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## Editorial

I am happy to present to you the January-June, 2014 issue of *The NEHU Journal*. Ever since we started bringing out the online version of the journal alongside the print version, many scholars have been coming forward to publish their papers in the journal. As we have started receiving quality papers, the editorial committee has taken the decision to include a couple of papers more in this volume. We hope this positive trend continues and the quality of journal improves further.

The present issue has altogether six articles and three book reviews. The partition of the Indian sub-continent continues to arouse critical reflections of scholars, creative writers and artists. In India the trauma experienced by the partition refugees who were forced to leave their homeland and seek shelter in another country, found creative expression in English as well as vernacular literature. Suranjana Choudhury's paper, "Pangs of Being 'Un-Homed'", interrogates two Bengali novels, *Bakultala P.L. Camp* and *Arjun* and gives a vivid picture of the deprivations, dominations and dilemmas that the partition victims had to encounter in Bengal.

Rup Kumar Barman's paper, 'State Formation, Legitimization and Cultural Change: A Study of Koch Kingdom', explains the evolution of Koch kingdom in process of state formation in 16<sup>th</sup> and 17<sup>th</sup> century AD. The paper gives an interesting account of the process of Hinduization of the Koch tribals and explains how the then emerging Koch kingdom, legitimized its rule by taking up developmental activities on the one hand, and initiating cultural change on the other hand. The paper discusses the role played by Koch rulers in spreading Hindu culture and encouraging the use of non-tribal languages and literatures among the tribes. The author also talks about cultural synthesis that took place in Koch kingdom as a result of interaction between indigenous tribal practices and extraneous Hindu rituals.

The other four papers included in this issue are related in one or the other way to economic development of the northeast. In the paper, 'Food Processing Industry: Opportunities in North East Region of India', the authors - throw light on the possibilities of developing agri-business and food processing industry in the northeast, wherein the land is suited for growth of horticulture. The authors also discuss cultural, technological and geographical constraints and make policy recommendations to overcome the obstacles standing in the way of development of food processing industry in the region. J.U. Ahmed's paper, 'Productivity Analysis of Rural Banks in India: A Case of Meghalaya Rural Bank', discusses the performance of rural banking in India in general and Meghalaya Rural Bank (MRB) in Meghalaya in particular. Based on the study of different indicators, the author argues that MRB's performance is reasonably good; however, for better results there is a need to switch over to profitable activities and deal with loan defaulters.

In the next paper, 'Non-government Organizations and Inclusive Growth', Benjamin F. Lyngdoh focuses on the role played by NGOs in Meghalaya in promoting inclusive growth through financial inclusion. The author undertakes a case study of two NGOs operating in the field of micro-finance and shows how their contributions have ushered in inclusive growth by bringing in economic and socio-political transformation. Given that of late micro-finance intervention has been under serious scrutiny both within the country and abroad, there is a need for more critical studies to understand whether NGOs interventions through micro-finance do promote inclusive growth or not.

A section of economists have been advocating the measurement of economic growth by examining Total Factor Productivity (TFP). Sanjoy Saha in his paper, 'Total Factor Productivity Trends in India: A Convention Approach', argues that TFP trends which were very low and almost stagnant in the 1960s and 70s have begun to show positive trends since 1980s, especially after initiating liberal reforms. The author studies the growth up to 2007, when the economy was experiencing

boom. But whether the same trends are true in the recession period that Indian economy has been experiencing of late is not clear.

The issue contains reviews of three books, Nadeem Aslam's *The Blind Man's Garden*, S Thianlalmuan Ngaihte's *Elite, Identity and Politics in Manipur* and Hilary Mantel's, *Bring Up the Bodies*. The books are reviewed by Aveek Lyngdoh, Jyotirmoy Prodhani and Preetinicha B. Prodhani respectively. We appeal to the scholars to send reviews of the recent works. Those who seek their books reviewed by *The NEHU Journal* may send the copies of their books to the editor. The scholars who wish to send their papers are requested to follow the instructions given in the Notes for Contributors.

**H. Srikanth**

Editor, *The NEHU Journal*

## Pangs of Being 'Un-Homed'<sup>1</sup>: Engagements with 'Displacement' and 'Relocation' in Select Partition Narratives from Bengal

SURANJANA CHOUDHURY\*

### Abstract

*Partition of Indian subcontinent in 1947 witnessed millions of people move across borders towards their newly formed respective homelands, India and Pakistan. That was a time of trial and turbulence for many displaced people who sought shelter in transit camps and squatter colonies. Their lives were fraught with massive struggles and hardships. These refugees often became unwitting victims of politicised state policies and strategic rehabilitation measures. Literary narratives on Partition are replete with tales of dislocation trauma and concomitant hazards. This paper explicates diverse nuances of refugee lives and experiences as reflected in two seminal Bangla novels, Narayan Sanyal's Bakultala P.L. Camp and Sunil Gangopadhyay's Arjun. Through a detailed examination of these narratives, this paper unfolds the spheres of exploitations and sufferings the displaced people had to withstand in the wake of Partition.*

**Keywords:** Partition, Bengal, Displacement, Relocation, Violence.

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*'Panchhi, Nadi, Pawanke Jhonke/Koi Sarhad na inhe roke'....*

*(The bird, the river, and rustles of the winds/ No border dare stop them<sup>2</sup>) - Javed Akhtar*

*'this bubbling blood/this breathless sky/this demented air only a poor man's household is being shattered/ what's so poor about it.'<sup>3</sup> - Nabaneeta Dev Sen*

Partition continues to remain as an open chapter in the journey of this independent but divided subcontinent. The multiple traces and resonances

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it carries within its frame of references are phenomenal. Any form of insular, myopic reading of this seminal episode generates an incomplete understanding of its politics and poetics. No single deduction can claim to hold the key to grasping its dynamics. Partition reverberates across the socio-political and cultural discourses through its experiential legacy. This recurrence holds true not only for discourses that deliberate on the position of religion in India but also “for historical interpretation of justice and minority belonging and for the tension-ridden struggle over the production of secular national culture in the subcontinent” (Daiya, 2). Even today seminars, conferences, panel discussions, workshops, chat shows are being conducted in different colleges, universities, research institutes and television channels to reflect on long term consequences of the Partition in the sphere of public life in the subcontinent. Each new analysis, each fresh insight opens up another engaging track of research. Different narratives have been vying for primacy in controlling the explanation of partition violence. In this context literary representations have brought to Partition an unusual power of human vision and understanding. Writers have endeavoured in different ways to reckon with the pain of Partition and concomitant violence across generations. In more ways than one literature and films continue to be the arena in which the most sustained engagement with the human dimension of Partition gets staged.

The traumatic process of displacement contains within it the destruction of lived space, cultural practice and social ties. The question of survival struggles and the concomitant violence with respect to refugee conditions raise some important issues pertaining to politicised state policies and strategic rehabilitation programmes. The construction of the sharp borders that was/is inviolable for the partitioned communities in both emotional and material dimensions heightens the gravity of displacement and resettlement. Clearly these spatial divisions carried with them the violence of human separation and the shocking emergence of an extremely struggling life for the displaced.<sup>4</sup> Concurrently Partition also initiated the drawing of cognitive maps that informed who were included and excluded. The task of inhabiting a devastated landscape and consequent processes of demographic transformations after the redrawing of boundaries became the defining core of Partition legacy. In the late forties and fifties, Indian cities of Delhi, Calcutta and Bombay<sup>5</sup> were not merely the nerve centres of political, cultural and commercial activities;

rather they were transformed into primary destinations for many million migrant refugees. Partition narratives are replete with representations of varied treatments given to refugees. Paradoxical modes of assimilation, resistance, oppression, exploitation, loss and alienation have got articulated in these narratives. Partition migrants were not integrated in their misfortunes as they are assumed to be. Ravinder Kaur in “The Last Journey: Exploring Social Class in the 1947 Partition Migration” points to this note of variance with regard to the different experiences of the displaced group.

A geographical space encapsulates within its fold linguistic, cultural, ethnic commonalities which remain intrinsic to that place. Partition displacement violently ruptured that socio-cultural fabric which in turn created an unredeemable sense of loss and angst. The Partition induced displacement and subsequent relocation in Bengal are marked by a distinct set of features and peculiarities. The gruesome episodes of Dandakaranya enterprise<sup>6</sup> and Marichjhanpi massacre<sup>7</sup> attest to the volatile terrain of relocation issue in Bengal. The course of transition from ‘dyash’ to ‘desh’<sup>8</sup> has been fraught with a great degree of shock, disbelief and anxiety. It has turned out to be a continuing process and it is very much an overarching problem till date. Jasodhara Bagchi and Subhoranjan Dasgupta have commented on this aspect:

Compared to the nature of border and boundary in the West where political, strategic and military considerations have converted the entire region into two rigid divisions, the dividing line in the East is porous and flexible. (Bagchi and Dasgupta Vol 1, 3)

The question of accommodating the huge mass of constantly arriving refugees became a critical issue for the partitioned India. The enduring sense of pain, loss and betrayal experienced by the East Bengali refugees in the wake of 1947 Partition and their reception within a nation that was nominally theirs have been investigated from various academic perspectives. The narratives representing the victimhood of East Bengali migrants struggling to cope with an entirely new set of challenges and constraints are viewed as important archives in recording the far reaching consequences of Partition. This titanic task of rebuilding lives, rearranging priorities was fraught with multitude of problems and difficulties. Debates generated in the Constituent Assembly and other public forums exposed profusely the inadequacies in various rehabilitation policies. It is interesting

to note that a striking feature of the representation of refugees in both political and cultural sphere was that a refugee was not merely seen only as a hapless victim but also as a potential agent capable of inducing violence. This ambivalent representation of refugees complicates the discourse of victimhood and denial which so often characterises refugee tales. However, keeping in mind the duality of discourse it is possible to discern the modes of assimilation, resistance, denial and implicit violence which mark the process of relocation and reconstitution of uprooted lives. Creative texts like *Bakultala P.L. Camp*, *Arjun*, *Purbo-Paschim*, and many short stories have taken up this critical issue of refugee rehabilitation and associated socio-cultural transformations initiated by this violent belonging. Through a nuanced study of novels like *Bakultala P.L. Camp* and *Arjun* this paper seeks to uncover how Partition migration and consequent phase of relocation have transformed socio-cultural make up of Bengal and have inserted newer modes of cultural belonging fraught with a sense of embedded violence.

The condition of being *bastuhara* and then being rendered as *sharanarathi / udvastu*<sup>9</sup> generates a gigantic scale of insecurity and anxiety, both physical and psychological. *Vastu* which is endowed with a sense of sacred gravity and permanence becomes a thing of the past for these people. Their quest for a *basha* as opposed to *bari*<sup>10</sup> becomes a search for a new belonging and identity. Partition narratives are replete with the tales of such tragic quest. Spurred by this shattered loss of roots the refugees had to engage themselves in a fierce struggle for survival and possession. Naturally the course of competition is qualified by its own ethics of violence. Their recounting of the immediacy of displacement violence is seen as a potential threat for inciting ethnic violence again and again. Kavita Daiya in her study on refugee status notes:

Refugees and their oral testimony in this period come to be seen as powerful enough to generate mass political violence. Narratives that bear witness to refugees' experiences "their suffering" are denigrated as "tales" that become "more lurid" in their re-telling. (Daiya, 110)

Naturally, the conceptualisation of victimhood gains a different dimension keeping in view this other contention. Prafulla Chakraborty in *The Marginal Men* mentions two important reasons behind the discriminatory attitude of the government towards the refugees in the east. Firstly, the geographical proximity between west and Delhi prompted

government to take immediate action. Secondly, large number of Punjabis in defence sectors propelled them to initiate steps.

Narayan Sanyal's *Bakultala P.L. Camp*<sup>11</sup> gives a graphic account of living in government provided relief camps and various planes of violence constituted within this system of rehabilitation. Numerous accounts of camp life in reminiscences, interviews, oral testimonies have been generated in the recent past in various anthologies.<sup>12</sup> Most of these documentations point to the politics of discrimination and practices of corruption rampantly prevalent in such camp lives. The lives depicted in rehabilitation centres like Coopers Camp, Chandmari Camp, Jirat Camp are often full of details connected with exploitative schemes and unfulfilled demands. In the novel, camp life emerges as a space where specific identities and subjectivities are contested and forged in skirmishes of everyday life. Talking about the genesis of vast number of camps in West Bengal, Anusua Basu Raychaudhury in "Living Another Life: Un-Homed in the Camp" states:

In fact, different types of camps in West Bengal were set up to deal with an unprecedented refugee influx in the state. The government mainly set up three types of camps, namely, women's camps, worksite camps and Permanent Liability (PL) camps. (Basu Raychaudhury, *Citizens*,13)

As the name suggests *Permanent Liability Camps* (emphasis mine) are meant for those refugees who are considered unfit for any kind of beneficial employment with which they could be rehabilitated. The refugees residing there are old, infirm, invalid and orphans. Bakultala P.L.Camp is such a permanent liability camp. This camp situated somewhere in Bihar Bengal border was initially constructed as military camp during the war period. After the Partition this abandoned military camp is recast as a refugee camp.

This P.L. Camp is transformed into a thriving space for playing out exploitative strategies by the government contractors, various forms of deceits manoeuvred by the powerful and also internal conflicts amongst the camp refugees. The narrative records how Writobrata Bose, the officer in charge of the camp becomes witness to a series of untoward incidents in the camp and how he is gradually pulled into the whirlwind of nasty politics and power tussle enacted during his tenure. A grant of

a generous sum of money by the government for renovation of the camp area is viewed as the decisive moment for generating group politics and unpleasant factions. Neelanjana Chatterjee makes a very important study on East Bengal refugees within the discursive framework of interrogating victimhood. In her illuminating essay on this issue Chatterjee shows how East Bengali refugees' construction of the image of Partition victimhood - the self-conscious insistence on the historicity of their predicament as patriots and subjects of communal persecution challenged their marginalization after Partition and legitimized their demand for restitution. In the novel too Sanyal takes on a wide spectrum of refugee issues and he categorically shows how at times refugees are equally culpable in inflaming a situation unnecessarily. On the one hand he depicts some of these refugees as weak, hapless victims languishing in the camp without any hope for a better future, on the other he shows some of them as trouble makers working in league with other corrupt, wicked people in the vicinity.

Sanyal's projection of a divided world in the camp is considerably in conformity with the representations of camp life as documented in various interviews and memoirs. Jogendranath Roy in his article "Coopers Camp e Chhelebelā" ("My Childhood in Coopers Camp") talks about growing up amidst such a hostile environment during his childhood. He says that though there were kind, co-operative families around who would help them on various occasions, yet there were some families who would behave in wild manners just to assert their presence. It remains true that since the families which took refuge in such camps were not homogeneous caste groups, there prevailed considerable measure of divisive caste politics even though they lived under such degrading circumstances. Many camp narratives reveal an interesting axis of identity politics and resettlement agendas. Joya Chatterji makes a similar observation in her analysis of camp life, she notes that the refugees understandably sought to establish relationships of friendship and mutual support with others of their own kind from their own parts of East Bengal and, quite reasonably, they wanted to foster these connections in their new homes. In the case of *Bakultala P.L. Camp* a different kind of identity rhetoric is cast to suggest how most of these camp dwellers remain as prisoners of the past. The deranged old man who bursts into a frenzied Greek expression in response to the haughty officer's comment is actually a highly educated retired school

headmaster. This tragic plight of a veteran school teacher represents how Partition can be viewed as an ‘epistemic rupture’<sup>13</sup>, as total destruction of language. His apparent nonsensical eruption heightens the enunciative disorder of the times.

A number of empirical studies reveal that camp dwellers took resort to various forms of resistance to lodge protest against the shoddy and offhand implementation of various grant schemes. Antara Dutta in her book *Refugees and Borders in South Asia: The Great Exodus of 1971* cites the case of noted writer Maitreyi Devi who went to the village of Bogra, 22 miles away from Bongaon and few minutes from the border found that medical supplies were almost non-existent and needed to be replaced every few days as many refugees were injured. Dutta notes, “Her account of the refugee camp provides us with an insight into the early days of the relief operation—well-meaning, chaotic and susceptible to a complete breakdown if the numbers continued to rise.” (Dutta,133) Numerous protest committees were launched to raise voices against injustice and depravity. Interestingly the evil nexus of contractors, some government employees working in the camp and also some camp dwellers are seen to be actively involved in various dubious activities including women trafficking and shady handling of government grants. The depiction of a character like ‘borokhoka’<sup>14</sup> creates an atmosphere of intimidation in the camp at times. But overall camp activism and resistance against failed dispersal of government policies is sparsely staged in the novel, the basic focus remains on the wicked people’s hegemony over most of these silent, voiceless camp dwellers. The narrative privileges such a perspective perhaps because of the fact that the chief actor in the novel is an honest government official who takes up the task of protesting against the corrupt system. The canvas of discontent and denial is mainly highlighted by Writobrata’s attempt to bring about a change in camp life. As he receives applications of complaints with regard to negligence of camp repairing tasks he becomes increasingly aware of the gap between apparent success of schemes and reality. There is one instance in the novel when after news get circulated about proposal for total resettlement of some camp families, these families lodge a protest against this move. Taking advantage of this situation, some youths involved with camp welfare organisations intrude into the matter and try to mobilise them. It becomes clear from the narrative that Sanyal critiques the unnecessary politicisation of camp

issues and he attaches primacy to bring out the discrepancy between government policies and their actual implementation on ground. As a creative writer Sanyal is not keen on showing charts or statistics of discontent and betrayal, rather his focus is on the emotional dimension of such experiences. In the case of female characters like Kusum and Kamala<sup>15</sup>, a different form of violence traumatises them, violence which is directed against women, violence which is gendered and which reinforces subversive patriarchal norms. The threats posed by wicked Ramsharan, dirty, manipulative ploys implemented by Dr Sadhucharan represent the insidious levels of exploitation and unspoken violence affecting the lives of the camp refugees.

Sunil Gangopadhyay's novella *Arjun*<sup>16</sup> highlights an altogether different dimension of rehabilitation experience. In the novel Gangopadhyay emblemizes the discontent surrounding relocation and gives an engaging account of violence entrenched in reconstitution of scattered, broken lives. The elements of politics and concomitant violence which are inextricably linked up with refugee rehabilitation, formation of squatters' colonies become the primary concerns of narration in *Arjun*. The novel expresses an ambivalent sympathy for the refugees as it constructs them as subjects of misery and suffering, and then projects some of them as agents and organisers of violence. In many ways the tale of the settlement diverges from that of *Bakultala P.L. Camp*. The politico-social category of the refugee and its Bengali synonym *sharanarathi* were initially the topics of intense debate. Cartoons and illustrations appeared in many daily newspapers like the *Amrita Bazar Patrika*, the *Ananda Bazar* and the likes revealing serious public anxiety over the amount of expenditure and assistance borne by the government to shelter the huge mass of refugees. Countering the debate there emerged another discourse proclaiming the permissible rights of the refugees. This argument posited collectively refugees as sacrificial victims of Indian independence and sought to invest a sense of dignity and respectability with regard to the usage of the term refugee. In "Interrogating Victimhood", Neelanjana Chatterjee notes:

Rehabilitation with dignity was not to be seen as an act of charity but as the repayment of a national debt to the East Bengali Hindus represented in this passage as historic agents--freedom-fighters and victims of Partition which consigned them to minorityhood and therefore subordination in a Muslim majority state. (Chatterjee, 8)

This reflection on refugee status is partially worked out in the novella *Arjun*.

*Arjun* reinvents the story of the dispossessed and underscores the multilayered struggles of a refugee community to assert its existence while negotiating with all dispossessions and handicaps. The year of publication of the text is very crucial; it got published in 1971, the year of Bangladesh liberation. The author dedicates the novella to the *muktasainiks*<sup>17</sup> of Bangladesh. The narrative frame captures the growing politicization of the struggles of Deshapran squatters' colony in the face of transitional socio-cultural set up of the time. Like establishment of many squatters' colony in and around Calcutta just after Partition, Deshapran Colony was also developed and organised to shelter a group of homeless families. Arjun, the protagonist of the narrative is named after the illustrious hero of the epic the *Mahabharata*. He is a resident of Deshapran colony. The novel charts his individual struggle to combat the forces working to evict the people from Deshapran colony. He is projected as an educated, sensitive character who can see through the impending threats directed towards the vulnerable, helpless colony dwellers. Arjun recollects those days when Biraj Thakur, the leader of the refugee group had spotted some abandoned houses and plots in and around Dum Dum and helped them in building some haphazard colonies. Biraj Thakur had mobilised them to grab lands for themselves instead of living on government doles and charity. Later on when Arjun reads Che Guevera's life journey, he is instantly reminded of Biraj Thakur, "Afterwards when I read Che Guevera's biography, I don't know why I was repeatedly reminded of Biraj Thakur." (48) Nilima Dutta, a resident of a refugee colony, in an article "Udvastu Colony" gives a similar account of colony formation in Jessore Road. She gives a description of how every detail was taken care of while building a full-fledged colony out of almost nothing. Conflict intensifies in the colony when Kewal Singh, a Punjabi plywood factory owner strives to hire the local unemployed youths to work under him. He is shown to be a ruthless businessman who has mastered the skill of expanding his business empire. Most of the migrant families have remained as squatters; they have failed to bring any degree of security in their lives. For the refugees it is hand to mouth struggle on an everyday basis. Kewal Singh needs a portion of colony's land to extend his factory building and he can fulfil his business agenda by evacuating five-six families from the colony. Time and again

the families gather to lodge resistance against Kewal Singh's manoeuvres but eventually the atmosphere changes for the worst. Young people like Dibya, Sukhen who had initially protested against Singh's moves turn into his hired assistants in an ironical twist. Singh lures them into joining his camp and devises ways to make them his own agents to serve his needs. This transformation proves to be a very critical moment in the narrative.

The possibility of raising an effective opposition against the coercive measures adopted by Kewal Singh turns more challenging. Singh's collaboration with the original owners of the land, the Dattas turns the picture all the more menacing. These dubious measures adopted by Singh reinforce the formidable manifestations of systemic violence operating within the very basic structures of society. The rising power of capitalist community threatens to subdue any attempts of retaliation put up by these bare lives. It is quite obvious from the narrative tone that they do not have any government support to fall back on. Joya Chatterji in "Dispersal and the Failure of Rehabilitation: Refugee Camp-Dwellers and Squatters in West Bengal" contends that in early 1950's Dr B.C.Roy's government had drafted legislation in secret giving immense powers to the government to evict squatters and protect the right to private property. However, when the news came out in public it triggered off a sustained campaign against the intended bill. The government was compelled to backtrack. The Act when passed included a pledge that a 'Displaced Person' in unauthorised occupation of land would not be evicted 'until the Government provides for him other land or house in an area which enables the person to carry on such occupation as he may be engaged in for earning his livelihood at the time of the order. Therefore, the complicity of the police in Kewal Singh's insidious attempt to forcibly vacate the plot does not come across as a surprise. Ironically posed against the rich and powerful community is the culturally elite community of Abaneesh Mukherjee and his likes. In the narrative Abaneesh, projected as a respectable scholarly person who acts as Arjun's mentor, plays an instrumental role in Arjun's life. Abaneesh exercises his own influence and mobilises press to cover this ruckus between Arjun's group and that of Kewal Singh. The government is forced to pay response because of Abaneesh's intervention and the squatters are recognized as Indian citizens. Arjun's education, social mobility, intellectual predilection place him way above the other residents of the colony. Very often through the first person narration it is suggested that he experiences a sense of alienation from the other people. The

narrative also hints at the possibility of Arjun leaving Deshapran colony. Arjun is no radical leader or activist yet his involvement with his community (colony dwellers) happens owing to a sense of responsibility for their collective plight. He is pulled into action and his participation and subsequent physical injuries caused to him bring about a solution to the ongoing row over forced eviction of the colony dwellers.

Arjun's encounter with the rival group is suggestive of a delirious circumstance where he takes on some of his old mates who have joined Kewal Singh's band. Like Arjuna of *The Mahabharata* it is a battle which he fights partially against his kin. His own childhood memories as a boy in a tea shop and a past life shaped by incessant struggles draw him to resist the wicked moves of the enemy camp. His own ambition to explore better possibilities of life gets overpowered by his immediate desire to save his community. Talking about the parallel correspondence between Arjuna in *The Mahabharata* and Arjun Roy Choudhury, Debali Mookerjea-Leonard notes:

In the epic the hero Arjuna is essentially what he was at its beginning—there is no shift in his consciousness. He is an embodiment of certain virtues of the community, and this is so even when he is on his solitary journeys gathering divine weapons and royal allies. This is because Arjun undergoes no 'education'. In re-situating the epic in the present, Gangopadhyay tracks how modernity has altered man's relationship with the community and thus reconstituted the structure of humanity. (Roy and Bhatia, 51)

Though Arjun experiences self-distancing from his colony neighbours, his involvement in that power tussle re-contextualizes the epic narrative against the present backdrop which is replete with acts of violence against community and brotherhood.

Literary narratives like Narayan Sanyal's *Bakultala P.L. Camp* and Sunil Gangopadhyay's *Arjun* explicated here represent the kind of bitterness and intensity associated with the predicament of being homeless within the fold of nationalist rhetoric. Talking about the sense of being perpetually homeless as experienced by the East Bengali displacement victims, Anusua Basu Raychaudhury comments, "Their *desh* was someplace else and now it is a place of no return. It can only be revisited in memories and nostalgia. It has lost its spatial existence." (Basu

Raychaudhury, “Nostalgia” 56-59) No wonder this angst associated with forced dislocation and subsequent homelessness continues to resonate through multiple contours of contemporary discourses. Writing about Partition, its violence and complexity of individual experiences remain a daunting task for creative writers. In the decades following Partition, time and again literary imagination has striven to capture the essence of fierce struggle for survival, the relentless fight against social exploitation and political depravity. In a way creative writings have unfolded gradually and sensitively the pangs of dislocation and also the crises of relocation amidst a series of oppositions and difficulties. Literary texts like *Bakultala P.L. Camp* and *Arjun* bring forth the different strands of challenges which the displaced people had to encounter after the Partition. Interestingly these creative writings also highlight the resilience and perseverance contained within human spirit to survive and sustain even during the most chaotic of times.

### Notes

- 1 Here I draw upon Anusua Basu Raychaudhury’s usage of the term “Un-Homed” in her article “Living another Life: Un-Homed in the Camps” which addresses the struggles of survival of the uprooted people from East Bengal in various camps.
- 2 This is the lyric of a song featuring in Hindi film *Refugee* (2000) directed by J.P. Dutta. The film deconstructs the validity of border formation and its impact on individual lives through the strand of a love story. The song has been written by Javed Akhtar, renowned poet and lyricist. The translation is mine.
- 3 These lines are from Nabaneeta Dev Sen’s poem “Dharavi (December 1992)” See Tarun Saint (ed) *Bruised Memories: Communal Violence and the Writer*.pp 111-112.
- 4 In the case of migrants who went to Pakistan it was initially a promising moment because they held the view that Pakistan as a nation would offer them better living, greater opportunities to start anew in life. For the people who came to India, Partition meant loss in terms of land, culture and a familiar society.
- 5 It is a historical knowledge that topography of cities like Delhi and Calcutta changed drastically after Partition. It is equally true that Partition brought about a major change in the urban cultural life of Bombay. Partition was instrumental in effecting transformation in Hindi film industry as well.

- 6 Dandakaranya comprises the virgin forests and arid lands in the Koraput (Orissa) and Bastar districts of Madhya Pradesh. Dandakaranya was expected to provide a home for the residuary refugee population in camps or elsewhere for whom there was supposed to be no more room in West Bengal. It remains as a prime example of hostile terrain which had not been made ready before the refugees were forcibly transferred here. Incidentally it has a mythic significance as well. In the *Ramayana* the place is associated with the reality of harsh exile.
- 7 It is an infamous episode in the history of Partition refugees. It refers to the forced eviction of many refugees from the island of Marichjhapi in West Bengal through governmental coercion. On January 31, 1979 many refugees had to submit to death in the face of police firing. Till date no proper investigation has been conducted with regard to the case.
- 8 This transformation in the sphere of language usage signifies that along with a major shift in space of habitation, the displaced people also got vastly appropriated by the dominant cultural stream of West Bengal. While *Dyash* is a Bangal expression used by the East Bengalis, *Desh* represents the more refined and standardised Bengali term.
- 9 *Sharanarathi* literally means someone seeking refuge and protection from a higher power, whereas *Udavastu* means someone who has been extricated from his/her home. In Bengali the word is often combined with the word *bhita* (or bhite), a word connected to the Sanskrit word *bhitti* meaning 'foundation'. The idea of 'foundation' is again associated with the idea of 'male ancestry' so that the combined word *vastuvita* reinforces the association between patriliney and the way in which one's dwelling or home is connected to the conception of foundation. Dipesh Chakrabarty has elaborately discussed this aspect in "Remembered Villages: Representation of Hindu-Bengali Memories in the aftermath of the Partition" *Economic and Political Weekly* 31, 32 (August 10, 1996) p. 2143-2151
- 10 *Basha* and *Bari* have specific cultural connotations. *Basha* means temporary place of dwelling, it denotes a sense of impermanence, transience. *Bari* refers to home which is rooted, a place where the ancestors have lived through. It generates a sense of rootedness and permanence.
- 11 This narrative focuses exclusively on the problems and difficulties associated with camp lives as a consequence of large scale displacement during Partition. The narrator Writobroto is shown to be a construction overseer deputed to look after the construction related issues in Bakultala P.L. Camp. It unfolds the layers of shady politics and corruption which were operative surrounding such refugee camps during the time. The novel

examines how Writobroto who was once a distanced onlooker gradually gets entangled in the web of camp politics. On the one hand the narrative records the predicament of a destitute woman like Kusum and the kind of ostracism she has to undergo even from the other camp inmates. Through the gradual unveiling of complexities of camp life the narrative constitutes a poignant documentation of the levels of injustice meted out to these helpless, homeless groups of people. The righteous Writobroto tries hard to fight against prevalent corruption and improve the condition of camp life. In the process he is framed by the group of wicked adversaries. However the novel ends on a note of optimism after Writobroto marries Kamala, an inmate of Bakultala P.L. camp.

- 12 Some of the notable anthologies include Sandip Bandopadhyay's *Deshbhag: Smriti O Swatta* (*Partition: Memories and Selves*), Semonti Ghosh (ed) *Deshbhag: Smriti O Stobdota* (*Partition: Memories and Silences*), Madhumoy Paul (ed) *Deshbhag: Binash O Binirman* (*Partition: Destruction and Reconstruction*)
- 13 Sukeshi Kamra uses this term in her article "Partition and Post-Partition Acts of Fiction: Narrating Painful Histories" in Anjali Gera Roy, Nandin Bhatia (eds) *Partitioned Lives: Narratives of Home, Displacement and Resettlement*. Kamra uses it to denote the total disruption of meaning and coherence in a partitioned world.
- 14 In Bengali *Khoka* is an endearing form of addressing son. *Borokhoka* would mean the elder son. Here in the novel *Borokhoka* is not really a loving and responsible son, rather he is one of the camp inmates who resorts to muscle flexing to instil a sense of fear and threat in the camp.
- 15 Kusum and Kamala are two important female characters in the novel. Their positions in the story give an insight into the hapless conditions of women who were victimised during Partition. Very often women were looked upon as potential targets to execute revenge and destroy the rival community. In the novel Kusum and Kamala represent the various dimensions of vulnerability which women experienced during Partition.
- 16 This novella by Sunil Gangopadhyay captures the pains and turmoil of refugee existence very effectively. The narrative is set against the backdrop of a refugee colony in Calcutta which was established some years after the Partition. Arjun, the protagonist is a modern delineation of the valiant mythical hero who waged a grand war to protect his community. The author re-situates the epic in the modern context to bring forth the changing dimension of man's relationship with community. Arjun, the young victim of Partition aspires to change his life through his academic achievements,

but finds himself trapped in the conflicts afflicting his colony. When the owner of an adjacent plywood factory conspires with the landowner to evict the colony, the situation worsens and the other refugees turn to Arjun for leadership. This is a critical juncture in the novel because Arjun has to decide whether he would stand up for his marginalised, dispossessed community or he would abandon them for a better life of his own. The novel also conducts a sharp critique of the rising capitalist rhetoric which took society in its gigantic sweep in the post Partition phase. Like the invincible archer of the *Mahabharata*, Arjun in the novel jumps into action finally to proclaim his bond with the colony inhabitants.

- 17 Muktasainiks refer to the warriors who had fought during Bangladesh Liberation War.

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## State Formation, Legitimization and Cultural Change A Study of Koch Kingdom

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### Abstract

*Historical and anthropological studies on origin and growth of kingdoms in pre-colonial northeast India identify a few common features in the process of legitimization of political power. The means adopted for legitimization of the kingdom include construction of the idea of divine kingship, undertaking public works and building of religious institutions, use of Indo-Aryan (non-tribal) culture including language and literature and synthesis of 'adopted' and 'primordial culture'. All these aspects of legitimacy of 'state power' have been analyzed in this paper in the context of formation Koch kingdom in pre-colonial Lower Assam and Sub-Himalayan Bengal.*

**Keywords:** Koch kingdom, legitimization, Neo-Vaishnavism, Hinduization of tribal culture, cultural synthesis.

### Introduction

In the discourse on origin and growth of state, legitimacy refers to 'a situation in which the rulers and the ruled shared the conviction that rule of the government is right.'<sup>1</sup> Legitimacy means a justified existence of concentrated political power wielded by a portion of a community.<sup>2</sup> A new state generally justifies its new institutions; hierarchy and power by introducing new cultural ideas and maintaining traditional 'belief-system'.<sup>3</sup> Anthropologists and historians have identified<sup>4</sup> a few steps in the process of legitimation of power of the kingdom emerging from tribal phase. First step was the construction of a fabricated genealogical link of the ruling (tribe) family.<sup>5</sup> Redistribution of concentrated surplus through the construction of public works and building of religious institution was another step. Third step was 'adoption of Indo-Aryan (non-tribal) culture' including language and literature. This adoption and cultivation of new

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culture went alongside the maintenance of the primordality, resulting in synthesis of 'adopted' and 'primordial culture'. 'Synthesis of culture' that resulted from kingdom formation process eventually resulted into the evolution of 'new cultural phenomena' in northeast India.<sup>6</sup> All these aspects involved in legitimization of 'state power' would be analyzed in the present paper in the context of formation of Koch Kingdom in pre-colonial India.

The geographical area of the present study is the 'Tista-Brahmaputra basin' i.e. Sub-Himalayan Bengal and Lower Assam. The Koch and the Mech tribes of this region had initiated political formation in the late fifteenth century. Haria Mondal, a Mech clan leader of Chikina Hill of Khuntaghat (present Kokrajhar district of Assam), together with the Koches had founded a small chiefdom in the first decade of the sixteenth century. This chiefdom was transformed into a territorial kingdom under the leadership of Viswasimha (c1510-1540). King Naranarayan (1540-1587), together with Chilarai (his brother-cum-Koch military general), extended the territorial boundary of the kingdom further. He adopted several steps to legitimize the Koch rule. Different developments such as warfare, peasantization of the tribes, transformation of mode of production, monetization of economy, trade relations with the neighbouring kingdoms, cultural changes and certain other causative factors facilitated the growth of Koch kingdom. But internal contradictions (leading to the division of the kingdom) between Raghudev Narayan (1581-1603) and Lakshmi Narayan (1587-1627) in the 1580's allowed the Ahoms from Upper Assam and the Mughals from Bengal to intervene in internal politics of the Koches. Aggressive attacks of the Ahoms and the Mughals toward the nucleus zone of the Koch kingdom i.e, Cooch Behar and Koch-Hajo (Eastern part of the Koch kingdom or Lower Assam) reduced the economic and territorial prosperity of this kingdom. Further the intervention of Bhutan in Cooch Behar in the eighteenth century had compelled the weak Koch ruler to seek the assistance of the East India Company in 1772 against the Bhutanese. A treaty was concluded in 1773 between Cooch Behar and the Company by which British supremacy was established in Cooch Behar. Cooch Behar maintained its relations with British India as a native state till 1947. It merged with independent India in 1949 as a 'C' category State. And eventually Cooch Behar has been transformed into a district of West Bengal.

Given this history of the Koch kingdom, the paper discusses the various measures adopted by the Koch rulers, while in power, to legitimize their rule over multi-ethnic and plural cultural region of the Tista-Brahmaputra basin.

### **Legitimacy of Kingship and Kshatriyaization**

Construction of a fabricated divine kingship was an essential prerequisite of pre-colonial Indian kingdoms and empires.<sup>7</sup> In case of the Koch kingdom, it materialized with the creation of an ‘imaginary divine kingship’. Prior to the formation of their kingdom, traditional structure of tribal society of the Koches and Meches was based on clan villages maintained through lineage and kinship. With the territorial extension and growth of complexity in the Koch chiefdom, the chief and his allies came forward to assume the responsibility of management of the emerging kingdom. Thus the tribal chief Visu was declared as ‘King Viswasimha’ (c1515-1540 AD) by the Brahmins who performed the rituals of coronation.<sup>8</sup>

It was a common phenomenon in tribal polities of northeast India that the brahmins projected and popularized the ruling tribe as ruling caste or as *kshatriya* to legitimize their rule.<sup>9</sup> Viswasimha brought brahmins from different places of Eastern India and settled them in the kingdom with land and honour<sup>10</sup> and adopted culture of the Hinduism to legitimize his kingship. The brahmins conferred him a kingship of an extraordinary origin. *Yogini Tantra*, a sixteenth century Sanskrit text, describes the birth of Viswasimha from the union between Shiva (most popular deity of Hindu pantheon) and Hira, a Koch wife of Haria Mech.<sup>11</sup> The *buranjis* (chronicles) and *vamsavalis* (genealogies) have also fairly mentioned the following myth to prove the miraculous birth of the Koch king:

“One day Haria Mondal, chief of twelve villages of Chikina hill of Khuntaghat, after working hard in the *jhum* (shifting cultivation) field; was waiting for food and drink to be brought by Hira, his wife. On her way, Hira was deceived by the duplicity of Lord Mahadeva, and had an intercourse with him. She was embarrassed while Haria Mech blamed Hira for not bringing the food for him. Haria was puzzled but got the solution in dream where Mahadeva told him that ‘I enjoyed your wife and as a result a great child will be born who will be famous as Viswasimha’ (sic).<sup>12</sup>

Genealogies, chronicles and official history, composed in the Koch kingdom, had continued the fabricated link between Viswasimha and Shiva. The link was constructed in such a way that the popular myth of northern India was used to justify divine link.

“The sons of Sahasrarjuna, a king of Haihay dynasty of Moon race, being afraid of Parsuram, ‘the destroyer of the *kshatriyas*’; left their country and took shelter at Chikina hill of Lower Assam, particularly among the Mech people. They gradually assimilated with the tribal-culture. But one Mech chief’s (Haria Mondal) wife named Hira, had intercourse with Lord Shiva for which a child was born who become famous as Viswasimha”.(sic) <sup>13</sup>

Like other polities of northeast India, this super-structured construction of divine link of the founder king of the Koch kingdom was a ‘by-product of state-patronage to the brahmins’.<sup>14</sup> It justified the ability of leadership of Viswasimha as king. So Viswasimha’s kingship did not face any challenge from the ruled. But legitimation of warfare and centralization of powers by King Naranarayan was done by invoking the blessings of the gods in the chronicles and genealogies of the Koch kings as follows:

‘Being jealous to Naranarayan, Chilarai (general of the Koch militia), decided to overthrow the king. But surprisingly, he found that Naranarayan was being protected by goddess Bhagawati. Chilarai was repented for this offence and explained the whole matter to Naranarayan. The king was surprised. He got the solution in dream when Bhagawati appeared before him and advised him to propagate her worship in the region with a special form’.<sup>15</sup>

Through propagation of such myths, the authority of Koch rulers received natural acceptance from the ruled by the end of the sixteenth century. Coronation of the king in Hindu style was another means of legitimation of kingship. At the time of coronation, Viswasimha and his successors were compared with the popular deities like *Brahma*, *Vishnu*, *Mahesh*, *Indra*, *Aditi*, *Vayu*, *Varuna*, *Kuvera* and *Ganesh*.<sup>16</sup> The brahmins had also upgraded the status of the Koch kings and Naranarayan was mentioned in some inscriptions of the Koch kings at par with the epic heroes of ancient India like-- Arjuna, Dadhichi, Karna and Kandarpa.<sup>17</sup> Composition of inscribed verses of extra-ordinary origin in Sanskrit and performance of coronation ceremony of the Koch kings by the brahmins

helped in reimagining of tribal chiefship to a kingship. So this transformation had delinked the king from the tribal control. On the contrary, the king established his control over the tribe. Adoption of Hindu titles such as *Simha* had elevated the social status of the Koch chief to that of a Kshatriya king, i.e. legitimate ruler.

### **Distribution of Concentrated Surplus and Diffusion of New Culture**

Second step in legitimation process of pre-colonial kingdoms of eastern and northeastern India was the distribution of concentrated surplus<sup>18</sup> though the construction of universal beneficial construction projects and diffusion of new cultural ideologies.<sup>19</sup> For the first one, the Koch kings had adopted a policy of constructing roads and public tanks for the benefit of the people of the Tista-Brahmaputra region. A road extended from the Western Duars to Narayanpur (also called *Gohain Kamal Ali*) was constructed by Naranarayan.<sup>20</sup> The Koches had also maintained the public road of the region constructed by the pre-Koch rulers, i.e. the Khenas.<sup>21</sup> These roads along with the easy movement of the militia facilitated commercial transport contributed to the growth of trade and commerce. The kings concentrated on construction of tanks for public utility. Chilarai Dighi (Tufanganj), Baneswar Tank (Baneswar), Sagar Dighi, Rajmata Dighi, Bairagi Dighi, etc, are some of the finest examples of public tanks constructed by the Koch rulers which are still in existence in Cooch Behar. Construction of these roads and tanks are considered to be a sort of distribution of the surplus accumulated by the Koch kings to popularize their rule among the people.

The Koch kings, however, also paid more attention to the diffusion of Indo-Aryan (non-tribal) culture, which they adopted voluntarily. They found the neo-Vaishnavism and Brahmanical Hinduism as the dominant religious forms having deep influence on the ordinary people of the region. Democratic values and simplicity advocated by Sankardeva (1449-1568) had profound influence on the heterogeneous people of the Tista-Brahmaputra basin. So all communities including the Koch, Kalita, Kayasthya, Chandal, Garo, Ahom, Bhutia, Miri, Muslim and even the brahmins had embraced Sankardeva's Vaishnavism. Madhavadeva and Damodar Deva, the disciples of Sankardeva also touched the hearts of the heterogeneous communities through their religious teachings and transformed the neo-*Vaishnavism* into a popular cult of the region.<sup>22</sup>

*Satra* and *namaghar* of the neo-Vaishnavism appeared as two powerful institutions with capacity for social control. So Naranarayan and Chilarai encouraged the foundation of *satras* in Sub-Himalayan Bengal and Lower Assam to popularize Koch rule among the follower of Vaishnavism. They not only established close relations with Sankardeva but also became great patron of the neo-Vaishnavism. Lakshmi Narayan (1587-1637), Raghudeva Narayan (1581-1618), Parikshit Narayan (1603-1618), Bir Narayan (1627-32) and Prana Narayan (1632-1665A.D.) also continued the state's support to the building of the *satras* in the kingdom. The *Charita Puthis* have mentioned the existence of large number of *satras* in the Koch kingdom (although most of them are now extinct), which brought the bulk of the people under the direct control of the Vaishnavism.

<b>Patron</b>	<b>Name and Location</b>	<b>Founder(s)</b>
Naranarayan / Chilarai	Madhupur Satra (Madhupur)	Sankardeva
”	Ramrai Kuthi or Satrasal (Dhubri and Tufanganj boundary)	Ram Ray
”	Kakatkuta and Vela Satras (Cooch Behar, now extinct)	Sankardeva and Madhavadeva
”	Fulbari Satra (Tufanganj, Cooch Behar)	Madhavadeva
”	Bhitrua Satra (Baikunthapur)	Damodar Deva
”	Barpeta Satra (Barpeta)	Sankardeva
”	Raghunath Pravu Satra (Dhubri)	Not known
Lakshmi Narayan	Baikunthapur Satra (Baikunthapur)	Damodar Deva
”	Nakarkhana (Buxirhat)	Not known
”	Jhingaparni (Tufanganj)	Not known
Raghudeva Narayan	Shyamrai Satra (Golokganj, Dhubri)	Not known

The *namghars* emerged as the center of regular meetings in villages and *satras* as center of huge gathering. They promoted a kind of

social cohesiveness among the Vaishnavas with a common identity and ideology. So the building of the institutions of the neo-Vaishnavism at the cost of the kingdom had enhanced 'state control' over the 'vaishnavite subjects'. By placing them as the patrons of Vaishnavism, the Koch kings got legitimacy among the Vaishnavas. As symbolic projection of this patronage, on Vaishnava style the Koch kings had assumed their title, *Narayan*, and their coins came to be known as *Narayani Tanka*.

The Koches did not confine themselves to the construction of *satras* and *namagharas* only. It has been already mentioned that they had adopted Hinduism as a new and fruitful ideology for legitimacy. So the Koches spent huge amount for construction and maintenance of temples of the Hindu pantheon. Naranarayan and Chilarai had constructed the present temple of Kamakhya at Guwahati.<sup>23</sup> They appointed the brahmins as priest of the temple with *brahmattar* (rent-free land granted to the brahmins) land and granted huge amount of *devottar* (land donated to the temple) land and took the burden of expenditure of daily worship of the deity of the Kamakhya temple.<sup>24</sup> The kings had equal reverence to the Shaivism. They built Chhoto Mahadeva temple at Nakkati Gachh (Tufanganj), Bara Mahadeva temple at Baro Kodali (Tufanganj) and Baneswar Shiva temple in Cooch Behar and arranged their regular expenditure.

Raghudeva Narayan (1587-1604) had rebuilt the famous Hayagriva Madhav temple at Manikut and endowed it with *devottar* and *brahmattar* land. Lakshmi Narayan had also continued the policy of the temple building. He even initiated the construction of the temple of Lularkeswar at Benaras, which was completed later by his successors.<sup>25</sup> King Prana Narayan (1632-1665 A.D.) also paid adequate attention to the building of new temples at the state's expenditure. He constructed the temple of Kamateswari at Gosanimary and Jalpeswar Shiva temple at Jalpes and granted *devottar* land for their maintenance.<sup>26</sup> King Rup Narayan (1693-1714A.D.) and Dharendra Narayan (1765-70) continued this trend.

Patron(s)	Temple	Deity	Grant(s)
Naranarayan/ Chilarai	Kamakhya (Guwahati)	Kamakhya	140 <i>paiks</i> , villages, Rs. 25000 and huge <i>devottar</i> land
”	Bhairav Nath (Goalpara)	Shiva	Not known
Naranarayan	Baneswar (Baneswar, Cooch Behar)	Shiva	Arranged for daily worship and granted <i>devottar</i> land
Chilarai	Bara Mahadeva and Chhoto Mahadeva (Tufanganj)	Shiva	Arranged for daily worship and granted <i>devottar</i> land
Raghudeva Narayan	Hayagriva Madhava (Hajo)	Vishnu	<i>Brahmattar and devottar</i> land
Lakshmi Narayan	Lolark Kunda (Benaras)	Shiva	Not known
Bir Narayan	Chaturbhuja (Cooch Behar)	Chaturbhuja	Daily worship maintain by the kingdom
Prana Narayan	Jalpesh (Maynaguri)	Shiva	Daily worship and land endowment
”	Kamateswari (Gossanimari)	Gossani	”
”	Shiddeshwari	Gossani	”
”	Harihar	Shiva	Not known
Moda Narayan	Jalpesh	Shiva	The king granted 23 <i>jotes</i> of land as <i>brahmattar</i>
Rup Narayan	Madan Mohun (Cooch Behar)	Vishnu	Daily worship

The worship of Vishnu started in Koch kingdom in the late seventeenth century. In the early 18<sup>th</sup> century in Cooch Behar several temples of Madan Mohun (Vishnu) were constructed in the capital and

different parganas of the kingdom. Worship of Vishnu gradually was further popularized in Cooch Behar with the introduction of *Rash Mela* (a fair celebrated invoking Sri Krishna's divine love with beloved Radha and other *Gopinies*.<sup>27</sup>

Grant of lands to the temples, priests and servants of the temples was thus a common phenomenon in Koch kingdom. Lucrative grants had allured the brahmins to settle in the region. Land endowment was so high that it became 19% of total land revenue production of 1872.<sup>28</sup> Apart from Brahmins coming from outside, 'the *Kamrupi Brahmins*'<sup>29</sup> were also employed in the services of the Hindu deities and temples. However, percentage of *brahmattar* land was much higher than that of *devottar*. The statistics of 1872 (as given in the table 4) of Cooch Behar State shows that out of 66194 *bighas* of total rent-free land, 40022 *bighas* were *brahmattar* land (60.46%). It was largest in capital Cooch Behar and its vicinity. The *devottar* land, however, was only 4823 *bighas* that was 7.28% of the total charitable land. The *devottar* land granted to the Kamakhya temple, Hayagriva Madhava temple and Jalpesh temple were roughly 23685 *bighas*, 54300 *bighas* and 44 *jotes* respectively. In the capital and its vicinity *devottar* land was much less and *brahmattar* land was much higher (15.63% of the total charitable land). This was due to the large settlement of the *Panchagram Brahmins* who were endowed with five villages.<sup>30</sup>

Table 3  
Distribution of Charitable Land (1870)  
(in *bighas*)

Pargana	Devottar	Brahmattar	<i>Pet Bhata</i>	Pirpal	Lakheraj	Total
Mekhliganj	154	4220	10321	--	721	15416
Mathabhanga	1458	2248	3293	--	262	7261
Lal Bazar	30	14741	30	--	246	15047
Dinhata	842	6241	193	---	531	7807
Cooch Behar	2247	10347	2289	84	879	15846
Tufanganj	92	2247	2500	--	--	4817
<b>Total</b>	4823	40022	18628	84	2639	66194

**Source:** Harendra Narayan Choudhury: *The Cooch Behar State and its Land Revenue Settlement* (Cooch Behar, The Cooch Behar State Press, 1903)  
Note: 1**bigha** = 0.33 acre or 1 acre = 3 **bighas**.

The Koch rulers, however, followed the policy of non-interference in *brahmattar* and *devottar* land. The priests of Kamakhya and Kamateswari temples imposed certain restrictions to the royal power by creating a few fictitious myths that disqualified the ruling family to visit these temples. Myths and anecdotes retained in the chronicles, genealogies and oral traditions describe that:

Kendu Kalai, the brahmin, was appointed as the priest for daily worship of Kamakhya. Kamakhya used to dance being satisfied to the musical services and submission of the priest. The king aspired to watch it. But the deity became so angry that she cursed that if Naranarayan and his family visit this temple, the dynasty of the Koch kings and the Brahmin priest would be destroyed'.<sup>31</sup>

Naranarayan, Chilarai and their successors including the Koch kings of Darrang, Beltala and Cooch Behar royal family strictly followed these restrictions. Similar myth was also created in connection with the Kamateswari temple of Gosanimari built by Prana Narayan.<sup>32</sup> But the temples of Shiva<sup>33</sup> (which were numerous in the kingdom) were always open to the rulers. However, construction and maintenance of temples, appointment of the brahmin priests for service of the deities contributed to rapid development of Hindu religious culture among the tribal people of the region. This trend also stimulated the process of de-tribalization.

### **Adoption and Diffusion of Non-tribal Language and Literatures**

Adoption and diffusion of new ideology for political legitimacy of the Koch kingdom was not confined to the religious cult. The Koches adopted Indo-Aryan languages like Sanskrit and Bengali in their courts.<sup>34</sup> Hinduism in general and Vaishnavism as patronized by the state in particular, were significantly linked with the Sanskrit language and literatures. Kings like Naranarayan and Chilarai were well-versed in Sanskrit, including Vedas, Sanskrit grammar, *puranas* and *smritis*. King Naranarayan himself compiled a dictionary of Sanskrit language titled *Malladevi Avidhan*. Knowledge of Sanskrit language and literature was considered a prerequisite for entering into the services of the Koch court in the mid-sixteenth century A.D.<sup>35</sup>

This phenomenon was reflected in popularization of Sanskrit grammar in the kingdom. Purushottam Vidyavagis (at the instance of

king Naranarayan) had composed a work on Sanskrit grammar called *Prayoga Ratnamala*. It was modified Jay Krishna Bhattacharyya during the kingship of Pranarayan.<sup>36</sup> This grammar had wide circulation in the Tista-Brahmaputra basin till the 19<sup>th</sup> Century.

However, there is no way that Sanskrit could become an official language or *lingua franca*. So Naranarayan adopted Bengali in his court as 'official language'. It was continued by his successor and Bengali got modified form during the reign of Prana Narayan. His diplomatic letters sent to the Ahom king give some sense of the official language of the Koch kingdom.<sup>37</sup> Subsequently, Bengali became the common language for diplomatic and official exchanges between Cooch Behar and Bhutan.<sup>38</sup> The increasing use of non-tribal vernacular by the Koches in their offices, courts and external affairs, led the tribal people to get acquainted with the Bengali language. The process of *linguistic-sanskritization* was thus accelerated by the 'state- patronage' to non-tribal standard languages.

*Linguistic sanskritization* in the Koch kingdom was further stimulated because of encouragement given by the state to translations of religious literature into Bengali and Kamrupi. With the support of the kings, who sought popularization of Indo-Aryan culture, several *puranas* were translated into the regional vernaculars.<sup>39</sup> The translations enabled the newly *hinduized* people who were not acquainted earlier with the Hindu scriptures to have access to knowledge of *puranas*. Many scholars in the court of the Koch kings attempted at translation of Indian epics (particularly the *Mahabharata*) Pitambar Siddhantavagis, at the suggestion of Prince Samarsimha (Chilarai), translated the *Nala-Damayanti* episode of the *Mahabharata*. Ananta Kandali, another scholar of the Koch court, composed *Savitri Upakhyan* and the *Rajasuya* section of the *Mahabharata*. Ram Swaraswati, Kabindra Parameswar and Kamsari of the court of Naranarayan produced several chapters of the *Mahabharata*. At the instance of King Lakshmi Narayan, Vipra Prasad translated the *Virata Parva*, *Bana Parva* and *Karna Parva* into the vernacular. Similarly, Kavishekhar translated the *Kirata Parva* at the instance of Bir Narayan. Translation of epics became more prominent during the reign of Prana Narayan (1632-1665). His courtier Srinath Brahmin translated several episodes of the *Mahabharata*. At the same time Sankardeva, Ananta Kandali and Kalap Chandra Dvija composed a few verses of the *Ramayana* in the vernacular, particularly in *kirtana* style.<sup>40</sup> Translation

of different epics into the vernaculars done with state sponsorship helped popularize the epics among the non-ruling section including the tribals and newly *hinduized* people.

Besides the *Mahabharata*, composition of literary vernacular pieces on *Bhagavata* had also drawn state-sponsorship. Sankardeva wrote extensively on the Vaishnavism in Kamrupi during the reign of Naranarayan. Sankardeva began his writings with the *Harish Chandra Upakhyan* and *Rukmini Upakhyan*. His *Nimi Narashiddhi Samvad* is a doctrinal commentary based on *Book XI* of the *Bhagavata*. His *Bhakti Pradip* and *Anadi Patan* are based on *Garuda Purana* and *Bamana Purana* respectively. Sankardeva popularized his teachings among his followers also by composing *ankiyanat* and *kirtana*.<sup>41</sup>

Like Sankardeva, his disciples Madhavadeva and Ananta Kandali also produced several works with state support. Madhavadeva started his writings with the *Janma Rahashya*, a small poem on the creation and destruction of the world based on the *puranic* theory. His *Bhakti Ratnabali* was the translation of Sanskrit work of Bishnupuri Sanyashi. The narrative poem *Nama Ghosha* contains his philosophical teachings. Madhavadeva continued the compositions of the *Baragit* (devotional songs) and *ankiyanats*. His *Nama Malika* (translation) and *Adikanda Ramayan* have been produced at Cooch Behar.<sup>42</sup> In the production of the Vaishnava literature, Ananta Kandali had significant contribution. His poetical works - *Mahiravan Badha*, *Harihar-Yuddha*, *Vrittasur Badha*, *Bharat-Savitri*, *Kumar Harana Kavya* and *Khatasura Badha* were produced in the court of Naranarayan.

Vaishnava literatures, produced under the patronage of the Koch kings, were not confined among the literates and the state-officials. Propagation of messages of the Vaishnavism through the *kirtana* (chanting, listening), *baragit* and *ankiyanat sravana* contributed to the diffusion of this new culture among the masses. These state-sponsored literatures had several outcomes. Firstly, the ruling section of the Koches was accepted as Kshatriyas at least in the court literatures produced under their patronage. They were also propagated as the saviors of the brahmins, cows, Vaishnavas and intellectual class. Hence they are legitimate rulers.

Secondly, the tribals, newly *hinduized* tribals and the non-tribal laymen got a taste of Hindu classical literatures that influenced the

language and culture of the tribals. With the growth of Vaishnavism and consequent 'detrribalization of tribals' Koch language became extinct from North Bengal. The linguistic change is thus a by-product of diffusion of the non-tribal culture by a kingdom that sought legitimation of its kingdom formation.

### **Primordial Culture: Modification, Synthesis and Continuity**

It was a common feature of all tribal polities of northeastern and eastern India<sup>43</sup> that in spite of adoption of Indo-Aryan language and religion, they maintained the primordial culture. In case of the Koch kingdom, the tribals other than the ruling elite, especially those who live distant hilly areas, maintained primordiality, where state-sponsored religious ideologies and literatures had less influence. The rulers could not antagonize the tribals as they needed the tribal support in warfare. Hence, when the worship of Lord Shiva solely with the Vedic rituals was opposed by the tribals, King Naranarayan had to allow traditional ways of worship with animal sacrifice, offering of country beer (*chakat*) and colourful tribal music and dances. The Kacharis, Meches, Koches and other tribes of northern side of the *Gohain Kamal Ali* (from Cooch Behar to Narayanpur) were allowed to maintain their own cultural form with their own priests and rituals while the tribals of the southern side adopted Indo-Aryan culture.<sup>44</sup>

Even to this day, the Koches, Meches and Rabhas follow their tribal style in their religious lives. The Rabhas and Koches have their traditional male deity called *Rishi* (Mahakal) and female deity known as *Jog*. The rituals of the chief deities are being performed by tribal priests, also known as *Deoshi/Deodhai/Huzi*. The Meches are also the followers of the *Bathouism*, i.e. worship of *Bathou* (*Shiva*). Two daughters of the chief male deity (*Rhishi / Bathou*) are also worshipped by them. The Rabhas called them *Rountak* and *Basek* while to the Meches they are 'Alai Khungri' and 'Bilai Khungri'. *Rountak* is the synthesized form of goddess *Kali* and goddess *Lakshmi* of the Hindus. The Meches have a similar female deity called *Mouthansri* or *Lakshmi*.<sup>45</sup> Tribal culture has its continued existence in the Tista-Brahmaputra basin with primordial form.

However, primordiality and state sponsorship to Indo-Aryan culture led to cultural synthesis. Synthesis of religious culture can be noticed in

the worship of chief male and female deity i.e, *Shiva* and *Shakti* (*Durga/Chandi/Gauri*) of the Tista-Brahmaputra region. Tribal female deity, *Bhandani* (or *Vanadevi*) has been transformed into a localized incarnation of *Durga. Devi*, a special synthesized form of both the *Durga* of the Hindu pantheon and chief female deity of the tribals, is still being worshiped in Cooch Behar. Worship of *Devi* is generally performed by a 'Kamrupi Brahmin'. The image of *Devi* and sacrificial animals like -- tortoise and boar show strong tribal influence.

Another deity of synthesis is Shiva who is popular both among the tribals and non-tribals. It is observed that in Bara Mahadeva temple at Baro Kodali, Chhoto Mahadeva temple at Nakkatigahh, Mahakal temple of Mahakalguri village and many other Shiva temples of the region, in addition to Vedic rituals sacrifice of animals and offering of fish of local varieties take place. Moreover, in places where tribal traditions are strong, tribal male deities like *Masan*, *Jachha*, *Bura Thakur*, *Dhum Baba*, etc., are worshiped as Shiva.

We have also noticed religious synthesis in certain folk festivals and worship of folk deities. The *Satyapida* and the *Paglapida* are the synthesized form of the Hindu and the Islamic faiths. *Garam Puja* is another interesting popular religious ritual where the Koch-Rajbanshis worship deities of the Hindu pantheon, Islamic faith and tribal spirits.<sup>46</sup>

Changes in the form of the tribal deities and their synthesis with the deities of the Hindu pantheon (non-tribal) do not suggest that the process of *sanskritization* has succeeded in assimilating them. Even after *hinduization* the tribals neither abandoned their animism completely nor assimilated themselves in caste-culture.

## Conclusion

Like other tribal polities of eastern and northeastern India, the Koch kingdom adopted certain familiar strategies to legitimize its rule. Distribution of accumulated surplus for building of religious institutions and taking up construction works of public utility had positive outcomes for both for the kingdom and the subjects. Contradictory policies of adoption of Indo-Aryan ideologies and conservation of primordial culture legitimized the Koch rule both among the tribals and other people of the region. At the same time, the state policies have initiated detribalization process which

eventually brought the *hinduized/sanskritized* tribe close to Hindu caste hierarchy. Simultaneously, adoption of standard vernacular in royal courts and external relations and translations of the religious literatures into vernaculars had stimulated the process of linguistic *sanskritization* leading to abandonment of tribal dialects for non-tribal languages. Thus the acts of ‘legitimation’ led to emergence of social stratification which facilitated the process of kingdom formation.

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14. Like Viswasimha, Naranarayan and Chilarai had showed their interests in the Brahmins and their culture. They invited the Brahmins from centers of Sanskrit learning like-Mithila and Gauda. Subsequent Koch rulers - Raghudeva Narayan (1581-1603), Lakshmi Narayan (1587-1627), Bir Narayan (1627-32) and Prana Narayan (1632-65) continued the policy of adoption of caste-culture by patronizing the Brahmins. In the early 18<sup>th</sup> century when Satananda Goswami, a Brahmin from Murshidabad, was chosen as the *Raj Guru* (spiritual guide of the King).
15. Biswanath Das (ed): op.cit., p. 24.

16. Nabin Chandra Sharma (ed): *Kabi Baladev Suryakhari Daivagna Birachita Darrang Raj Vamsavali vs. 131-143*, op.cit., pp. 25-30.
17. The Kamakhya temple inscription was originally inscribed in Sanskrit language. Free translation of this inscription runs like this: Glory to the king Malla Deva, who by virtue of his mercy, is kind to the people, who in archery is like Arjun, and in charity like Dadhichi and Karna; he is like an ocean of all goodness, and he is well-versed in many *sastras*; his character is excellent in beauty, he is as bright as Kandarpa, he is a worshiper of Kamakhya. His younger brother Sukladeva built this temple of bright stones on the Nila hillock in 1487 *Saka* for the worship of the goddess Durga. His beloved brother Sukladhvaja again, with universal fame, the crown of the greatest heroes, who, like the fabulous Kalpataru; constructed this beautiful temple with heaps of the stones on the Nila hill in the 1487 *Saka*.
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20. Gohain Kamal, brother of the King and Officer-in-charge of the Department of 'construction and maintenance of the roads' of the Koch kingdom was instructed by King Naranarayan (1540-87) to construct a road called Gohain Kamal Ali extended from the Cooch Behar, capital of the Koches, to Narayanpur of Lower Assam. It was constructed in around in 1563 A.D. for easy movement of militia.
21. The Khena rulers of the fifteenth century had established the Kamata kingdom in the Tista-Brahmaputra valley. It declined in 1498-99 due to the invasion of Sultan Hussain Shah. Besides building the strongly fortified capital, the Kamata rulers constructed several roads to keep the kingdom under control. The road from Kamatapur to Bhutan and from Kamatapur to Rangpur and Bogra were their contributions.
22. The *Charita Puthis* or the biographies of the Vaishnava saints of the region including Sankardeva, Madhavadra and Damodardeva have vividly described the religious teachings of Sankardeva and popularity of the neo-Vaishnavism.
23. *Kamakhya Temple Inscription*.
24. The Kamakhya temple was built in 23685 *bighas* of rent-free land. Khan Chowdhury Amanatulla Ahmed: *Cooch Beharer Itihas* (Cooch Behar, The Cooch Behar State Press, 1936), p. 127.

25. Harendra Narayan Choudhury: *The Cooch Behar State and its Land Revenue Settlement*, (Cooch Behar, The Cooch Behar State Press, 1903), p. 545.
26. King Prana Narayan granted 44 *jotes* of land to the Jalpeswar temple. These *jotes* came under the revenue assessment in 1891 by the order of the Revenue Department of the Colonial Government. See, D. Sunder: *Survey and Settlement of the Western Duars in the District of Jalpaiguri, 1889-95*, (Calcutta, Bengal Secretariat Press, 1895), p.123.
27. The date of construction of the Madan Mohun temple of Cooch Behar is controversial. It was constructed either by King Prana Narayan (1632-65) or by King Rup Narayan (1693-1714).
28. Harendra Narayan Choudhury: *The Cooch Behar State and its Land Revenue Settlement*, p. 544.
29. The Brahmins settled in Kamrupa who were invited by rulers of the region came to be known as Kamrupi Brahmins.
30. *Ibid*, p. 545.
31. S.K. Bhuyan (ed): *Kamrupar Buranji*, op.cit., p. 38.
32. Present researcher has collected the oral traditions about the temple from fieldwork carried out at Gosanimari during the period between 2001 and 2004. "The king heard that Ratikanta Jha, a Maithili Brahmin, due to his extraordinary musical performances; could directly talk to the Kamateswari. Accordingly, the king wished to meet the goddess. But Kamateswari appeared in the dream and alarmed that if the priest and the king do so then their dynasties would be destroyed".
33. Shaivism had its deep-root in the land prior to the rise of the Koch kingdom. Prominent and popular tribal deity called *Bathou* is identical with the Shiva of the Hindu pantheon. Moreover, fictitious genealogy of Viswasimha is connected with Shiva. So accessibility of Shiva as a deity of worship was beyond doubt. Although the Koch coins have been circulated as *Narayani Tanka* due to the influence of the *Vaishnavism* but these are bearing the legend -*Shiva charana kamala madhu karasya* (by the honey bee to the lotus feet of Lord Shiva) in obverse.
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35. Khan Chowdhuri Amanatulla Ahmed: *Cooch Beharer Itihas*, op.cit., p. 130.
36. *Ibid*, p.154.

37. S.K. Bhuyan (ed): *Kamrupar Buranji*, op.cit., pp. 69-84.
38. S.N. Sen (ed): *Prachin Bangla Patra Sankalan*, (Calcutta, Calcutta University, 1942), p.1.
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40. Specimens of different chapters of the *Mahabharatas* and the *Ranayana* are available in the North Behar State Library (Cooch Behar).
41. Sankardeva had stressed on *sravana* and *kirtana* form of *bhakti* although other forms such as- *smarana* (remembering the god), *pada sevana* (serving the feet of the god), *archana* (the rite of ceremonial worship of the image of the deity), *vandana* (salutation and submission at the feet of the god), etc; were not discouraged.
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46. Garam (Gram) Thakur is the savior of the villages. The villagers worship this deity together with Salewari, Mahakal, Sanyashi Thakur, Tista, Paglapida, Kali, Bishahari and Lakshmi.

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## Food Processing Industry: Opportunities in North East Region of India

MOHAMMAD RAIS, SHATROOPA ACHARYA AND GARY W. VANLOON\*

### Abstract

*India's north-eastern region (NER) is endowed with various sorts of fruits, vegetables, and other agro-products, and has the potential to be a sunrise zone for food processing and other agri-businesses. The present paper deals with immense opportunities present in food processing in the region. It is observed that simple value addition like cleaning, sorting and packaging can increase income of farmers by 42.8% per kg. It is also observed that although Central Government and various other state governments have come out with various policies and schemes for the development of sector in the region, still the sector is highly unorganized and inefficient. It is also established that the development of food processing sector in NER is hindered due to lack of infrastructure facilities like poor connectivity with national and international market, inadequate supply chain and poor power supply.*

**Keywords:** Food processing, agri-business, growth potential and constraints, employment and income generation, government policy

### Introduction

From a nation dependent on food imports to feed its population, India today is not only self-sufficient in grain production, but also has a substantial reserve. The progress made by agriculture in the last four decades has been one of the biggest success stories of free India. Agriculture contributes to about 14.1 percent to Gross Domestic Product and provides livelihood to about 58 percent population. This increase in agricultural production has been brought about by bringing additional area

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under cultivation, extension of irrigation facilities, the use of improved high yielding variety of seeds, better techniques evolved through agricultural research, water management, and plant protection through judicious use of fertilizers, pesticides and cropping practices. India's food grain production has touched 252.56 MT in 2011-12 from a mere 51 MT in 1951-52 (Ministry of Agriculture, 2012a). In the present scenario, a continuing problem in the country is storing the surplus produce and the percentage of wastage is very high. Various studies have estimated that there are post-production losses in food commodities to the tune of Rs. 75,000-1,00,000 crore. Every year around 21 MT of wheat is wasted in India, which is equivalent to Australia's wheat production per year. To overcome the problem of wastage, there is need to find out other sustainable ways, which will make proper use of the surplus produce, support the needs of undernourished and also generate income and employment along the process. The food processing industry provides a way out for this problem. The Indian food processing industry is still in its nascent stage, but it is poised for high growth in coming years. The total value of Indian food processing industry is expected to touch US\$ 194 billion by 2015 from a value of US\$ 121 billion in 2012, according to data released by Indian Council of Agricultural Research (ICAR). The packaged food sector is presently the fifth largest sector in India and has grown rapidly over the past few years (MOFPI, 2007). The industry registered a compound annual growth rate (CAGR) of 15.6 per cent during FY07-FY12 (MOFPI, 2012). In India, the industry is largely dominated by the ready-to-eat segment, which contributed nearly 90 per cent of the total sales of packaged foods in India FY12 (MOFPI, 2012).

The Indian food processing industry is primarily export oriented. India's agri and processed foods exports stood at Rs 116,331.68 crore (US\$ 18.65 billion) during April-March 2012-13, as compared to Rs 82,480.25 crore (US\$ 13.22 billion) in the corresponding period last year, according to data compiled by the Agricultural and Processed Food Products Export Development Authority (APEDA) (Ministry of Commerce and Industry, 2013b). Investments in the Indian food processing sector grew at 20 per cent per annum in five years and total investment at present is estimated at Rs 150,000 crore (US\$ 24.04 billion), employing over 10 million. Further, the Government of India expects US\$ 21.9 billion of investments in food processing infrastructure by 2015.

Despite all these figures indicating a huge growth in the sector, the ground reality is that the processing activity is still at a premature stage with low penetration. Even after India has become a key producer of various food products, its productivity levels are very low and its share in world food trade is 1.4% (National Manufacturing Competitiveness Council, 2012). The factors responsible for the slow growth of sectors range from lack of trained manpower, inadequate technologies, to governance problems (FICCI, 2010).

Like other parts of India, the north-eastern part of India is also an agrarian economy. The north-east region (NER) is a land of magnificent beauty, possessing undulating hills and thrilling flora and fauna. This picturesque scenario is contrasted by widespread poverty, low per capita income, high unemployment and low agricultural productivity leading to food-insecurity. With an extensive international border the region has an extra advantage in international trade. Yet it has failed to convert its strengths optimally into growth opportunities for the well-being of the people. The region suffers from weaknesses such as subsistence agriculture with poor roads, markets and other infrastructure. The high vulnerability to natural calamities like floods, submergence, landslides, soil erosion, etc. has resulted in low and uncertain agricultural productivity. The limited utilization of modern inputs in agriculture has further reduced the ability of the farm households to cope with high risks in production and income.

Agriculture is an important sector in the economy of the NER, with its share in State Domestic Product ranging from 19 percent to 37 percent in different states of the region, but the agro-based economy has failed to flourish as it should due to limited utilization of technological support and innovation. The north-eastern states have observed high production of fruits, spices and cashew in the recent past but could not fetch market prices that are on par with markets in other states. The surplus produce often spoils and is wasted due to lack of transportation, insufficient well-equipped cold storage facilities and processing of farm produce. In sum, the food value chain is weak capital base, there is lack of market access, both domestic and international, limited flow of labour and material, inadequate technological incentives, absence of agro-processing industries, poor-post harvest technology facility. To some extent social and cultural taboos are also responsible for not developing agro-industries that would provide better value addition to the horticultural crops in the region.

It is hence necessary to diagnose the problems in the NE region for providing an improved production and marketing environment and value-added economic benefits to the farmers through appropriate science and technological policies for various post-harvest functions in food processing industries. This is needed to address the problems of income generation and poverty alleviation of the region.

The population of NER has quadrupled to about 45 million during the past 50 years. The proportion of households living below the poverty line is 35 percent (13.6 million) (Barah, 2006), a value that is exactly 10 percentage points higher than the national average. The lack of income opportunities has perpetuated the worst form of poverty, the 'hidden poverty' in the region. High growth of population (varying from 2.01% to 5.22% per annum, except in Assam and Tripura) with a large proportion of small and marginal farm households, traditional and low-input agricultural practices coupled with the problem of insurgency have affected the economies adversely in the region. Our study is an attempt to highlight the importance of the food processing industry in the NER as a means to provide employment in the region. Due to its unique socio-economic and demographic features the NER is different from other states of India, and for its development, the government has come out with special policies. We will also study these policies and identify gaps to address strategic issues in NER.

### **Food Processing Industry in NER**

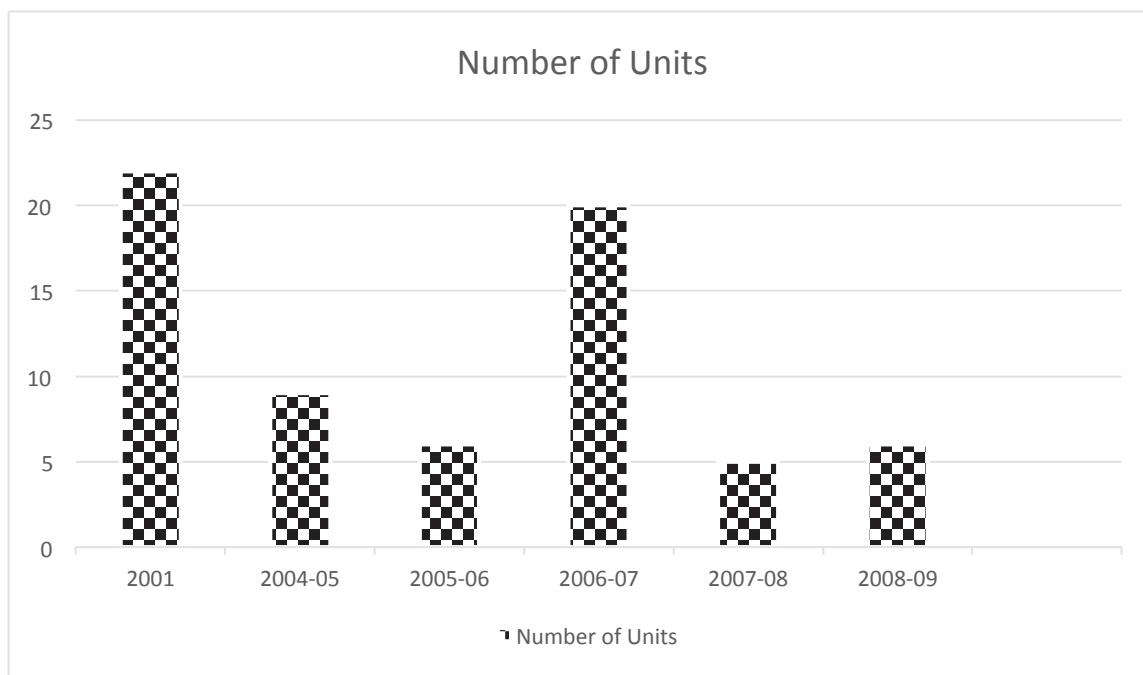
The north-eastern region with its agro-friendly climate and agrarian roots has the potential to be a sunrise zone for food processing and other agri businesses. The weather and availability of water are conducive for food cultivation and is especially suitable for growing horticultural produce. The various subsidies and benefits relating to excise duty, transport, capital investment, interest on working capital and income tax extended by the Government, already sets the stage for making food processing a lucrative option in northeast.

In the present scenario, the food processing industry is mainly operated on a small scale and in small numbers. In 2009, in north-east, only 85 units received licenses under the FPO (Fruit Products Order) act and out of these only 32 are functional units (MSME, 2009). The number

of food processing industry is highly erratic in different years for NER. In 2001, the total number of applications for registered food processing industries in NER was 21, and given the conditions in further years, the number should have increased but in first six months of 2008-09, the number was 6 (Figure 1). The number come as a shocking figure, as after the implementation of NEIPP in 2007, the number should have taken a leap, but for both years after the implementation of NEIPP, the number has been less than previous years.

**Figure - 1**

**Year-wise Number of Food Processing Units Registered in North East India**



**Source:** Indiastat.com, Lok Sabha Starred Question No. 848, dated on 09.07.2009.

In tune with the rest of India, the food processing industry in the NER is mainly unorganized and works on a smaller scale. Own-account enterprises hold the highest share in the unorganized sector (Table 1). The huge presence of the unorganized sector can be attributed to the fact that most of the units in the unorganized sector are less capital intensive, and the easy availability of raw materials makes it more attractive for small entrepreneurs.

<b>TABLE 1</b>		
<b>Number of unorganized manufacturing enterprises present in Food processing industry in north-eastern states (2010-11)</b>		
<b>States</b>	<b>No. of Own Account Enterprises (OAE)</b>	<b>No. of enterprises (Establishment)</b>
<b>Arunachal Pradesh</b>	<b>186</b>	<b>197</b>
<b>Assam</b>	<b>22874</b>	<b>14310</b>
<b>Manipur</b>	<b>1093</b>	<b>516</b>
<b>Meghalaya</b>	<b>946</b>	<b>304</b>
<b>Mizoram</b>	<b>1224</b>	<b>96</b>
<b>Nagaland</b>	<b>804</b>	<b>262</b>
<b>Tripura</b>	<b>13782</b>	<b>4843</b>
<b>Sikkim</b>	<b>12</b>	<b>21</b>
<b>Source: NSSO 67<sup>th</sup> round, November 2012</b>		

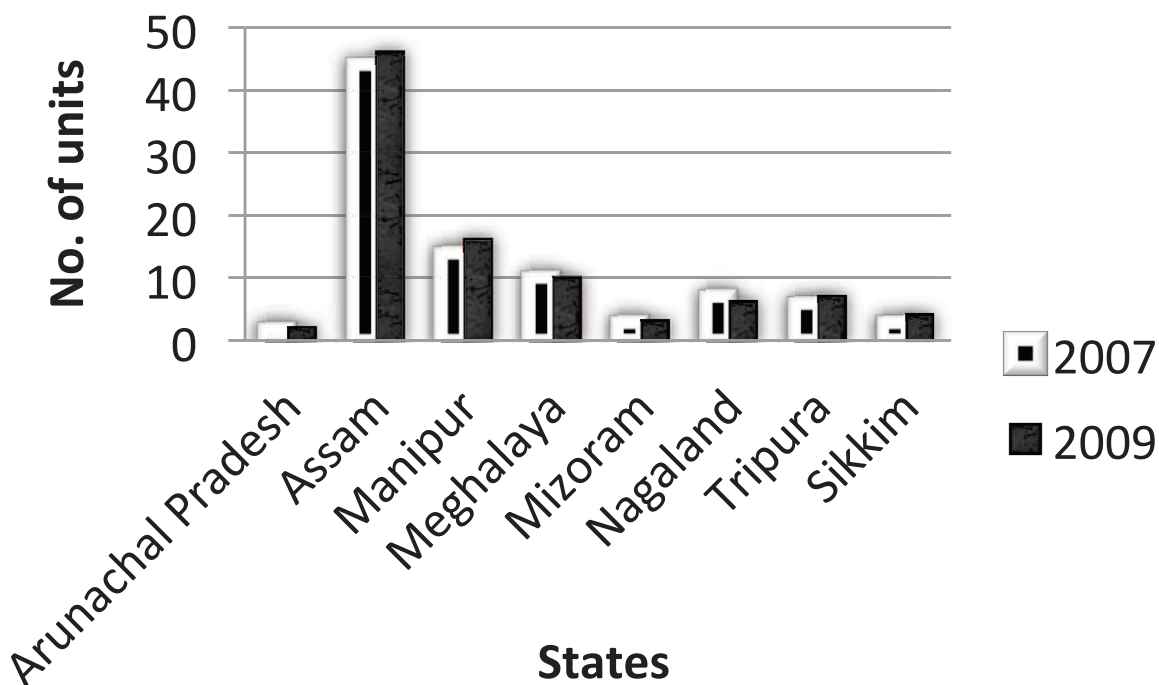
The high presence of own account enterprises (OAE) does serve to mitigate unemployment to a large extent, but this sector is also responsible for the low level of income generation, and low level of productivity in the region. Among all the sectors in food processing industry, the sector which has an advantage in NER over the rest of India is the horticulture industry. Diverse agro climatic conditions ranging from temperate to tropical, fertile soils and abundance of rainfall offer immense scope for development of this sector. The major horticulture crops of the region are potato, onion, tapioca, sweet potato among vegetables and tuber crops; ginger, turmeric and chilies among spices; banana, pineapple, orange/other citrus fruits, mango, litchi, jackfruit among fruit crops and coconut and areca nut among fruit-nuts. Other horticultural crops, which are produced to a somewhat smaller extent, are cabbage, brinjal, cauliflower among vegetables and apple, pears, plums/peach and passion fruit among fruit crops. The horticulture crops are found in surplus for the local population.

The other factor which is hindering the growth of horticulture industry in north-eastern states is the cultural and religious values of people in the region. The rural community does not accept processing of fruits in a very kind manner. They have their apprehensions about the

produce. For example, for them frozen is not fresh. They still throw their weight against fresh products, and not processed one, as they have doubts regarding the ingredients and procedure of value addition.

**Figure -2**

**Number of Fruit and Vegetable Processing Units in North-Eastern States (2007 and 2009)**



**Source:** Indiatat.com, Lok Sabha Unstarred Question No. 848, dated on 09.07.2009.

Even though the horticulture industry is not doing that well in the NER, there are examples where value addition of horticultural crops has clearly shown a contribution to income generation and poverty alleviation. For example, ginger is grown in almost whole of the NER, and is one of the most important cash crops of this region. When it undergoes primary processing only, then the farmer’s income increases by 42.8% per kg (Table 2).

<b>TABLE 2</b>				
<b>INCREASE IN PRICES OF GINGER AFTER VALUE-ADDITION</b>				
Farm Produce	Local market Price (Rs./kg) for fresh produce	Price after value addition for fresh produce	Increase in income of farmers (%)	Selling Price of value-added products (Rs./kg)
Ginger	7	10	42.8	110
<b>Source:</b> CPHPR, 2008				

The value addition for fresh produce is sorting, washing, cleaning, drying and packaging and value added products can be ginger powder, ginger oil, ginger candy, ginger extract and ginger garlic paste. Other than ginger, other crops of NER also have a demand for themselves in the market, and value addition to the crops will generate more employment, increase income of self-employed people. Therefore, it is needed that state governments recognize those crops and strive towards the development of those produce. Of the fruit crops, banana, pineapple and orange are the most important, covering about 60% of the area and accounting for 66% of the production. Other important crops include litchi in Tripura and Assam, apple in Arunachal Pradesh, passion fruit in Nagaland, Mizoram and Manipur, cashew nut in Assam and Tripura and coconut in Assam, Tripura and Nagaland. In most cases, these states have missed the opportunity of processing these crops even though there is surplus production in each case (Table 3).

The presence of large amounts of surplus provides the NER with two options - either to export this surplus in its raw state, or to process the produce. The processing of produce still provides a much better option and after processing the products can be exported, provides higher gains to the producers and others along the value chain. The processing sector not only benefits the people involved in this sector but also people involved with service sectors like transportation, restaurants, packaging, advertising and marketing. In all processing of surplus will create more employment and income generation opportunities.

In the present scenario, all three sector of the NER are going through an employment crisis. Similar to the rest of India, the NER

**TABLE 3**

**SURPLUS QUANTITIES OF MAJOR HORTICULTURE PRODUCE IN NORTH EASTERN STATES**

Commodity	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Total
Citrus	18702	12000	1962	23000	5300	2000	1100	10500	74564
Banana	10168	85000	-	-	1200	-	-	-	96368
Pineapple	24919	29000	24000	70000	-	5400	-	31000	184319
Papaya	-	15000	5320	-	-	-	-	-	20320
Jackfruit	-	25000	-	-	-	-	-	93000	118000
Ginger	25163	42000	7045	35048	16500	-	24300	960	151016
Turmeric	-	-	-	6900	400	-	1300	1600	10200
Potato	-	-	-	117500	-	1750	32612	-	151862
Chilies	-	-	22200	-	424	-	-	11650	34274
Total	78952	208 000	60527	252448	23824	9150	59312	148710	840923

**Source:** APEDA, 2004-05.

primary sector is also struggling with disguised employment. The share of primary sector has gone down in GDP of NER in the last two decades but workforce involvement has not gone down in the similar pattern. The secondary sector due to lack of investment has not been able to create expected employment opportunities, and the tertiary sector is dominated by public sector opportunities, which is not sufficient for the workforce. The severity of unemployment is worst in urban areas, and especially for women. In this gruesome condition, the food processing industry can act as a boon for the economy of NER. Therefore, the government needs to come up with various policies which will provide a strong platform to the industry to build upon, and promote private investment in NER.

### **Government Policies**

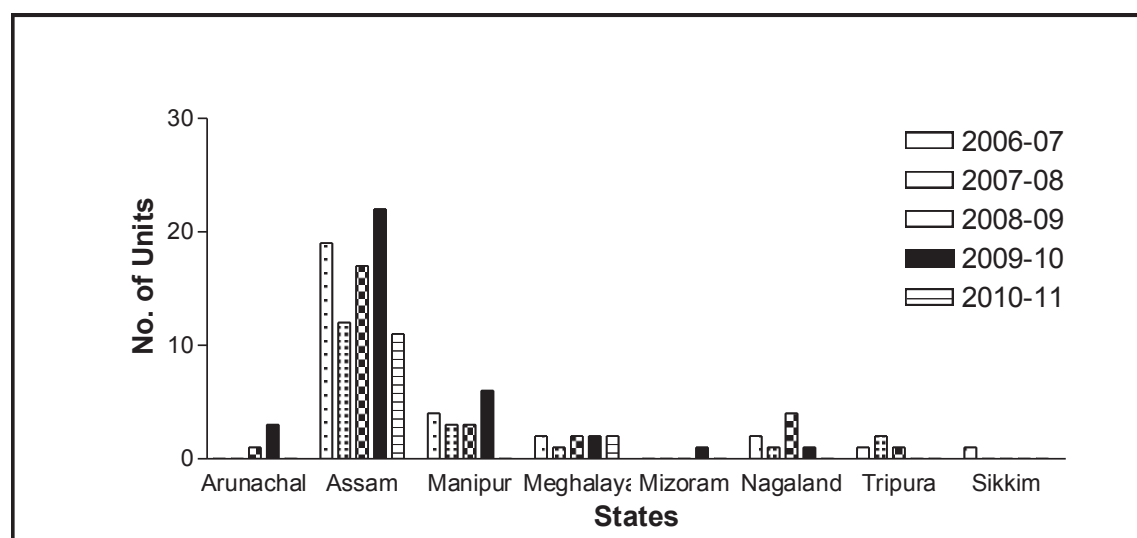
Keeping in mind the growth prospects of the food processing industry in the NER, the government instituting various policies to promote the food processing industry:

- 1) Scheme for technology upgradation, establishment and modernization of food processing industries:** The scheme is the signature initiative of the central Ministry of Food Processing Industries. The food processing industry in India has traditionally been a labour intensive and less technology driven sector, and now the government is trying to modernize it. The scheme covers setting up technology upgradation/Modernization/Establishment of food processing industries in fruits and vegetables, milk products, meat, poultry, fishery, oil seeds and such other agri-horticultural sectors including food flavours and colours, oleoresins, spices, coconut, mushroom etc. Grain Market sector, namely rice milling, flour milling, pulse processing units are also eligible for availing of grant under the scheme. The government of the NER is also trying to implement this scheme, but the results have not been satisfactory as implementation has been held up in red tapism, with very low approval rates. Table 4 tabulates number of project proposals received, approved, pending, closed and rejected in NER under this scheme till 2006. Under the same scheme, there is subsidy for setting up of food processing industries. Under the same scheme, entrepreneurs from NER were also given grant.

States	Received	Approved	Pending	Closed	Rejected
<b>Arunachal Pradesh</b>	6	0	5	1	0
<b>Assam</b>	54	27	22	9	1
<b>Manipur</b>	13	3	5	4	0
<b>Meghalaya</b>	7	3	4	1	0
<b>Mizoram</b>	4	0	1	2	1
<b>Nagaland</b>	22	2	12	4	3
<b>Sikkim</b>	1	0	1	0	0
<b>Tripura</b>	2	3	0	1	0

**Source:** Indiatat.com, Rajya Sabha Unstarred Question No. 409, dated 27.11.2006.

**FIGURE 3**  
**STATE-WISE NUMBER OF PROJECT APPROVED UNDER FOOD PROCESSING SECTOR IN NER FROM 2006-07 TO 2010-11**



**Source:** Indiatat.com, Lok Sabha Unstarred Question No. 583, dated on 11.11.2010

According to the figures given, the response of entrepreneurs is not very encouraging. Assam has come out as biggest beneficiary of the scheme, owing to its large size and population. However, most of the small states almost have no share in the scheme.

- 2) **Mega food park scheme:** The scheme revised under 11<sup>th</sup> Five Year Plan aims to provide adequate infrastructure for food processing along the value chain from the farm to the market. The scheme provides a grant of 50% of the capital cost excluding land cost, subject to a ceiling of Rupees Fifty Crores; in case of NER the grant is 75%. Under this scheme in NER, there will be a Central Processing Centre at Nathkuchi, Tihu, Assam. The scheme will cover 50 acres of land supported by a network of six Primary Processing Centers (PPC) and 19 collection centers (CC) spread across the entire NER. In order to develop the horticulture industry in NER, an agro marketing hub has been set up near Guwahati, which will be linked with a mega food park and a retail market chain. A food processing park at Chaygaon, located at a distance of 40 km from Guwahati is also under implementation in the district of Kamrup.

<b>TABLE 5</b>		
<b>MEGA FOOD PARK PROPOSALS FOR NORTH-EASTERN STATES (AS ON APRIL 2013)</b>		
<b>States</b>	<b>Proposals Received</b>	<b>Remarks</b>
<b>Assam</b>	3	Park not established. ( 1 Approved)
<b>Mizoram</b>	1	Park not established.
<b>Sikkim</b>	2	Parks not established. (1 Approved)
<b>Source:</b> Indiastat.com, Lok Sabha Unstarred Question No. 1582, dated on 21.08.2012.		

It can be easily seen from these figures that there is a huge delay in deployment of this scheme in the NER (Table 5). Such delays in implementation of the government scheme create doubt in hearts of people associated with the sector, which is bad for the growth of any sector.

## **Policy Gaps and Recommendations**

The food processing industry has made some significant progress in the NER. Through arrival of MNC's and locals realizing the potential, the sector is all set to boom. Yet, the sector continues to face many challenges. Originating within a difficult geo-physical terrain, varied socio-economic conditions, poor road connectivity and environment problems, the sector is cluttered with complications. The geo-physical terrain of the region with widely scattered diverse tribal communities is itself a huge challenge in formation of a cohesive socio-economic policy for the region. Hence, there is a need of special approaches to deal such issues. The centralization of all policy making bodies has had a very bad effect on the economic prospect of NER. In the process of coming out with policy, the central government undermines the hidden truth that different regions have different problems of their own, and a 5 per cent or 10 per cent increase in the grant will be insufficient to reduce the difficulties faced by people of that region.

The food processing industry has been recognized as a thrust area by all state governments of NER; however there has been no proper policy making body or department in any of the state which looks into the prospect of this sector. All the states cover food processing policy in their industrial policy segment, which leads to generalization of policies. Therefore, in the way central government has a separate ministry for food processing sector, the state government should also come up with separate department or ministry for the food processing industry. There are numerous players in this industry, from producers to entrepreneurs, workers to sellers, and all of them need attention.

From the viewpoint of producers, the difficult terrain of region does not allow large scale farming, and the reliance on traditional methods leads to low productivity. The government needs to find appropriate farm management practices that will ensure high productivity while preserving environmental services. Organic or low external input farming can be a way out, and the large areas of fallow land can be used to increase area under cultivation. The government also needs to promote business development services in the region. There is huge presence of educated unemployed youth in the north-east. To enable these youth to start their own ventures, the states can provide financial support and incubation. In this scheme, organizations like the FICCI, All India Food Processors

Association, and CII can also play a major role. The ministry of food processing industry in its scheme for human resource development promotes skill development through various courses, training centers and certificate programmes. Likewise, Industrial Training Institutes in the states can start diploma courses which entertain skills needed in this sector. For any program to be financially successful, the food processing industry must emphasize issues of marketing. Therefore, the marketing people should have proper knowledge about the product, the industry and various other forces which guide the industry, and for this they need to have training. Apart from these lacunas, the industry is crippled by absence of adequate infrastructure facilities like road connectivity, power supply, insufficient cold storage facilities, and transportation. Lack of these basic infrastructure facilities coupled with frequent insurgencies have had a detrimental effect on the investment coming in the region. Therefore, there is an urgency to improve the infrastructure facilities, a necessity to establish collection centers to reduce the transaction costs involved in sourcing from small scale farmers to small and medium food processing enterprises. The increase in competition among enterprises for the products will enhance farmer's capacity to adopt improved production and postharvest techniques to meet the required higher quality standards. In the north-east states most of the small and medium enterprises are unorganized, and technological obsolescence is high in. Therefore, to improve conditions and upgrade technology for small industries as well as for small farmers, the government of north-eastern states is joining hands with private parties for infrastructure and technological development, providing huge tax incentives and other benefits under North-East Industrial and Investment Promotion Policy (NEIIPP, 2007).

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## Productivity Analysis of Rural Banks in India: A Case of Meghalaya Rural Bank

J. U. AHMED\*

### Abstract

*The Productivity is the cornerstone of banking growth and economic development. In common parlance, productivity indicates efficiency and effectiveness of services. In order to survive in the present competitive environment, banks should be strengthened adequately and would attain competitiveness through the use of its existing resources and managing business in effective manner. It is therefore imperative to assess the productivity performance of rural bank in India. In the present paper, an attempt has been made to study the productivity performance of Meghalaya Rural Bank (MRB), keeping in view the trends of rural banks in the national context. The productivity in terms of labour, branch, return on assets (ROA), return on investment (ROI), profit as per cent of business volume, etc., have been calculated to examine the innovativeness of MRB. It is found that the MRB is utilizing efficiently the resources that they mobilized and has been doing relatively better than that of the Regional Rural Banks (RRBs) as a whole. However, a variation in the productivity has been observed which might have adverse effect on profitability of the bank. This disparity may be due to lesser involvement of rural banks in profitable activities and wicked nature of rural clients for non-repayment of loans.*

### Introduction

In economics, productivity is the ratio of output produced by per unit of input (Ahuja, 2006).<sup>1</sup> It may refer to the technical efficiency of production relative to the allocation of resources of enterprises. If the goal is to increase productivity, enterprises must produce more with the same level of input. The goal can also be achieved by maintaining the same level of output using fewer inputs. The drive to increase

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productivity can be caused by various factors, but perhaps the most apparent is the aspiration of an enterprise to increase profitability. There are certain factors affecting the productivity of entities. General categories of the factors concerning productivity include the labour force, product, quality, process, capacity, and external influences. The resources are also important to consider in assessment of productivity of an entity.

In the present competitive environment, the most sustainable source of profitability is constant productivity improvement. In other words, profitability is the fleeting reward of productivity improvement. This dynamic also holds true in more complex market situations. Two companies that are located in different regional environment, but which compete directly in a global market may face different input factor costs (i.e., higher wages or cost of capital). In a state of equilibrium, the company that faces higher input factor costs will be able to compensate for this disadvantage through higher productivity. Higher wages, for example, reflect the greater productivity of the labour force in that region. In a competitive environment, where there is a level playing field, an increase in productivity by one company will start the same process as described above, where the company's competitor is forced to make productivity improvements. In fact, this process may eventually lead to a convergence in input factor costs between the two countries (Leade, 2009).<sup>2</sup> The pressure for ever-increasing profit is intense and unrelenting today and accommodating Wall Street, coping with local competitors and thriving in the global economy make bottom-line efficiency an absolute day-to-day business essential (Frei and Mader, 2008).<sup>3</sup>

The productivity analysis may be said as an evaluative activity of the performance of an entity (Miller, 2010).<sup>4</sup> Profitability analysis is the assessment of the impact of various marketing strategies on the profit contribution that can be expected from a product or product line whereas productivity analyses is the assessment of the sales or market share consequences of a marketing strategy. In the present changing economic scenario, the importance of productivity has assumed a crucial significance for the viability of banks. Productivity is one of the factors affecting the profitability among others like expansion of banks' operations in areas where they are handicapped by less avenues for profitable deployment of funds, increased overdraft, higher overhead expenses, increase in sickness in industrial units, NPAs etc. Higher the productivity, proportionately

lower will be the establishment cost. It also indicates the kind of business a particular bank may be doing. A high productivity indicates that, along smaller transactions, a bank does high volume of transactions too. A lower productivity increases relative operational cost and often becomes the cause of losses as intermediary returns are directly related to the quantum of productivity. Bank, as a business concern, can not overlook the profitability aspects since profit signifies efficiency. For the long term survival and growth of banks, profit is imperative. The banks have, of late, demonstrated a remarkable ability to adjust to the new operating environment and acquired a high level of business strength.

The regional rural banks (RRBs) were established to mobilize rural savings and its use especially for the development of the village economy of the nation through agriculture, small industry etc. and in the process of utilization of village potential resources. Therefore, it is an urge to understand whether the resources accumulated by the RRBs are utilized effectively for achieving overall productivity. With the initiation of financial sector reforms there have been several changes in the working of RRBs because various measures have been undertaken by the government to improve the commercial viability of the RRBs and their level of productivity. The various committees also apprehended that RRBs are always important for changing the ground reality of village economy but what is necessary is to improve the operational viability of the institution and thereby to bring higher productivity and profitability.

### **Objectives and Methodology**

The objective of the paper is to examine the productivity of RRBs in general and Meghalaya Rural Bank (MRB) in particular, mainly to test whether the banks have achieved their desired business volume in the present day competition. For this purpose, we have considered all the branches of MRB operating in Meghalaya. As on March 2011, there are 58 numbers of branches of MRB operating in six districts of Meghalaya. To analyze the productivity of bank, we have considered the parameters viz., labour productivity, branch productivity, return on assets and profit as per cent of volume of business. The variables viz., branch expansion, deposit, advances, population per branch, business per branch, employee per branch, credit deposit ratio etc have also considered for the purpose of the study. The data have been collected from the various issues of annual

reports of Meghalaya Rural Bank, financial statements compiled by the head office of Meghalaya Rural Bank, RBI Annual Reports, and RBI Trend and Progress of Banking in India. The widely used financial ratios and statistical techniques have been used for the purpose of the analysis.

### **Previous Studies**

Productivity as a universal concept refers to an organization's effectiveness in using all its resources viz., labour, financial resources, fixed assets and premises. It indicates the relationship between output and input expended in any work situation (Monga, 1992).<sup>5</sup> In this respect, Drucker (1980)<sup>6</sup> opined that business does not have direction without productivity objectives and it does not have control without productivity measurement. Productivity is an efficiency index that measures the rate of output per unit of input like man, material, machine, money and space. It explains the efficiency in the use of factors of production employed by an organization.

Productivity is the corner stone of banking growth and economic development. In simple sense, it means efficiency and effectiveness of services. In fact, productivity is an essential part of our urge for self-improvement and achievement of excellence that is a part of our dynamic society. Optimum productivity is reached when there is a balance between all factors of production that yield maximum output for least effort (Choudhary, 1998).<sup>7</sup> The productivity measures the extent to which the actual input consumption exceeds the minimum input necessary to produce the actual output level (Ahmed, 2003).<sup>8</sup> The minimum input consumption is determined in a manner consistent with other current knowledge of the available production technology (Diwan, 1997)<sup>9</sup> but there are difficulties in measuring productivity in service industries where quality of services assumes greater importance. A bank is described as a financial institution generating a stream of financial services in order to sustain a stock of assets and liabilities. The financial services are produced, delivered and consumed instantaneously. In the process, the consumer is exposed to an experiential quality that is part of the service. In case of banks, the distinction between input and output is not clear (Athma and Srinivas, 1997).<sup>10</sup> One aspect of productivity is the measurement of business (deposit + advances) per branch and per employee and the other aspect is cost responsiveness and return on working fund (Angadi, 1984).<sup>11</sup>

In the context of institutional dimension, Nitin and Thorat (2004)<sup>12</sup> observed that efforts taken during the reform era have limited impact because the reform process change in institutional dimension has not been given adequate importance. Few efforts were made to redesign the perverse institutional arrangements that gave rise to incompatible incentive structures for key stakeholders, such as political leaders, policy makers, stockholders, bank staff, and clients and suggested to bring change further to increase productivity of the bank. Hosmani (2002)<sup>13</sup> in his study on the performance of RRBs relating to Malaprabha Grameen Bank, observed that the managerial efforts in terms of imparting recent banking know-how, knowledge and skills helped to improve the business performance of the bank by way of increased deposits, advances, business, recovery and profitability. Joshua and Nahm (2006)<sup>14</sup> studied on cost and profit efficiency for Australian banks between 1995 and 2002 by using Data Envelopment Analysis (DEA) to construct an efficient frontier for ten banks listed on the Australian Stock Exchange. Empirical results indicate the major banks have improved their cost and profit efficiency, while the regional banks have experienced little change in cost efficiency, and a decline in profit efficiency.

Banking sector efficiency is considered as a pre-condition for macro-economic stability, monetary policy execution, and economic growth. In this respect, Qayyum and Khan (2006)<sup>15</sup> investigated empirically the efficiency, scale economies, and technological progress of commercial banks operating in Pakistan. They observed that that the domestic banks operating in Pakistan are relatively less efficient than their foreign counterparts. Sathye (2003)<sup>16</sup> measured the productive efficiency of banks in India. He found that the mean efficiency score of Indian banks compares well with the world mean efficiency score and the efficiency of private sector commercial banks as a group is, paradoxically lower than that of public sector banks and foreign banks in India. The study recommended that the existing policy of reducing non-performing assets and rationalization of staff and branches may be continued to obtain efficiency gains and make the Indian banks internationally competitive. Das (2002)<sup>17</sup> analyzed the level of risk and productivity of public sector banks and observed interrelationship of the fact that the productivity, capital base and risk taking tend to be jointly determined and reinforced. Cheema and Agarwal (2002)<sup>18</sup> observed that productivity is a measure for efficient resource use and showed that commercial banks operating in India are below the average level of efficiency. Ahmed (2003)<sup>19</sup> analyzed empirically

the bank's productivity performance and inferred that the wicked nature of clientele resulted in lower productivity of banks. The factors like lower contribution to priority sector lending, lesser involvement in private sector lending and profitable activities are mainly responsible for this state of affairs. In the liberalized environment, Pati (2005)<sup>20</sup> has referred financial parameters in almost all the states of NER as far below the national level. He observed that many RRBs in this region are on the verge of financial collapse due to their level of business volume. Reddy (2006)<sup>21</sup> examined total factor productivity technical and scale efficiency changes in regional rural banks by using data from 192 banks for the period 1996 to 2002. It observed that total factor productivity growth of rural banks was higher than the service provision during liberalization. Banks located in economically developed as well as low banking density regions exhibited significantly higher productivity growth. It also observed that parent PSBs have no influence on the efficiency and productivity growth of rural banks.

Khanokoje and Sathye (2008)<sup>22</sup> measured the efficiency of rural banks with the help of non-parametric technique of Data Envelopment Analysis (DEA). Efficiency scores were calculated for the years 1990 to 2002; thereafter these scores were compared for before and after the restructuring year (1993-94). The study found that productive efficiency of RRBs has increased. Ibrahim (2010)<sup>23</sup> observed that performance of rural banks have significantly improved after amalgamation process which has been initiated by the Government of India. Credit-deposit ratio has increased over the years showing a remarkable deployment of credit by these banks in rural areas. It also observed that during the post merger period although the numbers of RRBs have decreased the number of branches and districts covered by the RRBs in the country have increased.

Reddy and Prasad (2011)<sup>24</sup> observed that the banks have penetrated into every corner of the country and have been extending a helping hand in the growth of the economy. Despite the RRBs' journey of over three decades, they have achieved performance to the expected level turning towards sound financial management and productivity. Moreover the achieved performance is not uniform though they are working under the approach of same management. Bhaskar (2011)<sup>25</sup> observed that RRBs have to be repositioned and carry out their entrusted responsibility of meeting the credit requirement in rural sector, their various constraining factors such as low credit off take, small ticket business, low recovery rate and high employee cost. In order to reposition RRBs, loss making

RRBs should take steps for enhancing productivity by improving the skill and performance of their employees by better and specialized training in the areas of banking and finance, IT, management etc.

Whatever studies have emerged on the topic, they have primarily relied on exploratory analysis done for a particular year or on a group of RRBs to draw inferences. This kind of an approach has a serious limitation that the findings are guided by the choice of the years of analysis. To overcome this problem, one needs to consider, as attempted in this paper, bank specific study with reasonably long period for analysis where extreme observations would be evened out so that one may get results that are more dependable.

### **Productivity Performance of Regional Rural Banks: India vs. NER**

The total numbers of RRBs in India were 196 in 2000-01, which reduced to 82 in the year 2010-11. This decrease in number is due to restructuring strategies adopted and amalgamation of various RRBs in the country which started after the implementation of the Narasimham Committee recommendation by the Government of India. Although the numbers of RRBs have decreased over the years, the branch network has increased to 15,658 in 2010-11 from 14,301 branches in 2000-01. During the eleven year period under consideration, 1,357 number of branches were set up to cover more number of districts. This has been confirmed by the fact that the number of districts covered by the RRBs in the country has increased from 484 in 2000-01 to 621 districts in 2010-11. It indicates that an additional 137 numbers of districts were covered by setting up of new branches in the various uncovered and under-banked districts of the country. The population served per branch of RRBs is interestingly high i.e., roughly 84.6 thousand in 2000-01 which slightly improved and figured at 77.3 thousand populations served per branch in 2010-11. The scenario is extremely terrible while compared with the population per branch of commercial bank as a whole which covered 18 thousand populations by each branch during 2010-11 (IBA, 2011).<sup>26</sup> The number of employee per branch was found to be very low i.e., around 4 to 5 persons throughout the period. In 2000-01 the average number of employee per office was 4.90 which declined to 4.14 during the year 2010-11. This decrease in average number of employee per branch may be due to computerization of the in certain branches of RRBs. The data relating to the background of RRBs are presented in Table -1.

<b>Table-1</b> <b>Performance of Regional Rural Banks in India</b>									
<b>Year</b>	<b>No. of RRBs</b>	<b>No. of Branches</b>	<b>No. of Employee per branch</b>	<b>No. of Districts Covered</b>	<b>Population Per Branch*</b>	<b>Deposits (Rs. in Crores)</b>	<b>Loans and Advances (Rs. in Crores)</b>	<b>Credit-Deposit Ratio (%)</b>	
2000-01	196	14,301	4.90	484	84622.99	37,027	15,794	41.0	
2001-02	196	14,390	4.86	511	84099.61	43,220	18,629	41.8	
2002-03	196	14,433	4.82	516	83849.06	48,346	22,158	44.2	
2003-04	196	14,446	4.79	518	83773.60	57,010	26,115	46.3	
2004-05	133	14,484	4.76	523	83553.81	62,143	32,871	52.8	
2005-06	94	14,494	4.73	525	83496.17	71,329	38,520	55.6	
2006-07	90	14,520	4.70	534	83346.65	83,144	47,326	58.3	
2007-08	90	14,761	4.60	594	81985.87	99,093	57,568	59.5	
2008-09	86	15,181	4.51	616	79717.64	1,20,189	65,609	56.4	
2009-10	82	15,475	4.22	619	78203.13	1,45,035	79,157	57.6	
2010-11	82	15,658	4.14	621	77289.14	1,63,928	98,244	59.6	

\*Population per branch of RRB is calculated with the total population as per 2011 census divided by the number of branches  
**Source:** Reserve Bank of India, *Basic Statistical Return of Scheduled Commercial Banks, Various Issues.*  
*RBI Report on Trend and Progress of Banking in India, Various Issues*

Resource mobilization is an integral part of banking activity. The government has directed the banks to make all possible efforts to access to new deposits that can expedite the pace of lending activities. During the period under study, a substantial rise of deposits i.e. 4.43 times is observed although there has been decrease in number of RRBs in the country.

The bank credit is an important input variable in the production functions of agriculture, industry, commerce and allied productive activities for the socio-economic development of the backward region of the country. The loans and advances offered by the RRBs in the country are also increasing over the years in a continuous manner as observed from Table-1. The total amount of loans and advances of RRBs in the country was Rs. 15,794 crores in 2000-01; the amount has gone up to a total of Rs. 98,244 crores in 2010-11. It is clear that the total amount of loans and advances of RRBs in the country has increased by more than 5 times over the period.

The credit deposit of the RRBs in India has been increased over the years. The fact has been delineated in Table-1. In 2000-01 the credit deposit ratio of the RRBs in the country was 41.0 per cent which increased to 59.6 per cent in 2010-11. The trend of credit deposit ratio of commercial banks is much higher than that of the RRBs; the figure was 53.5 per cent in 2000-01 which has reached to the level of 72.7 per cent in 2010-11 (RBI, 2011).<sup>27</sup> Hence the apparent fact remains that the RRBs failed to maintain the C/D ratio of commercial banks of the country during the period. The reason of significantly low C/D ratio of RRBs may be attributed to nature of loans sanctioned, non-recovery of loans, stubborn cheaters, lack of direction of end use of bank credit, lack of implementation of bankable schemes and so on.

### **Productivity of Regional Rural Banks**

The consequence of productivity analysis has assumed a crucial implication for the viability of banks. The high productivity indicates that a bank does high volume of transactions. A lower productivity increases relative operational cost and often becomes the cause of losses as intermediary returns are directly related to the quantum of productivity. The RRBs can not overlook the profitability aspects since profit signifies

efficiency. The increase in productivity decreases the costs per unit produced and leads to better profitability. Productivity improvement is one means among others for increasing the profitability of actions. Therefore it is imperative to assess the productivity performance of RRBs. The productivity measured in terms of labour productivity, branch productivity, return on assets and profit as per cent of volume of business etc have been calculated to examine the footing of rural banks for the period 2000-01 to 2010-11.

### **Labour Productivity of RRBs**

The parameters like deposit per employee, advance per employee and business per employee have been used to measure the labour productivity of RRBs as a whole. The following ratios have been calculated for measuring the labour productivity of banks.

1. Deposit per employee = 
$$\frac{\text{Total Deposits}}{\text{No. of Employees}}$$
2. Advance per employee = 
$$\frac{\text{Total Advances}}{\text{No. of Employees}}$$
3. Business per employee = 
$$\frac{\text{Deposits + Advances}}{\text{No. of Employees}}$$

The accompanying Table-2 shows labour productivity of RRBs in India during 2000-01 to 2010-11.

<b>Table-2</b>						
<b>Productivity Ratios of Regional Rural Banks in India</b>						
<i>(Amount Rs. in Crores)</i>						
<b>Year</b>	<b>Labour Productivity</b>			<b>Branch Productivity</b>		
	<b>Deposit per employee</b>	<b>Advance per employee</b>	<b>Business per employee</b>	<b>Deposit per branch</b>	<b>Advances per branch</b>	<b>Business per branch</b>
2000-01	0.53	0.23	0.75	2.59	1.10	3.69
2001-02	0.62	0.27	0.89	3.00	1.29	4.30
2002-03	0.70	0.32	1.01	3.35	1.54	4.88
2003-04	0.82	0.38	1.20	3.94	1.81	5.75
2004-05	0.90	0.48	1.38	4.29	2.27	6.56
2005-06	1.04	0.56	1.60	4.92	2.66	7.58
2006-07	1.22	0.69	1.91	5.73	3.26	8.99
2007-08	1.46	0.85	2.30	6.71	3.90	10.61
2008-09	1.75	0.96	2.71	7.92	4.32	12.24
2009-10	2.22	1.21	3.43	9.37	5.12	14.49
2010-11	2.53	1.52	4.04	10.47	6.27	16.74
<b>Grand Mean</b>	<b>1.25</b>	<b>0.68</b>	<b>1.93</b>	<b>5.66</b>	<b>3.05</b>	<b>8.71</b>
<i>Source: Calculated</i>						

The deposit per employee in 2000-01 was Rs. 0.53 crores which increased to Rs.2.53 crores in 2010-11. In case of advance per employee of the RRBs, it was Rs. 0.23 crores in 2000-01, which increased to Rs. 1.52 crores in 2010-11. Although there has been continuous increase in the level of advance per employee, the average deposit per employee is higher than the average advances per employee throughout the period. Similarly, the business (deposit plus advances) per employee was Rs. 0.75 crores in 2000-01 which increased to 4.04 crores in 2010-11 recording 5.39 fold increases.

### **Branch Productivity of RRBs**

The productivity ratios of banks are worked out by relating the total deposits, total advances and the total business (deposit plus advances)

of the banks to the total number of branches. The following are the commonly used ratios measuring productivity of the banks and presented in Table-2.

1. Deposit per branch =  $\frac{\text{Total Deposits}}{\text{No. of branch}}$
2. Advance per branch =  $\frac{\text{Total Advances}}{\text{No. of branch}}$
3. Business per branch =  $\frac{\text{Deposits} + \text{Advances}}{\text{No. of branch}}$

It is observed from the table that the average productivity per branch in terms of deposits, advances and total business has increased considerably. The deposit per branch in 2000-01 was Rs. 2.59 crores which has increased to Rs. 10.47 crores in 2010-11. Over the years there is 4.04 times increase in the deposit per branch of RRBs. In case of advances per branch, it increased from Rs 1.10 crores to Rs. 6.27 crores recording 5.70 times increase. As a result, the business per branch increased from Rs. 3.69 cores to 16.74 crores between the periods 2000-01 to 2010-11 recording 4.54 times increase over the years. It is evident from the table that there has been continuous growth of deposit per branch, advances per branch and the business per branch. The growth of deposits per branch is higher than growth of advances per branch throughout the period under consideration. This is a positive sign for productivity performance of RRBs. However, the RRBs performance in business volume per branch while compared to scheduled commercial banks (SCBs) of the country is not up to the mark. The figure for business per branch for SCBs at the national level was Rs. 88.15 crores in 2009-10 (RBI, 2010-11).<sup>28</sup>

### **Relationship between Per Employee Income, Expenditure and Productivity:**

To attain higher productivity by the banking institution it needs to be highly competitive in the present market environment. After the reform in 1991, the nature of competition and the mode of operation

of the rural banks have changed. The strategy of enhancing volume of business per branch and as well as reducing per employee expenditure of the bank became the need of the hour. In case of RRBs for attaining higher productivity and its healthy growth in the backward economy of the country, it required to have its own strategy for its survival. Therefore, an attempt has been made to examine the relationship between income, expenditure and productivity. For this purpose, per capita employee income, per capita employee expenditure, per employee profits and per branch income, expenditure and profits are considered and presented in Table-3.

<b>Year</b>	<b>Per capita employee income</b>	<b>Income per bank branch</b>	<b>Per capita employee expenditure</b>	<b>Expenditure per bank branch</b>	<b>Profit Per employee</b>	<b>Profit per bank branch</b>
2000-01	0.07	0.33	0.06	0.29	0.008	0.04
2001-02	0.08	0.39	0.07	0.34	0.009	0.04
2002-03	0.09	0.41	0.08	0.37	0.008	0.04
2003-04	0.09	0.43	0.08	0.38	0.011	0.05
2004-05	0.09	0.42	0.08	0.37	0.011	0.05
2005-06	0.10	0.45	0.09	0.41	0.009	0.04
2006-07	0.11	0.53	0.10	0.48	0.009	0.04
2007-08	0.14	0.64	0.12	0.57	0.015	0.07
2008-09	0.17	0.75	0.15	0.66	0.019	0.09
2009-10	0.21	0.89	0.18	0.77	0.029	0.12
2010-11	0.25	1.04	0.21	0.91	0.031	0.13

**Source:** *Calculated*

The correlation matrix analysis has been employed to examine the nature of relationship among the aforesaid variables viz, per capita employee income, per capita employee expenditure, per employee profits, per branch income, per branch expenditure and per branch profits. The results obtained are displayed in Table-4.

<b>Table-4</b>						
<b>Correlation Matrix of the Variables of RRBs</b>						
<b>Variables</b>	<b>PEI</b>	<b>IPB</b>	<b>PEE</b>	<b>EPB</b>	<b>PPE</b>	<b>PPB</b>
<b>PEI</b>	1					
<b>IPB</b>	0.99	1				
<b>PEE</b>	0.99	0.99	1			
<b>EPB</b>	0.99	0.99	0.99	1		
<b>PEB</b>	0.97	0.97	0.97	0.96	1	
<b>BPB</b>	0.98	0.97	0.97	0.96	0.99	1

**Source:** *Calculated*  
Where,  
*PEI= Per Capita Employee Income*  
*IPB=Income per Bank Branch*  
*PEE=Per Capita Employee Expenditure*  
*EPB= Expenditure per Bank Branch*  
*PPE=Profit per Employee*  
*PPB= Profit per Bank Branch*

The correlation matrix discerned that the 'r' values between the variables are highly positive indicating a high degree of relationship that exists among the variables. The level of per employee income is associated with the level of per employee business. With the increasing volume of expenditure, there will be a corresponding increase in volume of business. Thus incentives to employees, automation of branches, facilities to the customers are the pre requisites for the growth of productivity of the employees and the branches of RRBs.

### **Return on Assets, Investment and Volume of Business**

The productivity of RRBs may further be examined on the basis of the parameters viz, profit as per cent of investment, profit as per cent of total assets and profit as percentage of volume of business. The return on investment enables us to know profitability of the funds used for investment. It shows the productivity of capital employed. Higher the profits as a percentage of volume of business, the better will be the productivity performance of a bank. The return on investment (ROI), profit as per cent of assets (ROA) and profit as percentage of volume of business can be calculated with the help of following formulas.

1. Return on investment (ROI) =  $\frac{\text{Net profit}}{\text{Investment}} \times 100$
2. Profit as per cent of assets (ROA) =  $\frac{\text{Net profit}}{\text{Total assets}} \times 100$
3. Profit as per cent of volume of business =  $\frac{\text{Net profit}}{\text{Volume of business}} \times 100$

Table-5 depicts the aforesaid productivity ratios. The profit as per cent of total assets has declined with extreme fluctuation, throughout the period. The above ratio indicates that the RRBs productivity performance has declined leading to an adverse effect on profitability of banks. This may be due to repositioning strategies of RRBs at national level in one hand, and also due to character of rural clients for non repayment of loans and advances they gain, on the other.

<b>Table -5</b>			
<b>Return on Investment (ROI), Profit as per cent of Assets (ROA) and Profit as percentage of Volume of Business</b>			
<b>Year</b>	<b>Profit as % of volume of business</b>	<b>Profit as % of Investment</b>	<b>Profit as % of total Assets</b>
2000-01	1.12	7.81	1.21
2001-02	0.98	8.98	1.07
2002-03	0.74	4.19	0.83
2003-04	0.93	4.41	1.09
2004-05	0.79	3.23	0.96
2005-06	0.56	2.48	0.69
2006-07	0.48	2.37	0.59
2007-08	0.66	3.40	0.82
2008-09	0.72	3.51	0.89
2009-10	0.84	3.98	1.02
2010-11	0.76	3.60	0.92
<b>Grand Mean</b>	<b>0.78</b>	<b>4.36</b>	<b>0.91</b>

**Source:** *Calculated*

### Productivity Performance of RRBs in North East:

The productivity of individual rural banks in NER states vis -a vis India as a whole may be had from the following table-6.

<b>Table-6</b>		
<b>Productivity of RRBs of NER as on March, 2010</b>		
<i>(Amount Rs. in Lakhs)</i>		
<b>Name of RRBs</b>	<b>Branch Productivity (Business per branch)</b>	<b>Staff Productivity (Business per employee)</b>
1. Arunachal Pradesh Rural Bank	963.53	298.56
2. Assam GraminVikas Bank	1427.13	298.68
3. Langpi Dehangi Rural Bank	864.90	205.23
4. Manipur Rural Bank	438.33	140.89
5. Meghalaya Rural Bank	1259.63	317.80
6. Mizoram Rural Bank	1166.05	333.94
7. Nagaland Rural Bank	418.86	113.20
8. Tripura Gramin Bank	2567.42	437.76
<b>RRBs at NER</b>	1138.23	268.26
<b>RRBs as a Whole</b>	1471.93	330.02
<b>Source:</b> <i>RRB Monitoring, Key Performance Indicators of RRB, Key Statistics 2009-10</i>		

It is clear from the regional level analysis of productivity of RRBs that MRB is placed in 3<sup>rd</sup> rank among the RRBs in NER in terms of both labour and branch productivity. However, average productivity of Meghalaya Rural Bank (MRB) is higher than the productivity of RRBs in NER as on March 2010. With this backdrop, a further analysis on productivity performance of MRB is undertaken on the basis the similar parameters to have in depth study of the problem.

### Productivity of Meghalaya Rural Bank: The Empirical Analysis

The foregoing analyses clearly reveal that efforts are being made to improve the productivity of RRBs in India during the period under

consideration as reflected from branch and labour productivity parameters. In the following paragraphs, an attempt has been made to analyse the productivity performance of Meghalaya Rural Bank. For this purpose, we have considered all the branches of MRB operating in Meghalaya. To analyse the productivity of bank branches under consideration, we have considered labour productivity, branch productivity, return on assets and profit as per cent of volume of business. The data have been collected from the various issues of annual reports of MRB during the period 2000-01 to 2010-11.

### **Performance of MRB: The Backdrop**

Meghalaya Rural Bank has an extensive network of 58 branches spread across the 6 out of 7 districts of Meghalaya viz, East Khasi Hills, West Khasi Hills, Jaintia Hills, Ri Bhoi, West Garo Hills and East Garo Hills. The bank has the distinct record for over 50 per cent of the total number of rural bank branches in its area of operation. However, it has not set up any satellite branch or extension counter. It is revealed from the following Table-7 that in 2000-01, there were only 51 branches of MRB functioning in 4 out of 7 districts of the state. In 2010-11, the number of branches of the MRB has increased to 58 in 6 districts of Meghalaya.

The population served per branch of MRB is 58.1 thousand in 2000-01 which slightly improved and figured at 51.1 thousand populations served per branch in 2010-11. The scenario is relatively better while compared with the population per branch of RRBs as a whole which covered 77.3 thousand populations by each branch during 2010-11. The number of employee per branch found to be very low ie, around 3 to 4 persons throughout the period. This may be due to the abolition of clerical cadre over a period of time by converting the staff into multipurpose workers. The staff norms ie, 4.2 number of staff per branch as recommended by Agarwal Committee in 2000<sup>29</sup>, was not achieved by MRB till 2009-10.

**Table-7**  
**Performance of Meghalaya Rural Bank**

Year	No. of Branches	No. of employee per office	No. of Districts Covered	Population Per Branch*	Deposits (Rs. In thousands)	Loans & advances (Rs. In thousands)	C/D Ratio
2000-01	51	3.6	4	58,118	12,26,293	3,03,392	30.00
2001-02	51	3.5	4	58,118	14,32,184	3,52,205	25.00
2002-03	51	3.6	4	58,118	15,53,924	4,06,167	26.00
2003-04	51	3.6	4	58,118	17,58,127	4,62,522	26.31
2004-05	51	3.6	4	58,118	21,99,196	5,42,438	24.67
2005-06	51	3.5	4	58,118	25,04,085	6,66,700	26.63
2006-07	51	3.5	4	58,118	28,01,385	8,25,357	29.36
2007-08	52	4.1	5	57,000	31,59,848	9,73,316	30.80
2008-09	54	3.8	6	54,889	40,39,445	11,86,477	29.37
2009-10	55	3.9	6	53,891	53,23,070	16,04,869	30.15
2010-11	58	4.4	6	51,104	67,74,188	21,61,545	31.91
*population per branch of MRB is calculated with the total population of Meghalaya as per 2011 census divided by the number of branches							
<b>Source:</b> <i>Annual Report of Meghalaya Rural Bank, Various issues.</i>							

The C/D ratio of MRB is not up to the mark while compared with RRB as a whole. The same for RRBs was 41.0 per cent in 2000-01 which augmented to 59.6 per cent in 2010-11. The reason for significant low ratio of MRB may be attributed to non recovery of loans, willful defaulters, lack of supervision of end use of bank credit and lack of implementation of bankable schemes. This exhibited poor credit absorption capacity of the entire area along with lack of entrepreneurial zeal to undertake viable projects.

In order to examine the degree of relationship between growth of deposits and growth of advances of MRB, coefficient of correlation analysis has been employed. For this purpose, deposit per office and advance per office have been considered for the period of 11 years from 2000-2001 to 2010-11.

The high correlation ( $r = 0.997$ ) value between per office which is statistically significant at 1 percent confirms that over the years deposit per

office and advance per office of the Meghalaya Rural Bank are moving in the same direction.

### Productivity of MRB

Deposit per employee, advance per employee and business per employee, are widely used parameters to measure the labour productivity and deposit per branch, advances per branch and business per branch, to measure branch productivity. The accompanying table-8 exhibits the productivity ratio of MRB.

The MRB maintained the similar trend of business growth of per employee with the business growth of RRBs as a whole. The bank, however, has been doing better in terms of volume of business per branch

<b>Table-8</b>						
<b>Productivity Ratios of Meghalaya Rural Bank</b>						
<i>(Amount Rs in thousands)</i>						
<b>Year</b>	<b>Labour Productivity</b>			<b>Branch Productivity</b>		
	<b>Deposit per employee</b>	<b>Advance per employee</b>	<b>Business per employee</b>	<b>Deposit per branch</b>	<b>Advances per branch</b>	<b>Business per branch</b>
2000-01	6,701.05	1,657.88	8,358.93	24,044.91	5,948.86	29,993.82
2001-02	7,912.62	1,945.88	9,858.50	28,082.02	6,905.98	34,988.02
2002-03	8,445.24	2,207.43	10,652.67	30,470.00	7,964.06	38,433.16
2003-04	9,555.04	2,513.71	12,068.74	34,473.08	9,069.06	43,542.14
2004-05	12,017.46	2,964.14	14,981.61	43,121.49	10,636.04	53,757.53
2005-06	14,067.89	3,745.51	17,813.40	49,099.71	13,072.55	62,172.25
2006-07	15,916.96	4,689.53	20,606.49	54,929.12	16,183.47	71,112.59
2007-08	14,904.94	4,591.11	19,496.06	61,957.80	19,084.63	79,483.92
2008-09	19,608.96	5,759.60	25,368.55	74,804.54	23,264.26	96,776.33
2009-10	24,417.75	7,361.78	31,779.54	96,783.09	29,179.44	1,25,962.52
2010-11	26,461.67	8,443.54	34,905.21	1,16,796.34	37,268.02	1,54,064.36
<b>Grand Mean</b>	<b>14,546.33</b>	<b>4,170.92</b>	<b>18,717.25</b>	<b>55,869.28</b>	<b>16,234.22</b>	<b>71,844.02</b>
<b>Source: Calculated</b>						

while compared with RRBs. The better productivity performance of MRB is due to the fact that they are able to mobilize more deposits from the area. This indicates that the MRB is utilizing efficiently the resources that they mobilized. This implies that MRB has significantly turned up the banking propensity and inclination among the common people of Meghalaya for socio economic development. Further, we have considered correlation analysis for labour and branch productivity between MRB as well as RRB in order to examine the extent of productivity of MRB. The result found is as under:

<b>Correlations between MRB and RRB</b>	
<b>Labour Productivity</b>	<b>Branch Productivity</b>
0.989	0.991

The high positive 'r' values for both the parameters indicate a close relationship between MRB and RRBs in respect of their productivity performance. It is observed that MRB is performing as good as RRBs as a whole particularly with regard to business per bank branch and business per employee during 2000-01 to 2010-11. It means that the MRB in the state of Meghalaya performing at par with RRBs of the country. This improvement in productivity of MRB may be due to materialization of banking habit among the rural populace of Meghalaya at large.

### **Per Employee and Per Branch Income, Expenditure and Productivity of MRB**

The data relating to per employee income, expenditure, profits and per branch income, expenditure, profits of MRB have been collected from the annual reports of Meghalaya Rural Bank for the period of 2000-01 to 2010-11. On the basis of collected data, employee income, expenditure and branch productivity ratios are calculated which is shown in table-9.

The table of the MRB showed that income and expenditure for both per employee and per branch have increased over the years. However, to assess the interrelationship between the variables, correlation has been calculated considering a period of 11 years from 2000-01 to 2010-11. The results obtained are presented in table-10.

Year	Per capita employee income	Income per bank branch	Per capita employee expenditure	Expenditure per bank branch	Profit Per employee	Profit per branch
2000-01	765.72	2,747.57	622.21	2,232.65	143.50	514.92
2001-02	945.49	3,355.55	731.52	2,596.20	213.96	759.35
2002-03	929.44	3,353.27	760.91	2,745.25	168.53	608.02
2003-04	918.34	3,313.23	798.06	2,879.27	120.28	433.96
2004-05	975.62	3,500.76	893.97	3,207.78	81.65	292.98
2005-06	953.51	3,327.94	844.96	2,949.06	108.56	378.88
2006-07	1,184.97	4,089.31	986.68	3,405.02	198.29	684.29
2007-08	1,269.07	5,173.90	989.75	4,035.12	279.33	1,138.79
2008-09	1,902.65	7,258.24	1,341.88	5,119.02	560.77	2,139.22
2009-10	1,940.25	7,690.44	1,406.48	5,574.76	533.77	2,115.67
2010-11	2,236.08	9,869.59	1,767.65	7,802.05	468.43	2,067.53

**Source:** Calculated

Variables	PEI	IPB	PEE	EPB	PPE	PPB
PEI	1					
IPB	0.99	1				
PEE	0.98	0.99	1			
EPB	0.97	0.99	0.99	1		
PPE	0.93	0.90	0.85	0.83	1	
PPB	0.96	0.94	0.89	0.88	0.99	1

**Source:** Calculated

Where,  
 PEI= Per Capita Employee Income, IPB= Income per Bank Branch, PEE=Per Capita Employee Expenditure, EPB= Expenditure per Bank Branch, PPE= Profit Per Employee, PPB= Profit per Bank Branch

The correlation matrix discerned that the 'r' values between the variables are highly positive and statistically significant. Thus, it can be argued that -

- Expenditure per branch is highly associated with the profit per branch. With the increase in volume of expenditure, there will be corresponding increase in profitability.
- Correlation between per capita employee expenditure and profit per employee indicates that employee productivity of MRB is directly related to expenditure.

### **Return on Investment and Profit as Percentage of Volume of Business of MRB**

The productivity of MRB has also been assessed with the return on investment (ROI) and profit as percentage of volume of business and the calculated figures are presented in table-11.

<b>Table-11</b>		
<b>ROI and Profit as Per Cent of Volume of Business of MRB</b>		
<b>Year</b>	<b>Return on Investment</b>	<b>Profit as % of Volume of Business</b>
2000-01	2.48	1.72
2001-02	3.07	2.17
2002-03	0.22	1.58
2003-04	1.56	0.99
2004-05	0.91	0.55
2005-06	1.09	0.61
2006-07	1.68	0.96
2007-08	2.53	1.43
2008-09	3.01	2.21
2009-10	3.58	1.68
2010-11	4.11	1.34
<b>Average</b>	<b>2.20</b>	<b>1.39</b>
<b>Source: Calculated</b>		

The ROI and profit as per cent of business volume has increased over the years with fluctuations. However, while compared with rural banks in India, average ROI and profit as per cent of business volume of MRB is better throughout the period under study. This is a positive sign for the MRB operating in rural Meghalaya. The high level of productivity of MRB indicates that bank does high volume of transactions with a clear indication of the viability of rural banks in Meghalaya.

### **Concluding Note**

The paper concludes with an idea that the better productivity performance of MRB is due to the fact that they are able to mobilize more deposits from the area. It is observed that the MRB is utilizing efficiently the resources that they mobilized. The analysis further indicates that although MRB has been doing relatively better than that of the RRBs, there has been a wide variations in the productivity, as per the indicators identified, which might have adverse effect on profitability of the said bank. This variation may be due to lesser involvement of banks in profitable activities, wicked nature of rural clients for non repayment of loans and advances they obtain.

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## Non-Government Organisations and Inclusive Growth

BENJAMIN F. LYNGDOH\*

### Abstract

*Inclusive growth is an outcome of holistic participation. In the process of inclusive growth Non-Government Organisations (NGOs) play a significant role, particularly in developing nations. As found widely, NGOs efforts have contributed significantly towards transformation through economic, social and political intermediation. Financial inclusion of the underprivileged is one of the many ways of bringing inclusive growth and here, NGOs role is pivotal. Accordingly, the role of NGOs in financial inclusion through microfinance intervention in the context of Meghalaya is examined. For exemplifying the role of NGOs in inclusive growth, case studies on two NGOs are undertaken with a focus on microfinance intervention, namely, West Garo Hills Community Resource Management Society, Tura and Bosco Reach Out, Shillong. The case studies show that NGOs participation in development process has benefited the underprivileged and their financial inclusion initiatives through microfinance has helped in economic and socio-politico transformation thereby ushering about inclusive growth.*

**Keywords** – Non-Government Organisations, financial inclusion, inclusive growth, micro-finance

### Introduction

Growth as a process is continuous and requires constant and sustained intermediation. It encompasses all activities and sections across economic, social, political and cultural domain. Moreover, it demands an active participation and long-term involvement of various institutions and organisations – government and corporations. In addition, third sector organisations and popularly known as Non-Government Organisations (NGOs) also have a prominent role to play due to the demand-supply gap in growth-oriented intervention. NGOs play a vital role

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in the shaping and implementation of participatory democracy and their credibility lies in the responsible and constructive role they play in society ([www.unep.org](http://www.unep.org)). The World Bank defines NGOs as ‘private organisations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services or undertake community development’. It is estimated that over 15 per cent of total overseas development aid is channeled through NGOs amounting to US eight billion dollars ([www.globalissues.org](http://www.globalissues.org)). As such, they are active and important partners in the growth process.

In recent times focus is not only on growth but inclusive growth through NGOs. In keeping with their profile, target-based operations and efficacy, NGOs can be major proponents of inclusive growth. Growth that is inclusive would mean growth that not only creates opportunities but more importantly ensure equitable access of natural resources and other opportunities (Lucas 2008). Inclusive growth can be defined as ‘growth inspired and contributed by all sections of the society through equal opportunities and equitable distribution of resources and the benefits thereof enjoyed by all’. It is all round growth – economic, social and political. Inclusive growth adopts a long-term perspective focusing on sustained economic growth which is necessary and a crucial condition for poverty reduction (Imbs and Wacziarg 2003). It is enforced through continuous labour engagement, investments, diffusion of equitable opportunities, access to opportunities, development of infrastructure and sustainable growth. Inclusive growth is making the fruits of development available and accessible to all, particularly the underprivileged.

Financial inclusion has been argued for as a strategic policy as it is one of the most significant determinants of inclusive growth. Finance for enterprise, livelihood and sustenance is a must for all sections of society to be a part of growth. Evidences also suggest that inclusive growth depends greatly upon financial inclusion. The greater the degree of financial inclusion greater is the level of inclusive growth. As such, Reserve Bank of India policy initiatives on financial inclusion focuses upon branch expansion in rural areas, providing banking services through the use of business facilitators and business correspondents, simplification of Know Your Customer (KYC) norms, drawing of a roadmap for the provision of banking services in unbanked villages, provision of a bouquet of financial services and direct benefit transfer (leveraging the *Aadhaar*

platform) for facilitating delivery of social welfare benefits by direct credit to the bank accounts of beneficiaries ([www.rbi.org.in](http://www.rbi.org.in)). In addition, social and political inclusion is needed to complete the term inclusive growth. Hence, inclusive growth can be measured in terms of social and political outcomes of financial inclusion. In particular, large-scale financial inclusion can be attained through microfinance intervention. Thus, financial inclusion is a must for achieving inclusive growth. NGOs with their focus on economic transformation of the underprivileged through microfinance and other small financial intervention contribute significantly to the cause of financial inclusion. Their reach and penetration at the grass-roots are added vigor towards inclusive growth through financial inclusion.

### **Objectives and Methods**

The study focuses on three dimensions – NGOs, microfinance oriented financial inclusion and inclusive growth. The objectives are two-fold, namely, (i) to explore the established link between NGOs and inclusive growth through the process of financial inclusion and (ii) to evaluate the role of NGOs in the inclusive growth taking a study of select NGOs in Meghalaya. The first objective is approached with a literature review to explore the relationship between financial inclusion and inclusive growth. Particularly the role of NGOs in financial inclusion (of women in particular) and attainment of inclusive growth is highlighted. For evaluation and inferences on the role of NGOs in inclusive growth, case studies on two NGOs operating in Meghalaya are undertaken with a focus on microfinance intervention, namely, West Garo Hills Community Resource Management Society (WGHCRMS), Tura under North Eastern Region Community Resource Management Project (NECORMP) funded by IFAD and Bosco Reach Out (BRO), Shillong. In addition, an analysis is conducted on 50 clients (25 each from respective NGOs) who have been exposed to self-help groups (SHGs) and microfinance for a period of five years so as to draw specific insights on their contributions to financial inclusion and inclusive growth by focusing on basic economic and socio-politico variables.

### **NGOs, Financial Inclusion and Inclusive Growth**

Evidences suggest a close relation between financial inclusion (particularly microfinance oriented) and inclusive growth. Access to credit contributes to a long-lasting increase in income by means of a

rise in investments in income generating activities and diversification of sources of income, accumulation of assets, reduce the vulnerability due to illness; drought and crop failures, better education; health and housing. In addition, it contributes to an improvement of the social and economic situation of women (Hermes and Lensink 2007). Moreover, participation in microfinance increase clients self-confidence, self-esteem and participation in decision-making (Cheston and Khun 2002) and 40 per cent of poverty reduction in rural Bangladesh has been attributed to microcredit (Khandker 2005). World over microfinance has reached a significant population of underprivileged and has brought about financial inclusion and transformation.

In India, financial inclusion levels vary – Andhra Pradesh has the highest financial inclusion (82 per cent of farmer households are indebted) and Meghalaya has the lowest (only four per cent of farmer households are indebted) (Dev 2006). Microfinance is making head way in its efforts for reducing poverty and empowering women in particular (BL Center for Development Research and Action [BLCDRA] 2005). Outcomes of microfinance oriented financial inclusion are encouraging. The effects are even more striking when women have been members of a group for longer period and especially when greater emphasis is laid on genuine social intermediation (Holvoet 2005). The experiences and evidences show that women profiled microfinance financial inclusion has many positive outcomes and hence should be encouraged on a large scale. It contributes to inclusive growth where by family and sections of society play a role and benefit from. However, this does not diminish the importance of other financial inclusion models and importance of genderless inclusion. Financial inclusion through microfinance has transformed and empowered the masses into major players and contributors in inclusive growth.

The first interest in informal group lending in India took shape during 1986-87 when the Mysore Resettlement and Development Agency (MYRADA) sponsored research project on ‘savings and credit management of SHGs’ was partly funded by National bank for Agriculture and Rural Development (NABARD). In 1987-88 NABARD in association with Asia Pacific Rural and Agricultural Credit Association (APRACA) undertook a survey of 43 NGOs in 11 states to study the functioning of microfinance SHGs and their collaboration possibilities with the formal banking system. Both these research projects threw up the encouraging possibilities and

the outcome is NABARD SHG-bank linkage programme. The success of NGOs like MYRADA in group lending made the government to shift the strategy of women development and empowerment under Development of Women and Children in Rural Areas (DWCRA) programme through group based approach (Rajshekar 2004). The microcredit programme launched through numerous NGOs has found fancy with the banking industry and can prove to be an excellent tool to bring in greater equity through financial inclusion (Agrawal 2007). In January 2006 banks were permitted to utilise the services of NGOs, microfinance institutions (MFIs) and other civil society organisations as intermediaries in providing financial and banking services through the use of business facilitator and business correspondent models (Thorat 2007).

The linkage of SHGs with banks can expand financial inclusion and here NGOs have a proactive role to play. Despite large scale financial inclusion through efforts of NGOs more scope exists for even better inclusion. Critical issues on the supply-demand of financial inclusion are to be addressed. The formal banking system, rural cooperatives and NGOs must be strengthened to extend their outreach as the financially excluded require products which are customised to meet their needs (Rangarajan 2008). Recognising the importance of self-employment for inclusive growth NGOs are focusing on credit programs which extend microfinance to small scale entrepreneurs. Badan Kredit Kecamatan (BKK) in Indonesia, Action Comunitaria in Peru, Self-Employed Women's Association (SEWA) in India and the Grameen Bank in Bangladesh are among those who have successfully served hundreds of thousands (Panjaitan-Drioadisuryo and Cloud 1999). NGOs do have a positive role to play in ushering about inclusive growth. The Slum Improvement Project, Bangladesh helped in successful organisation of women of slum communities around various social and economic activities, improved the physical environment of slums with new/upgraded footpaths, access roads, drains, latrines, tube-wells, increased family income, increased awareness of health, sanitation, reduction in diseases like respiratory problems and scabies ([www.mit.edu](http://www.mit.edu)). In addition, Orangi Pilot Project, Karachi strengthened the position of women by encouraging participation in community affairs, provided better health, allowed more money to be spent on food, education and housing ([www.mit.edu](http://www.mit.edu)). Overall, the NGO movement appears ready to move beyond initial experiments to strengthening institutional practices as part of a process of steady maturation (Park and Ren 2001).

NGOs at international level are a heterogeneous group and their exact number difficult to portray. The Yearbook of International Organisations currently counts a presence of around 6500 (as on 2004) international NGOs worldwide in terms of membership or/and operations which grew from mere 200 a century back. According to United Nations Development Program there are approximately 40000 NGOs worldwide. The growth of NGOs in recent years has been a major factor for the increasing involvement in economic, socio-political and governance of the masses at all levels, from local to global. Their growth has percolated into increasing roles and contribution to inclusive growth at a global scale. Out of all these NGOs many are supporting the national level NGOs of different countries for carrying microfinance activities. Similarly in India, as per Wikipedia, the number of NGOs is around 33 lakhs. Whereas it is difficult to figure out the exact number of NGOs involved in microfinancing but looking at the popularity of the microfinance a conservative estimate at five per cent brings the number to 1.65 lakhs. Apart from the mainstream MFIs like NABARD, commercial banks and other financial institutions, many NGOs are part of the network providing financial services. These are the latest ones which have come up to fill the gap between the demand and supply for microfinance.

In general, MFIs consist of refinance institutions, banks, NGOs and SHGs dealing with small loans and deposits in rural, semi-urban or urban areas enabling people to raise savings, productive investments and thereby their standard of living (Nadarajan and Ponmurugan 2006). Commercialisation of microfinance business has a massive impact on enhancing scale of outreach. In Latin America, NGOs opted to transform themselves into licensed financial institutions and were able to provide almost 45 per cent of the microfinance services (Akhtar, 2008). MFIs are increasingly providing financial services to the poor by raising funds from banks and their own resources for on-lending to SHGs. As Micro-Enterprise Promotion Agency (MEPA), NGOs have been promoting microenterprises amongst SHGs and as on 31<sup>st</sup> March, 2013, ₹ 6647.68 lakhs has been routed to 362803 SHGs through 3700 NGOs ([www.nabard.org](http://www.nabard.org)).

### **Case Studies**

NGOs are vital partners in the movement of financial inclusion and inclusive growth, particularly in the context of SHGs and microfinance.

They actively involve in promotion, productivity and financial linkage of SHGs and in some instances involve themselves in financing. They have been playing a critical role over the years and enough scope for expansion of reach and activities exist. In Meghalaya, SHG-bank linkage programme of NABARD provides microfinance through Commercial Banks, Regional Rural Banks and Co-operative Banks. In addition, NGOs like BRO, WGHCRMS, Women for Integrated Sustainable Empowerment (WISE), Meghalaya Rural Development Society (MRDS), Rashtriya Gramin Vikas Nidhi (RGVN), BAKDIL Diocesan Social Service Society and so forth are active in SHG promotion and financing. Moreover, individuals and churches are also involved in microfinance activity.

NGOs play a critical role in group formation, nurturing of SHGs, capacity building and financial consultancy. Studies suggest a strong and positive linkage between NGOs efforts, financial inclusion and inclusive growth. In this context, case studies on two NGOs with a focus on microfinance intervention, namely, WGHCRMS, Tura and BRO, Shillong are undertaken. The cases represent an interesting spiral between NGOs and inclusive growth.

### **WGHCRMS, Tura**

WGHCRMS, Tura under NECORMP funded by IFAD in collaboration with North Eastern Council has done wonders as regards to reducing poverty and empowering women in West Garo Hills District. The project covers 7070 families in 192 villages. Under the project there are 1115 SHGs, 257 Natural Resource Management Groups (NaRMGs), 29 Village Cluster Associations and 26 SHGs Federations. Table 1 shows an impressive performance of WGHCRMS. It has covered a sizeable population of underprivileged clients through financial inclusion.

<b>Table 1</b>				
<b>Profile of NaRMGs and SHGs</b>				
<b>Year</b>	<b>Villages</b>	<b>NaRMGs</b>	<b>SHGs</b>	<b>Households</b>
<b>1999-00</b>	<b>17</b>	<b>17</b>	<b>3</b>	<b>868</b>
<b>2000-01</b>	<b>-</b>	<b>3</b>	<b>22</b>	<b>0</b>
<b>2001-02</b>	<b>43</b>	<b>69</b>	<b>109</b>	<b>1486</b>
<b>2002-03</b>	<b>0</b>	<b>8</b>	<b>30</b>	<b>26</b>
<b>2003-04</b>	<b>126</b>	<b>146</b>	<b>297</b>	<b>4185</b>
<b>2004-05</b>	<b>6</b>	<b>9</b>	<b>59</b>	<b>505</b>
<b>2005-06</b>	<b>0</b>	<b>5</b>	<b>89</b>	<b>0</b>
<b>2006-07</b>	<b>0</b>	<b>5</b>	<b>323</b>	<b>0</b>
<b>2007-08</b>	<b>0</b>	<b>0</b>	<b>183</b>	<b>0</b>
<b>Total</b>	<b>192</b>	<b>257</b>	<b>1115</b>	<b>7070</b>
<b>Source: WGHCRRMS Report, 2008.</b>				

99 per cent of the SHGs are women SHGs and this speaks in itself as regards the focus given by IFAD for poverty reduction. With maximum of the borrowers being women most of the activities of SHGs are women-centric like rice mill, aloe vera cultivation, dry fish preservation, packing goods for sale, weaving centre, poultry, tailoring, agarbatti stick making, spice grinding unit, agro product processing and marketing shed, drinking water system, dairy unit, milk production and so forth. Some of the SHGs have established an English school at Oragiok village, operating a public distribution system and organise health programmes and social activities. Moreover, mobilisation of all the tea farmers of West Garo Hills led to the setting up of a tea factory under the RSVY Scheme.

A campaign of all the women SHGs has resulted into consolidation of all groups into one apex SHG Federation called the NIM – BILCHAM (NERCROMP Institute of Micro Finance – Banking Institution and Learning Centre of Excellence for Holistic Aspiration of Mothers). This powerful women organisation comprises of women members from 1115 SHGs with a corpus of ₹ 1.45 crores. WGHCRRMS initiative has resulted in improvements in the livelihoods of the women folk in the district. Economic recourse has subsequently led to empowerment of women. Accordingly, they have been able to bring about a marked

shift in their social status, esteem and face the problems in their day to day lives. By providing the women folk in the rural areas means to economic activity the SHGs has changed their outlook and profile in the community. Economic empowerment has enabled the women folk to take important decisions in the society and thus help bring about a structural change in their livelihood. This has led to other socio-politico outcomes.

### **BRO, Shillong**

Established in 1983, BRO is a non-profit, non-political and non-religious organisation. It is the official social development wing of the Salesian Province of Guwahati in North-East India and registered under the Societies Registration Act. BRO's vision is a self-sustaining, self-reliant and dignified community where people live responsibly, striving for just, equal and harmonious society. It seeks to achieve integral development through empowerment of people by enabling them to build people's organisations and enhancing their capacities to utilise their resources optimally. Its major goal includes providing access for individuals and communities to credit through self-help mechanisms. BRO's approach to development initiatives is based upon self-help, people oriented, bottom-up collaborative, pro-poor, result focused, culture and gender sensitive approach.

Effective from 2006-07 the normal project intervention areas has been divided into three independent zones (Zone I, Zone II and Zone III) for further augmentation of activity impact and need based requirements of the areas. Zone I consists of four areas of Assam and four areas of Garo Hills, Meghalaya, Zone II consist of seven areas of middle Assam and Zone III consists of Khasi and Jaintia Hills of Meghalaya and two autonomous hill districts of Assam.

Some of the major projects/programmes of BRO are Integrated and Sustainable Human Development Programme, Community Capacity Building through Strengthening SHGs, Strengthening Technical and Vocational Schools, Capacity Development of People by Facilitating on Access to Market, Tribal Development through Rejuvenation of Environment, Promotion of SHGs for SGSY and other schemes, Gender Equality and Justice through Women Empowerment and so forth. Through

its projects/programmes BRO has contributed to financial inclusion and inclusive growth. Table 2 presents a bird's eye view of SHGs in Zone III of operation also showing its scope and coverage. It has made vital contributions to inclusive growth as depicted through its reach and activities.

Region	Villages	SHGs				Members		
		Male	Female	Mix	Total	Male	Female	Total
<b>Sojong</b>	<b>34</b>	<b>1</b>	<b>65</b>	<b>7</b>	<b>73</b>	<b>34</b>	<b>785</b>	<b>819</b>
<b>Haflong</b>	<b>40</b>	<b>2</b>	<b>74</b>	<b>9</b>	<b>85</b>	<b>53</b>	<b>918</b>	<b>971</b>
<b>Umswai</b>	<b>19</b>	<b>8</b>	<b>30</b>	<b>0</b>	<b>38</b>	<b>94</b>	<b>325</b>	<b>419</b>
<b>Nongpoh</b>	<b>38</b>	<b>5</b>	<b>70</b>	<b>8</b>	<b>83</b>	<b>90</b>	<b>752</b>	<b>842</b>
<b>Umran</b>	<b>32</b>	<b>14</b>	<b>37</b>	<b>7</b>	<b>58</b>	<b>167</b>	<b>417</b>	<b>584</b>
<b>Shillong</b>	<b>28</b>	<b>8</b>	<b>21</b>	<b>25</b>	<b>54</b>	<b>155</b>	<b>327</b>	<b>482</b>
<b>Smit</b>	<b>38</b>	<b>18</b>	<b>25</b>	<b>31</b>	<b>74</b>	<b>320</b>	<b>452</b>	<b>772</b>
<b>Mawsynram</b>	<b>34</b>	<b>11</b>	<b>27</b>	<b>19</b>	<b>57</b>	<b>226</b>	<b>387</b>	<b>613</b>
<b>Mawkyrwat</b>	<b>38</b>	<b>6</b>	<b>38</b>	<b>41</b>	<b>85</b>	<b>249</b>	<b>639</b>	<b>888</b>
<b>Nongstoin</b>	<b>50</b>	<b>13</b>	<b>40</b>	<b>36</b>	<b>89</b>	<b>307</b>	<b>610</b>	<b>917</b>
<b>Total</b>	<b>351</b>	<b>86</b>	<b>427</b>	<b>183</b>	<b>696</b>	<b>1695</b>	<b>5612</b>	<b>7307</b>

**Source: BRO Report, 2009.**

Table 3 portrays the extent of linkage of the NGOs promoted SHGs with banks. The figures clearly indicate that both NGOs have made significant contributions towards financial inclusion of the underprivileged, particularly women. Their effort has helped in SHG-bank linkage which is of utmost importance for the growth and wellbeing of the clients. By enabling access to credit they have opened new horizons of entrepreneurship and self-reliance for the clients and groups. Financial linkage with financial institutions creates a stable and sustained means of livelihood for the clients and ensures collective group action towards rural transformation as a whole.

<b>Bank/NGO</b>	<b>WGHRMS (as on 31<sup>st</sup> March, 2007)</b>		<b>BRO (as on 15<sup>th</sup> September, 2009)</b>	
<b>SBI, Co-operative Banks and RRBs</b>	<b>₹ 3857900</b>	<b>415 SHGs linked</b>	<b>₹ 50370000*</b>	<b>2716 SHGs linked</b>
<b>Average per SHG</b>	<b>₹ 9296</b>		<b>₹ 18546</b>	
<b>*includes internal resources</b>				
<b>Source: WGHRMS, Tura and BRO, Shillong.</b>				

### **Impact Assessment**

Microfinance intervention initiated by the NGOs (WGHRMS, Tura and BRO, Shillong) has helped in improving income and expenditure of the clients. The increase in income also increases the propensity to spend and save. Overall, it has inculcated a habit of savings amongst the clients. Table 4 clearly depicts a marked transformation in the economic status of the clients epitomising economic empowerment.

<b>Variable/ NGO</b>	<b>WGHRMS</b>		<b>BRO</b>	
	<b>Change (%)</b>	<b>No Change (%)</b>	<b>Change (%)</b>	<b>No Change (%)</b>
<b>Income</b>	<b>84</b>	<b>16</b>	<b>100</b>	<b>0</b>
<b>Expenditure</b>	<b>80</b>	<b>20</b>	<b>100</b>	<b>0</b>
<b>Savings</b>	<b>32</b>	<b>68</b>	<b>52</b>	<b>48</b>

Economic transformation of the clients transmits into improvements in overall wellbeing. Table 5 shows that in the case of both NGOs, clients participate more in purchase decision making, enjoy a greater degree of mobility and recognition at community level. SHGs and microfinance has encouraged women to promote the case for gender equality and became more political and legally aware. However, it has not resulted in a major transformation of their asset structure. This may be because of small volume of income and savings experienced by the clients.

<b>Table 5</b>				
<b>NGOs Contribution towards Inclusive Growth</b>				
<b>Variable/NGO</b>	<b>WGHRMS</b>		<b>BRO</b>	
	<b>Change (%)</b>	<b>No Change (%)</b>	<b>Change (%)</b>	<b>No Change (%)</b>
<b>Improvement in Asset Structure</b>	<b>44</b>	<b>56</b>	<b>48</b>	<b>52</b>
<b>Minor Purchases Decision Making</b>	<b>76</b>	<b>24</b>	<b>88</b>	<b>12</b>
<b>Community Level Mobility</b>	<b>88</b>	<b>12</b>	<b>96</b>	<b>4</b>
<b>Community Level Recognition</b>	<b>92</b>	<b>8</b>	<b>96</b>	<b>4</b>
<b>Promotion of Gender Equity</b>	<b>60</b>	<b>40</b>	<b>72</b>	<b>28</b>
<b>Political and Legal Awareness</b>	<b>72</b>	<b>28</b>	<b>56</b>	<b>44</b>

Overall, microfinance oriented financial inclusion initiated by NGOs through SHG has resulted in economic empowerment of the clients and further developed into socio-politico outcomes. Hence, it has helped in ushering about inclusive growth in the rural areas. Despite a positive outlook of NGOs role in inclusive growth, innovations (at scheme/ programme level, implementation and so forth) are a must for sustainability and further inclusion of the underprivileged and growth.

### **Observations and Conclusion**

The international, national and regional level experiences clearly show the critical relationship between financial inclusion and inclusive growth. Growth which is not based upon financial sustainability cannot be termed as inclusive for lack of sustenance. Finance is the key stimuli for growth leading to socio-politico outcomes. NGOs are vital functionaries in supporting and framing growth. They help in integration of the structured, semi-structured and unstructured systems in rural backgrounds. The study suggests that NGOs play a crucial role in financial inclusion of the underprivileged and downtrodden. Financial inclusion has reached

the needy because of NGOs intervention. Moreover, NGOs participation results in inclusive growth by availing opportunities and choices to the underprivileged. Their initiative at the grassroots level has resulted in encouraging outcomes. Inclusive growth has become increasingly inclusive because of the contributions of NGOs. Hence, NGOs and inclusive growth are positive correlates in the growth process. However, transformation of the NGOs into MFIs can have better outcomes of inclusion.

Gradual grading from NGO to MFI may be beneficial for all partners in growth. NGOs role and functions in growth is limited to creating awareness, formation, nurturing and monitoring of the SHGs. This limited scope presents a constraint on the functioning of NGOs and non-utilisation of their economic and human capabilities. Engineering of NGOs to MFIs can help in better addressing the needs of the underprivileged. As a MFI the organisation will be more focused in finance-centric activities and functions. Resource mobilisation will be easier with through more sources and investments can be made in a more professional manner. It will enthuse an era of professional management and responsible and accountable actions. Arguably, commitments towards the society and social responsible will show a marked improvement. Profile of the organisation will shift from lower ended activities to strategic and critical functions. It will provide a better resource base for the organisation and expand the area of operation. Overall, it will increase the rate of financial inclusion. This is much needed especially in the Indian context as most of the MFIs are formal financial institutions only. With NGOs turning into MFIs there will be larger reach of financial services to the needy and help in better economic and socio-politico development.

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## Total Factor Productivity Trends in India: A Conventional Approach

SANJOY SAHA\*

### Abstract

*The study attempts to estimate the aggregate Total Factor Productivity (TFP) for the Indian economy using the conventional growth accounting method. It has been observed that on an average the TFP has grown by 1.49 per cent during the study period but it is erratic in nature. Although during 1960s average the TFP growth in India was positive, it was very low and almost close to zero. Similarly, the economy experienced technological regress instead of technical progress during 1970s due to the average negative TFP growth. External shocks like war, drought, oil price-hike along with rigid rules and regulations during these periods could be the probable reasons for low productivity of the economy. However, the economy's overall productivity has increased considerably after the initiation of internal economic reforms measures during 1980s. The economy has been experiencing continuous rise in TFP growth since the introduction of external economic reforms. The study reveals that TFP estimates in India are not sensitive to factor shares.*

**Keywords:** Total Factor Productivity, Growth Accounting Method, Technological Progress

### Introduction

India's economic growth has more or less hovered around 3.5 percent for almost three decades since independence mainly due to the adoption of inward oriented and state-interventionist policies during this period (Poddar and Yi, 2007). It is popularly known as the period of 'Hindu Rate of Growth'.<sup>1</sup> However, with the initiation of internal economic reforms

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<sup>1</sup> The term was coined by Raj Krishna an Indian economist who taught at the Delhi School of Economics. This phrase "Hindu rate of growth" denotes India's low rate of GDP growth between the 1950s and 1980s.

during the mid-eighties there has been considerable step up in the growth rate of Indian economy and further after the introduction of broad based economic reforms Indian economy has moved to the path of high growth trajectory where the economy has been growing at an impressive rate of around 7 to 9 percent per annum.

There is no debate among the scholars regarding the fact that India is growing at a higher rate. However, there is no general consensus among the economists regarding how the economy is growing. Therefore, it is very important to study the underlying factors of economic growth in the economy. It is well established that an economy can grow mainly through two channels, one is through factor accumulation and the other is through productivity growth. But, there has been no clear agreement among scholars on the fact whether economic growth in India is caused by factor accumulation or productivity growth. *Das et al* (2010) have argued that rise in the economic growth during 1980-2004 has been mainly caused by the factor accumulation rather than productivity growth. On the other hand, several scholars (Bosworth et al, 2007 and Gupta, 2008) have found that output growth in India till 1980s is associated with factor accumulation while the acceleration in the economic growth in the post 1980s has been mainly due to the rise in the productivity growth.

There are different types of productivity measures which are mainly categorized as the single or partial factor productivity such as labour and capital productivity on one hand and total or multi-factor productivity. However, there is no agreement among the economists regarding the best measure of productivity. But, it is argued that if we want to throw light on productivity trend for a shorter period then labour productivity is a better measure. On the other hand, if we are interested in long term productivity trend then Total Factor Productivity<sup>2</sup> (TFP) serves as a better indicator than labour productivity (Sargent and Rodriguez, 2000). Therefore, the economists tend to focus more on total factor productivity and its determinants (Easterly and Levine, 2001).

There has been strong debate centering the phenomenal growth experience of East Asian Countries where some scholars (Krugman,

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<sup>2</sup> TFP refers to that part of output which cannot be explained by the inputs used in the production process.

1994 and Young, 1995) have viewed that these economies cannot sustain their growth rate as it is propelled by factor accumulation rather than productivity growth. Economic growth achieved merely through factor accumulation is not sustainable in the long-run because of application of law of diminishing returns which says that if certain input say, labour is continuously increased holding other inputs constant, then output will increase at a decreasing rate. By increasing the labour input we can increase the output for a while. However, we cannot increase the labour indefinitely because after some point of time all labour will get employed and more growth of capital without corresponding increase in labour could result diminishing returns to capital which may eventually cause the output to fall even if the capital input grows at a constant rate (Sarel, 1996). Solow (1956) also observed that factor accumulation explains only a portion of observed cross-country output growth. Therefore, in order to have sustainable economic growth in the long-run the policy makers have to focus on productivity growth particularly total factor productivity rather than factor accumulation as it has been argued to be the crucial determinant of long-run economic growth (Ozane, 2001). Thus, sharp increase of economic growth rate of the Indian economy in the recent past makes a valid ground for studying the productivity performance of the economy.

There are a large number of studies (Ahluwalia, 1991; Dholakia, and Dholakia, 1994; Pradhan and Barik, 1999; *Balakrishnan et al*, 2000; Goldar and Kumari, 2003; Goldar, 2004; Unel, 2003; TSL, 2003 and Reddy, 2005) on total TFP for India's registered manufacturing sector. However, there is no conclusive agreement among the scholars regarding the trends of TFP neither for Indian manufacturing industries nor about the appropriate methodology for calculating TFP. There are only a few studies (Sivasubramonian, 2001; Virmani, 2004; Pallikata (2004); Bosworth and Virmani, 2007; Gupta, 2008 and *Das et al*, 2010) which have made an attempt to estimate the TFP at the aggregate level. Therefore, the main objective of the study is to estimate the TFP growth for the Indian economy as a whole using the conventional growth accounting method. The rest of the study is organized as follows; section II describes the data and methodology. Section III discusses the TFP trends and section IV concludes the study.

## Data and Methodology

One can estimate total factor productivity for the economy as a whole, across states, sector and sub-sector as well. The major problem of calculating total factor productivity at the aggregate level in India is the data constrains that is one require data on output and inputs on a time series basis<sup>3</sup>.

## TFP Growth in India

TFP is defined as increase in output growth which is not caused due to the factor accumulation. Thus, TFP may include all those factors which contribute to the generation of output other than labour and capital. This can happen because of several reasons such as, change in the quality of inputs, output, introduction of new techniques, inputs and outputs, better organization and so on. We have observed that TFP growth in India has been fluctuating during the study period (see figure 3.1). On an average TFP has grown by 1.49 during the study period 1961-2008. Whereas, during 1961 to 1970 the average TFP growth in India was although positive but it was very low and almost close to zero. Similarly, the economy experienced on an average negative TFP growth during the period 1971 to 1980 implying that there had been technological regress in the economy instead of technical progress.

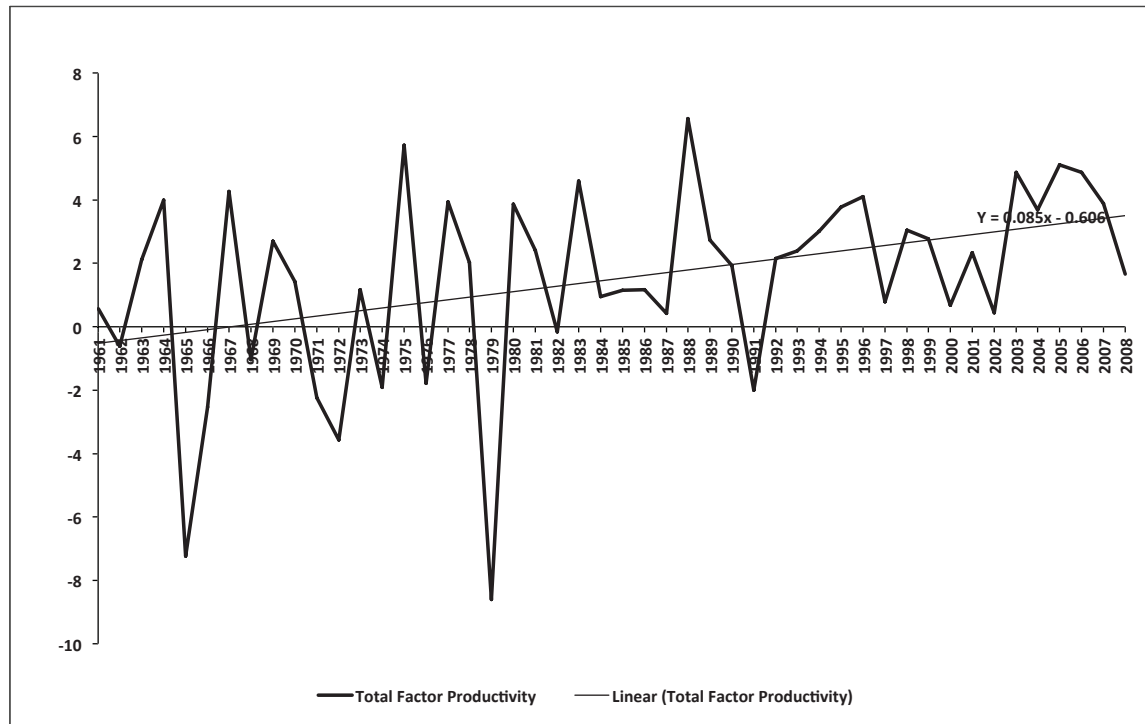
Probable reasons for the low and negative TFP growth during the 1960s and 1970s could be assigned to mainly Indo-China, Indo-Pakistan war along external shocks like severe droughts and oil crisis and so on. Again, considerable inefficiency crept in the industrial sectors due to 'Permit or License Raj'<sup>4</sup> causing TFP to fall. However, during 1980s when internal economic reforms were started in the economy along with the gradual withdrawal of several restrictive policies, the efficiency of

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<sup>3</sup> For more details data and methodology see Saha, (2012).

<sup>4</sup> The term, License or Permit Raj refers to the elaborate licenses, regulations and accompanying red tape that were required to set up and run businesses in India. The large enterprises in seventeen industries were nationalized. Licenses were required not only for businesses for expanding productive capacity but also one had to have bureaucratic approval for laying off workers and for shutting down. When a business was losing money, the Government would prevent them from shutting down and to keep the business going, would provide assistance and subsidies. This gave birth to rampant corruption and inefficiency in the economy.

**Figure 3.1**  
**TFP Growth, 1961-2008**



**Source:** Author's calculation

the economy had gone up and there was sharp jump in the TFP growth from negative 0.14 percent to positive 2.18 percent. When the economy went for broad based external economic reforms from 1991, the average TFP growth still remains positive but declined slightly by 11 percentage points from 2.18 percent during 1980s to 2.07 percent in the 1990s. Then again, in between 2001 to 2008 there has been considerable increase in TFP growth by 1.18 percentage points from 2.18 percent to 3.36 percent. Rise in TFP growth during 2001 to 2008 for the Indian economy could be attributed to several changes in the macro-economic factors which are generally conducive for productivity improvement.

The economy on an average has registered significant increase in the private sector credit from 24.61% during 1991-2000 to 39.35% during 2001-08. Besides that, gross fixed capital formation as a percentage of GDP has also increased by 6.39 percentage points during 2001-08 in comparison to the previous period 1991-2000. Again, there has been a considerable improvement in the health condition clearly reflected by the increase in the average life expectancy at birth from 59.84 years during

1991-2000 to 62.64 years during 2001-08. Similarly, the inflow of average foreign direct investment as a percentage of GDP has increased more than three times from 0.46 % during 1991-2000 to 1.48 % during 2001-08 and the average trade (export plus import) share as a percentage of GDP has also increased significantly from 22.09 % during 1991-2000 to 38.97 % during 2001-08. On the other hand, average population growth and dependency ratio has declined respectively by 0.32 and 7.26 percentage points from 1991-2000 to 2001-08. Again, there has been a significant decline in the share of agriculture value added as a percentage of GDP from 27.04 % during 1991-2000 to 19.63 % during 2001-08. Apart from that, average dependence foreign aid has also reduced considerably from 0.57 % during 1991-2000 to 0.19 % during 2001-08. Several studies [Austria (1998); Miller and Upadhyay (2000); Khatiwada and Sharma (2002); Pallikara (2004); Ahmed and Miller (2002); Lee (2004); Akilno (2005); Khan (2006); Razafimahefa (2006); Nachega and Thomson (2006); Njikam et al. (2006); Xu et al. (2008); Mahmood and Afza (2008); Loko and Diouf (2009) and Kumar et al. (2010)] have argued that increase in the credit facility, capital formation, capital inflows, trade shares, life expectancy at birth and decrease in the share of agriculture value added as a percentage of GDP, population growth, dependency ratio etc. increases productivity could be clearly seen from for period 2001 to 2008.

Table 3.1 compares the periodical averages of the present study with different other studies available on aggregate TFP. The calculated TFP growth figures of this study throw more or less the same trend with other studies available on aggregate TFP in India. However, the accuracy of TFP growth is heavily dependent on the precision with which the measures of labour and capital inputs are measured. Labour inputs can be measured with a relatively high degree of accuracy since they are usually readily from administrative sources; however, the same cannot be done for the capital input. Due to the unavailability of time series data on employment in India, Gupta (2008) has used total employment data from Total Economy Database as labour input. Pallikara (2004) has used labour force data from census through interpolation and extrapolation. Again, there have been considerable differences among the studies in using capital input.

The present study uses net fixed capital stock at constant (1999-00) prices data provided by CSO without any further adjustment. However,

<b>Table 3.1</b>						
<b>Total Factor Productivity Growth of the Economy: Comparison</b>						
Period	Deb et al	Our Estimates	Period	Deb et al	Bosworth and Maertens	Our Estimates
1980-85	1.71	2.14	1980-90	1.40	2.20	2.33
1986-90	1.10	2.56	1990-00	0.90	1.80	2.06
1992-96	1.77	3.09	2000-04	0.60	2.10	2.40
1997-04	0.76	2.33	-	-	-	-
1980-04	1.26	2.31	-	-	-	-
Period	Deb et al	Jorgenson & Vu	Our Estimates	-	-	-
1989-95	1.40	2.06	2.00	-	-	-
1995-03	0.81	2.49	2.54	-	-	-
Period	Gupta	Our Estimates	Period	Pallikara	Our Estimates	-
1961-04	1.50	1.28	1977-01	2.22	1.84	-
1961-70	0.32	0.36	1977-80	-0.42	-0.88	-
1971-80	-1.65	-0.14	1980-89	2.68	2.37	-
1981-90	2.32	2.18	1989-92	1.59	1.21	-
1991-95	3.67	1.87	1992-97	3.00	2.71	-
1996-00	3.83	2.28	-	-	-	-
2001-04	4.40	2.83	-	-	-	-
Source: <i>Das et al</i> (2010), Bosworth and Maertens (2010), Jorgenson and Vu (2005), Gupta (2008) and Pallikara (2004).						

most of the studies have generated the capital series using different depreciation rates assuming different average life of capital assets which another cause for getting different TFP estimates. There are different output measures also some people have used GDP at constant prices as output while some have used NDP at constant prices. The present study uses GDP at constant(1990-2000) as output measure and population ages 15-64 from World Development Indicators, World Bank as a measure of

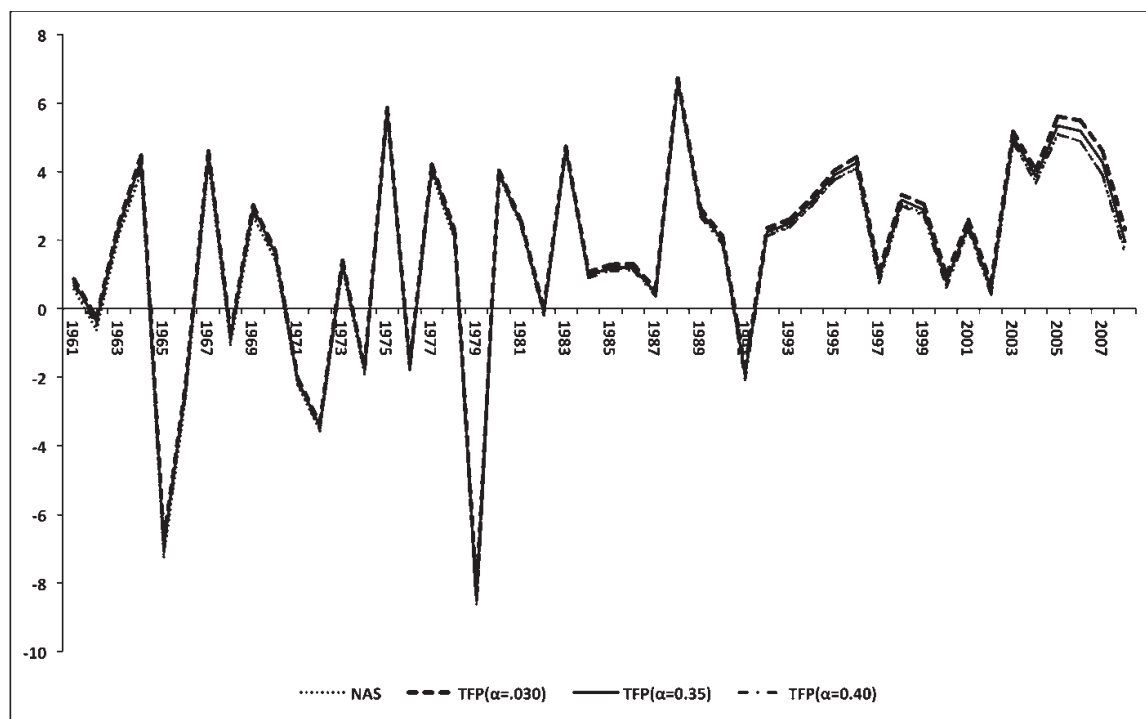
labour input which might have generated the difference of TFP estimates with other studies. Again, unlike other studies the present has not made any quality adjustment for inputs.

### Sensitivity Analysis of TFP Growth with Fixed Capital Shares

The present study has calculated the labour and capital share using the National Accounts Statistics (NAS), CSO data with the assumption that out of the mixed income of the self employed 50 percent is labour income and 50 percent is capital income. Labour share is obtained by adding the 50 percent of the mixed income with the compensation of employees. Labour share minus one gives the capital share assuming the constant returns to scale. Several scholars (Collins and Bosworth, 1997, Sarel and Robinson, 1997, Young, 1995 and Krugman, 1994) have estimated TFP setting capital share to a 'bench mark' for the Cobb-Douglas production function.

**Figure 4.1**

#### TFP Growth Using NAS and Fixed Capital Shares, 1961-08



**Source:** Author's calculation

In this study a sensitivity analysis has also been undertaken for different values of capital share to see whether with the change in factor shares TFP estimates changes drastically for three different values of capital share i.e.  $\alpha$  in the Cobb-Douglas production.

The results show that TFP estimates are not sensitive to different fixed weights for capital and labour. There may be minor differences among the estimates but they do not change their nature significantly which is clearly evident from the figure 4.1, which shows the same trends of different TFP growth estimates with three different values of  $\alpha = 0.30, 0.35$  and  $0.40$  along with weights use from the NAS data. Thus, it is seen although TFP estimates differ significantly depending upon the adjustment nature of inputs but they are insensitive to capital and labour shares.

## Conclusion

It has been observed that on an average TFP has grown by 1.49 percent during study period but is fluctuating in nature. During 1961 to 1970 the average TFP growth in India was although positive but it was very low close to zero. Similarly, the economy experienced on an average negative TFP growth during the period 1971 to 1980 implying that there had been technological regress in the economy instead of technical progress. External shocks like, war, drought, oil price hike along with inefficient rules and regulations during these could be the probable reasons for low productivity of the economy. However, the economy's productivity increased considerably after the initiation of internal economic reform measures during 1980s and it has further improved when the economy went for external economic reforms. Our study reveals more or less the same picture about the aggregate TFP for the economy with the other existing study. We have further observed that TFP estimates are not sensitive to factor shares.

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## BOOK REVIEWS

**Nadeem Aslam, *The Blind Man's Garden*, Random House India: New Delhi, 2013. (hardback). pp. 384. Price: Rs 303. ISBN-13: 978-0307961716.**

*And we are here as on a darkling plain  
Swept with confused alarms of struggle and flight,  
Where ignorant armies clash by night.*

Matthew Arnold's lines in "Dover Beach" find a reverberant note in Nadeem Aslam's fourth novel, *The Blind Man's Garden*, a novel that attempts to provide an insight into the war on terror, the working of U.S. forces in Afghanistan and the role of the warlords. The story is set against the backdrop of a post 9/11 world where the hi-tech army of America and the fanatical Taliban militia fight pitched and violent battles. In this crossfire of ideology, hatred and bloodletting innocent bystanders suffer collateral damage. One such victim is the family of a devout Pakistani man named Rohan. The action of the novel moves back and forth between the war torn lands of Afghanistan and Pakistani towns such as Heer (which is a fictitious town) where the principal characters struggle to grapple with emerging questions about love, faith, religion and war.

A central thread running through the novel is the story of the two sons of Rohan, Jeo and Mikal (his adopted son), who secretly travel to war ravaged Afghanistan with the intentions of tending the injured victims of the war on terror. Jeo, Rohan's only son, a trainee doctor, feels that it is his duty towards humanity to do his bit to help and alleviate the pain of the people suffering. Like his father, his heart bleeds for mankind and this motivates him to undertake this perilous journey in secrecy. He leaves behind the comfort and familiarity of a world that he knows in exchange for the harsh and dangerous terrains of Afghanistan. In this process, he leaves behind his ageing father and his newly wedded wife. Aslam is here, documenting the Pan-Islamist tendencies that urge Pakistani nationals to help out their fellow Muslim brothers in neighboring Afghanistan. Mikal, on the other hand, comes to Afghanistan with much simpler objectives—he simply wishes to keep an eye out for his foster brother and ensure as

much as he can, his brother's safety. As orphans, he and his elder brother had been raised by Rohan as his own sons. It is this sense of gratitude and loyalty that compels him to accompany Jeo. By profession he is a mechanic with a talent for gun making, astronomy and poetry which is a startling resume. Again this is an insight into the socio-political world that Mikal inhabits, where he often has to make compromises, gun making is a lucrative market in modern times. Though both brothers undertake the journey for different reasons, they have no interest in the war as such and take no sides. However, fate gives them a cruel blow as they literally get caught up in the war. In the ensuing madness that follows, Jeo is brutally murdered, while Mikal somehow survives inhuman tortures, hunger and desperation to emerge a scarred being towards the end of the novel.

While the sons are battling for survival in the rugged hills of Afghanistan, parallel stories emerge as Aslam very skillfully shows us the anguish of Rohan on the one hand and that of Naheed on the other. Both these characters emerge as flesh and blood creations, plagued by their own inner demons. Rohan is an educator who along with his wife Sophia founded a school to benefit in the enlightenment of the young people of Heer. Despite his university background and education, Rohan is dogmatic in his interpretation and following of Islam. This brings him into conflict with the liberal views of his wife, a difference that eventually drives a wedge between the two of them. Unfortunately, while delivering Jeo, Sophia dies in child birth. Her last words haunt Rohan for the rest of his life, as he believes that she had repudiated their faith and that she was destined for hell. He is torn between the love for his wife and humanity in general and his religious understanding of Islam. At times he questions his faith, when he witnesses the cruelty that is carried out in the name of religion; when he is unable to believe that *Allah* would banish a good hearted unbeliever like his wife to damnation for not sharing his religious convictions. There are moments where Rohan clearly admonishes the perpetrators of September 11 and feels a sense of loss for the victims of that event. Aslam in his treatment of Rohan's inner conflicts is mature and allows license in the development of his characters.

Naheed, the wife left behind by Jeo, is torn between her love for her husband and Mikal, her first and true love. In fact she had agreed to elope with Mikal a week before her wedding to Jeo, but at a crucial moment, Mikal is seized by pangs of conscience as he is unable to betray

the family that had given him everything after the disappearance of his own parents. He fails to show up and the helpless Naheed eventually marries Jeo. She grows to love the kind hearted and gentle souled Jeo and is troubled by his secret mission to Afghanistan. She worries constantly for the safety of her husband, while also longing for the safe return of Mikal. When she discovers the death of her husband, she is numbed with shock and locks herself in the room with Jeo's corpse. She stares at his now still face, trying to come to terms with her loss. This incident creates a small scandal as a widow is generally not permitted by Pakistani society to see the remains of her deceased husband. Again later in the novel, the grieving women relatives of Jeo are prevented from visiting his grave because of their gender. This is a scathing insight into the pathetic condition of women in Pakistan. Aslam portrays the position that women share within the patriarchal setup of a society where if the woman is a marginalized figure, then a widow is in an even worse situation in being doubly marginalised: first by the patriarchal society and by the womenfolk as well. Cast into the evil world as a helpless widow, Naheed is constantly baited by lecherous men who court her. Rohan provides her protection against such evil men but it is her inner belief that Mikal is still alive that eventually gives her the strength to dream for the day when he would return to her. It is this deep love that gives Mikal super human endurance to out will and out run his adversaries in his quest to return to Naheed. Memories of her keep him sane and though mauled and scarred, he does return in the end to his beloved.

The strength of the book lies not only in the thematic treatment of the parallel stories that run in the novel, but also in the poetic prose of Aslam. Beautiful lines are dedicated to the description of Rohan's garden that is alive with flowers, birds and insects. Moths are described "like shavings from a pencil sharpener", while a tree trunk is "twisted as though struggling with some unseen force". When Rohan loses his eyesight, Aslam beautifully captures the condition of a man who has to get used to seeing under different conditions. He now 'listens' to streets sounds and 'sees' "...the arcades under which pieces of meat sizzle, cubbyhole shops selling Japanese sewing machines, English tweed and Chinese crockery, the fruit sellers behind the walls of stacked oranges and women's clothes hanging in shop windows in sheaths of pure lines and colors, teaching one the meaning of grace in one's life..."

Displaying impressive objectivity Aslam presents the horrors of the war fought in Afghanistan. Refusing to take sides with either the Islamic factions or the Americans, he shrugs off their respective ideologies and is interested in only the human aspect of the war. He literally brings the conflict being fought in distant lands to the reader's doorstep and displays the underrated power of love and mankind. In the end it is the often forgotten face and story of humanity in times of conflict that Aslam narrates in his novel.

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**S. Thianlalmuan Ngaihte, *Elite, Identity and Politics in Manipur*, Mittal Publication: New Delhi. 2013. Pp. 218. Price Rs. 850/- ISBN:8183244254.**

Manipur is an enigma for many. A land of rich cultural history that enthralled Rabindranath Tagore with the spiritual grace of its dance, the home of Chorus Repertory Theatre of Ratan Thiyam without whose plays discussions on contemporary world theatre is not complete and at the same time the discourse on state repression, especially in the context of peripheral locations, would invariably keep coming back to AFSPA and Iron Sharmila. Arguably Manipur is a land of immense beauty and at the same time a terrain of complicated political realities. S. Thianlalmuan Ngaihte's book, *Elite, Identity and Politics in Manipur*, tries to address some of the issues from the vantage of a critical insider with a special focus on the Paites, a significant ethnic community of Manipur.

The book makes an effort to theoretically understand the process of identity formation and the corresponding linkages with the growth of elites/ middle class in the respective section of the people. Ngaihte takes a long view of the historico-political context of Manipur through which the princely state of Manipur emerged in and merged with the postcolonial modern India. Yandabo treaty of 1826 had tremendous impact in the whole of North East when Assam came under the direct rule of the British and

so did Manipur that subsequently brought massive changes to the geopolitics of the land. The princely state of Manipur eventually merged with India in 1949 though it retained some of its administrative structures in force. One such structure was the administrative system under the Hill People's Act. Visible distinctions between the hills and plains of Manipur have been the source of Manipur's great ethno-cultural diversity and also the source of its ethno-political anxiety. The book under review gives laudable details of Manipur's recent history and its geo-politics, especially pertaining to the interrelationship between the communities living in the hills and the plains and provides the historical trajectory through which the present day Manipur evolved and reconstructed itself.

In the introductory chapter the author looks at various theoretical positions (Primordial theories, Relative Deprivation theory, Rational Choice theory, Elite Competition theory etc.) to construct his perspectives to critically look at the issues relating to ethnic conflicts and the role of elites in the consolidation of community's cultural and political identity. He has also thrown interesting light on the gradual transformation of the hills people of Manipur into Christian collectives under the direct intervention of the missionaries with the active patronisation of the British government with the assurance of the missionaries to the royal Manipur durbar that they would not extend their operations to the plains and restrict themselves only in the hills. Though William Pattigrew, the first missionary to enter Manipur, began his missionary activities in 1894 mainly among the Tangkhul communities in Ukhrul but the southern hills of Manipur remained largely untouched by the missionary operations till 1910. The Zo communities living in Churachandpur district of Manipur came under the influence of the Christian missionaries on 7 May, 1910. The missionary activities, apart from changing their spiritual world, made effective changes to their life world as well, primarily through the introduction of modern education among the hill tribes, which has been the biggest factor leading to the gradual emergence of the elites in the hills.

The Paites are relatively a smaller ethnic community of Manipur having significant presence in Churachandpur district. In terms of their ethnic affiliation they belong to the larger Zo denomination with some ancestral linkages in Myanmar. Despite having strongly rooted with traditional institutions in terms of their social transactions, the Paites have

distinctively evolved with modern ethos and attitudes as they increasingly became part of the growing dissemination of the pan global cultural penetrations. The book has the specific focus to understand the processes of evolution of the configurations like the elites, their ideological and socio-political dimensions and their role in the formation of ethnic identities. Ngaihte has primarily tried to address these issues especially with reference to the Paites. In doing so the author has also tried to look at the issues like anxieties of identity in the location of border, role of culture, language, literature and also the role of memory in the construction of identity. Historically, the Paites began their initiatives to emerge as a distinct ethnic entity basically in the mid-twentieth century or in their post Christianity phase.

The book has thrown interesting insights in mapping the process of the emergence of elites in the given societies and this forms one of the significant contributions of the book. In the context of the Paites, the author has gathered meticulous empirical data to examine the process in relation to the material configurations of the community households. He has provided a minute catalogue of the material details of the Paite community especially in the context of the changing economic conditions and cultural realities of the community. Government and non-government employees, academicians, church and traditional leaders etc., are largely the categories of the Paite elites who share certain common characteristics like modern education, material possessions, considerable economic stability, some amount of inter caste marriages leading to the expansion of cultural ethos, political participation etc. Significantly, despite being numerically marginal, the Paites are substantially well off in terms of their monetary earning which ranges from Rs. 10,000 to Rs. 16,000 per month for the families belonging to bureaucrats, intelligentsia, politicians as well as traditional and church leaders.

It is difficult to chronologically place the emergence of the Paites as a distinctive community with a specific ethnic nomenclature in the Indo-Myanmar border region. However, despite having many things in common with that of the Lusei, Kuki, Hmar and others, the Paites have always claimed a distinct ethno-cultural identity like the other communities belonging to the larger Zo denominations. But the Paites are eminently distinguishable from the Meiteis and the Nagas, the two major ethnic entities of Manipur. The Paite elites, through their socio-

cultural activism in the form of writings and cultural renditions, social interventions, production of Paite literatures, through the formations of various social and cultural organisations and so and so forth, have been able to evolve an abiding sense of identity for the community. The author argues that this identity formation has not necessarily been confrontational or an exercise of contestation.

The book reflects the deep engagement of the author with the issues and his well informed research. This is definitely going to enrich the understanding of the readers not only about the Paites but also about Manipur to a great extent. Ngaihte has shown his scholarship and analytical abilities while dealing with the issues relating to identity formation and the role of elites, he has also profitably constructed the theoretical frameworks to make his endeavour to write this book into a highly relevant text to understand the theoretical vantages for future research on similar areas. The value of the book has been further enhanced following the valuable and rare documents furnished in the form of appendices to the book. It is a must read for those who are interested in the history and politics of North East as well as in its allied discursive terrains.

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**Hilary Mantel, *Bring Up the Bodies*, Fourth Estate, London, 2012.  
Price Rs. 399. ISBN-13: 9781250024176.**

History of a nation changes with the change of the king, the leader, the dictator. Can the history curve its path in correspondence to change of the king's favourite? Hilary Mantel's *Bring Up the Bodies* (2012) answers this with a poignant tale of Henry VIII's royal court. A historical novel, *Bring Up the Bodies*, is a sequel to Hilary Mantel's Man Booker Prize winning novel, *Wolf Hall* (2009), that talks more about the king's minister and his queen rather than the king. The story narrates the queen, Anne Boleyn's career in the palace of Henry VIII that moves towards a climax, changing direction midway heading for an adverse anticlimax. The narrative pattern appears similar to the preceding novel, *Wolf Hall*,

which moves towards the replacement of the former queen, Catherine of Aragon, by the king's mistress, Anne Boleyn. The second queen's failure to give birth to a prince for the Tudor line turns her fate to a greater dread than the first queen's. Her trial encapsulates a distressing sexual intrigue that puts half of the courtiers into suspicion.

The only character that escapes the court trial despite being once the queen's favourite and who wielded power as the queen maker, is Thomas Cromwell. *Wolf Hall* shows his rise from the son of a blacksmith to Cardinal Wolsey's attendant to finally become the Prime Minister of the king, Henry VIII. In *Bring Up the Bodies* he continues with his position even after the queen is suspected of not being a virgin before marriage to the king, though Cromwell was the chief guarantor of Anne Boleyn's virtue. An intriguer of the sexual politics of the court, Thomas Cromwell considers him as the maker of the queen. But he himself gets intrigued as the queen fails in her effort to produce a male heir. However, Cromwell's sheer practicality and Machiavellian wisdom reverses the danger as he becomes the chief agent of the king to collect verdicts, willing or averse, against the queen's claims to be Henry's legal wife.

The issue of chastity and fertility have been raised again and again in this novel. But chastity tends to be nothing personal. Anne Boleyn's adulterous expeditions were discovered only after the king loses his hopes of getting a son from her and switches his interest to her lady-in-waiting, Jane Seymour, the plain, quiet, not much witty daughter of Sir John of the Wolf Hall. While Anne's disloyalty to the king becomes a popular gossip, Jane Seymour attracts the king through her seamless virtue. Behind this lurks a series of manipulations of the members of the Wolf Hall and their supporters. She achieves power by pretending ignorance of the court politics and treacheries practised by women to become the queen. But behind the veil her whole family and even Cromwell lays the trap for the king, using her virginity as the bait. Not only Boleyn's enemies but also the enemies of Thomas Cromwell get a chance to defame the queen. But the sly Cromwell switches his loyalty from the Boleyns to the Seymours. He even serves as the foremost spy of the king to manoeuvre witnesses against the queen and her possible lovers. He takes this as a chance to bring down the fortunes of those who had plotted the fall of Cardinal Wolsey. Lady Rochford, the sister-in-law of Anne Boleyn, serves as his chief informer from the inner chamber.

The plotters against the Cardinal and Sir Thomas More as well as the queen, Anne, pay the penalty of their crimes. But politics works more than poetic justice; no reversal of fortune occurs in case of the king and his shrewd prime minister, Cromwell. Of course the king had to pay the penalty for disregarding the Roman Catholic Church and empowering the Arch Bishop of Canterbury as the substitute to the Pope. His kingdom was in the constant threat of being overtaken by the joint European forces. But the adversity is soon overcome as Anne Boleyn is tried and sentenced to death. King Henry VIII is spiritually pardoned while in the secular sphere he is offered friendship even by the Spanish Emperor, the nephew of the late queen, Catherine. The religious history of Britain at this phase seems to be shaped by the court politics and even more shrewdly by the inner chamber of the court.

The book is divided into six chapters, named as, "Falcons", "Crows", "Angels", "The Black Book", "Master of Phantoms" and "Spoils". The first three replicates the queen's conspiracy to nullify Lady Mary's claim to the throne, persuading the king to declare her daughter, Elizabeth, as the only princess. The last three chapters, however, shows her gradual downfall. The narrative runs from Cromwell's point of view. It starts from his personal reflections about his dead wife and daughters and ends with his speculations on his past, present and future. The language is dreamlike whenever there are references to Cromwell's personal life that comes as a contrast to the pithy language that he uses in the court affairs. Yet his language varies while he plays the trickster in the inner chamber of the palace, gathering information about the queen's admirers. Not only he speaks with double meaning but also digs up and forces layers of meaning to the words spoken by those whom he indirectly interrogates. The language of the inner chamber reflects subtle sexual undertone. The king, Henry also speaks a variety of language while he talks to his courtiers in contrast to his language of courtship. In the court, sonneteering becomes the main tool of persuasion and expression of chivalry, no matter whether the lady love is a maiden or a married woman. Thomas Wyatt becomes the rival of the king in sonnet writing, heightening the king's jealousy of his being Anne's former lover.

The novel shows the power of women only through their body, essentially as sexual entities, source of procreation, the embodiment of virtue; body which transcends its natural dimension to be an epithet of

political power game. The failure of Anne Boleyn's body naturally leads to the political doom of the family and even the death of her brother and her admirers. In contrast Jane Seymour's body as an embodiment of virtue raises her family fortune. So the women exert power only through their influence upon the king. The only independent woman seems to be Cromwell's late wife, Elizabeth Cromwell, who is absent from the novel except through Cromwell's reveries.

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