

## CHAPTER IX

### ECONOMIC TRENDS

#### LIVELIHOOD PATTERN

From time immemorial, the majority of the people were dependent on agriculture or subsidiary profession of animal husbandry for their livelihood. The land was fertile and was under canal irrigation. The artisans like carpenters, potters, blacksmiths, weavers, dyers and tailors existed almost in all villages. Trade and small industries were limited to towns, while small traders also went to the villages.

Taking all these elements of the rural population together, more than two-third of the population was dependent on agriculture and the economy of the district was centred in the rural areas where it revolved round the agriculturist. The economy of the villages was largely governed by the conditions in which barter system was in vogue. The village carpenters, blacksmiths, potters, weavers and other artisans received remuneration in the form of a share of the harvested grains. Money, as a medium of exchange was not very current ; being used only for the purchase of elementary consumer goods brought from the towns.

Jewellery was the only form of capital of the rural people in those days. The limited monetary requirements were easily met by selling surplus foodgrains in a nearby market. Village shopkeepers who supplied the necessities of life, were mainly paid in kind. Cattle for which the district was known all over the country, also stood the people in good stead in times of need, as they could be sold without difficulty in many cattle fairs. In the case of more well-to-do landowners also, the insecurity of the times strongly discouraged the possession of capital in a fluid form. For various reasons land deals were limited in number, and sales resulting from excessive fragmentation of families and indebtedness of farmers were sponsored by somewhat more affluent land owners for status rather than prospect of gain. Large scale mechanised industries were not in existence.

The livelihood pattern in the area did not undergo much change during the early years of the century. Though the First world War attracted a large number of recruits, agriculture remained the primary occupation of the district and involved more than two-third of the population. This proportion, becoming numerically greater with the increase in population, exerted more pressure on the land.

After Independence, things began to change gradually and industrial activity began to pick up. Some large industries came up at Sonipat and more job opportunities opened up in business, trade, education and construction activity. With the construction of roads and improvement in means of communication, the economy changed visibly.

The economy of the district is primarily agricultural. At the time of 1981 Census, 59.40 per cent of the total main workers were cultivators and agricultural labourers. There were 162 registered working factories in the district during the year 1989 and the estimated number of workers employed in them was 12,281. In the district, Sonipat town is throbbing with industrial activity. It has a sound industrial base with a wide product diversification. The large and medium scale units are engaged in manufacturing bicycles, cycle parts, mopeds, auto-components, handtools, electrical accessories, steel tubes, steel billets, chemicals, dehydrated vegetables, vanaspati ghee, soft drinks, beverages, sheet glass, sugar and beer, etc. Atlas Cycle Industries Limited set up in 1951 produces bicycles and is one of the leading exporters. Milton Cycle Industries Limited manufactures bicycle components, Gedore Tools (India) Limited, known the world over for quality products, produces hand tools. Bharat Steel Tubes Limited at Ganaur produces steel tubes and pipes. Sonipat Co-operative Sugar Mill is engaged in the production of sugar. Haryana Breweries Limited, Electric Construction and Equipment Company Limited, Hindustan Everest Tools Limited, Rubber Reclaim Company of India (Pvt.) Limited, Mace (Pvt.) Limited and Haryana Agro Food Processing Plant are some of the other large scale units at and near to Sonipat. There are many small scale units also in Sonipat district producing a large variety of products which include rubber, plastic and chemical products, paints, varnishes, drugs and pharmaceuticals, dyes, PVC shoes, weighing scales, machine tools, agricultural implements, hydraulic presses and other light engineering products, leather, food products, textiles, bullet proof helmets, etc. Gohana town is known for producing niwar. After opening of the above industrial Units, there is a great change in the livelihood pattern.

Of the total population of 8,38,645, there were 2,36,581 (2,05,970 males and 3,61,111 females) main workers as per Census of 1981. The non-working population stood at 2,34,978 males and 3,12,622 females. Except the main workers, there were 32,664 marginal workers comprising 7,692 males and 24,972 females in the district. The ratio of main workers to non-workers was 29:71. The tahsilwise details of main workers, marginal workers and non-workers are given in table below :—

Tahsil	Main Workers			Marginal Workers			Non-Workers		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Sonipat	1,10,846	8,809	1,19,655	2,362	6,401	8,763	1,28,343	1,81,758	3,10,101
Gohana	64,017	17,992	82,009	4,712	15,953	20,665	72,681	80,724	1,53,405
Ganaur	31,107	3,810	34,917	618	2,618	3,236	33,954	50,140	84,094
	2,05,970	30,611	2,36,581	7,692	24,972	32,664	2,34,978	3,12,622	5,47,600

On the basis of economic activities pursued, the main working population was classified into five categories as per 1981 Census. The detailed classification is given in the following table :

Category	No. of Workers			Percentage to total no. of workers
	Male	Female	Total	
(1) Cultivators	83,424	16,991	1,00,415	42.41
(2) Agricultural Labourers	32,745	7,440	40,185	16.97
(3) Household Industry	7,453	577	8,030	3.39
(4) Other workers	82,548	5,603	88,151	37.23

The analysis of the table shows that 59.38 per cent of the total working population (cultivators 42.41 per cent and agricultural labourers 16.97 per cent) were engaged in agricultural pursuits, while 3.39 per cent were in household industry and 37.23 per cent in other services. It may be particularly noted that the district had a large number of army and civil personnel.

#### PRICES, WAGES AND STANDARD OF LIVING

The outbreak of war in 1914 caused a sudden rise in prices owing to imports being in short supply and the production being adversely affected by poor monsoon and bad harvests of 1915-16. In 1917 commenced a period of distress and hardship in which prices rose too rapidly to allow the economic system to adjust itself. The strain on the railways resulting from the war caused dislocation of communications and the goods from an area of plenty could not be transported to areas of scarcity. The disastrous harvest of 1918 was closely followed by an unparalleled loss of life caused by the epidemic of influenza in the later part of 1918. These hardships brought matters to a climax and even good harvests in 1920 proved insufficient to stay the upward trend of prices.

Up to about 1907, the purchasing power of the wages had risen steadily. During the following decade, particularly during the First World War years, there was an increase in wages of skilled labour to the extent of 62 per cent as compared to 37 per cent rise in wheat prices. The wages of unskilled

labour increased (14 per cent). The non-working landlords who got high prices for their yields benefitted more than the industrialists who paid enhanced wages to their skilled labour. The unskilled labourers in non-agricultural avocations whose wages did not rise proportionately were hit hard ; those engaged in agricultural operations fared better owing to the custom of payment in kind.

After the twenties, the wages increased to Rs. 1½ per day for skilled labour in 1922 (200 per cent over 1909 level). This rise in wages was commensurate with the rise in prices, so the skilled labourers were not ill off. The position of unskilled labour was not as satisfactory as their wages rose to Re. ½ per day (129 per cent over 1909 level). After 1927-28 there was a general trade depression in which prices fell and wages gradually followed suit but this fall was not of the same magnitude as before so the labourers were comparatively better-off during this decade.

The general depression of the thirties brought a slump in the market accompanied by un-employment. The resulting downward trend in the prices of agricultural produce created misery for the farmer.

The World War II broke out in September, 1939. It created scarcity conditions in the district. The misery of the agricultural classes was aggravated because of the damage to the crops caused by natural calamities such as rust, gram blight and hailstorm. They got famine stricken. In 1941 with the entry of Japan in the war, the scene of hostilities shifted near India which in turn imparted a fillip to speculation in food grain prices. The Bengal Famine of 1943 and the general transport difficulties all over the country accelerated the upward movement of the price level. There was a slight recession of prices during the following two years due to tightening up of controls and rationing measures. However the general scarcity of food grains and the inflationary factors made the price level to rise enormously. The prices of consumer goods also rose. The trend of prices of food articles was almost similar to that of food grains but the price index of cloth articles registered a greater rise than that of food articles. During the war years there was a fall in domestic expenditure but it was not due to any pressure of high prices but because of general scarcity conditions of consumer goods.

After the Partition, the economy of the area was put out of gear ; prices rose manifold due to abolition of control and rationing in 1948. Price control had to be reintroduced in 1949. The imposition, removal and reimposition of control over the prices of food grains and consumer goods during the short period of 5 years between 1944 and 1949 reflected uncertain conditions.

In 1950-51, prices rose and the wage increase tended to equalise although the wage increase in the case of unskilled labour was much higher

(10 times as compared to 3 times increase in the case of skilled labour and the wheat prices). Table XIV of Appendix throws valuable light on the relative increase in wages and prices since the beginning of the twentieth century.

As a result of the First Five Year Plan, agricultural production increased considerably and prices of foodgrains fell in 1953-54. The price control was lifted on foodgrains, but the upward trend in prices started immediately thereafter. Harvest failure and various inflationary factors gave rise to prices during the Second Five-Year Plan. During the Third Five-Year Plan, the prices of wheat, barley, rice, bajra, maize, gur, tobacco etc. increased almost hundred per cent. Again during the Fourth Five-Year Plan, the whole sale prices registered an unprecedented upward trend. In Sonipat district, the price of wheat was Rs. 43, Rs. 120 and Rs. 200 per quintal in 1960, 1966 and 1974, respectively. Similar upward trend in the price of gram has also been observed during the last 15 years.

The average wholesale prices in certain selected mandis of the district are discussed below to bring out clearly the fluctuation in prices of some commodities :

**Sonipat.**—The market at Sonipat, being situated on a railway line and near to Delhi, is a big marketing centre. The following table shows the average wholesale prices of various agricultural commodities in this mandi during 1978-79 to 1982-83 and 1988-89 :

(Rs. per quintal)

Name of Commodity	1978-79	1979-80	1980-81	1981-82	1982-83	1988-89
Wheat	125.25	133.41	142.83	155.91	181.00	241.00
Gram	198.58	207.58	350.08	315.92	259.16	684.00
Barley	79.80	105.11	126.80	107.27	124.00	205.00
Bajra	75.82	101.89	123.00	137.00	134.44	152.00
Gur	93.33	215.41	348.41	230.25	199.75	358.00
Cotton Desi	266.00	279.33	301.40	431.16	360.40	673.00
Sarson	322.58	369.58	450.41	411.58	403.41	588.00

The retail prices of foodgrains prevailing at Sonipat from 1978-79 to 1982-83 and 1988-89 are shown in the following table :—

Commodity	(Rs. per Kilogram)					
	1978-79	1979-80	1980-81	1981-82	1982-83	1988-89
Wheat	1.40	1.42	1.59	1.62	1.82	2.47
Gram	2.15	4.50	3.80	3.10	3.05	7.29
Barley	1.02	1.02	1.18	1.30	1.35	2.58
Bajra	1.05	1.21	1.46	1.49	1.58	1.61
Rice (Begmi)	2.00	2.00	2.50	2.50	2.50	4.00
Gur	2.06	1.92	3.86	3.21	2.55	4.04
Milk	2.56	2.71	2.84	3.45	3.60	6.00
Ghee (Veg.)	9.75	12.50	13.50	14.50	15.25	24.00
Mustard Oil	9.81	10.38	13.49	13.58	13.90	22.17
Kerosene (per litre)	1.38	1.60	1.64	1.81	1.94	2.52

It is observed that the average retail prices like wholesale prices did not rise much except for Gram, from Rs. 2.15 per kilogram in 1978-79 to Rs. 4.50 per kilogram in 1979-80, Gur from Rs. 1.92 per kilogram in 1979-80 to Rs. 3.86 per kilogram in 1980-81, mustard Oil from Rs. 10.38 per kilogram in 1979-80 to Rs. 13.49 per kilogram in 1980-81 and vegetable ghee from Rs. 9.75 per kilogram in 1978-79 to Rs. 12.50 per kilogram in 1979-80. There have been much fluctuations in the prices of ghee and mustard oil upto 1988-89 in all the mandis of the district.

The relative prices of commodities in other important mandis of the district are shown below :—

#### Gohana Mandi

Commodities	(Rs. per quintal)					
	1978-79	1979-80	1980-81	1981-82	1982-83	1988-89
Wheat	121.33	125.25	135.08	153.41	170.83	225.00
Gram	193.50	212.00	347.08	307.76	247.58	581.00
Barley	79.90	102.00	112.20	107.76	118.80	172.00
Bajra	82.40	107.09	117.55	129.60	131.22	143.00
Gur	85.42	221.25	335.25	225.65	193.16	351.00
Cotton Desi	278.14	271.00	312.33	451.66	355.22	583.00
Sarson	295.76	367.25	449.50	420.08	397.33	596.00

## Ganaur Mandi

(Rs. per quintal)

Commodity	1978-79	1979-80	1980-81	1981-82	1982-83	1988-89
Wheat	123.25	124.25	137.50	153.25	175.91	224.00
Gram	196.00	214.10	342.55	309.18	248.33	561.00
Barley	100.16	115.20	118.85	108.00	117.00	161.00
Bajra	72.55	100.62	114.83	130.87	129.42	145.00
Gur	93.50	211.66	322.27	210.58	199.75	346.00
Cotton Desi	275.00	260.66	290.28	418.85	412.40	605.00
Sarson	303.42	367.33	461.00	412.00	407.41	612.00

In three *mandis* of the district, viz. Sonipat, Gohana and Ganaur, there was a steep rise in average wholesale prices of various agricultural commodities in 1979-80 and 1988-89.

Sonipat is the only industrial town in the district where consumer price index of working class was prepared. Consumer price index of working class for food and general articles from 1983-84 to 1988-89 is shown below for Sonipat town :—

(Base 1972-73=100)

Year	Food	General
1983-84	227	229
1984-85	239	242
1985-86	251	259
1986-87	227	281
1987-88	301	301
1988-89	337	332

The above table indicates that the price level of food articles and general articles during 1983-84 to 1988-89 was more or less the same and continued to increase steadily.

**Wages.**—In olden times when means of communications were not properly developed and movement either of commodities or wage earners was restricted. Production of foodgrains and other commodities used to have substantial effect on the rates of wages in a particular region. With the development of roads and means of communications, the conditions changed after Independence throughout the country as a whole.

Wages paid to workers are classified into three broad categories, i.e. monthly wages, wages paid to the casual workers and daily wages. Wages may vary from person to person and for different type of work for the same person. It is difficult to give precisely the wages prevailing in past in the district. In 1978-79, the wage rate for a whole time worker ranged from Rs. 165 per month to Rs. 250 per month, for a part time worker from Rs. 95 to Rs. 150 per month and for a daily worker from Rs. 10 per day to Rs. 15 per day, depending upon type of work. Rates for some of the major agricultural operations are given below :—

(For men only)

Year	Ploughing	Sowing	Weeding	Harvesting	Other Agricultural operations
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1984-85	19.50	19.50	19.50	50% of total wheat according to work	16.33
1985-86	19.50	19.50	19.50		17.50
1986-87	23.37	23.37	23.37		18.83
1987-88	26.00	26.00	26.00		23.66
1988-89	29.33	29.33	29.33		24.00



The wages for the skilled workers such as blacksmiths, carpenters, cobblers and other agricultural labourers are detailed below —

Year/Month	Blacksmith	Carpenter	Agriculture labourer	Other Agricultural Operations
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
April, 1988	According to work	According to work	26.00	24.00
May, 1988	Do	Do	26.00	24.00
June, 1988	Do	Do	26.00	24.00
July, 1988	Do	Do	26.00	24.00
August, 1988	Do	Do	31.00	24.00
Sept., 1988	Do	Do	31.00	24.00
Oct., 1988	Do	Do	31.00	24.00
Nov., 1988	Do	Do	31.00	24.00
Dec., 1988	Do	Do	31.00	24.00
Jan., 1989	Do	Do	31.00	24.00
Feb., 1989	Do	Do	31.00	24.00
March, 1989	Do	Do	31.00	24.00

As already discussed, the method of payment in rural areas varies from occupation to occupation and sometimes from village to village. Occupations such as carpentry, blacksmithy are paid for at piece rates. These are subsidiary agricultural professions and are ultimately linked with agriculture. Though industrial units of the district have attracted many workers yet due to conservative nature of village-folk, many workers stick to the traditional professions. Till today competitive factors have not entered in these professions and the wages in kind are not strictly according to services rendered by the agricultural labourers but are largely governed by convention. The carpenter who is responsible for mending wood work of all agricultural implements and also domestic articles like *Charkha* and bed-steads is paid in kind at the time of harvest. The

blacksmith who is also responsible for repairs of all iron agricultural implements, is also paid in the same form. Traditional duties of supplying shoes, clothes and earthenwares are now no more attended by to *chamars dhannks* and *kumhars*. They have shifted to casual labour and also resort to seasonal employment in various agricultural operations. Other classes with insufficient land also do casual labour in agricultural operations. Since this is not a permanent employment and is of seasonal nature; more than one occupation is followed by the same person or class of persons. Thus weeding, reaping, ploughing and watering the fields are done by the same labourer. The method and period of payment and normal working hours are not fixed. In addition to the cash payments, daily meals in the form of whey, *Chappatis* and tea are also provided to the casual labourers doing weeding, reaping and ploughing. The normal working hours are from sun-rise to sun-set with a break of an hour in the noon. Tea is also supplied in the evening. The big farmers (*Zamindars*) employ regular labourers who work with them throughout the year. Such labourers are paid in kind and they get a fixed share of the total produce at the time of harvest. Labourers like *pakvava*, *jhoka* and *muthia* and labourers for harvesting of wheat are paid in kind and get a share of the produce. A fixed part of the crop of wheat harvested is given to the labourer as his wages and this system is known as *lai*.

Some barbers who render traditional services and also do shaving are paid in kind as arrived at through mutual agreement, Since *ad hoc* payment in cash and kinds is also made at occasions like marriages and births according to the services rendered by the barbers.

**Standard of living.**—On account of many big industrial units in the district some change in the livelihood pattern is reflected. Both prices and wages on the whole have been rising during the recent years. As usual, the rate at which prices have gone up has over run the rate at which wages have increased. In other words, the relative position of prices and wages has not remained constant and there has been a greater rise in prices than in wages. The effect of these fluctuations is obvious. The value of money has been constantly on the decline, adversely affecting the cost of living of the people and in turn their standard of living.

The general standard of living of the middle class of the society is very much higher. Even the common man is maintaining a standard of dress and house, because he finds many opportunities to get employment in Delhi which is very near to the district.

**Employment Exchange.**—A sub-office of the employment exchange was opened at Sonipat in 1948. Later it was upgraded as District Employment Exchange in 1967. Employment exchange was opened at Gohana in 1974 and rural employment exchanges were opened at Ganaur and Kharkhoda in 1980 and 1982, respectively. The employment exchanges help many people in obtaining a job and at the same time provide the data about unemployed. The following table shows the working of employment exchanges in the district from 1987 to 1989 :—

Year	No. of Vacancies notified	No. of Applicants given job	No. of Applicants on Live Register
1987	1,217	579	25,854
1988	795	185	27,062
1989	335	472	25,980

The table shows that the number of unemployed has been rising. The following table shows the unemployment situation according to educational qualifications from 1981 to 1983 :—

Educational Qualifications	Number of unemployed		
	1987	1988	1989
Post-Graduates .. .. .	148	205	223
Graduates (Arts) ..	895	705	1,202
Graduates (Science) ..	52	46	44
Graduates (Commerce) ..	125	129	124
Matriculates ..	12,787	13,921	12,645
Middle Class Pass ..	3,964	4,089	3,861
Literate and Others ..	25,795	5,871	5,697
Total : ..	23,766	24,966	23,796

The rural Employment Exchange was opened at Rai in 1984.

The occupational classification of unemployed persons registered in the employment exchanges from 1987 to 1989 is as follows:—

Occupational Classification	Number of unemployed		
	1987	1988	1989
(i) Professional, technical and related workers	2,633	2,750	2,784
(ii) Administrative Executive & Managerial Workers	1	1	..
(iii) Sales Workers	3	2	2
(iv) Service Workers	1,461	1,591	1,505
(v) Clerical and related Workers	3,273	2,732	2,826
(vi) Farmers, Fishermen hunters, loggers and related workers	128	99	99
(vii) Production and related workers excluding labourers	2,608	2,590	2,529
(viii) Labourers	88	71	67
(ix) Persons without professional or Vocational training or previous work experience	15,659	17,226	16,168
<b>Total :</b>	<b>25,854</b>	<b>27,062</b>	<b>25,980</b>

Employment returns are obtained from establishments in public sector and private sector (employing more than ten persons) as part of collection of employment market information. This provides the information on employment situation in the establishment as well as the vacancies left unfilled. These returns are filed every 3 months. In March, 1989, there were 16,390 public sector employees (male 13,758 and female 2,632) and 17,890 private sector employees (male 16,970 female 920) using the employment exchanges.

There is one Vocational Guidance Unit at Sonipat, which was started in 1970. Books and pamphlets on various career opportunities are provided. Group

or individual counselling work is carried on by the Vocational Guidance Counsellor to guide the students and the unemployed to choose a suitable vocation.

**Community Development.**—The community development programme was started in the district in 1955, with a view enlisting popular participation in implementing development programmes in the blocks. It is an integral approach to rural development, based on public participation and working through representative institutions of the people. The district is divided into blocks to carry on the development work in agriculture, health, sanitation, housing, education, arts and crafts and sports. The number of blocks along with other details as on March 31, 1989 is given in the following table:—

Block	Year of opening of block	No. of villages	No. of Panchayats
Sonipat	1956	89	63
Kharkhoda	1957	45	43
Ganaur	1957	67	67
Rai	1953	63	53
Gohana	1955	35	35
Mundlana	1962	34	35
Kathura	1962	20	21

Activities under the community development programme include, helping the farmer reclaim land and providing good quality seeds, implements and fertilizers at subsidized rates. The farmers are encouraged to use dung as fertilizer and set up model farms. They are supplied good breed bulls and artificial insemination centres have been set up to increase milk yield. The farmers are given financial assistance for construction of wells and tubewells.

Health and sanitation activities cover opening of new hospitals, rural health centres, rural dispensaries, child welfare and maternity centres, construction of drains, dry latrines and smokeless *chulahs*, pavement of streets, installation of hand pumps and construction of wells for drinking water.

Educational activities cover opening of new schools, upgrading of old schools, and construction and repairing of school buildings. In adult literacy centres, men and women are encouraged to learn the three R's. Libraries and reading rooms are started and young villagers are encouraged to organise into youth clubs. *Mahila samitis* are organised for the welfare of women folk. Children's parks and *bal-vadis* (nurseries) are started for the benefit of the children. *Panchayat ghars*, *Harijan Chaupals* and Community centres are constructed and radiosets are also supplied for the benefit of the community. People are encouraged to construct roads. Besides, the villagers are also encouraged to organise themselves into cooperative credit societies, industrial societies, farming societies and service societies of various kinds.

Village and small scale industries are encouraged by setting up demonstration-cum-training centres where villagers are trained in various arts and crafts. The block development authorities set up model villages to serve as example for other villages.

Achievements under various programmes of Community Development from 1987-88 to 1989-89 are given in Table XV of Appendix.