Punjab remains a classic example of a fast developing economy with agriculture its base. The state is a pioneer in ushering in the green revolution in the country. Besides this, the state has also made remarkable progress in allied sectors like dairy, poultry, fishery, and also in horticulture and vegetables. The government has been giving importance to agro-based industries since a period. The state is one of the progressive states in strengthening the infrastructure, particularly irrigation and power. The cumulative effect of all this is manifested in the highest per capita income since reorganization of Punjab in 1966.

Punjab, in an area of 50362 sq kms, is one of the smaller states of India. It accounts for 1.5 percent of total area of the country and 2.4 percent of the population. The state, triangular, in shape extends from 29o 30’ to 32o 32’ north latitude and 73 55’ to 67 50’ east longitude. Physiographically, the state may be divided into three regions; (i) hilly tracts (ii) foothills and (iii) flat plains. The forest cover in the state is 6.05 percent of its total area as against the national average of 19.4 percent. Punjab’s climate is continental, semi arid humid. Soils of the state are sandy and loamy in texture. The state has developed quite good network of canals and tubewells for crop irrigation and has a strong institutional structure, too, for providing credit through a multi-tier and multi-functional system. The state has 69.9 percent literacy, 33.9 percent urban population and almost 68 years life expectancy.

The state’s economic performance has varied over different time periods and its economy is growing at a relatively slower rate in the post-liberalization decade of the 1990s. Due to it, the state has been listed first in terms of per capita income, has lost the first place to fourth place. Agriculture is still a major contributor to the state economy, despite its continuously declining share. Poverty estimates indicate a declining trend in the country as a whole and in Punjab as well. At present, only two states of India, Goa and Jammu & Kashmir have poverty level lower than that of Punjab.

The state of Punjab has approximately 553 kms.of international borders with Pakistan, comprising the districts of Gurdaspur, Amritsar, Tara Taran and Firozepur. The border district of Firozepur touches Pakistan border on the north, Faridkot and Moga districts at the east and Muktsar district at south sides. On the north-east, Satluj river separates it from Kapurthala district and on the south-west, Ganganagar district of Rajasthan touches it. The total geographical area of the district is 5303 sq. kms out of which 3258.78 sq. kms fall under Bet area and 196.63 sq. kms fall under border area. The topography of the district is even. It is plain of alluvial formation. The district is divided into three main belts running somewhat parallel to the course of Satluj river. The Bet area of the district is called “Hithar” having alluvial dark and gray clay. On the south east side, Rohi and Mukhi plains have light and sandy soil and brackish water. The district has chestnut brown and desert soil. The district has five tehsils namely Ferozepur, Fazilka, Abohar, Zira and Jalalabad. Having total population of 17,46,107 the rural-urban percentage of the district is 74.19 and 25.81 respectively. There are ten development blocks in district; these are Abohar, Khuan Sarwar, Fazilka, Jalalabad, Guru Harshahai, Firozepur, Mamdot, Ghal Khurd, Zira, and Makhu. The district has total 1003 villages.

Gurdaspur district is the northern most district of state of Punjab and lies between north latitude 31- 36’ and 32 – 34’ and east longitude 74 - 24’ and shares common boundaries with Kathua district of Jammu & Kashmir. Chamba and Kangra districts of Himachal in the north- east, Hoshiarpur district in the south- east, Kapurthala district in the south, Amritsar district in the south west and Pakistan in the north- west. The landscape of Gurdaspur district has varied topography comprising the hilly tract and
undulating plan. The soils of the district are loamy with clay content below 10 percent. They contain small quantities of lime but magnesia content is high. The soil of the district is quite alluvial and fertile. The district is divided into three parts by nature, i.e. sub-mountainous, kandi and plain. The district has five tehsils namely Gurdaspur, Pathankot, Batala, Dera Baba Nanak and Dhar Kalan. There are total 1463 inhabited villages. The district has sixteen blocks namely Gurdaspur, Kalanaur, Dhariwal, Kahanwan, Dinanagar, Pathankot, Dhar Kalan, Narot Jaimal Singh, Bamial, Batala, Fatehgarh Churian and Dera Baba Nanak, Sri Hargobindpur, Qadian, Sujanpur and Dorangla. The total population of the district is 21,04,011. The scheduled castes population in the district is 24.75 percent. The district has 1591 panchayats, 1552 primary, 255 middle, and 373 higher secondary schools. The total length of road network in the district is 3956 kms.

The district of Amritsar is situated in north-western part of the state. The district touches the international border in the north-west, in the north-east, the district of Gurdaspur, in the south-east, the district of Kapurthala and in the south-west the districts of Tarn Taran. The district is divided into four tehsils namely Amritsar-I, Amritsar-II, Ajnala and Baba Bakala. It has total 8 blocks, viz. Ajnala, Chogawan, Harsha Chinna, Jandiala, Majitha, Rayya, Tarsika and Verka. The undivided district had an area of 5088 sq. kms.

The newly carved out district, Tarn Taran, from Amritsar district, has 493 revenue villages. The undivided district had a population of 21,52,182, out of which 48.80 percent was rural and 51.20 urban. Out of total rural population, 34 percent population is scheduled caste.

The border areas of India bordering Pakistan, are more hostile than those, bordering with other countries. The reason has been that decade long terrorism in Punjab multiplied various problems of the state, such as illegal migration, drug trafficking, illegal trade, crime, insurgency, and killing of innocent civilians. In order to check these problems, more number of security personnel had been continuously deployed. The people living in border areas have been facing socio-economic problems and psychological tensions.

The constraints and prospects of the development along the border areas assume unique significance in the process of planning and development due to specific needs of the people living in the stressed conditions. However, the magnitude of the problems differ from region to region depending on the geographical condition, socio-cultural set up of the region and attitude of the neighboring country. The main characteristic features of the border areas have been inaccessibility and insecurity.

Due to it, the border areas need special treatment for accelerated and integrated sustainable development. The creation of a congenial environment to impart a sense of security among the border residents should be a part of any development strategy, while studying problems of the border areas, there is a need to make a comprehensive explanation into different socio-economic, cultural, psychological, environmental aspects in an integrated manner to identify the real issues.

Majority border areas of Punjab do not form part of some backward isolated region of the state but has been rather well developed. Yet they are suffering from acute discontent, both economic as well as social. The identification of critical issues in border areas of Punjab is based on interaction with various stakeholders and observations and impressions of the field visits.

There has been a significant increase in unemployment of both educated and uneducated and skilled and unskilled youth. The situation is further worsening due to, on one hand, demographic structure of the population resulting in greater rate of growth of labour force, and on other hand, reduction in labour intake in agriculture and also in industrial and service sectors for reasons of cost efficiency to meet several challenges of global competition. The employment generating programmes, being implemented, are not showing desired results. Despite huge investments made in the past plan periods on various employment generation programmes, problem of employment, in
general, and of the semi-educated and educated persons in particular, has become critical. The local labour is not interested to come forward for work on employment-oriented programmes, as they generally complain of low wages. Most of border villages, especially in three districts of Gurdaspur, Amritsar and Tarn Taran, have migrated labourers, from Bihar and Uttar Pradesh, who have been working on daily wage labour and on contractual labour, both in employment generation works of PRIs and agricultural operations. Theirs wage rates are very low. No doubt, the agriculture has reached at saturated point and educated youth of farm households is not willing to work at their farms for reason of low earnings. However, some progressive farmers with higher education have taken up farm related activities like floriculture, horticulture, dairy farming and agro processing. It is a positive approach towards diversification of occupations, and various changes are taking place positively. Nevertheless, Punjab economy, particularly of border areas, is still dominated by the agriculture sector since quite a significant proportion of population in the border areas still depend on this sector for employment and income. The non-farm sector has not been able to grow as fast as required to absorb the labour force released from the agriculture sector. At same time, the household industry, in this region, is also facing problems due to lack of modernization in terms of technological and skill upgradation and competition from the organized sector. The labour force in this sector, however, has been working under highly unfavorable conditions.

Efforts towards diversification of cropping pattern have not got much success. Although sufficient steps are being taken to diversify agriculture, but the diversification of cropping pattern has met with limited success in the border districts. Basically concept of diversification, from various points, is considered to include improvement in farm and rural incomes, generation of additional gainful employment opportunities in farm sector, capacity to cope with changing demand patterns for agricultural products in domestic as well as international markets; conservation and improvement of bio-diversity and adjustment of production patterns with resource endowments and availability of production resources in different areas for avoiding overuse of scarce and depleting resources. It is significant to note here that besides agriculture, in order to improve the incomes of farmers and agricultural wage labourers, there is a dire need to develop the non-farm sector. There has to be a high degree diversification of the rural economy bringing off-farm employment opportunities close to the rural households.

As in the central Punjab, the border areas, too, have also witnessed very low growth of agriculture sector; and even in some pockets, either there is quite low yield of crops or has remained stagnant. The expensive cost of inputs, unremunerative prices of agriculture produce, overuse of natural resources, decrease in operational holdings, resulting to marginalization and population of peasantry and over-mechanization has pushed the agricultural economy in a critical situation. In order to tackle with such situation, the possibilities of diversification have to be explored in the cropping pattern. There is need to shift the present pattern of monoculture cropping towards the diversified pattern, including of cultivation of oilseeds, vegetables, pulses, sugarcane, fodder, horticulture and forestry. Although there is also need for land reforms, however, there is scope in promote subsidiary occupations, as short term measure, such as dairy, poultry, fishery, piggery and others, especially to improve the lot of small and marginal farmers.

The extent of the land utilization in border districts has reached near saturation although there are some variations in terms of land utilization, cropping pattern, cropping intensity and irrigation. Gurdaspur district has a sizeable area under forestry, which has been maintaining ecological balance and prevention of floods and soil erosion. The issues relating to harnessing and managements of water resources require immediate attention, in view of large areas being affected by brackish water in Firozepur district and sizeable areas of Tarn Taran district. Even in submountaneous areas of district Gurdaspur, the level of sub-soil water is low. The marginal, small and semi-medium farmers of the border districts have been trying to increase their family income by adopting occupation of dairy. The landless families have also increased their reliance on dairy activities. But cattle rearers face the problem of low price of milk both in cooperative as well as in private sector.

Annexure-VI
There is also an inclination towards horticulture among large sized farmers i.e. fruits like pear, peach, grapes, beri, kinnow, guava, etc. which are grown here. The problem of marketing such product still exists.

Since 1990s land inequalities have been emerging in entire state, but it is quite acute in the region of border areas of the state. The land inequalities have been reinforcing the parallel inequalities in crop incomes of farmers further resulting in to the emergence of differentiation in the peasantry of the border areas.

The social sectors, especially education and health, have been suffering from serious deficiencies in terms of adequate infrastructure and service delivery. The paucity of teachers and absenteeism among the teachers, is still a common characteristic of the education system of border areas. The drop out rate among school children, especially girls, is more. The higher education is in quite deteriorated situation. The infant mortality and child mortality rates are comparatively high as compared to non-border districts due to deficiency of health care facilities in that region. A very large proportion of population goes to private hospitals or private clinics for their treatment. The grassroots level health workers are there but not adequately motivated to work in rural areas due to lack of civic amenities. The sanitation in border areas is quite at the low level. The percentages of households having latrines are considerably less as compare to non-border areas. The quality of water, especially in some pockets in the border areas of districts Amritsar, Tarn Taran and Firozepur is not drinkable and it is true that many households do not have access to safe drinking water. Although, some villages have water works projects, but either they are not properly operate or remains unutilized..

Periodic analysis of literacy shows quite slow pace of growth. There is a direct relationship between literacy and employment in the border areas. In this regard the infrastructural facility base is highly inadequate. The illiteracy is high among the families working in agriculture and as wage labourers. The landless agricultural labourers, and small and marginal farmers are most affected and at the disadvantageous position. Glaring educational disparities can be seen among scheduled castes and non-scheduled castes. The extent of dropouts seems more in the sub-castes like Majhabhi Sikhs, Christian, Majhabis, Sansis, Rai Sikhs, Meghwals, Batwals, Bagri Suthars, Bagri Luhars and Boria Sikhs. The educated persons, trained in professional and technical courses are few and they are incapable to tackle the market demand with their present professional skills. Therefore, the vocational curriculum needs to be making functionally adequate to respond to the needs of economy with a capacity to produce more employable persons. Actually, there is general lack of skill formation and technical education and also there is lack of higher education among border area population.

The status of health and education among women of border areas is quite low as compared to under non-border areas. The female work participation rate is also low, but women belonging to scheduled castes households are found to be engaged in agricultural activities as agricultural wage labourers and also in other menial activities. Due to poor access to quality reproductive health care, diseases like reproductive tract infections and sexually transmitted diseases are high among women. The problems of drug abuse, distillation of illegal and spurious liquor is much high in border area region. The synoptic drugs have also become a common feature of society especially among the youngsters, both literate and illiterate. This negative approach, in total, is disturbing the social milieu of the village life. Due to the absence of library culture and declining trend of sports activities, the evils of drug abuse and other anti-social activities, in this region, are emerging on a large scale.

In the present scenario, there is dire need to frame strategy of economic development, considering of problems of small and marginal farmers, agriculture labourers, other backward castes and educated unemployed youth on priority basis after proper identification of deficiencies.

It is to be noted here that although absolute poverty has decreased in the border areas but disparities in income and wealth have become sharpen resulting in widening of the range of differences in education, life style, social life and recreation patterns. Like other areas of Punjab, the border areas, especially of districts Amritsar, Tarn Taran and
Gurdaspur, have religious appeal, backed by more powerful symbols having much wider social mobilization potentials. Therefore, there is need to link the religious appeal in order to improve the quality of life of common people. The panchayati raj system has taken better shape both in content as well as in form after the implementation of the 73rd Constitutional Amendment, but it has been observed that inter-community bonds of co-operation has been weakening.

Punjab is such state where density of population of border villages is not a function of proximity to border areas, but the areas, which are agriculturally backward, and more developed, have relatively lower density as compared to the areas of medium on agriculture development. The culture, especially popular singing of the border areas, shows that penetration of vulgar and commercial forms of folk tradition cutting across religion and regional boundaries has imparted a new value system based on vulgarity for the younger generation. Easy money in circulation and illicit activities has been promoting such vulgar traits in culture. The basic reasons for it has been a sense of negative feelings and of deprivation among common people, criminalization of politics, lack of appropriate representation in the participatory political institutions and panchayati raj institutions. It has also generated passiveness among the progressive members of the community.

The existing level of industrial development in border districts, especially in Ferozepur and Gurdaspur districts, is very low. The informal sector has also become outdated. Among the agro-processing units, the Rice Shellers has been only surviving units. The characteristic features of survived informal industrial units are consumer oriented. Most of such units are using traditional and outdated methods of production.

The border areas region of Punjab is facing new types of problems with new developments. Therefore emphasize be there to examine the problems by taking into account:

- Contents of development and inter-relationship of the development process and the broader socio-cultural milieu.
- Trends in the economy of the state by considering historical developments.
- Issues relating to the structural changes resulting to structural transformation in the broader context of society and polity.

While going through such problems and issues, focus should be on:

- Distribution of income and assets
- Structure of the economy and its transformation
- Problems related to agriculture development, industrialization, non-farm sector and illicit activities like illegal distillation

While dealing with such problems, main stress should be on:

- Employment generation with development of various skills.
- Improvement in quality of life focusing on overall human resource development.
- Capacity building of grassroots level institution such as panchayati raj and cooperatives.
- Confidence building among persons living in border areas through better cooperation and coordination of security forces administration and elected institution.

Following, however, are the basic educational and health problems/ issues faced by people living in border areas.

- Insufficient educational infrastructure in the border districts.
- Paucity of teaching staff, lack of sufficient rooms, drop out among scheduled castes, children etc
- Very less stress on technical / vocational education by the state government.
- Insufficient grants being sanctioned and disbursed for creating better facilities and infrastructure.

Besides, basic problem of border areas of Punjab is related to the lack of backward and forward linkages in agriculture, industry and social sectors. The agricultural produce, sold in the market, is processed at a distance of 50 to 60 kms away from the border. It is
happening with horticulture and vegetables, too, and also with allied sectors like dairy, fishery, and poultry. Due to such lack of backward and forward linkages, the producer is always in loss and on the same time, he has to purchase consumer goods made from his own produce at higher prices. Therefore, there is dire need to develop linkages under the chain system.

The second basic issue is of capacity building of local community by empowering the panchayati raj system. Till now, the governance through panchayats is in primary stage. The panchayats have not been empowered by devolving powers to them. These bodies are not in a position to prepare micro-plans in consultation with members of gram sabha. Therefore, the grassroots level planning is severely missing here. There is dire need of multi-level decentralized planning process. The capacity building of women and scheduled castes representatives of PRIs is quite essential. The social sector development is possible only when capacities of PRIs representatives have been built. It will promote community participation in development process. However, in self-employment generating activities, the situation of self-help groups is also not very optimistic and position regarding services of co-operatives is also not quite encouraging. There are some notable differences among social groups in the percentage of farmed area devoted to different agricultural activities. It is to be noted here that as per NSSO data, poverty among rural persons in Punjab was 6.21 percent, in 2003. The poverty line consumption was Rs. 347.96 per month. The incidence of indebtedness shows that in Punjab 65.40 percent farmers are under indebtedness and the indebtedness per household is Rs. 41576. The field experiences show that the indebtedness in border areas of Punjab is comparatively more than non-border areas.

In the opinion of farmers residing in the border region, government agencies have not been doing well to provide the necessary services to the farmers. The seed replacement rates are low. However, for some services, the farmers have to travel long distances. The knowledge base of farmers is also quite satisfactory. Most of them are unaware of the institutions like WTO, liberalization and MSP. As far as access to modern technology is concerned; majority of farmer's households have very less information on new technology.

The economic condition of farmers' show that on an average, consumption expenditure of farmer households is alike of other rural households and in some cases, incidence of poverty among farmer households is higher than among the other rural households. It is due to marginalization of peasantry in Punjab, and particularly, in the border districts. Although farmers' households are spending considerable expenditure on education and health, but results shown are not positive. It is clear that the peasantry of Punjab, in general, and, residing in region of border districts, in particular, is passing through a critical phase. There is dismal state of affairs regarding knowledge and awareness for the farmers. The agriculture sector is in a serious crisis and vast majority of small and marginal farmers are hardly able to make both ends meet. There is essential need to take some drastic decisions at the policy level and some remedial measures should be taken at this juncture. The involvement of local bodies like panchayati raj institutions, in monitoring the role of the government agencies, at the local level, should go a long way in improving their services. There is a need to give recognition to the services of progressive farmers by instituting awards for their performance. The agricultural university of the state should devise special courses in local languages for upgrading the knowledge of farmers. There is also need to emphasize specifically on availability of timely institutional credit at reasonable interest rates to the farming community since non-institutional sources like commission agents and moneylenders continue to charge exorbitant interest rates. The incidence of indebtedness, low consumption expenditure and prevalence of poverty and malnutrition are manifestations of the fact that majority of border households are unable to earn adequate amount to meet their bare consumption needs. In this context, it is to be noted that in case of farming households of the border areas, yield and productivity of most of important crops has either stagnated or declining since 1990s. At this juncture, large investment in research and development and vibrant indigenous research system is needed. Further, there is also need to take institutional measures that help the small and marginal farmers to increase their income. The landless labourers and small and marginal farmers should be involved in deriving benefits of increased agricultural exports through innovative institutions like integrated...
co-operatives like MILKFED, MARKFED and other service co-operatives besides contract farming and corporate farming system.

Summing up, the biggest challenge for the state is to revive the growth of agriculture and thereby improve the productivity and income of a vast majority of farmer households and agricultural labourers dependent on it. It is fact that investment is being made through border area development programmes, but more emphasize should also be given to activate other development programmes run by various departments of central as well as state government. There is dire need of exploring the possibilities for generating employment and making improvement in social sectors in order to improve the quality of life of people living in the border districts. Special focus, in this context, should be on households residing within 0.5 kms. border belt.