

CHAPTER VII

CONCLUSION

Arunachal Pradesh has in the course of last 50 years undergone a slow but steady transformation in its major institutional forms. From jhum-based economy the state has now changed to a monetised economy. Communal mode of ownership has given space to individual ownership. Market with money as a medium of exchange has developed to a certain degree. The state has witnessed structural changes after independence with the intervention of Government's developmental policies. In establishment of individual property rights in land Government's developmental programme has played an important role.

In Arunachal Pradesh jhum cultivation based on very old technology did not yield a high productivity. Production was carried out by family members, no hired labour nor any machines were used in the cultivation of land. The low productivity as well as the communal ownership did not create any incentive for investment in the permanent improvement of land.

The establishment of property rights in land created incentives leading to efficiency in production. But in the studied area and sectors the relationship between property rights and production efficiency has not been found to be systematic. In the agricultural sector the findings show some positive relationship between the institution of property rights and efficiency in productivity but the relationship is not very significant. The clear picture however comes from a binary comparison: the jhum farms are less efficient than the permanently cultivated farms and the share-cropped farms are less efficient than the owner-cultivated farms. This binary comparison establishes a positive relationship between the degree of property rights and efficiency in production

In the industrial and service sectors the relationship between the institution of property rights and production efficiency differs significantly. In the industrial sector the manager-guided entrepreneurial firms have a rate of profit which is higher than the rented firms. While in the service sector the opposite is true: the rented firms earn a higher rate of profits than the owned firms.

In Arunachal Pradesh there were no significant inequalities in landholdings or in other assets before the establishment of property rights in land. The findings show that with the establishment of property rights in land inequalities in the ownership of land, income and capital have emerged. Moreover, along with the emergence of the individual rights in land share-cropping also appeared, an institutional development which attenuated the property rights of the operators in sharecropped land and stood in the way of the growth of overall efficiency in the agricultural production.