

Analyzing Poverty and Inequality Dynamics among North-Eastern States of India: Evidence from NSSO

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One of the foremost objectives of post-independence Indian planning has been to eradicate poverty, reduce inequality, thus improving the lives of those battered by deprivation and suffering. With some of the initiatives by government presently Indian economy is experiencing higher growth since last two decades of new economic policy regime. A common striking feature observed during the period of post liberalization is the growth not accompanied with moderation in the level of income inequality. On the contrary, during the recent periods the country has witnessed concentration of wealth in fewer hands as implied by accentuating inequalities and disparity in the level of living (Sen and Himanshu 2005).

As the recent approach of the government talks about inclusive growth which entails equality in opportunity, the observed phenomenon raises questions in this regard. So while talking about welfare orientation approach towards economic growth, it is essential to measure the dividends of growth in terms of income distribution. In this respect the most crucial issues here is to examine of poverty and inequality dynamics among north eastern states of India. This is basically given different structure of the economy from the mainland, it is essential and important to understand changing pattern of poverty and inequality dynamics in these regions. While there are number of studies dealing with the national poverty and inequality scenario, state specific studies are not many to come by (Abraham, 2009; Rangarajan et al 2007). Even studies evaluating the state level poverty, inequality and employment scenario have limited their analysis to seventeen major states only, Assam being the only north-eastern state featured in this list (Rangarajan et al, 2008; Bhaumik, 2007; Chadha and Sahu, 2004). Thus, the north-eastern region (NER) has not received due consideration in poverty and inequality studies, partly due to the problem of inadequacy or non-availability of statistically authentic data. Notwithstanding, the thin sample coverage of the north-eastern region due to geographic limitations and consequently the statistical reliability of the data, few researchers have attempted for a detailed and incisive assessment of various facets of employment based on different rounds of NSS data. (Srivastav and Dubey, 2003, Sahu, 2012). Although this crucial topic has been debated since independence but, few papers have extensively analyzed poverty, inequality and deprivation in North East India. This aforesaid topic has found place in government reports but not in research paper. To the best of our knowledge, there are only few studies which deal with this area in north eastern states of India (Sahu, 2012, Srivastava et al., 2003, NITI Aayog, 2015).

In this respect some more associative analysis with some other forms of deprivation is important to argue out a case that consumption poverty in the north east is quite different from that of the

main land, when it comes to its implied extent of deprivation in other spheres of living. Here some basic aspects and questions that needs to analyze includes, how does poverty in the north east relate to the poverty in the main land, how does other forms of deprivation like literacy, basic amenities and employment relate to poverty in the north-east and what is the relative contributions of economic growth and redistribution (changes in inequality) to change in poverty in the northeast states of India.

In this present study, we have attempted to examine the trends and patterns of poverty and inequality from consumer expenditure surveys of 2004-05 and 2011-12. This present paper contributes in poverty and inequality in the regional level and sub sector level. It also addresses in many ways the poverty and inequality of average consumption expenditure in the North East State of India. This paper uses the group of poverty and inequality indices for robustness of results. To begin with the pattern and level of poverty and inequality will be examined from the simple Gini and headcount ratio of poverty. To understand and access the contribution of growth and inequality towards poverty reduction the Dutt and Ravellion (1992) methodology has used in this present study. The growth inequality decomposition introduced by Datt and Ravallion (1992) quantifies the relative contributions of economic growth and redistribution to change in poverty. This paper tries to understand the poverty, inequality among the North Eastern State of India and also the decompose the factor leads to differences of average consumption expenditure among the poor and non-poor population during 2004-05 and 2011-12 by using 61st and 68th round of NSSO data.

Our preliminary analysis depicts that the headcount poverty ratio of Tripura has highest in rural North-Eastern states, which has worse than national averages in 2004-05. Results also divulge that states like Sikkim, Mizoram, Tripura and Meghalaya have less than 10 per cent poverty level in 2011-12 in urban area. The urban poverty is lower for all the states than rural area. Within rural the inequality has increase in 2011-12 for Sikkim and Nagaland whereas urban area two more states joined in this category i.e. Tripura and Meghalaya. In terms of Gini the results found that inequality is lower in rural area as compare to urban area both periods except Sikkim in 2004-05 and Arunachal Pradesh both periods. The growth inequality decomposition is also depicting interesting results in the north eastern states of India in our preliminary analysis.