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EXTENT OF POVERTY AND CHALLENGES IN NORTH EAST INDIA

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ABSTRACT

For a developing nation like India, it is upmost important that poverty, which is a hindrance to development, should be reduced atleast if not completely eradicated. The north eastern region is also hit hard by poverty. The NER specially Assam has great potentialities in generating employment, but the problem is that it has lower opportunities in getting employment. Capital deficiency and lack of entrepreneurial are the main problem of employment generation. The aim of this paper is to examine the trend of poverty in NER states and also the status of employment generation in the region.

KEYWORDS : *Poverty, Employment. North East India*

INTRODUCTION

Poverty, the worst form of deprivation to entitlement has a great concern for the law makers of the country. India, despite being one of the fastest growing economies in the world, India shares 17.5 percent of the world's population and had 20.6 percent share of world's poorest in India in 2011. Poverty is a social-economic phenomenon in which a section of society is unable to fulfill even its basic necessities of life. The minimum needs are food, clothing, housing, education and other basic minimum human needs.. It is generally agreed in this country that only they who fail to reach a certain minimum consumption standard should be regards as poor. Industrially Assam is a backward state, for which the employment opportunities are very minimal in Assam. The north east region of India consisting of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura occupies 7.98 % of India's geographical area with 3.76 % of India's total population. The North east region depends basically on

agriculture for its livelihood, but the huge increase in population also decreases the land per head and this ultimately leads to lower productivity of the agricultural land. And moreover, most of the agricultural laborers are unskilled and don't have the knowledge of new technology . Therefore, creating employment opportunities for those people can help the region to a great extent. If other sectors absorb the excess labourers from the agricultural sectors, they can be gainfully employed.

OBJECTIVES OF THE STUDY

- To study the trend of poverty in North Eastern Region of India
- To study the status of employment in North Eastern Region
- To investigate the problem behind the high rate of poverty in the region

METHODOLOGY

The required information is collected from secondary data which available at Ministry of Labour and Employment GOI, Planning Commission Report, data from NSSO Rounds. The data collected are tabulated and analyzed with the simple tables and graphs.

POVERTY IN NORTH EAST INDIA

Poverty is an evil which is widespread in the whole country including the North East Region. Poverty has stand out to be the greatest challenge to mankind, from which the region is not still able to come out. The North east region of the country is characterized by diversity in its resources and the colorful ways of living. Despite the various approaches to growth, the various implemented plans and the home for a rich cultural and natural heritage, the region is still in the grip of widespread poverty. It is a complex task to measure the extent and rate of poverty and to categories the various indicators to measure poverty. Out of the eight states of the region, five viz; Meghalaya, Mizoram, Nagaland, Sikkim and Tripura, the percentage of people living below poverty line in the other three states is much higher than the all India average. Among all the states of the North East Region Manipur bags the highest number of people below poverty line as per both Tendulkar and Rangarajan committee. Though, government has taken various measures to reduce or eradicate poverty, yet the study of poverty of India is of great importance today.

In India, according to the Tendulkar Methodology, the percentage of people living below the poverty line is is estimated to be 21.9 percent as a whole, which is 25.7 in rural areas and 13.7 percent in urban areas. The respective ratios were 37.2 percent as a whole, 41.8 percent for rural areas and 25.7 percent for urban areas. It was 50.1 percent in rural areas, 31.8 percent in urban areas and 45.3 percent for the country as a whole in 1993-94. India had 270 million persons below the Tendulkar poverty line in 2011-12 as compared to 407 million in 2004-05, depicting a reduction of 137 million persons over the seven year period. Moreover, the rate of decline in the poverty ratio during 2004-05 to 2011-12 was about three times of that experienced in the eleven year period of 1993-94 to 2004-05. During this period (1993-94 to 2004-05), the average decline in the poverty ratio was 0.74 percent per year. It accelerated to 2.18 percent per year during 2004-05 to 2011-12, which is a much better picture.

But later, the Rangarajan committee produced different estimates for the year 2011-12. In the Rangarajan committee the all India poverty ratio is obtained as state population weighted average poverty ratio and all India poverty line is the per capita per month expenditure that corresponds to the all India poverty ratio.

A brief comparison of Tendulkar and Rangarajan committee is presented for the reference period 2009-10 and 2011-12 for the national level.

Table 1
Number of Poor and Poverty Ratio in India

Committee	Period	Number of Poor			Poverty Ratio		
		Rural	Urban	Total	Rural	Urban	Total
Tendulkar	2009-10	278.2	76.5	354.7	33.8	20.9	29.8
	2011-12	216.7	53.1	269.8	25.7	13.8	21.9
Reduction		61.5	23.4	84.9	8.1	7.2	7.8
Rangarajan	2009-10	325.9	128.7	456.6	39.6	35.1	38.2
	2011-12	260.5	102.5	363	30.9	26.4	29.5
Reduction		65.4	26.2	91.6	8.7	8.7	8.7

Source: Planning Commission Report, GOI; 2014

As per the Tendulkar report poverty ratio in the rural areas 33.85 percent and in urban areas, it was 20.9 percent in the year 2009-10 which decreased to 25.7 percent and 13.7 percent in rural and urban areas respectively in 2011-12.

The North Eastern part constitutes a huge proportion of the country. The state wise poverty ratio of this region shows that 36.9 percent people live below the poverty line in Manipur according to 2011-12 data which is highest in the region. The state wise data are presented in figure 1

FIG 1
State wise Poverty Ratio of North Eastern States

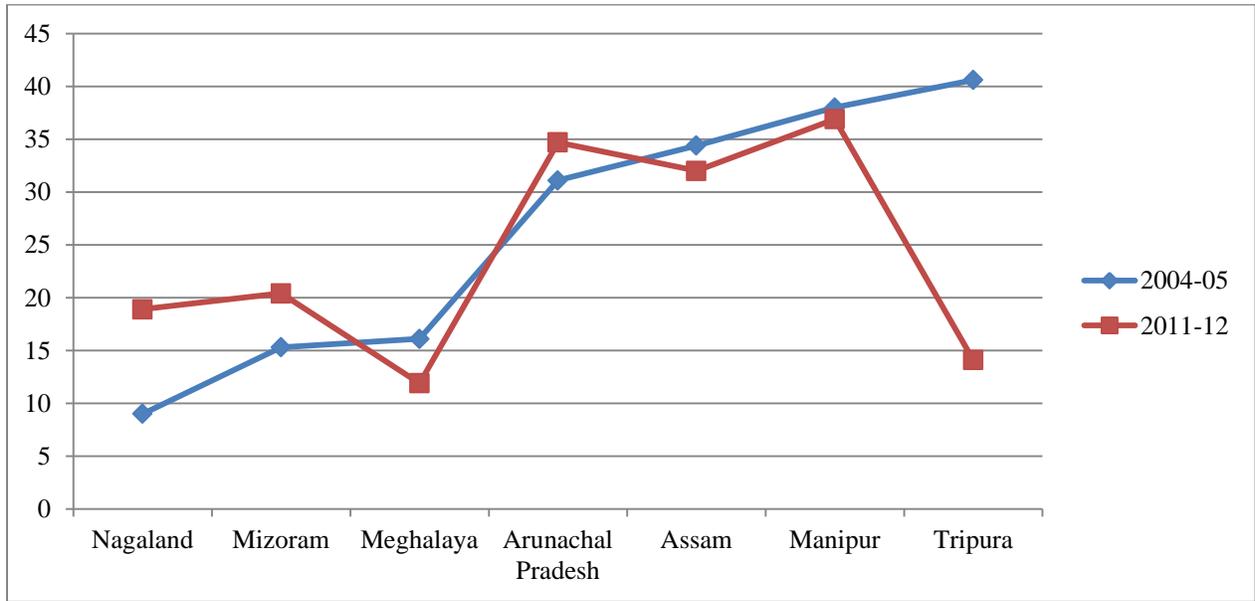


Table-2

States	2004-05	2011-12	decline in poverty (%)
Nagaland	9	18.9	-9.9
Mizoram	15.3	20.4	-5.1
Meghalaya	16.1	11.9	4.2
Arunachal Pradesh	31.1	34.7	-3.6
Assam	34.4	32	2.4
Manipur	38	36.9	1.1
Tripura	40.6	14.1	26.5

When the people living below the poverty line in 2011-12 are compared to the data on the same in 2004-05, a better picture is seen with respect to Meghalaya, Assam, Manipur and Tripura. Among all the North Eastern States, Tripura presents the most satisfactory picture. In Tripura, from 40.6 percent of people coming in the BPL category in 2004-05, the figure dropped drastically to 14.1 percent in the year 2011-12, which is a great development to be considered. And the most dampening picture to be witnessed is of Nagaland, which has witnessed a negative decline rate of 9.9 percent from only 9 percent of population in 2004-05 to 18.9 percent in 2011-12.

Employment generation has been one of the most important priorities of the government which is

both a cause and consequence of economic growth. To analyse the status of employment in North Eastern Region for which data are used from the Annual Employment-Unemployment Survey by Ministry of Labour and Employment, 2016. Labour Bureau, Ministry of Labour and Employment conducts Annual Employment- Unemployment Surveys (EUS) to access the employment and unemployment status. The Bureau has done five such surveys till now and based on these results, the state wise unemployment of the North East Region are given in the table based on the Usual Principal and Subsidiary Status (UPSS) Approach.

Table 3
Unemployment Rate (UR) according to UPSS Approach (fig. in percentage)

Name	Second (2011-12)	Third (2012-13)	Fourth (2013-14)	Fifth (2014-15)
Arunachal Pradesh	6.4	10.2	6.7	3.9
Assam	4.4	4.3	2.9	4.0
Manipur	2.5	2.2	3.4	3.4
Meghalaya	1.5	3.5	2.6	4.0
Mizoram	0.3	2.2	2.0	1.5
Nagaland	4.3	6.2	6.7	5.6
Sikkim	9.0	12.2	7.1	8.9
Tripura	12.4	8.4	6.2	10.0
India	3.3	4.0	3.4	3.7

Source: Labour Bureau, Ministry of Labour and Employment, 2016

The unemployment rate at the national level is 3.7 percent in the year 2014-15. The unemployment rate is defined as the number of persons unemployed per 1000 persons in the labour force (employed and unemployed).

$$UR = (\text{no. of unemployed persons/labour force}) \times 1000$$

Among the north eastern states, Tripura has the highest unemployment rate (10.0 percent) according to the fifth survey and lowest unemployment rate is found in Mizoram (1.5 percent).

When poverty is responsible for the slow growth rate of the nation, at the same time there are many factors responsible for poverty. The nation suffers from lack of inclusive economic growth which is same for the North Eastern Region also. Though the North Eastern Region is rich in its natural endowments, but it is poorly connected to mainland India by a small corridor and surrounded by countries like Bhutan, Myanmar, Bangladesh and China. The geographical location itself sets it for a conflict that hinders the region to work as a prosperous and develop industrially. The North Eastern Region has always felt to be neglected for which the poor governance of the states are also responsible to a huge extent. The state government is expected to work in such a way that can catch the attention of the central government. Since the North Eastern region is known for its natural treasure, therefore, some proper policies and programs can bring out the potentialities to the fullest. The poor infrastructure of the region is also responsible for the mass poverty. Though people educate themselves, they do not find a right place to invest their knowledge and ideas. Owing to the poor infrastructural facilities, the companies outside the region do not want to invest their physical as well as mental assets though the region the potentialities to develop. Therefore, the potentialities of the region always get unutilized or underutilized. The educated persons of the region also

drain out their brains in search of good value for their work. Since, industrially the region is so much backward, therefore the population of the region never gets a chance to expose their skill and earn a livelihood, which keeps them in a state of poverty.

CONCLUSION

Geographically, the North Eastern Region is rich in its natural endowments and also a drought free zone which has great potentialities to develop. There are huge potentialities for the region to have gainful employment and income. People of this region remain poor as they depend excessively upon the primary sector in which a huge number of people are disguisedly employed in that sector. If proper care is taken by government, the region can surely get benefitted. The region can get out of poverty when it is developed at least to some extent that the people can get a chance to engage themselves in productive works where they can earn a livelihood. For this, the government plans should be directed to such a way that it can attract investment outside the country and initiative should be taken to develop the infrastructure. Though, the region can be developed to a tourist hub, yet it cannot do so due to the poor infrastructure. When the tourist industry will be developed it will help many people to earn a livelihood by offering tourist guide jobs and extending the market by small vendors. To get rid of poverty, it is very important that the manufacturing sector is given due importance. There is every possibility for the region to take the people out of poverty, if proper care is taken off at the right time.

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