

CMIE survey

Commendable performance of North Eastern States in the labor sector

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(Indian Economy)

The Consumer Pyramid Household Survey (CPHS) of the Center for Monitoring Indian Economy (CMIE) has a limited reach in the Northeast. This survey has been done in Assam, Meghalaya, Tripura and Sikkim. CMIE is unable to establish CPHS reach to the east and further to the border states of Arunachal Pradesh, Nagaland, Manipur and Mizoram. It is unfortunate but CMIE is trying to take its survey to these states.

In a survey

The available data shows that the north-eastern states have a commendable performance in the labour sector. Meghalaya and Tripura top the labour participation rate (LPR) and employment rate. The highest LPR in Meghalaya is more than 60 per cent. The employment rate here is also the highest, around 60 percent. The unemployment rate is the lowest at around 2 percent.



After Meghalaya, Tripura has the highest LPR of about 52 per cent. The employment rate here is relatively low at around 45 per cent and the unemployment rate is slightly higher at around 14 per cent. However, the labour figures in Assam are spectacular. The LPR in Assam is 48 per cent. In recent times, the unemployment rate in this state has increased to 7-9 per cent. But despite this the employment rate is excellent and which is around 44 percent.

North-east and other states

The labor market data for these northeastern states is best reported when compared with the all-India average, with LPRs of less than 40 per cent, employment rates of around 37 per cent and unemployment rates of around 7-8 per cent. These figures are also in the official statistical system.

According to the Periodic labour Force Survey (PLFS) 2020-21, the employment rate was around 62 per cent in Meghalaya and 54 per cent in Tripura. This is higher than the CPHS estimates but the PLFS figures show that these states have higher average labour norms. According to the PLFS, the unemployment rate of North East states which are not included in CPHS is worse than Meghalaya and Tripura. These two states Meghalaya and Tripura appear ahead in terms of labour statistics.

Both the states of Meghalaya and Tripura share borders with Bangladesh. The labour figures in both these states are excellent. Assam shares its border with Bangladesh and Bhutan. Other states in the North-east share borders with Nepal, Bhutan and Myanmar. The boundaries of all the states of the North-east are 'landlocked' i.e. no state of the North-east shares its border with the sea.

About Meghalaya

Among all the states of the North-east, Meghalaya is different in many ways. This hilly state receives more rainfall. The literal meaning of Meghalaya is where the clouds reside. Cherrapunji, the place with the highest rainfall on earth is located in Meghalaya. Most of the population of this state is tribal and about 75 percent of the population follows Christianity. An interesting fact is that this state follows the matriarchal system where the lineage and inheritance are decided by the woman. In this state the youngest daughter gets the entire property and takes care of her parents. Being a matriarchal system, this state of India has the highest female LPR rate. The female LPR in this state was 49.5% in May-August, 2022. This is more than 36 percent of Bangladesh.

On the other hand, Telangana is in second place in the women's LPR, where this rate is 27.1 percent. On high female LPRs, the common argument is

Center for Monitoring Indian Economy (CMIE)

CMIE is a leading business information company. It was established in the year 1976 primarily as an independent think tank. CMIE provides economic and business databases and develops specialized analytical tools for decision making and research. It analyzes data to understand the new trends in the economy.

Labour Participation Rate (LPR)

The number of people involved in economic activities is called labour participation rate. Labour participation rate is the percentage of the working population (both main workers and marginal workers) to the total population.

GDP

Gross Domestic Product (GDP) is the total monetary or market value of all goods and services produced within a country's territory within a specified period of time.

Gross State Domestic Product (GSDP)

GSDP is the sum total of the value added by different economic sectors (agriculture, industry and services) produced within the state's borders during a year calculated without duplication. It is one of the measures of economic development for the economy of a state.

Northeast states

Northeast India refers to the easternmost regions of India comprising a total of eight Indian states namely Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Tripura, Nagaland, and Sikkim. In which apart from Sikkim, the rest of the united states are also known as "Seven Sisters". The North Eastern Council (North Eastern Council/NEC) was formed in 1971 as a central body for the economic and social development of these eight states. At the same time, the Ministry of Development of North Eastern Region (DoNER) was formed in September 2001.

made that poor states cannot afford to remain unemployed. Meghalaya has a comparatively low Gross State Domestic Product (GSDP) per capita. In the year 2021-22, it was two-thirds of the national average of Rs 1,07,670 at Rs 69,133. But Meghalaya has a comparatively higher GSDP than Bihar (Rs 34,465), Uttar Pradesh (Rs 47,857) and Jharkhand (Rs 61,905). LPR less than Meghalaya is 3.05 percent in Bihar, 2.18 per cent in Uttar Pradesh and 2.09 percent in Jharkhand.

The economy of Meghalaya is based on agriculture. But compared to many other states, Meghalaya's economy is less based on agriculture. The employment in agriculture in Meghalaya is less than 29 percent, while the employment in agriculture at the all-India level in May-August 2022 was 36 per cent. About 21 percent of Meghalaya's population is employed in the real estate and construction sector. In the recent past, labor has partly left agriculture and other allied activities in the construction sector.

However, the dual engine i.e. participation of both men and women in the state has not been properly exploited in the labor market. Meghalaya has the lowest per capita GSDP among the northeastern states. May be less in Manipur but figures for 2021-22 are not available. Perhaps the hilly terrain poses a challenge for investment. But the desire of women to get employment in the state is encouraging.

About Tripura

Most of the Bengali speaking diaspora in Tripura is Hindu. One of the states with the highest literacy rate is Tripura. Tripura has the third highest female LPR of 23.8 per cent in the country after Meghalaya and Telangana. Tripura is neither a tribal state, nor a Christian majority state nor a matriarchal state. The literacy rate is high here but the LPR of women in the similar state of Kerala is very low.

The culture of Tripura is influenced by migrants which explains the reason for having high LPR. It is best to leave the task of knowing the reason for the high female LPR to the academics. But it is worth noting here that the high female LPR in these northeastern states is unmatched.

way forward

Better GSDP can be achieved in the coming days with higher female literacy and higher LPR than today. However, better results can be obtained by investing in labor-intensive industries in this sector as compared to states where women are not more willing to work.

Expected Question

Que. Consider the following statements.

1. Tripura is the most literate state of India.
2. All the states of North East including Sikkim are known as 'Seven Sisters'.

Which of the above statements is/are false?

- (a) only 1 (b) 2 only
(c) Both 1 and 2 (d) None of the above

Answer : C

Mains Expected Question & Format

Que.: Give a brief description of the northeastern states and their importance by showing their geographical location?

Answer Format :

❖ **Introduction (30-40 words)**

Give the details of the northeastern states in India showing their location.

❖ **Main Body (140-170 words)**

Give importance by showing their geographical location along with other countries belonging to the Northeast.

Explain their importance by showing economic and social specificity.

❖ **Conclusion (30-40 words)**

Give a balanced conclusion showing the availability of resources and his challenges in the north-eastern states.

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Note: - The question of the main examination given for practice is designed keeping in mind the upcoming UPSC main examination. Therefore, to get an answer to this question, you can take the help of this source as well as other sources related to this topic.