



A STUDY ON ECONOMIC REVIEW IN TRIPURA: DIMENSIONS, PROCESSES AND POLICIES

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ABSTRACT

*P*overty is pronounced as deprivation in well-being, and comprises many dimensions. It includes low incomes and the inability to acquire the basic goods and services necessary for survival with dignity. Large proportions of those who are poor in India are stuck in poverty or are chronically poor. The very size of problem, combined with the fact that many of them will remain poor over time, makes this the most important development issue facing the nation. Tripura is the second highest in terms of density of population among the North-Eastern States i.e., next to Assam. Over 60% of the area is classified as forest area leaving less area about 27 percent for cultivation. “Economic Review of Tripura, 2010-11” is 12th in the series shows the overall macro-economic performances, thrust areas for the development as well as trend of the State’s economy during the fiscal year of 2010-11. It focuses and analyses the development trend as well as progress achieved in different sectors of State’s economy during the annual plan period of 2010-11 under the 11th Five year Plan. Most of the parts of the State are rural and about 83 percent of State’s population lives in rural areas. Development of rural poor as well as improvement in the quality of life of the economically weaker sections of the society has been one of the basic objectives of development planning of the State. The present paper studies poverty and inequality in Tripura, dimensions, processes and policies. It is a survey type work. The findings shows that the State is characterized by geographical isolation, poor infrastructure facilities, communication bottlenecks, inadequate exploitation of natural resources (natural gas, rubber, forest etc.), low capital formation, almost non-existence of industry and high level incidences of poverty and un-employment.

KEYWORDS: *Inequality, Poverty, Infrastructure, Poor People, Economy, Society, Un-Employment.*

INTRODUCTION

Fundamentally, poverty is the inability of getting choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. According to World Bank, ‘Poverty also encompasses low levels of health and education, poor access to clean water and sanitation, inadequate physical security, lack of voice, and insufficient capacity and opportunity to better one’s life’. Unlike poverty, which concentrates on the

situation of those at the bottom of society, **inequality shows how resources are distributed across the whole society.** This gives a picture of the difference between average income, and what poor and rich people earn, and highlights how well different member States redistribute or share the income they produce. A look into the map of Northeast India reveals a small “lamb’s head” peeping into Bangladesh on its south-east. That is the state



of Tripura, slightly bigger than Sikkim and smallest among the seven sisters (the seven states, Arunachal, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura) of the north-east. The abundance of natural beauty and significant growth in nature of Tripura bears adequate testimony of culture. The State has many rain-fed, non-perennial rivers and streams flowing to the neighbouring Bangladesh. In this paper the researcher has made a study on the several policies, processes and dimensions on the poverty and inequality facing by the people of Tripura. Although, overall performance of the State's real economy remained impressive despite its several infrastructural bottlenecks as well as geographical isolation from main land of the country but due to slow down of the national economy as a part of global economic crisis and price rise since 2006-07 as well as not favourable grants from 13th Finance Commission, the economy of the State has also come under severe fiscal stretch in the coming years. To study real situation of the state the researcher has conducted a field survey in some rural areas of the state by interviewing several persons. The real situation has been described in the part of this paper entitled, 'Situations of poor people of Tripura'. The researcher has collected data from secondary sources also.

CONDITION OF TRIPURA ACCORDING TO THE PER CAPITA INCOME

In reality, the State is characterised by geographical isolation, poor infrastructure facilities, communication bottlenecks, inadequate exploitation of natural resources (natural gas, rubber, forest etc.), low capital formation, almost non-existence of industry and high level of incidences of poverty and un-employment. To follow Gerald M. Meier, economic development is a process whereby real per capita income of a country increases over a long period of time subject to the stipulations that the number below an absolute poverty line does not increase and that the distribution of income does not become more unequal. Thus, the definition of economic development focuses on the increase in income as the objective of development.

Economic development is a process whereby real per capita income rises over a long period. So, real per capita income may be used as an index of development. Per capita income as an index of

economic development is very much popular for various reasons. Rising per capita income index represents the fact that a country as a whole is getting better off. Admittedly, per capita income is an average. But a rising average indicates that in per capita terms there is an increase in the availability of goods and services. This index is especially suitable for the less developed countries. In this index, population growth is also taken in to consideration. For the less developed countries, development can have no meaning unless population growth is brought in to picture. This index is also helpful for comparing the living standards among countries and their performance. According to the Economic Review Of Tripura 2011-12 the economy of Tripura is characterized by high rate of poverty, low Per- capita income, low capital formation, inadequate infrastructure facilities, geographical isolation and mineral resources, low progress in industrial field and high un-employment problem. The economy of Tripura is agrarian. More than fifty percent of its population depends on agriculture for livelihood and contribution of agriculture and allied activities to the Gross State Domestic Product (GSDP) is twenty three percent. The land available for cultivation is relatively restricted. Terrain and forest cover are such that only twenty percent of geographical area is cultivable. The ongoing surge in prices of the food items in the state as well as in the country has significant implications for the agriculture sector as well as overall macroeconomic and financial stability. Agriculture growth has remained much lower than the growth rates witnessed in the industrial and services sectors in the State.

The average annual growth rate in real terms of Gross State Domestic Product (GSDP) at 2004-05 prices or in real terms for 2011-12(Advance) was 8.6 percent. There is no denying the fact that the State has put efforts for ensuring sustainable economic growth after having serious law and order set-backs by augmenting better fiscal consolidation and economic development, which has also been appreciated by the Planning Commission of India in-particular and other Central Ministries. The Gross State Domestic Product (GSDP) at current prices increased from Rs.8, 903.53 crore in 2004-05 and to Rs.11, 797.07 crore in 2007-08 and to Rs. 19,909.58 crore in 2011-12(Advance) and to Rs.22, 138.82 crore in 2012-13(Quick). The per capita income of the State also rose steadily from Rs.24,394 in 2004-05 to Rs.31,111

in 2007-08 and to Rs.45,087 in 2010 -11(Provisional) and to Rs.55,004 in2012-13(Quick).

The liberalization and reforms of the Indian economy started in 1990s with the proclaimed objective to accelerate industrial growth in the country has not given the much - needed boost for any industrial growth in this backward State .In fact, the State Government is the main facilitator for any investments in the State. The high growth rate of the National economy through economic reforms has limited impact and effect on industrialization for overcoming the backwardness as well as increasing the gainful employment in Tripura and, North Eastern Region as a whole.

Although the economy of Tripura is characterized by high rate of poverty , low Per- capita income, low capital formation, in-adequate infrastructure facilities, geographical isolation and mineral resources, low progress in industrial field and high un-employment problem but according to the Economic Review Of Tripura 2011-12 per capita income is gradually increase.

ESTIMATES OF PLANNING COMMISSION FOR 2011-12

An Expert Group headed by S.D.Tendulkar was appointed by the Planning Commission to review the methodology on poverty. The Expert Group submitted its report in November 2009 (GOI 2009a). The expert group has moved away from anchoring the poverty lines to calorie intake norm and suggested a new methodology to arrive at state wise and all India rural and urban poverty lines 2004-053. The estimates based on new methodology show that rural poverty declined from 50.1% in 1993-94 to 41.8% in 2004-05. The estimates of state wise poverty lines for rural and urban areas for 2011-12 are given in Table 1. The percentage and number of persons below poverty line for all Northeast States for rural areas, urban areas and combined are given in Table-2. The all India poverty ratio is obtained as state-population weighted average poverty ratio, and the all India poverty line is the per capita per month expenditure that corresponds to the all India poverty ratio. State-wise estimates of Average Monthly Per Capita Expenditure for rural and urban areas separately for the year 2011-12 are given in Table-3.

Table 1: State specific Poverty Lines for 2011-12

S.No.	States	Monthly per capita (Rs.)	
		RURAL	URBAN
1	Arunachal Pradesh	930	1,060
2	Assam	828	1,008
3	Manipur	1,118	1,170
4	Meghalaya	888	1,154
5	Mizoram	1,066	1,155
6	Nagaland	1,270	1,302
7	Tripura	798	920
	All India	816	1000

Note: Computed as per Tendulkar method on Mixed Reference Period (MRP)

Table 2: Number and Percentage of Population below poverty line by states - 2011-12 (Tendulkar Methodology)

S.No	States	Rural		Urban		Total	
		%age of Persons	No. of Persons (lakhs)	%age of Persons	No. of Persons (lakhs)	%age of Persons	No. of Persons (lakhs)
1	Arunachal Pradesh	38.93	4.25	20.33	0.66	34.67	4.91
2	Assam	33.89	92.06	20.49	9.21	31.98	101.27
3	Manipur	38.80	7.45	32.59	2.78	36.89	10.22
4	Meghalaya	12.53	3.04	9.26	0.57	11.87	3.61
5	Mizoram	35.43	1.91	6.36	0.37	20.40	2.27
6	Nagaland	19.93	2.76	16.48	1.00	18.88	3.76
7	Tripura	16.53	4.49	7.42	0.75	14.05	5.24
	All India	25.70	2166.58	13.70	531.25	21.92	2697.83

Notes: 1. Population as on 1st March 2012 has been used for estimating number of persons below poverty line. (2011 Census population extrapolated)

Table 3: State-wise estimates of Average Monthly Per Capita Expenditure (MPCE) as per Mixed Reference Period (MRP) for 2011-12

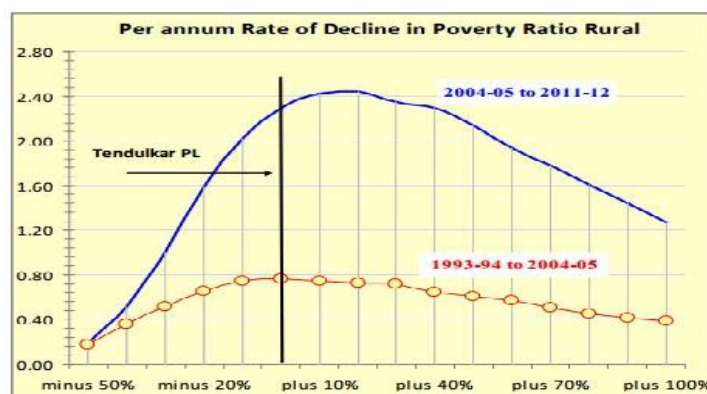
S.N	States/UTs	Rural	Urban
2	Arunachal Pradesh	1455.87	2241.63
3	Assam	1056.98	2090.18
1	Manipur	1334.55	1448.91
1	Meghalaya	1315.11	2293.82
1	Mizoram	1384.44	2426.53
2	Nagaland	1756.70	2279.42
2	Tripura	1194.14	1996.66
	ALL INDIA	1287.17	2477.02

Source: NSSO Report No. KI.(68/1.0) on Key Indicators of Household Consumer Expenditure in India 2011-12, NSS 68th round, National Sample Survey Office

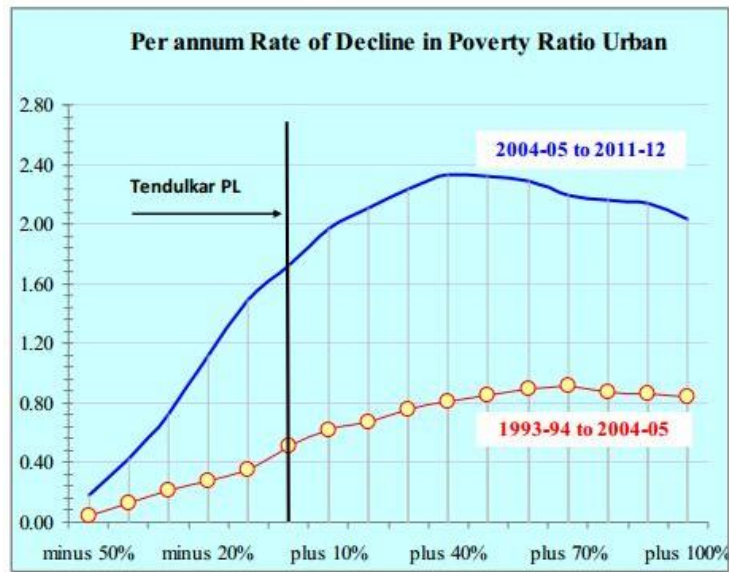
To illustrate the point, details about the magnitude of decline in poverty ratio at various levels above and below the Tendulkar Poverty Line are presented in **Chart-1**.

Chart 1**Decline in poverty at various points above and below the Tendulkar Poverty Line**

(Annualized Rate of Decline on Y-axis and the variations from Tendulkar PL on X-axis)

RURAL AREAS

URBAN AREAS

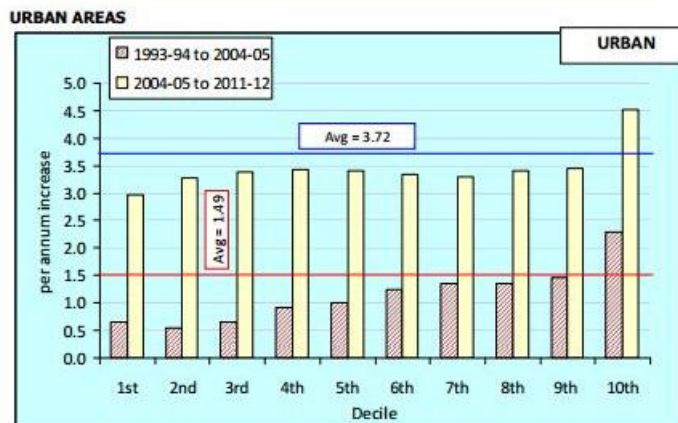
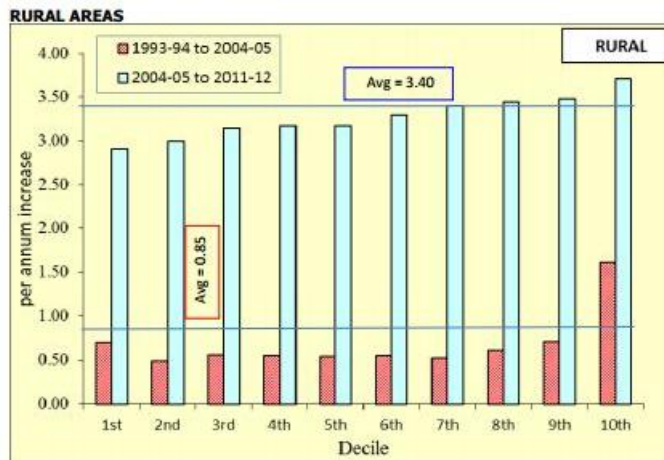


The decline in poverty flows from the increase in real per capita consumption. The per annum increase in real MPCE for each of the ten deciles is presented at **Chart-2**.

Chart 2

Increase in Real Monthly Per Capita Consumption Expenditure (MPCE) – URP Annualized – for two periods

(Rate of Increase in Real MPCE on Y-axis and Decile class on X-axis)



POVERTY INCREASES IN FOUR NE STATES: PLANNING COMMISSION

The North Eastern state of Assam, along with its four other sisters – Meghalaya, Manipur, Mizoram and Nagaland, are the only aberrations in the latest poverty estimates of the Planning Commission, as these are the only five states in the country where poverty has been reported to have increased between 2004-05 and 2009-10. However, left-ruled state of Tripura is the silver lining as it registered an exemplary decline in poverty by 22.6 percentage points during the same period.

As per the estimates, Nagaland saw the highest rise of 12.1 percentage points in poverty between 2004-05 and 2009-10, followed by Manipur (9.2 percentage points), Mizoram (5.7 percentage points), Assam (3.5 percentage points) and Meghalaya (1 percentage point).

The Planning Commission estimates found that Assam had 37.9 per cent (116.4 lakh) population living below poverty line in 2009-10, as against 34.4 per cent (97.7 lakh) population in 2004-05.

Similarly, Meghalaya had 17.1 per cent (4.9 lakh) population in 2009-10 living under poverty line, as against 16.1 per cent (4.1 lakh) population in 2004-05. Manipur had 47.1 per cent (12.5 lakh), Mizoram had 21.1 per cent (2.3 lakh) and Nagaland 20.9 per cent (4.1 lakh) population living below poverty line in 2009-10 respectively, as against 37.9 per cent (9 lakh), 15.4 per cent (4.1 lakh) and 8.8 per cent (1.7 lakh) population in 2004-05 respectively.

Tripura saw a drastic decline in poverty between 2004-05 and 2009-10. From 40 per cent (13.4 lakh) population living below poverty line in 2004-05, poverty came down to 17.4 per cent (6.3 lakh) in 2009-10 in Tripura, which is a decline of 22.6 percentage points. Arunachal Pradesh too registered a decline in poverty during the same period. From 31.4 per cent (3.8 lakh) population living below poverty line in 2004-05, poverty came down to 25.9 per cent (3.5 lakh population) in 2009-10, which is a decline of 5.5 percentage points.

Planning Commission estimates found poverty to have declined by 7.3 percentage points from 2004-05 to 2009-10. From 37.2 per cent in 2004-05, poverty came down to 29.8 per cent in 2009-10, as per Planning Commission estimates.

SITUATIONS OF POOR PEOPLE OF TRIPURA

In Tripura's tribal areas, political parties are demanding greater autonomy for the tribal council. But for most people who have no clean drinking water, depleting food stocks, and no employment, more

development, not more autonomy, is a key requirement. Septuagenarian Tuiya Chandra Roaja of Rajdhar, a picturesque tribal hamlet in Tripura's Longterai valley, is a broken man today. He does not have enough food to eat and water to drink. "We subsist on the foodgrains and vegetables that we grow on the hills by shifting cultivation and drink water from *cherras* (small rivulets), but now we are suffering from acute food crisis because our stored grain is over and there is no potable water because sources have dried up," he says. When streams and rivulets – the only source of water – dry up in summer, there is an acute shortage of drinking water; people are forced to drink contaminated water which results in increased incidence of water-borne diseases like diarrhea. According to official records, 80 people have died of meningococcal meningitis in the last four months in the Longterai subdivision of Dhalai district. Leader of the opposition in the state assembly, Ratan Lal Nath, who visited the area, puts the figure at 200.

There is a Junior Basic School in the village which is run by a 'proxy teacher', Gopinath Tripura, while the government-appointed teacher keeps away. "This is a single teacher and single room school and all students up to class five sit in one room," Gopinath Tripura explains. "One Ananda Reang, who is the real teacher of the school, stays far away from the village and appointed me proxy teacher, paying me a salary of Rs 1,300 per month." Not surprisingly, the drop-out rate among the tribals is very high, says Tripura. According to government statistics, the literacy rate in the state is 73.20%. But the literacy rate among tribals is 56.50% with the female literacy rate being 44.60%. The drop-out rate at the primary level is more than 50% and only 17% tribals reach college level. Official records reveal that about 80% of tribal people live below the poverty line (BPL). Tripura, bound by Bangladesh on three sides, was once ruled by tribal kings and tribals were in the majority until it was merged with India after Partition. Partition opened the floodgates as migrants from the then East Bengal poured in and changed the demography of the state. According to the 1941 census, tribals constituted 53.16% of the population; in just ten years, that figure was down to 37.23%. A major issue in the elections held on April 23, 2009 for Tripura's two seats, was more autonomy for the TTAADC. Asked if the tribals of the state want more autonomy, Gopinath Tripura replied: "We do not know what autonomy is, but what we want is our food security, good roads, good

schools and employment guarantee and better education.”

REASONS BEHIND POVERTY

1. The geography of poverty and multidimensional Deprivation:-

Geographical factors are important, and the chronically poor are likely to be concentrated in the Northeast states in India, which may also ironically be abundant in natural resources, and in districts where multidimensional deprivation is significant. Poverty persists in almost all states. However, the proportion of the poor who suffer long-duration poverty and intergenerational transmission is likely to be significantly higher in those parts of the country that have consistently suffered greater incidence of severe poverty and multidimensional deprivation over many years.

2. Backward areas, chronic poverty and Extremist conflicts:-

What are the socio-political consequences of chronic poverty? From the perspective of the political sociology of poverty, there are four major results in such districts:

- i. Radicalisation of economic conflict political organisations
- ii. Criminalisation of political processes (like elections) and politicisation of criminal activities
- iii. Flight of capital and decline in the entrepreneurial climate; and
- iv. Externalisation of victims of poverty through migration, ethnic exclusion

3. Social status:-

In Northeast, the poor are widely seen to belong predominantly to the SCs and STs, officially recognised categories that are protected constitutionally and for which many affirmative public actions have been taken to attempt to redress the disadvantages facing them.

4. Agriculture and poverty:-

The policy interest in raising agricultural productivity through the various development plans has been not only in the context of raising food production, which is a critical objective, but also because of the implications of agricultural growth for poverty reduction. Where agricultural productivity has been raised through irrigation and technological progress, incidence of poverty has also dropped, as in the northwest of the country. However, achieving sustained high rates of growth under different agro-climatic conditions is a challenge for agricultural

policy, particularly in rain-fed conditions, where incidence of poverty is also high.

5. Land and poverty:-

Marginal and small farmers constitute an overwhelming proportion of the rural population and contribute to less than half of agricultural output. It has been noted that NCEUS (2008) more than 80% of farmers belong to marginal and small farm size groups, operating less than 2 hectares of land. The increase in the number of farm labourers was a sign of ‘depeasantisation,’ and their declining access to regular work signified pauperisation. Thus, the size of this poorest segment increased almost four times, from about 2.7 crore to about 10.7 crore over the second half of the 20th century.

6. A caste/class view of poverty:-

In social group terms, over 80% of the poor in the country now belong to socially disadvantaged groups like SCs, STs, and the most backward castes among OBCs and weaker sections among the Muslims. More than 92% of SC farmers, a similar percentage of ST farmers and 84% of OBC farmers possess less than 2 hectares of land. The same is true for 78% of farmers from the ‘others’ category, which includes rural households from the upper castes and minorities. Access to land is an important determinant of access to economic resources such as credit, as well as other resources that determine outcomes in terms of income.

CONCLUSION

Poverty is the largest and most serious development challenge facing India. Although there has been sustained overall economic growth performance since the early 1980s in the country, the reduction in the rate of incidence of poverty has been extremely slow. Performance has been unsatisfactory, not only with regard to income poverty but also with regard to measures such as life expectancy and literacy. Analysis of the pattern of incidence of poverty has shown there is a ‘geography of poverty,’ since it is concentrated in the rural areas of certain states. There is also a ‘sociology of poverty,’ since the proportion of the poor is higher among certain social groups. Additionally, there are identifiable occupational features of the poor: ‘they are concentrated in agricultural labour and artisanal households in rural areas, and among casual labourers in urban areas’ (Planning Commission (2008). A higher concentration of poverty in certain geographical regions and types of households and

greater vulnerability of certain groups together point to the need for analysis and programmes that capture the details of the structure of poverty. There is a need to have a broad based approach in order to benefit all sections of the society. Improving decentralisation and governance are also part of equitable development. It is more challenging for the country to reduce poverty, inequality and social exclusion in rural areas than getting 8 to 10 per cent growth in GDP. The trends in Tripura are not so prominent in rural areas but in urban areas, there is evidence of increasing inequality which is also responsible for increase in poverty incidence for the urban areas of Tripura. However, even in rural areas, it has been observed that the process of poverty reduction has not been even with regard to social groups or with regard to its regional spread. The ultimate aim of economic growth must be the betterment of the living conditions of the poor. Economic growth that does not lead to sharp and sustained reductions in poverty may create more problems than it solves. Similarly, if rapid growth is achieved at the expense of a worsening in the distribution of resources, it ultimately becomes unsustainable, since it engenders

social tensions. Indeed, it is possible to imagine a situation in which economic growth leads to such exacerbation of inequality that poverty actually rises. An improved understanding of the sources of income and income distribution provides instructive insights into food insecurity and poverty, helping policy makers in the developing world to formulate new strategies for overcoming them.

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