
CHAPTER - I

:INTRODUCTION:

Economic development has been the central concern among the developing countries since the end of the Second World War.¹ In spite of their ceaseless efforts at attaining speedy, pervasive and selfsustaining economic growth, the course of development in these countries is neither smooth, nor satisfactory, nor uniform over sectors and regions. The inquest for the reasons for such halting, slow and uneven progress has produced an ever lengthening list of factors beginning with "thoroughly objective, tangible and quantitative phenomena to more and more subjective, intangible and unmeasurable ones."² The long list of factors, starting from natural resources, physical capital, entrepreneurial and managerial abilities, investment in human beings as productive inputs, to the bewildering factors like beliefs, attitudes, customary values, propensities, etc., pose serious questions whether economic development is feasible among the developing countries of the world, and whether the factors underlying economic development can be satisfactorily identified.

However, the economic and non-economic factors, inhibiting economic growth are neither plentiful nor totally absent in a country or a region. The paucity and fragility

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1. Higgins B., Economic Development, Constable and Co., London, 1959, P-1.
 2. Hirschman, A.O. "The Strategy of Economic Development." Yale University Press, New Haven, 1960, P-1.

of natural and other resources, and the dead weight of custom, ignorance and superstition vary in degree from place to place, and "the differences in degree are neither inevitable nor permanently ingrained". "Moreover, these inhibiting factors varying every where in degrees yield before the same forces of change".³ These forces of change will be manifested in the generation of one or a few critical factors which, in turn, get the process of development underway.⁴ Thus, what is more important for the less developed regions is a kind of special attention in providing something more of one or a few factors to initiate the process of development.

Approaching the problem of development in this way does neither imply that factor endowment does have nothing to do, nor mean that there will be no difference in the absolute level of development. However, in this age of rapid technological changes, it is possible to assert that no region is intrinsically so poor, and no people is so averse to growth that given adequate support, they cannot sustain a rate of growth which could enable them to attain a satisfactory level of development.⁵ In short, we can explain economic development in terms of economic categories, such as human resource development, capital formation,

3. Govt. of Gujarat. The Committee for Development of Backward Areas, Draft Report Vol. I, 1984, P-4(unpublished)

4. Hirschman, A.O., Op., Cit., P-2,

5. Govt. of Gujarat, Op., Cit., P-5.

technological progress, etc. The present study, thus, assumes that economic development is a prolonged and intricate process which has to be stimulated by several interacting factors.

Just as between nations, so as between different regions in a nation, economic development varies a great deal. Regional imbalances in economic development have been posing serious problems in the country. In fact, in India, a country of continental size, imbalances within the state assume considerable importance. Government of India had recognised this long ago and several state governments have initiated measures to ensure speedy development of backward regions.

Of the numerous factors underlying economic development, the two which are taken for study here and which have generally received emphasis in policy formulation are (i) the human resource development and (ii) the development of infrastructure facilities. These two are intended to be studied with reference to Orissa-State. Development of human resources and infrastructure facilities are generally taken to be either pre-condition or concurrent condition of economic development.

Concept of Human Resources

In a broad sense, the term, human resource, encompasses the entire population of the country which can be divided into three classes:

- i) the potential human resources that cover the child population expected to join the labour force in future;
- ii) the active human resources capable of undertaking productive work; and
- iii) the redundant human resources which include retired and disabled persons incapable of doing any work, mental or physical, and thus, are dismissed from the world of work.

Generally, the second group is taken into account in defining the term human resource. But defining it in this sense, is rather than measurement of manpower - a head count of that part of population participating in labour force. The numerical abundance of physical labour force does not ensure adequate supply of human resources required for rapid economic growth.⁶ From the point of view of economic development, qualitative aspect of human resource is considered to be more important than its quantitative aspect.⁷ The qualities of human resource like skills, knowledge, resourcefulness, positive response to job opportunities, work motivation, discipline, good health, etc., are the vital elements to make human resource more efficient participants in the field of economic development. In fact, the term, human

6. Advharyu, J.H. "Investment in Human Resources", Indian Economics Association Conference Papers, Bombay, popular Prakashan, 1966, P. 1-2.

7. Narayana, P.L. "Human Resources and Productivity", The Indian Journal of Labour Economics, Vol XXVI, (182) July, '83 P-2

resource, has two aspects: (i) quantitative and
ii) qualitative.

Schultz has given a broader definition of the term, human resource. In defining human resource, he has distinguished them, at first, from the natural, and other resources. Human resources are active agents in the field of economic activities, in the sense that they are not preference free while the others are passive agents, in the sense they are preference free. Therefore, in undertaking economic analysis, he has suggested, a distinction should be made between their preferences including motives, feelings and aspirations and their attributes including health, energy, efficiencies, skills and knowledge which contribute to the possibility of realising their preferences. Thus, he has defined human resources as those attributes of " a people-physical, biological, psychological and cultural that account for both social values determining preferences, and economic values of producer and consumer services that a people renders, whether they come to them as earnings or directly as personal satisfaction."⁸

Human Capital:

In the field of modern economic development with ever changing technologies, the capital component part of the labour force or the developed human resource or human capital

8. Schultz T.W., Human Resources, National Bureau of Economic Research, New York, 1972 . P-9.

is the single most important factor in accelerating the pace of development.⁹ In fact, human resource development is regarded as the precondition for modern economic growth. Human resource development or accumulation of human capital is a process of increasing skills, knowledge and capabilities of all the people in a society.¹⁰ The process involves investment in human beings in the form of formal and nonformal education, post-school training and learning, pre-school learning activities, migration, health and sanitation programmes, etc.¹¹ The assertion of some economists to treat food partly as producers' good in the developing countries, firmly reiterated by Schultz,¹² has significant validity, since a sizable proportion of the population living below poverty line are devoid of minimum calorie consumption required for undertaking normal work. In view of widespread illiteracy, malnutrition and subnormal health standard prevailing among the people of the developing countries, the recent trend of thought is to provide these people with the minimum basic needs¹³ as steps in the direction of human resource development.

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9. Singer, H.W. - International Development, Growth and change Macmillan, London, 1973, P. 123.
 10. Harbison F. and Myres M. Charles, Education, Manpower and Economic Growth. Oxford and IBH, Bombay, 1970, P.2.
 11. Schultz, T.W. "Investment in Human Capital", in M.Blaug(ed) Economics of Education Vol.I, Penguin Book 1970P.4.
 12. Vakil, N.C. and Brahmananda, P.R., Planning for Expanding Economy, Vora and Co., Bombay, 1956, Quoted by Schultz, T.W. "Investment in Human Capital", In: M.Blaug(ed.) Economics of Education, Vol. I, Penguin Books, P.23.
 13. Hicks Norman - Economic Growth and Human Resources, The World Bank Staff Working paper. The World Bank, No.408, July 1980, P.1.

The problems of Human Resources in the Developing Countries:

A developing country, generally, witnesses a twin problem of human resource: (i) the problem of human resource development, and (ii) the problem of human resource utilization. Both these problems are much less glaring in developed countries than in developing ones.

In the developed economies, the proportion of less developed human resource is very small,¹⁴ while in the developing countries there is an over supply of unskilled man power and critical shortage of skilled manpower.¹⁵ Moreover, in the developing countries, the situation is different from unorganised rural sector to organised urban sector. The rural sector is notably featured by the scarcity of developed human resource. The developed human resource, gradually get concentrated in the urban sector due to the expectation of greater job availability and other amenities. The lack of human resource development has been attributed as one of the important factors for the sluggish growth of developing economies, especially of

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13. Hicks Norman - Economic Growth and Human Resources. The World Bank Staff Working paper. The World Bank, No.408, July 1980, P.1
 14. Rao V.L. - "On Human Resource", The Indian Journal of Labour Economics, Vol.26(4) Jan. 1984 P-363
 15. Harbison, F.Ober, Cit., P. 14.

its rural sector, since it leads to low labour efficiency, lack of specialised and entrepreneurial abilities, factor immobility and widespread prevalence of customary values of social institutions, inhibiting economic change.¹⁶

Of all the factors which determine the country's potential for economic development, human resource, more appropriately, developed human resource, appears to be in the final analysis, the most critical agent. Human resource, as strategic agent of economic development, intervenes in the process of production through their organising ability and physical labour.¹⁷

It is observed that more than three fourth of the income of the modern economy is attributable to human agent.¹⁸ Thus, for the critical role it plays in the process of economic development, it has been described as the "ultimate basis of the wealth of nations".¹⁹

The physical abundance of natural and other resources cannot bring about lasting progress of a country as long as

16. Perumal, V.S. "Human Resources, Education and Indian Scene". The Indian Journal of Labour Economics, Vol.26, No. 4. Jan. 1984, P. 350.
17. Whorton Jr. Clifton, R., "Education and Economic Growth: the Role of Education in the early State of Agriculture", in C.A. Anderson and M.J. Bowman(ed.) Education and Economic Development. Frankcess and Co., 1966, P. 202.
18. Schultz, T.W., Human Resources. National Bureau of Economic Research, New York, 1972, P.9.
19. Harbison, F.H., Human Resources as Wealth of Nations. Oxford University Press, New York, 1971, P.3.

its human resource is incapable of harnessing the bountiful resources for production of goods and services.²⁰ The capacity of people for better utilization of resources depends largely upon the human resource development. Developing human resource through education, health and medical care etc., will bring about a change in knowledge, skills, attitude, resourcefulness, work motivation, physical ability, etc., and thereby, making them effective participants in the process of economic development. "Central to economic development is the idea of change. Developed human resource is equipped with a better sense of "perception of the possible which conditions and predisposes them to change." ²¹ Thus their behaviour is more dynamic and hence, more innovative. Human resource development, is, thus, considered to be the precondition for modern economic growth.²²

:Infrastructure:

Although, human resources are important, they in the absence of complementary factors, cannot by themselves precipitate a dynamic process of development. There is no consensus in

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20. Mehta, M.M., Human Resource Development Planning with special reference to Asia, Macmillan, India, 1976, P.3.
 21. Millikan, F.M., and Hapgood, D., No Easy Harvest: The Dilemma of Agriculture in Underdeveloped Countries, Little Brown & Co., Boston, 1962, P.76.
 22. Narayan, P.L., "Human Resources and Productivity". The Indian Journal of Labour Economics, Vol. XXVI (1 & 2) July 1983, P. 3.

literature on the meaning of infrastructure, and the term is used with considerable imprecision.²³ However, the term is, now-a-days, found to be used frequently in economic discussions. Generally the term implies a system of basic services which are essential for economic development.

Definition of Infrastructure:

The use of the terms, infrastructure and social overhead capital interchangeably by several economists is not infrequent. The term infrastructure, according to Lewis,²⁴ includes public utilities, docks, water supplies and electricity. Higgin's definition of infrastructure²⁵ includes transport, public utilities, schools and hospitals. Hirschman's definition²⁶ includes all public services from law and order through education and public health to transport, communication, power, water supply and irrigation and drainage. The definition given by Hirschman is probably the most useful one from analytical stand point.²⁷

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23. Whorton, Jr. Clifton, R., "Infrastructure for Agricultural Growth", In: Southworth, M.H. and Jonston, F.B.(ed.) Agricultural Development and Economic Growth, Cornell University Press, Ithaca and London, 1970P.107
24. Lewis, W.A., Theory of Economic Growth, Allen and Unwin, London 1955, P. 394.
25. Higgins, B., Economic Development, Constable & Co., London, 1959, P.304.
26. Hirschman, A.O. - Strategy for Economic Development, Yale University Press, New Haven, 1959, P. 83.
27. Whorton, Jr. Clifton, R. Op., Cit., P. 108.

However, in order to define infrastructure even broadly, one has to distinguish it from super-structure. Both infrastructure and super-structure are complementary part of a single structure. Whereas superstructure involves directly in some prespecified functional purposes, infrastructure is highly essential for sustaining superstructure. In economic analysis, the broad objective of all economic activities is to generate a flow of income and output. While superstructure is directly used to discharge the above common functional purposes, infrastructure is essential for building up of and sustaining superstructure, regardless of its direct contributions to income generation. Thus, the term, infrastructure comprises "all those facilities and activities, the basic rationale of which is the sustenance which they provide to income generation and production in the rest of economy, rather than income generation and production within the infrastructure enterprises themselves." 28

Economic and Social Infrastructure:

From the analytical stand point, the common practice is to divide infrastructure into economic and social infrastructure. While the former comprises facilities like irrigation and drainage, transport and communication, power, banking, insurance etc. the latter consists of the facilities like education, health,

28. Shah Narottam. "Infrastructure for Indian Economy". In: Dagli Vadilal (ed.) Infrastructure for the Indian Economy. Vora and Co., Bombay, 1970, P.12.

housing etc. The distinction^{is} made on the basis of the nature of the services - economic or social, they render to the society. However, this classification is gradually losing its significance with the wide recognition of the economic rationale of the services like education and health.

Theoretical Implication of Infrastructure:

A brief analysis of the effectiveness of infrastructure in the process of production on theoretical ground appears to be reasonable. The link of infrastructure with the various notions of external economies indicates the important theoretical implication. The most frequent allusion is the lowering of costs of factor inputs and product marketing to the firm or industry. By shifting the industry's supply curve to the right, the quantity, bought and sold, is increased and thereby enlarging the market. If there are significant internal economies, the provision of infrastructure facilities may well alter the private as well as social profitability of an enterprise. Analytically, a change in infrastructure may, therefore, be treated in the same fashion as is a change in technology in the traditional theory of the firm. A favourable change in infrastructure constitutes a downward shift in the cost curves of the firm or industry in the same fashion as an improvement in technology. Some infrastructure changes affect solely the cost side such as improved roads and transport facilities and others such as research leading to improved techniques of production alter production surface. ²⁹

: The Present Study :

Even though, human resources may be properly developed, they in the absence of complementary factors, cannot by themselves precipitate a dynamic process of development. One of the important components of complementary factors within which the people operate, is so called infrastructure facilities. They provide the basic services without which primary, secondary and tertiary productive activities cannot function.³⁰ The state of technical and organisational level of infrastructure facilities vitally influence the flexibility of the economy and its ability to adopt promptly to the changing situations which generally occur in the development process.³¹

The present study, thus, emphasises that developed human resources together with the availability of infrastructure facilities are expected to generate a self sustaining process of development. However, if human resources are not properly developed and infrastructure facilities are not available adequately which are necessary for developmental purposes, the tempo of development may be slow or even halting. Adequately available developed human resources and infrastructure facilities will make a region economically efficient. They will, slowly and

30. Hirschman, A.O. Op., Cit., P.83.

31. Kheinman, S. "Division of Labour and Development of Infrastructure", Problem of Economics, Vol. 23(4), August 1980, P. 3-22.

gradually, create an environment sufficient for giving enough incentives for technological break through in production process, capital formation and better utilization of resources and thereby, paving the way for a steady process of economic growth and development.

In fact, providing infrastructure facilities, now-a-days, is assumed to be the increasing responsibilities of the public agencies. However, the expansion of such facilities in a given area, is often determined by the level of human resource development in that area. The developed human resources are increasingly conscious of uplifting their economic well being. Their information field is superior. They, better realise what happens in different parts of the country in the field of economic development. They promptly foresee the anticipated economic benefit of a given infrastructure in their locality. They will urge upon the agent of change and manoeuvre in such a way that ultimately such facilities are made available in their immediate surroundings. Moreover, there is a general tendency of developed human resource to migrate to the areas which are better equipped with infrastructure facilities. Thus, development of human resources and infrastructure facilities are likely to be positively associated.

Development of human resources and infrastructure facilities have the followings in common: 1) Both of them belong to the domain of public sector. Education, and health and medical services absorb more than 30% of the revenue budgets of

most of the State governments. Roads, electricity and irrigation account for almost half of the plan expenditure, (2) Both of them generate external economies, and by lowering the cost curves have the effect of inducing investment in directly productive activities, (3) The investment in both of them is lumpy and involves huge amounts, (4) They improve mobility and flexibility of the economy, (5) They have vast linkage effects.

Human Resource, Infrastructure and the Rural Sector in the Economy:

The developed human resources and infrastructure facilities are conspicuously inadequate in the rural sector of a developing economy like ours. The rural sector witnesses a continuous process of out-flow of developed human resources as well as other resources to the urban sector which progresses faster. The rural sector of our economy is also most inadequately provided with necessary facilities of infrastructure.³² Thus, the inadequately available developed human resources and infrastructure facilities, among others, are considered to be the reasons for the backwardness of the rural sector.

In the rural sector, productive activities are carried out through the application of traditional technologies. Such technologies pass from generation to generation smoothly, since people learn their application from their ancestors. Carrying out productive activities through them does not need investment

32. Dagli Vadilal - "Infrastructure for the Indian Economy" in Dagli Vadilal (ed.) Infrastructure for the Indian Economy, Vera and Co., Bombay, 1970, P.1.

in human beings, more economic overheads and changes in other factors. Thus the rural economy has attained a low level traditional equilibrium which is reflected in low and static productivity. In order to disturb the low level static equilibrium condition, the most important things are to develop human resource and to provide necessary infrastructure facilities. The developed human resource, as asserted earlier, is more adaptable to change and innovation. The availability of infrastructure facilities in their immediate surroundings will encourage them to bring about technological break through in productive activities which ensure higher returns.

Further, rural sector occupies an important place in our country's economy. On the eve of the Sixth Five Year Plan, Rajkrishna has pointed out that even after 27 years of planned industrialisation in which we succeeded in being the eighth industrial power in the world, 294 million people remain below poverty line, 20.5 million persons years remain unemployed, 81 per cent of poverty and 80 per cent of unemployment are located in the rural areas. Besides, 79 per cent of the population and 82 per cent of the labour force still live and work in villages.³³ In contrast, the organised sector absorbs about 11 per cent of the annual increase in the labour force and the remaining 89 per cent

33. Rajkrishna. "Next phase in Rural Development," Seminar, 228, August, 1978, as quoted by B. Misra in "Integrated Rural Development" Orissa Economic Journal, Vol. XI(1) Jan - June 1978, Sec. III, P.5 - 12.

is engaged in unorganised sectors.³⁴ The urgent need, therefore, lies in emphasising the development of rural sector without which a process of alround development cannot be conceived in our economy.

The present study focusses its attention on the process of development of the rural sector which remains backward because of the inadequate availability of developed human resources and infrastructure facilities. It assumes that if these two problems are solved most of the obstacles in the path of rural development will be solved automatically.

Objective:

On the basis of the above assumption, the present study proposes to test empirically the impact of human resource development and available infrastructure facilities on the level of economic development in Orissa in general and rural economic activities in particular. In the light of the major objective, it seeks to investigate the following and related aspects:

1. Human resource development as a critical agent of economic development is gaining wide recognition. The emerging trend of thought, now-a-days, is to give a human resource approach to the development strategy

34. The Hindusthan Times, Editorial, "Jobless Millions" 31st August, 1984, quoting the N.S.S. findings.

as against the conventional G.N.P. approach,³⁵ the much expected "trickle-down-effect" of which has been contradicted by the course of historical events,³⁶ Being guided by the new approach, increasing attention is being paid for developing human resources. The successive Five Year Plans of our country have been giving varying degrees of emphasis on developing human resources, especially in the rural areas and consequently their availability is likely to increase gradually. The present Study, therefore, aims at investigating the availability of developed human resources in Orissa districts and in its rural areas and determining its level at the selected macro unit.

2. A gradual expansion of infrastructure facilities is also being witnessed in the rural regions of the country. The Sixth Five Year Plan has pointed out that the "investment in successive plans have led to creation of physical and institutional infrastructure for the socio-economic development in our rural areas."³⁷ It is necessary to assess the availability and level of development of such

35. Habison, F.H., Op. Cit., P.3.

36. i) Jonston, B.E. and Anthony, J.M. "Nutrition Health and population Strategy for Rural Development," Economic Development and Cultural Change, Vol. 26(1) Oct., 1977, P.3.

ii) Shah, Maya, "Economic Growth and Human Capital: An Indian Experience", Mimeographed Paper, Deptt. of Economics, M.S.U., Baroda, 1983, P.1.

37. Govt. of India, Planning Commission, The Sixth Five Year Plan, 1980-85, P.167.

facilities in the selected spatial unit in the State.

3. The third objective of the present Study is to assess the relationship between the level of human resource development and available infrastructure facilities. As pointed out earlier, human resource development and available infrastructure facilities are expected to be positively correlated.
4. The fourth objective is concerned with assessing the level of rural development. Level of economic development is generally measured with the help of G.N.P. per capita. But such a single measure of development is difficult to obtain in the rural area. However, attempts are made to select some suitable indicators of development which are likely to represent the level of development. The logic for selecting such indicators is that, economic development, being a multidimensional phenomenon, is manifested through several indicators. Finally, these indicators are combined into a single unit to represent the level of rural development.
5. The major objective of the present study is to examine the impact of human resource development and available infrastructure on the development of rural economic activities. The development of agriculture is not the whole in the process of rural development. But, it is the heart in that process.³⁸ Improvement in education

38. Shah, S.M., Rural Development, Planning and Reforms,
Aninav Publication, New Delhi, 1977, P.8.

and health standard of the rural people will be reflected in the increase in their productive efficiency. Chaudhuri has observed that education among the farmers is significant in explaining the variation in agricultural production.³⁹ Apart from that "transformation of agriculture necessitates, among other things, transformation of research workers, extension agents, government officials, merchants, bankers, teachers and many other."⁴⁰ In addition, provision of infrastructure facilities like irrigation, public water supply, transport and communication, marketing, processing, storage and grading, electricity, education, agricultural research, credit, finance, etc., has definite bearing on agricultural development.⁴¹ Thus the impact of the increasingly available developed human resources and infrastructure facilities are likely to get reflected in the development of agriculture. The latter is manifested in the adoption of new technology in agriculture, introducing multiple cropping, changing cropping pattern and above all raising agricultural productivity.⁴² The present Study, therefore, proposes to examine the following

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39. Chaudhuri D.P. -Education, Innovation, and Agricultural Development, Vikas Publishing House, New Delhi, 1977, P.51-56
40. Mosher, A.T., Getting the Agriculture Moving, Agricultural Development Council, U.S.A., 1966, P.9.
41. i) Mosher, A.T., Creating a Progressive Structure, Agricultural Development Council, U.S.A., 1969, P.5.
ii) Whorton, Jr. Clifton, R., "Infrastructure for Agricultural Growth", in Southworth and Jonston (ed.) Agricultural Development and Economic Growth, Cornell University press, London, 1967, P. 109.
42. Sharma, A.C. and Kalhon, A.S., "Impact of Technological Change in the normative Shifts in Cropping Pattern", Indian Journal of Agricultural Economics, Vol. 27(4), Oct - Dec., 1972, P. 158 - 165.

aspects related to agriculture;

5. (a) With the agricultural development under way, the traditional subsistence farming will gradually yield place to the commercial farming which exposes the farmers to the market. The Farmers, in the latter, purchase factor inputs from the market and therefore, they will produce for the market. Thus, they will allocate land resources to those crops which will be more profitable. The impact of human resource development and available infrastructure facilities is expected to be reflected in the change of cropping pattern, i.e., in the increase in the allocation of land to high valued crops.
- (b) Multiple cropping is another indicator of agricultural development. The scarcity of land resources, accompanied by the gradual increase in the availability of land infrastructure like irrigation, other complementary factors and the recent innovation of short duration seed technology is expected to induce the farmers to raise farm income by sowing a given plot of land more than once and thereby, raising the cropping intensity. The higher the level of developed human resources and available infrastructure facilities, the higher is the cropping intensity expected.
- (c) Technological innovation in agriculture through introduction of high yielding seed technology is a decisive indicator of agricultural development. The

innovative farmers will be highly influenced by such technological change. They will increase the allocation of land under H.Y.V. seeds when they will realise its high pay off nature and if necessary complementary factors like irrigation, fertilizer etc., are available, in their immediate surroundings. Thus, the level of human resource development and available infrastructure facilities are expected to be associated positively with the area under H.Y.V. seeds.

- (d) Agricultural productivity either per hectare or per farm worker is an index of agricultural development. A high agricultural productivity is indicative of agricultural progress. A region with a high level of human resource development and available infrastructure facilities will witness a high level of agricultural productivity.

6. Apart from the development of agriculture, the process of rural development is likely to witness an expansion of non-farm activities. There is scope for the expansion of a wide range of non-farm activities like making and repairing of agricultural tools and implements, marketing and processing of agricultural products, small business and retail trade, metal works, wood works, weaving, arts and crafts, etc., during the course of rural development.⁴³ He has observed

43. Government of India, Planning Commission, "Village and Small Industries, New Delhi, 1954, P. 315.

that the growth of off-farm activities in Taiwan has been facilitated by the development of infrastructure and human capital.⁴⁴ Thus, with the onset of the process of rural development, the proportion of the workers engaged in agriculture is expected to have been declining and that engaged in non-farm activities would have been increasing. It is, therefore, hypothesised that the expansion of non-farm activities is faster in a region with a high level of human resource development and available infrastructure facilities.

Economic development in a country like ours perforce depends upon the development of rural sector. Rural sector occupies a predominating position in our economy on account of its vast size. Development of rural sector will alone ensure greater good to the largest number of the people. The present study is, therefore, an attempt to examine whether the lagging rural sector can march on the path of economic development through development of human resources and infrastructure facilities.

44. Ho, P.S. Samuel, "Decentralised Industrialisation, and Rural Development, Evidence from Taiwan", Economic Development and Cultural Change. Vol. 28(1) Oct. 1979, P. 77-96.