# **Original Research Paper**

# **Economics**

# A Glance on the Human Development Index of Nagaland vis-a-vis **North-east State**

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**ABSTRACT** Economic growth or economic development which emphasised more on increase in gross domestic product and per capita income has undergone manifold changes in its definition. The word economic growth or development now means many things, viz, creation of employment, redistribution of income, basic needs, structural adjustment, sustainable development and to human development. Thus, the introduction of human in economic development shifts the focus of development from mere national income and per capita income to people centric development. The human development mainly focuses on the development of  $people \ living \ standard, health \ standard \ and \ education \ standard \ that \ has \ a \ direct \ impact \ on \ the \ development \ of \ the \ people. The \ importance$ of human resource development was recognized by UNDP and in 1990 the first report on human development was published. Now, considering the importance of human development in any developmental activities, this paper tries to highlight the level of human development in Nagaland vis-a-vis other North-east states in India.

# **KEYWORDS**: HDI, Living Standard, Education and Health.

## INTRODUCTION:

Earlier, economic development of a country was measured only in terms of Gross Domestic Product (GDP) and subsequently per capita income (PCI) became an important indicator. According to Adam Smith development consist of progress in agriculture, industries and commerce. The progress in these sectors will lead to an expansion of capital accumulation, technical progress, an increase in population, expansion of markets, division of labour and rise in profits continuously. Thus, economic growth which is defined as the annual total production of goods and services in a country during a given period of time leading to a rise in national income or per capita income of the people was synonymously used as economic development. However, over the past decades the concept of development has under gone many sea changes. The emphasis on development has shifted from growth in GNP to creation of employment, redistribution of income, basic needs, structural adjustment, sustainable development and to human development. Since the basic objective of development for all the nation is to improve the welfare of the people, every nation strives hard not only to increase her wealth and productive resources but also to ensure better standard of living of her citizens by providing them with adequate food, clothing, house, medical facilities, education, etc. Thus, proper utilization and development of human resources becomes an important component for overall development (Nayak, 2009). Human development is a process of enlarging people's choices. The most critical one are to lead a long and healthy life, to be educated and to enjoy a decent standard of living. Thus, income is clearly one option that people would like to have because it is not the sum total of their life (HRD, 1990). It has been debated and argued over and again by many economists that income alone is insufficient to explain about the welfare of the people. For instance, a country might be having high Gross Domestic Product or Per Capita Income but their standard of living might be considered low if the poverty level of that country is high. Thus, to shift the focus of economic development from national income accounting to people centred policies, the United Nation Development Programme (UNDP) has launched a composite index called Human Development Index in 1990 (HDR of NE States, 2011) to capture the overall developmental performance of a country or nation.

Human Development Index (HDI) is a composite index consisting of three indicators - longevity, education, income. Thus basing on these indicators the human development report in almost all the country are prepared. The National Human Development Report 2011 shows that in 1990-00 the HDI for the whole country was .387 which rose to .467 in 2007-08. The report also shows that Assam HDI score was .336 in 1999-00 and it rose to .444 in 2007-08. Other than Assam all other north-eastern state are clubbed as one the their score during the same period was .473 and .573 (IHDR 2011). Thus, it is unfortunate to see that except Assam all other north eastern state

are left out in most of the important government report. Though neglected by many reports, there are also academicians and NGOs who with limited resources/data tries to study and highlight the status of human development in the NE. In the case of Nagaland, government of Nagaland in 2004 for the first time came out with a state human development report. However, there was no explicit measurement on HDI in the said report. Thus, this article tries to examine the human development index with regard to the state of Nagaland vis-a-vis other northeastern state. It will highlight the level in which the state falls and also highlight certain policy measures to perform better in the future.

### **METHODOLOGY:**

The data on various human development were collected from secondary sources, viz, Statistical Handbook of the North East Region 2014, Planning Commission 2014 and Ministry of statistics and Programme Implementation. For measure gross enrolment ratio, literacy rate and people living above poverty line, the following formula was used;

OI = Xi - Min Xi/ Max Xi - Min Xi

While measuring gross domestic precapita income (GDPI) the following formula was used;

CI = Log (Xi) - Log Min (Xi) / Log Max (Xi) - Log Min (Xi).

For measuring the standard of living, the reciprocal of each variables were taken.

For the construction of the dimension indices, maximum and minimum values have been fixed according to various reports.

	minimum values have been included according to various reports.				
Indicators	Maximum	Minimum	Goal Post		
	value	value			
1) Standard of Living (X1)	100	0			
a) People living above					
poverty line (PLAPL)					
b) Per Capita income (in	4000	0	UNDP 2003		
Dollar) (PCI)					
2) Education (X2)	100	0	UNDP 2003		
a) Literacy rate (LR)					
b) Gross Enrollment Rate	100	0	UNDP 2003		
(GER)					
3) Health (X3)	Reciprocal of crude		HDR of NE		
a) Crude Death Rate (CDR)	death rate (per 1000)		2011		
b) Infant Mortality Rate	Reciprocal of infant		NHDR of NE		
(IMR)	mortality ra	2011			

In this goal post the only variable that was not mentioned in other

reports was people living above poverty line. But this variable was added because it gives a better picture while measuring people standard of living. For measuring the standard of living index we have, X1 = 2/3 \* (PLAPL) + 1/3 \* (PCI), for Education Index it is X2 = 2/3 \* (LR) + 1/3 \* (GER) and for health X3 = 2/3 \* (IMR) + 1/3 \* (CDR). For the whole human development index, it is HDI = 1/3 \* (X1+X2+X3). The HDI will always lie between 0 to 1 (0 implying no development in human resources and 1 implies perfect human development). Thus, those areas/states/city are considered developed very highly if the score is .9 and above, high if the score is between .8 - .9, medium if the score is .5 - .8 and low if the score is below .5.

### **RESULTS AND DISCUSSION:**

The general preview of the northeast human development is shown in table no. 1. Looking at the peoples living standard measured through percapita income and poverty, the table shows that among the states, Sikkim has the highest percapita income with 3861 dollar during 2014 followed by Arunachal Pradesh with 1870 dollar and Nagaland with 1696 dollar is placed at the third position. The state having the lowest percapita income during the same period was Manipur with 909 dollar. In of poverty existence, Sikkim state has the lowest incidence of poverty with 91.81% of people living above poverty line as on 2011-12. The other state that are doing better in the area of poverty are Meghalaya where 88.13% of people are living above poverty line, Tripura with 85.95% of people lives above poverty line and Nagaland with 81.12% of people living above the poverty line is placed at the fourth position. The state having the highest percentage of poor people is Manipur. It has only 63.11% of the people living above poverty line followed by Arunachal Pradesh with 65.33%. The correlation between the two variable shows a positive correlation of .58. This result depicts that as per captia income rises, people living above poverty line also rises among the states.

The general education index for the whole north east state is shown by the literacy rate and gross enrolment rate in table no. 1. Among the North east state, Mizoram with 91.3% literacy rate during 2011 has fared better than any other state. Tripura and Sikkim followed next with 87.2% and 81.4% respectively during the same period, while Nagaland with 79.6% is placed in the fourth position. The poorest performer among the the state is AP with 65.4% followed by Assam with 72.2%. With regard to gross enrolment ratio from class I to class 12 during 2011, Mizoram has the highest enrolment ration with 95.7 followed by Sikkim, Manipur and Tripura with 94.8, 94.5 and 94.2 respectively. The worst state performer was Assam with 63.7 followed by Nagaland with 66.

Table No 1: General Scenario of Human Development in the North East.

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(1) States	(2) PCI at	(3) PAPL	(4) LR	(5) GER	(6) CDR	(7) IMR
	the current	(In	(In	(In	(Per	(Per 1000
	price, 2014	Percent	Percent	Percenta	1000	Lives)
	(In Dollar)	age)	age)	ge) 2011	lives)	2013
		2011-12	2011		2013	
Arunachal	1870	65.33	65.4	95.2	7.9	55
Pradesh						
Assam	968	68.02	72.2	63.7	5.8	33
Manipur	909	63.11	79.2	94.5	4	10
Meghalaya	1346	88.13	74.4	90	7.5	49
Mizoram	1665	79.6	91.3	95.7	4.4	35
Nagaland	1696	81.12	79.6	66	5.2	18
Sikkim	3861	91.81	81.4	94.8	5.4	24
Tripura	1525	85.95	87.2	94.2	4.8	42

Sources: Column 4, 6, and 7 - Statistical Hand book of NER , Column 3 and 5 - planning Commission 2014, Column 2 - Ministry of Statistics and Programme Implementation.

In the area of health where the crude death rate and infant mortality rate has been considered, table no. 1 revealed Arunachal Pradesh has the highest crude death rate with 7.9 per thousand lives during 2013. It is followed by Meghalaya, Assam, Sikkim and Nagaland with 7.5, 5.8, 5.4 and 5.2 per thousand lives during the same period. The best performing state in terms of crude death rate is Manipur with 4

per thousand lives followed by Mizoram and Tripura with 4.4 and 4.8 per thousand lives respectively. With regard to Infant Mortality Rate, Manipur state with 10 per thousand lives depicts a better picture than the rest of the state. The state is followed by Nagaland, Sikkim and Assam with 18, 24 and 33 per thousand lives respectively. The worst state performers are Arunachal Pradesh, Meghalaya, Tripura and Mizoram with 55, 49, 42 and 35 per thousand lives respectively.

# State-wise dimensional Score:

Table 2: Dimension-wise Indices Score.

Table 2. Difficition V	able 2. Difficision wise marces score.					
States	X1	Rank	X2	Rank	Х3	Rank
Arunachal Pradesh	.598	6	.753	6	.054	8
Assam	.479	8	.694	8	.077	6
Manipur	.544	7	.843	4	.15	1
Meghalaya	.732	2	.796	5	.058	7
Mizoram	.687	5	.928	1	.095	3
Nagaland	.698	4	.751	7	.101	2
Sikkim	.815	1	.859	3	.089	4
Tripura	.725	3	.895	2	.085	5

The dimension-wise score for all the North east states are given in Table 2. From the table it is clear that the state that does better in terms of better living standard was Sikkim with a score of .815 and it is ranked 1 among the North-eastern state. It is followed by Meghalaya, Tripura, Nagaland and Mizoram with a score of .732, .725, .689 and .687 respectively. The bottom states are Assam, Manipur and Arunachal Pradesh with a score of .479, .544 and .598 respectively. The education index shows that the best performing state is Mizoram with a score of .928 and is rank 1 among the states. It is followed by Tripura, Sikkim, Manipur and Meghalaya with a score of .895, .859, .843 and .796 respectively. The bottom three state are Assam, Nagaland and Arunachal Pradesh with a score of .694, .751 and .753 respectively and they are also ranked 8, 7 and 6 respectively. The score from the health indices shows that Manipur ranked first followed by Nagaland, Mizoram, Sikkim, Tripura and Assam. The bottom two states are Meghalaya which is ranked seventh and Arunachal Pradesh which is ranked eighth.

## **Human Development Indices:**

The combine component score for each state is given by table no. 3. This Human Development Indices is a combined score of the three dimensions discussed above in the table no. 2. The HDI score for the whole north eastern states shows that Sikkim with a score of .588 is the top performing state. While Mizoram, Tripura, Megahlaya, Nagaland and Manipur with a score of .57, .568, .529, .517 and .512 are placed in second, third, fourth, fifth and sixth place. The bad performer states are Arunachal Pradesh and Assam which are placed in seventh and eighth rank.

Table No. 3: HDI and the ranking:

States	HDI	Ranking
Arunachal Pradesh	.468	7
Assam	.417	8
Manipur	.512	6
Meghalaya	.529	4
Mizoram	.57	2
Nagaland	.517	5
Sikkim	.588	1
Tripura	.568	3

# **CONCLUSION:**

From the discussion above it has been found that none of the states in the North East are very highly or high developed as indicated by HDI. The first six states are placed in a medium level of HDI while two states, viz, Assam and Arunachal Pradesh are having a low level of HDI. In the case of Nagaland state, the dimensional wise score depicts that its rank in the area of living standard is fourth among the eight states while it does better in terms of health sector as

compared to other states by ranking second. But the education sector shows that it is lacking behind other state as it ranked seventh position in this sector. The overall HDI shows that the level of human development in the state of Nagaland lies in the medium category. Thus, it is suggested that the state government needs to rethink the policy towards human development in Nagaland.

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