourably effects the farmers in selling their products, particularly the perishable ones.

II. The extent of adult population of the three villages employed in the city is shown in the Table 3.4.2.

TABLE 3.4.2.

*Extent of employment in the city of the village adult population.*

| VILLAGES     | ADULT POPULATION |        |       | No. OF ADULT<br>MALES<br>EMPLOYED IN THE<br>CITY | PERCENT<br>OF ADULT<br>MALE<br>EMPLOYED<br>IN THE<br>CITY |
|--------------|------------------|--------|-------|--------------------------------------------------|-----------------------------------------------------------|
|              | MALE             | FEMALE | TOTAL |                                                  |                                                           |
| Abhaypur     | 65               | 42     | 107   | 25                                               | 38.4                                                      |
| Manahkuchi-1 | 35               | 29     | 64    | 4                                                | 11.4                                                      |
| Satdala      | 39               | 30     | 69    | 7                                                | 17.9                                                      |

*Note : None from the adult female population was found to be employed outside the village.*

It is clear that the village Abhaypur, which is relatively closer to the city, is significantly benefitted by the employment opportunities provided by the city. In the other two villages the percentage of work force employed in the city is much lower. It is however, worth mentioning that only adult males, have been able to take advantage of the employment opportunities provided by the city. None of the adult females in any of the villages was found to be employed in the city.

Nonetheless, the above findings supports the fact that closeness to the city helps the village economy through provision of employment opportunities.

III. To see whether the working class in the village is benefitted from the spread effect of

the urban centre, the daily wage rates of unskilled manual labour in the three villages have compared with that in Guwahati city at the time of our field study. (Ref. Table 3.4.3.)

TABLE 3.4.3

*Daily wage rates for unskilled manual labour.*

| <i>LOCATIONS</i>    | <i>WAGE RATE</i>       |
|---------------------|------------------------|
| <i>GUWAHATI</i>     | Rs. 40/-without meal   |
| <i>ABHAYPUR</i>     | Rs. 30/- with one meal |
| <i>MANAHKUCHI-1</i> | Rs. 30/- with one meal |
| <i>SATDALA</i>      | Rs. 25/- with one meal |

It is clear from Table - 3.4.3. that there is no real difference between the wage rates in Guwahati, Abhaypur and Manahkuchi-1. However, in Satdala the wage rate is somewhat lower. This indicates that in villages which are nearer to the city, unskilled labours are economically benefitted from comparatively higher wages.

IV. As expected the property owning class in neighbouring villages seems to be benefitted by appreciation of value of their property.

TABLE 3.4.4.

Average price of land per bigha<sup>1</sup> in the sample villages.

| LAND              | ABHAYPUR                  | MANAHKUCHI-1             | SATDALA                  |
|-------------------|---------------------------|--------------------------|--------------------------|
| Agricultural land | Rs. 5000/- to 15,000/-    | Rs. 5000/- to 15,000/-   | Rs. 5000/- to 10,000/-   |
| Residential land  | Rs. 50,000/- to 100,000/- | Rs. 30,000/- to 40,000/- | Rs. 20,000/- to 30,000/- |

<sup>1</sup>Note : 1 (One) Bigha  $\equiv$  0.14 hectares.

Table 3.4.4. for instance shows that the price of land is highest in Abhaypur which is closest to Guwahati and lowest in Satdala which is farthest from Guwahati.

### 3.5. UNFAVOURABLE ECONOMIC IMPACT OF GUWAHATI CITY ON THE SAMPLE VILLAGES :

I. Examination of migration patterns in sample households reveals that the highest amount of migration has taken place from the village Abhaypur which is closest to the city. On the other hand, migration from Satdala, which is the most interior of three villages, is totally absent.

TABLE 3.5.1.

*Average number of migrated family member per sample household.*

| VILLAGES     | AVERAGE NUMBER OF<br>MIGRATED FAMILY MEMBERS PER<br>SAMPLE HOUSEHOLDS |
|--------------|-----------------------------------------------------------------------|
| ABHAYPUR     | 0.73                                                                  |
| MANAHKUCHI-1 | 0.11                                                                  |
| SATDALA      | 0                                                                     |

Further examination of the migration pattern shows that the migrated members are generally well educated either in general or technical line.

It is of course natural that such people should migrate into towns and cities as the village economy provides few employment opportunities for them. Nonetheless, the fact remains that migration into urban centre denudes the nearby villages of their more talented people.

II. Our study also tend to show that the employment opportunities in the urban centre for people in the neighbouring villages adversely affects traditional economic activity like agriculture in the villages.

TABLE 3.5.2.

*Cropping intensity' of sample farmers in the villages.*

| VILLAGES     | CROPPING INTENSITY<br>(in percentage) |
|--------------|---------------------------------------|
| ABHAYPUR     | 112.13                                |
| MANAHKUCHI-1 | 112.60                                |
| SATDALA      | 130.39                                |

*Cropping intensity is the ratio of gross cropped area to net sown area, expressed in percentage. It is a measure of extent of intensive cultivation of the land. It increases from 100 (one hundred) with increase in area put to multiple cropping.*

The Table 3.5.2. shows that the cropping intensity is lowest in Abhaypur and highest in Satdala. In other words in the village, which is closer to the city, agricultural activity is less intensive. Accordingly, such villages are less self sufficient in the production of foodgrains.

TABLE 3.5.3.

*Percentage of net buyers of foodgrains of sample households.*

| VILLAGES     | PERCENTAGE OF NET<br>BUYERS OF FOODGRAINS OF<br>SAMPLE HOUSEHOLDS |
|--------------|-------------------------------------------------------------------|
| ABHAYPUR     | 73.9%                                                             |
| MANAHKUCHI-1 | 66.6%                                                             |
| SATDALA      | 47.05%                                                            |

As shown in Table 3.5.3 the percentage of households which are net buyers of foodgrains is highest in Abhaypur and lowest in Satdala.

## 4.1. CONCLUSION :

Our study reveals that Guwahati city has definite impacts on the economy of the neighbouring villages. The villages which are closer to the city are most benefitted by the employment opportunities provided by the city. Consequent increase in the village wage rate is also beneficial for the workers who stay back in the village.

The more interior villages, like Satdala in our study, are somewhat disadvantaged in taking employment opportunities provided by the urban centre. However, the economic activities even in those areas are also affected by the impact of the city. Although we did not find many people from Satdala going out to the city for employment there, almost all sample households were found producing commodities like fish, eggs and flowers which are meant for the market in the city.

Study also shows the presence of other favourable effects of the city on the economy of the selected villages. For instance, the farmers there receive prices for their products which are within reasonable limits of the prices in the city markets. The owners of land, buildings are favourably effected along expected lines. These benefits however are larger for households in villages which are closer to the city. In more remote areas the beneficial effects tend to be somewhat smaller.

By symmetry, the adverse economic impacts of the city also tend to be more severe in closer villages and much weaker on remote villages. This is reflected in the least intensive agriculture, the least self sufficiency in foodgrain production and highest rate of migration of educated people in case of Abhaypur among the three villages included in our field study.

In the absence of exact measurement of the magnitude of the different favourable and unfavourable effects of Guwahati city on the economy of the three villages included in our study, it is difficult to assert whether on the net the impact is beneficial or detrimental. But one can safely conclude that closer the village to the city, larger is the impact on its economy.

#### 4.2. POLICY SUGGESTION :

The planners for economic development of the villages near a city <sup>can</sup> adopt policy measures which would moderate the adverse impact and create conditions for wider diffusion of the beneficial effects. For instance, better linking of the remote villages to the highways will help these villages to reap more benefit through economic linkage with the city. Similarly, where agriculture is adversely effected by labour shortage and consequent enhancement of rural wage rates encouragement of mechanisation may help revitalise agriculture.

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