

SALIENT FEATURES OF THE STATE

1.1. BACKGROUND

1.1.1. Tripura is located in the south-west extreme corner of the north-eastern region. With an area of 10,492 Sq Km, it is one of the smallest states of the country. Nearly 70% of the total area is hilly, leaving very little cultivable land. About 59% of the total area is classified as forest and under the ambit of the Forest Conservation Act. The net sown area is approximately 280,000 Ha which constitutes about 27% of the state's total area. The cropping intensity is 172%. The state has many rain-fed, non-perennial rivers and streams draining into Bangladesh.

1.1.2. Despite being geographically the smallest state in the region, it is the second most populous state after Assam, with a population density of 304 per Sq Km. The 2001 Census population was 31.91 Lakhs. Percentage of SC & ST population for 2001 census is yet to be received. However, these percentages are 31% for ST and 16% for SC as per 1991 census. The present population is estimated to be about 32.50 lakhs. The decennial population growth in the State was consistently higher than the national average up to 1991 census. But these had sharply declined during the last decade and has come much below the national average (i.e. 15.74 against all India 21.34). The percentage of the rural population is 84 %, among them, 66.81% are living below the poverty line as per survey conducted during 1997-98.

1.2. GEOGRAPHIC

1.2.1. Backwardness of the state arises primarily due to its geographical isolation. This problem which is common to all north-eastern states, assumes the most difficult dimension in case of Tripura. In the north-eastern region, Agartala, the state capital, is located at the farthest distance from Shillong, headquarter of the North Eastern Council (487 KM), as compared to other state capitals of the region.

1.2.2. The state receives about 2100 mm rainfall per year on an average. All rivers and streams are rainfed and drain into Bangladesh. Due to downstream jacketing of the rivers in Bangladesh, Tripura is subjected to severe floods at frequent intervals during the monsoons.

1.3. ECONOMIC

1.3.1. Per capita State Domestic Product (SDP) of Tripura during 1998-99 was Rs.9613 at current prices against the all India average of Rs.14712. This was not only much below the national average but one of the lowest in the north-eastern region.

1.3.2. Economy of the state is primarily agrarian with agriculture contributing 42% of the (SDP) and 64% of employment. Small and marginal farmers constitute 90% of the total number of farmers in the state. While there has been a steady rise in the contribution of the tertiary sector to the SDP, growth of secondary sector has remained slow. Net sown area constitutes about 27% of the total area. Only 21.4% of the area has assured irrigation considering achievement made upto end of March, 2001. Due to high population density, average size of operational holding (0.97 ha) is much smaller than the all India figure (1.68 ha).

1.3.3. The present indications are that unless policy changes are implemented:

- the Primary Sector will continue to retain large persons at low wages;
- the Secondary Sector has its limitations in providing large employment. The present wages in the sector are low and unlikely to increase significantly;
- the Tertiary Sector is dominated by the Government. Public administration contributes substantial portion of this sector's value addition

1.3.4. The major field crop is rice with more than 50% of the gross cropped area. This area is decreasing. The area under other field crops is insignificant. The area under pulses and oil seeds is, however, increasing. The state is a net importer of rice, wheat, pulses and oil.

1.3.5. About 2.3% of the state's land is under fishery. While the state is a net importer of fish, it is an exporter of fish seed.

1.3.6. The state has no significant Central Government or private sector investment. The state is a net importer of capital, through Central transfers as Grants and Loans, but is unable to retain the transferred capital because of reverse transfers as payments for food and other essential imports and because of the low Credit-Deposit (CD) ratio which is only 27.82% as on 31st March, 2001.. The present low Credit-Deposit ratio is a very serious constraint to the increase of labour productivity in the state. This is compounded by the practical collapse of both short-term crop credit and investment credit. Hence, it is essential to improve the mechanism of institutional credit for development of these sectors.

1.4. INFRASTRUCTURE

1.4.1. Basic physical infrastructure, such as a dependable transport system, power, etc. is pre-requisite for economic development. Even though, there has been some improvement of the infrastructure sector in the state during previous plan periods, yet both in terms of quantity and quality, it has remained

abysmally poor as compared to the national level and even in comparison to other North-Eastern states.

1.4.2. Unlike Assam, Tripura does not have facilities for inland water transport. Transport by road is, therefore, the only dependable means of transport. Extremely hostile, difficult, hilly terrain and high rainfall make construction and maintenance of roads and other transport network difficult and costly. Condition of the state highways and district roads is not upto the mark and needs substantial investment.

1.4.3. Per capita consumption of electricity in Tripura was 65 KWH which is not only much below the national average (319 KWH) but is the lowest in the North-Eastern region. During last three decades per capita consumption of electricity increased substantially from earlier negligible levels in case of other North-Eastern states, whereas, in the case of Tripura, the increase was not at par.

1.4.4. The overall backwardness of the state is evident from the composite infrastructural index evolved by the Centre for Monitoring Indian Economy (CMIE), based on availability of power, irrigation, road, railways, post-office, education, health and banking. As per the CMIE index for 1991-92, Tripura was the second most backward state in the entire country after Arunachal Pradesh.

1.4.5. The state has a token presence of railways of about 45 Km connecting Kumarghat in North District via Dharmanagar to Badarpur and Lumding in Assam. Recently the Railways have commenced work for extension of the railway line from Kumarghat to Agartala from both ends. Preliminary survey for further extension of the line from Agartala to Sabroom via Belonia has also been completed. Also survey for extension of line from Agartala to Akhaura (Indian part) for linking with railway network of Bangladesh has also been completed. These linkages are extremely important for the development of the State.

1.4.6. The state is connected by road with the rest of the country by an intermediate-lane national highway (NH-44) passing through Karimganj in Assam and Shillong in Meghalaya. This road is the State's lifeline. Quality of this road needs improvement along with conversion of the same into a double lane National highway.

1.4.7. The state of Tripura has been continuously beleaguered by socio-economic problems since independence. Tripura was converted into an isolated territory with practically all normal communications with the rest of the country affected by the partition of India. A circuitous and landslide-prone rail or road route through some of the distantly located northeastern states is the only transit now available, besides the hardly affordable air link.

1.5. OPPORTUNITIES

On account of various geographical, social and historical reasons, Tripura has remained economically backward. Low availability of infrastructure, as indicated above, has made the process of economic development extremely difficult. The state has, however, strengths which are required to be exploited for ensuring sustained economic development. The north-eastern part of the country is close to the South East Asian region, which has seen rapid economic growth in the last decade. Development of infrastructure and creation of conditions conducive for economic development are essential for tapping this potential. Some of the promising sectors of Tripura's economy are as follows :

1.6. HUMAN RESOURCE

1.6.1. Human resource is the most promising resource of the state. Educated manpower coupled with harmonious industrial relations, pollution-free environment, stable and responsive government and efficient administration are the strengths of the state. The literacy rate (73.66%) [male 81.47% and female 65.41%] is higher than the national average. Adequate facilities for vocational and technical education for development and up-gradation of skills are essential for exploitation of the human resource on a self-sustained basis.

1.6.2. The state has well-developed institutions of local self-governance in both the Autonomous District Council (ADC) and non-ADC areas. These institutions and the cooperatives are integrated into all developmental activities and ensure the willing participation of the people in programmes. The Panchayat Raj, Nagar Panchayat and the ADC area institutions are a major strength of the state.

1.7. LAND

1.7.1. High rainfall and good soil offer considerable scope for land-based economic activities. While productivity of rice in the State (1813 Kg/ha) is comparable with the all India figure (1879) and is much above the North-Eastern average (1396), yet area brought under irrigation has remained much low compared with all India coverage. Creation of irrigation sources and intensive land utilisation is required to be given a big boost to develop of agriculture and allied activities in the state.

1.7.2. Significant area in the state is under fruit and plantation crops. The major crops grown in plantations are tea, cashew, orange and pineapple. Jackfruit, banana, lemon, coconut and arecanut are largely grown on the homestead. Fruits grow very well in the State and the quality of jackfruit, orange and pineapple is widely recognised. The state is a net exporter of fruit and plantation crops. Favourable agro-climatic conditions hold considerable promise for development of agriculture, horticulture, floriculture and other land-based activities.

1.7.3. Tripura grows large quantities of vegetables with potato as the major field crop. Practically all vegetables grow well in the state.

1.8. NATURAL RUBBER AND TEA

After Kerala, Tripura is the second largest producer of natural rubber. Rubber produced is of superior quality. At present, about 26,000 hectares is under natural rubber plantation and annual production is more than 9000 MT. In view of good demand for natural rubber conducive condition for its production in the State and potential for rehabilitation of tribals, this sector holds considerable promise for development in the state. Tripura, a traditional tea-growing area, has 55 tea gardens covering an area of 6430 hectares with a production of more than 5500 tonnes per annum. Tea produced in the state has good blending qualities. Production of bio-tea, which does not have any chemical residue, has been taken up as a special venture. Suitable land and climatic conditions offer good potential for development of tea industry in the state. These plantation-based activities will be of special significance in the rehabilitation of the shifting cultivators and Scheduled Tribes in general.

1.9. NATURAL GAS

As per the estimate of ONGC, out of a prognosticated reserve of 400 Billion Cubic Metres (BCM), approximately 16 BCM natural gas is recoverable. This gas is available in non-associate form, with about 94% methane. Availability of gas provides scope for setting up units for producing power, chemicals and fertiliser which will lead to rapid economic development of the state.

1.10. LOCATION (EXPORT)

Tripura has 84% of its border common with Bangladesh. Promotion of trade with Bangladesh including border trade will open a vast market, which will in turn catalyse development of agriculture and industry in the state. There is considerable scope for export of agricultural produces, medicines, cycle parts, etc. from the state across the border. A step up in trade with Bangladesh will lead to economic development of the entire north-eastern region including Tripura.

1.11. TOURISM

Tourism, both domestic and international, has been widely recognised as an important activity for creating employment and income-generating opportunities on a large scale. Tourism, based on wildlife, forest and Buddhist/Hindu religious places, has good potential in Tripura. At present, promotion of tourism has been affected by inadequate infrastructure. Development of facilities for transport, accommodation and other tourism-related infrastructure is essential for promotion of tourism.

1.12. OBJECTIVES

1.12.1. The highest priority before the Government is, firstly, the equitable improvement in the general standard of living of all sections of the population, especially scheduled tribes, scheduled castes, minorities and other backward classes, and secondly, the equitable development of Autonomous District Council areas to the same standards as the non-Autonomous District Council areas.

1.12.2. The State is committed to involving all people and their democratically elected representatives in the balanced development of the state. The process of decentralisation will be taken beyond mere financial desegregation towards effective participative planning and programme implementation by the local communities. Given the very strong Panchayat Raj and Autonomous District Council area institutions in the state, the Gram/ Village is the natural area for such planning and implementation.

1.12.3. The State will make all efforts for providing all sections of the people with clean drinking water and housing, eradicating illiteracy and malnutrition, improving the health standards, electrification and connection by road of all habitations within next 5 years.

1.12.4. The State is further committed to the creation of significant additional employment opportunities in non-Government sector during next five years.

1.12.5. The State will also attempt to increase the production of field crops by 50% and double the production of fruits and vegetables, within next 5 years. To this end, all available land and water resources will be put to appropriate use and land will be made available to the landless and homeless. Rehabilitation of jhumias, development of wastelands and appropriate land reform measures, including the restoration of alienated tribal land, will be adopted as a part of the strategy.

1.12.6. In the secondary sector, the State will attempt to achieve a growth rate of 10% and creation of enhanced employment opportunities.

1.12.7. The development of infrastructure, especially roads, power generation, transmission and distribution, and irrigation will be accorded priority during the next five years.

1.12.8. In achieving the above objectives and in ensuring that the benefit of all governmental efforts is directed towards the poor and deprived sections of society, the State will evaluate all governmental expenditure for efficacy and target all subsidies to identified deserving sections of the society.

1.12.9. The State realises that the planning process must, as an essential discipline, also focus on the available resources - financial and physical, governmental and non-governmental, conventional and innovative - and plan for

their comprehensive and optimal usage. The State stands committed to realistic and time-bound resource-based planning as well as mobilisation of additional local resources.

1.12.10. The State is conscious that large government often leads to excessive departmentalisation, the consequent lack of effective coordination and unnecessary paperwork. The State is committed to streamlining of government functioning through delegation of government functions and improvement of linkages between different government departments, and shifting focus from mere adherence of procedure to attainment of stated outcomes.

1.12.11. The State stands committed to encouraging quality in all governmental and non-governmental work and in ensuring that all consumers receive the best value both for public and private money.

1.12.12. The State will, in a phased manner, ensure, within the next five years, that all programmes serve the above purposes. The State will also formulate "Vision 2010" for Tripura, incorporating goals, strategies and a time bound plan of implementation.

1.13. STRATEGY

1.13.1. Increasing Production and Productivity

Funds available with the government are relatively small in relation to the capital needs of the entire economy. The government should, therefore, plan for the full gamut of capital investment and not just the funds that it has. The Government would use its funds to intervene in specific areas of weakness or on the side of identified disadvantaged groups to achieve stated objectives, and would encourage private investment and employment in all sectors of the economy. The major use of government fund would thus be :

- to identify and disseminate information regarding capital availability and markets;
- to ensure employment generation through high local labour participation; and
- to increase the labour skills in targeted sectors;
- It will be the endeavour of the government to target;
- optimization of results through support to essential linkages;
- setting up networks for linkages, instead of depending on individual efforts only;

- planned development of areas through streamlining of government functioning and avoiding excessive departmentalisation;
- formulation of integrated area based plans, based on watershed, specially for tribal and other backward rural areas, considering the resources available and the genuine socio-economic needs of the people;
- the effective participation of people in the local planning process including;
- need identification;
- resource survey;
- formulation of strategies for the utilisation of available resources;
- mobilisation of additional resources; and
- implementation, monitoring and evaluation.

1.13.2. Infrastructure and Developmental Programmes

i. Government has a major responsibility in creation of infrastructure and in developmental programmes. Government funds will target infrastructure development that is not commercially exploitable i.e. roads, bridges , etc.. Commercially exploitable activities may be left to non-government funding. As a strategy, the government will identify the infrastructure that it is committed to providing and ensure availability in accordance with specified norms.

ii. Investment in developmental programmes is one of the most important functions of the Government and an important source of equity between areas and population groups. Investment in developmental programmes will target disadvantaged groups and focus on stated and verifiable outcomes in relation to each such group.

iii. Investment in developmental programmes will also target stated standards of output since otherwise disadvantaged groups would be unable to take advantage of the programmes. For this purpose, the government will identify:

- the disadvantaged groups;
- the post intervention outcomes desired;
- the intervention strategy; and
- the quality norms.

1.13.3. Special Approach for Tribals and Tribal Areas

i. Within the above framework, the government will focus particularly on the special needs of tribals and tribal areas. Tribals and tribal areas would be the major recipients of fresh expenditure on infrastructure and developmental programmes.

ii. Tribals and tribal areas need to be incorporated into the economy. The capital, market and skill orientation of the economy is often in conflict with the traditional tribal outlook. The incorporation of tribals into the economy will initially focus on the primary sector and the commodity market. Tribal entrepreneurs will be simultaneously educated in regard to the market and value addition.

1.13.4. Special Approach for Other Disadvantaged Groups

i. Persons living well below subsistence level like hardcore tribal jhumias may not be brought in the credit net. They would be supported through the subsidy programme of the government.

ii. Skill upgradation is largely the responsibility of the government. All the government departments will make assessment of the skills that would be required and train the persons accordingly. In order to impart training, it would be necessary to constantly upgrade skills of the trainer.

iii. The priority of the government is poverty alleviation through sustainable development of the available resources. The products of strength and potential at present include tea, rubber and a diverse variety of horticultural crops. This range will be further diversified and production enhanced. With reduction of poverty as the target, the existing costly policy of almost universal subsidisation of inputs for the farm sector will have to be changed to benefit only the economically weaker sections.

1.13.5. Primary Sector

i. The State will create conditions of high labour productivity in the primary sector. The primary sector, in a specified time frame, would be transformed from a subsistence agrarian economy employing a large number of persons with low skills into a high technology sector, capable of absorbing capital, employing persons with upgraded skills and driven by the market and exports. Such a developmental strategy will focus on the skill development of the abundantly available human resource so that remunerative employment throughout the year is provided to the workforce.

ii. The agriculture and allied sector is largely in the hands of private cultivators. Value addition by the government and its agencies is very low. The Government will strengthen the participation of private sector and cooperatives by

empowering them to acquire knowledge and other skills. The private sector and the cooperatives must also have access to finance in order to keep augmenting value addition.

iii. The most valuable intervention of the Government in primary sector would be dissemination of information in regard to proper practice, cost effective technologies and management and planning practices. The extension effort would be in two parts, viz. the training of government staff and training of cultivators and others. The list of critical skills would be identified by each department and periodically updated.

iv. Primary sector is far too big for the State Government to fully subsidise. Timely and full provision of inputs and technologies is far more important than subsidy. Whatever subsidy is provided should effectively target disadvantaged groups amongst the primary sector dependent persons. The group most dependent on agriculture, and economically the most backward, would get government assistance on priority. The government, within the available resources, will focus efforts on the disadvantaged groups. The local bodies will be responsible for enlisting beneficiaries with the approval of Gram Sansad.

v. The Government will closely monitor the availability of all requisite inputs, and gradually encourage the private sector and the cooperatives in the supply effort by creating a conducive environment.

vi. The Government will also put into place a time bound strategy for utilisation of all available land and water resources in a sustainable manner. Every inch of land should be put to productive use. Such a strategy can succeed only with the active involvement of Gram Panchayats/ Village Development Committees and local resource mapping. In undertaking such mapping the locally available manpower will be fully utilised.

1.13.6. Secondary Sector

i. The secondary sector consists of industries, manufacturing units, construction, etc.. In Tripura, this sector contributes 6.65% (Quick Estimates 1996-97) to the State's income and employs 6.41% of the people as per 1991 census figures. This sector has much untapped potential and could pave the way to future development of Tripura. As yet, emphasis in development of industries has not been full throttle, as indicated by the low outlay in the budget, being only 2.4% of the total. The fixed capital per employee ratio is only 0.39 as against national average of 2.22 and NE highest of 4.89 in the case of Meghalaya. The low ratio indicates that there is either over-employment in the units or there is low investment in them. It is found that 50% of the manufacturing units in Tripura deal with food sector. Industrial growth rate was 6.9% in the decade 1981-91.

ii. The losses of the PSUs are increasing constantly. It is likely that net loss as on date could be above Rs 125 crores taking all PSUs together. Of the total, Rs 62.61 crores is the accumulated loss of Tripura Jute Mills Limited alone.

iii. The following areas will be targeted as thrust areas for economic activities and investment:

- Natural Gas based industries;
- Food Processing industries;
- Tea Processing;
- Rubber based industries;
- Consumer goods specially those having high demand in north eastern states and in Bangladesh;
- Software Industry;
- Handloom, Handicrafts & Sericulture;
- Village and Small Industries;
- Export.

iv. The Government will formulate a coordinated time bound plan for exploitation and utilisation of natural gas in consultation with the Government of India, ONGC, GAIL and the private sector.

v. In the case of handicrafts, the quality of design and product development will be given immediate attention. The durability of the products will be improved, if need be, through mechanisation and better treatment of raw materials. The availability of raw materials for handicrafts is likely to become a constraint and, therefore, new plantations of bamboo will be encouraged.

vi. In regard to tribal handlooms, there will be greater commercial focus on high value markets.

vii. Sericulture offers great potential in Tripura and the state can aim to be amongst the five major production centres in the country.

viii. All activities in the secondary sector will compulsorily target the market.

ix. In finalising the secondary sector strategy, the government will utilise available linkages provided by the Government of India and autonomous bodies like the KVIC.

1.13.7. Tertiary Sector

i. Growth in tertiary sector depends on the surplus income generated by the primary and secondary sectors. High income in the sector depends on knowledge and skill intensive activities and high commitment to quality. Human resource is thus more important than the financial resources as far as tertiary sector is concerned.

ii. The thrust area in the tertiary sector is identified as the development of transport, tourism and related infrastructure. After the withdrawal of Restricted Area Permit, tourist arrival in the state has increased substantially and there is good scope for promoting regional tourism (Tripura, other NE states, West Bengal and Bangladesh), as Tripura is the main gateway to northeast. A fully developed tourism sub-sector has thus immense potential for a meaningful contribution to the tertiary sector.

iii. The government will, with the help of Government of India, put into place a well thought out plan of action for trade and tourism with Bangladesh and through Bangladesh with other parts of India and the world.

1.13.8. Tribal Welfare

i. Balanced growth of the state is possible only through the equitable distribution of resources. The government will extend facilities like communication, drinking water, irrigation, education, health and electricity to the tribal areas. In order to make up for the earlier losses, larger investments need to flow to the areas and the people that could not get adequate attention in the past. For this purpose, all government departments will decide upon a norm for new investments and maintenance, taking into account the existing infrastructure in the tribal areas vis-à-vis the entire state.

ii. Any strategy for the development of the tribal areas will initially focus on the primary sector and the commodity market. Tribal entrepreneurs will be simultaneously educated in regard to the market and value addition through branding.

iii. Education and economic development are important in the tribal areas. Lack of educational facilities in the tribal areas is a matter of serious concern for the State Government. No economic development can be fruitful without proper facilities for education in the tribal areas. Similarly, education is not possible unless economy of these areas improves. Extension of education facilities in tribal areas must therefore be supported by economic activities.