

## **CHAPTER 1 INTRODUCTION**

### **1.1 INTRODUCTION**

The year 2020 threw at the world a bedlam of novel COVID -19 virus, threatening all that was taken for granted – mobility, safety and a normal life itself. The pandemic is the defining global health crisis of the present generation and the greatest challenges since the World War II. This Current outbreak of Covid 19 diseases was first discovered at Wuhan, China, on 31<sup>st</sup> December, 2019 which has now affected the world enormously. There is a multi - sectoral impact of the virus as the economic activities of nations have slowed down. A world which forever buzzed with activities has fallen silent and all the resources have been diverted to meeting the never-experience- before crisis. Meanwhile the COVID 19 pandemic reached the State of Nagaland on 22<sup>nd</sup> May, 2020 with its first case confirmed on 25<sup>th</sup> may 2020. Thus, Nagaland's economy has been hit severely because of the possible job losses and fall of income levels. With the coming of this pandemic the economy of our state has declined in both Private as well as Public sectors and other sources. Due to complete lockdown and mobility restrictions, the demand for services may collapse and aggregate consumption during the interruption phase may get completely lost.

The current outbreak of Covid-19 has provoked social stigma and discriminatory behaviors of people against certain ethnic background as well as perceived to have been in contact with the virus. (Barrett R, Brown PJ.2008). The ICRA (Investment Information and Credit Rating Agency) indicated that their concern for the production, manufacturing and service industries are surrounded by the uncertainty of the lockdown situation. They suspect that the situation will take a longer period to get to normalization. The Sectors like hotels, Live events, travels, traders and tourism will be the first one to be infected due to their nature of inessentials.

The lockdown situation will lower domestic demands. A situation of mass job losses and continuous cut in the pays for the next few months cannot be ruled out. Less money in the pocket of the consumer will defer the demand of inessentials and shall stick only to essentially of the livelihood. Since the impact of lockdown will affect the entire world hence the global demand will move to a historical slowdown.

## **1.2 REVIEW OF LITERATURE**

This section reviews the extent of literature on impact of Covid-19 on the economy of the state but particularly on how it affecting the demand and supply of the state after the hit of the pandemic.

In recent years, the economy of India as well as the State has good source of productivity within the country and the state itself though the exports within the State are not high as compared to the other states but somehow well managed within the State. However, with the coming of this Pandemic, our Economic State has fallen and has affected in all the areas such as agriculture, allied activities, marketing of agriculture, rural credits, SGDP (State Gross Domestic Product) etc. The State is facing economic crisis though and we are in the 21<sup>st</sup> Century, our State has gone back at least one decade. The spread of COVID 19 made the Government impose restrictions on almost everything. Consumption is also getting impacted due to jobless and decline in the income levels of people especially the daily wagers due to slowing activity in several sectors including retails, construction etc. Some sectors like automobiles, pharmaceuticals, electronics, chemical products are facing shortage of raw materials for production and for commercial purpose. Not only has the economy impacted by this outbreak but, the biggest evil that is poverty has reached a very point. The Government is providing funds but it is difficult to reach everyone. Within months, the unemployment level arises within the state. A harsh impact of GDP of the State that is, it has dropped down. A sudden roadblock has cast a deep dent on the economic markets causing recession in various sectors like travel, hospitality, healthcare and industries.

Trade economy mainly works the demand and supply principle. But, the sudden lockdown in the State has led to an acute shortage of goods within the State as there were restrictions on travel. Consumption has also affected due to unemployment and decrease in income. Demand and Supply rules in economics have become unbalanced.

The SGDP is declining continuously. The impact of Outbreak has hit the entire nation's economy very badly and the nation-wide lockdown has brought all the major activities to

a standstill. The results reveal that the daily spending on services and goods have been affected harshly.

Thus, the objective of the study is to understand the impact of the pandemic regarding the downside risks of the state economy on the backdrop of the outbreak and spreading of the virus. We are in the middle of the Global pandemic, which is indicating two kinds of shock to the State: a health shock and an economic shock. Right now, most of the policy focus is on the Health shock but soon it will become clear that the economy is also facing a serious problem. In this, the state is not unique. All the countries in the World will have to deal with the economic mess that the health mess will be left behind. But the mess will be particularly bad in the state because the economy was in a weakened state the shock hit us. And while the health shock will be temporary, the economic crisis that is triggering will affect us for much longer period.

### **1.3 OBJECTIVE OF THE STUDY**

1. The propose of this project aims at studying the impacts of COVID-19 on the Economy of Nagaland. However, this study has also put some major interest on the Statistical Analysis reports of the recent years so as to see whether the economy has been affected by the Pandemic or to see as to how much extent it has been affected until today. This study also focuses on assessing the impact on affected sectors such as GSDP, Tourism, Public Finance, Agriculture, etc. An independent Agency which carried out an 'Economic Impact Analysis of the Festival, revealed that the revenue generated in the local economy through the state in direct tourism industry was more than 100 crores whereas the employment generation was more than 8000 however this great source of income from this sector has been affected to some large extent. The Pandemic has affected marketing of agricultural produce of farmers, agricultural production, demands, supply and prices of agricultural inputs and banking activities in terms of access to credit, recovery and digital transaction.

The main Problems faced in this project research is that there are not much current data available and thus the facts and figures of Different sectors are not provided much in this project report. This project should be mainly based on the facts and figures to obtain

the comparison with the recent years however due to lack of appropriate information provided, the research could not be a successful one.

#### **1.4 RESEARCH QUESTIONS**

- How is COVID 19 impacting the Economy of Nagaland
- What might be the future consequences that the State Economy will have to suffer.

#### **1.5 RESEARCH METHODS**

The study is incorporated extensively through Secondary Sources such as Newspaper, Articles, information collected from Government Departments, organizational records and Data, Census, journals and records, and website.

## **CHAPTER 2**

### **2.1 NAGALAND ECONOMY IN PRE-COVID-19 PERIOD:**

The shock is playing out in almost a similar manner in all the countries of the world in terms of demand and supply disruptions and the consequence economic slowdown. By the time the first COVID 19 case was reported in the State the economy had deteriorated significantly. The State Statistics reports shows that the State has been showing an increase rate in SGDP (State Gross Domestic Product) but with the continuation of this Pandemic it will have huge impact on it. The Unemployment rate of the State has increased within the State. The consumption expenditure had also been fallen. The lockdown dampened any chance of revival of consumption demand and the private Investment.

### **2.2 AGRICULTURE AND ITS ALLIED SECTOR:**

Nagaland is an agrarian State with over 71% of its population dependents on agriculture and its allied sectors. Its cultures and traditions are all symbolic to agriculture and livestock sector and therefore are essential for socio economic development in order to achieve sustainability in all spheres of development activities in the State through restoring the ecological balance by harnessing, conserving and developing degraded natural resources. Agriculture and allied sector contracted 27.47 percent to SGDP and total export of the State stand at US \$2.78 million during 2018-19 and US \$2.40 million in FY20 (Fiscal Year) till September 2019) but would likely to fall by the end of fiscal year. No doubt, small and marginal farmers, agricultural laborers as well as daily wage earners working in informal sector in rural areas are most affected due to the total breakdown of supply chains will fall drastically and almost all the household in rural section face a high risk of falling into poverty and will experience greater challenges in regain their livelihoods during the recovery period.

### 2.3 STATE GROSS DOMESTIC PRODUCT:

The SGDP which is defined as the total value of goods and services produced within the State at a given time period (usually a year) is one of the most important indicators broadly used to study the progress and growth of the economy. It portrays the sectoral composition and its contribution to the State economy. As per the Advanced Estimates of the SGDP 2018 -2019 at current prices, the SGDP is estimated to grow at 10.55 percent as against 12.13 percent achieved in 2017-18(Q.E). In absolute figures, the SGDP at current prices is estimated to have increased from Rs.24095 crores in 2017-18(Q.E) to Rs.26637 crores in 2018-19(A.E). At constant prices estimates, the SGDP 2018-19(A.E) is estimated to increase to Rs.17147 crores from Rs.16182 crores in 2017-18(Q.E) achieving a growth of 5.97 percent.

GSDP	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q.E)	2018-19 (A.E)
Current	12177	14121	16612	18401	19524	21488	24095	26637
Constant	12177	12868	13793	14399	14660	15511	16182	17147

*P-Provisional, Q.E-Quick Estimates, A.E- Advance Estimates*

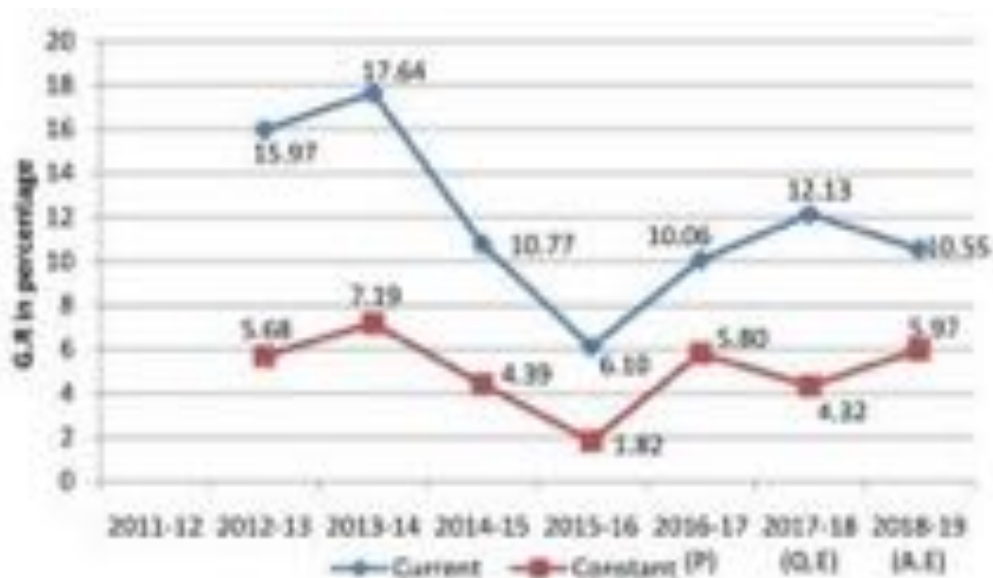
Table 2.1 GSDP current and constant at Market prices (Rupees. In crores)

Table 2.2 Growth rate of GDSP at current and market prices

GSDP	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q.E)	2018-19 (A.E)
Current		15.97	17.64	10.77	6.10	10.06	12.13	10.55
Constant		5.68	7.19	4.39	1.82	5.80	4.32	5.97

*P-Provisional, Q.E-Quick Estimates, A.E- Advance Estimates*

Table: 2.3 Trend growth of GSDP at current and Market prices



For the purpose of estimation of SGDP and to understand the sectoral contribution to SGDP, the economy of the state is divided into I) Primary sector, ii) Secondary sector, iii) Tertiary sector.

i) Primary sector: Primary sector comprises of all occupation exploiting natural resources. The primary sector is generally dominant in Less Developed States and typical activities are undertaken to a smaller extent in industrialized States. As per the Advanced Estimates of SGDP 2018 – 19 at constant prices, the growth in the primary sector is estimated at 5.92 percent as against the growth of 2.91 percent achieved in 2017-18. On the basis of

percentage contribution to Gross State Value Added (GSVA) at basic prices, the share of primary sector is estimated to fall from a peak of 32.46 percent in 2013-14 to 29.39 percent in 2018-19 (A.E).

Table: 2.4 Growth State Value Added (GSVA) by economist activity constant prices (in

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q.E)	2018-19 (A.E)
Primary	3790	4003	4423	4606	4390	4522	4654	4929
Secondary	1498	1540	1224	1376	1621	1754	1937	2054
Tertiary	6778	7224	7981	8316	8437	8921	9246	9790
Total GSVA at basic prices	12067	12767	13627	14297	14448	15198	15837	16773

P-Provisional, Q.E-Quick Estimates, A.E- Advance Estimates

crores)

Table:2.5 percentage contribution of the sector to GSVA at current prices

Sector	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (Q.E)	2018-19 (A.E)
Primary	31.41	31.35	32.46	32.21	30.38	29.76	29.38	29.39
Secondary	12.41	12.07	8.98	9.62	11.22	11.54	12.23	12.25
Tertiary	56.17	56.58	58.56	58.16	58.40	58.70	58.38	58.37

P-Provisional, Q.E-Quick Estimates, A.E- Advance Estimates

Table:2.6 percentage contribution of the sub sector to GSVA at constant prices





ii) Secondary sector: The secondary sector comprises of all the economic activities which transform one goods to another goods. This sectors generally take the outputs of the primary sectors and manufactures finished goods. The Advanced SGDP at constant prices has estimated the secondary section to grow at 6.02 percent in 2018 – 19(A.E) as against 10.43 percent achieved in 2017-18(Q.E). With regards to percentage contribution to GSVA at constant prices, the secondary sector is estimated to marginally increase its share in the GSVA from 12.23 percent in 2017-18(Q.E) to 12.25 percent in 2018-19(A.E).

iii) Tertiary Sector: The Tertiary Sector comprises of alleconomic activitythat provide service which include transport, Communication, Storage, Trade, Hotels and Restaurants, banking and insurance. Over the years this sector has become the most prominent in terms of percentage contribute GSVA at constant prices. With growth spread across the sub- sectors of Tertiary sector, the Tertiary sector is estimated to achieve a growth of 5.88 percent in 2018-19(A.E) as against 3.64 percent achieved in 2017-18(Q.E). In terms of percentage contribution at constant prices, the share of tertiary section during the seven-year period is estimated to increase from 56.17 percent in 2011-12 to 58.38 percent person in 2018-19(Q.E).

Looking at the contribution from Primary, secondary and tertiary sectors, the total contribution shows improvements towards the State but with coming of this Pandemic and the wide lockdown across the State the contributions from this sector will fall and the economy will experience recession along with stagflation.

2.4 THE PER CAPITA INCOME OF THE STATE: As perfect the latest estimate of SGDP at current prices, the person capital income of the state is estimated to have increased from Rs.61,159 in 2011-12 to Rs. 1,24,240 in 2018-19(A.E). Over the seven years period from 2011-12 to 2018-19(A.E) the state achieves compound Annual growth rate (CAGR) of 10.65 percent.

Table: 2.7 Per capita income in rupees



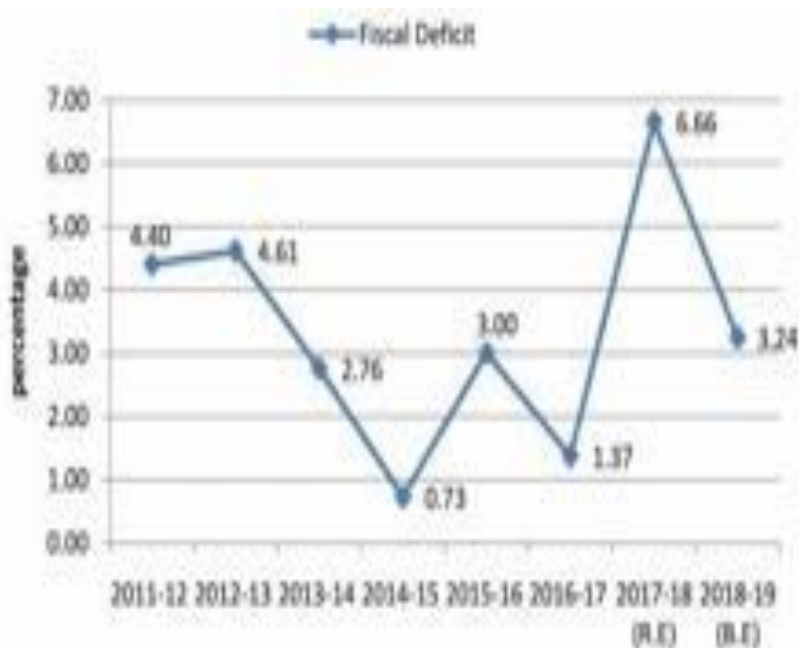
The per capita of the State may have been decline with the coming of this pandemic. There are high chances that The per capita Income will fluctuates which may either increase of decrease.

**2.5 PUBLIC FINANCE:** The pandemic compromises the State public financesignificantly by placing extreme stress on public spending as Government also struggled to respond to the health crisis,including increase funding for: the health sector, business and social relief, measures to reduce and combat the spread the virus and other related needs.The SGDP growth rate must have fallen to a certain extent after the crisis where on the other hand the debt level must have been increased with the coming of the pandemic which will results in fiscal deficit. High levels of the populations across all sectors suffered loss of earnings as a result of the pandemic.

**2.6 FISCAL POSITION OF THE STATE:**Fiscal definition is primarily monitored as the proportion of the SGDP, therefore declining fiscal deficit may be an outcome of either an increase in nominal SGDP or a decline in absolute fiscal deficit or both. Since 2013-14, the State has managed to keep it fiscal deficit within the target of 3 percent of SGDP set

by Nagaland fiscal responsibility and Budget Management Act except 2017-18. With the SGDP estimated to increase from Rs.24095 crores in 2017-18(Q.E) to Rs.26637 crores in 2018-19(A.E) and the corresponding Fiscal deficit estimated to fall from Rs.1605.08 crores to Rs.824.29 crores. The Fiscal deficit as a percentage of SGDP is set to fall from 6.66 percent in 2017-18 to 3.24 percent in 2018-19(A.E). This fall in fiscal deficit can be attributed to both the case of increased in SGDP and fall in absolute amount of Fiscal deficit. Yet, the fiscal State deficit is again set to breach the Fiscal deficit target of 3 percent of SGDP set by FR&BM (Fiscal Responsibility and Budget Management) amendment Act 2011.

Table: 2.8 Trend of Fiscal Deficit:



## 2.7 TOTAL RECEIPTS OF THE STATE GOVERNMENT:

The total receipts of the Government comprise of the revenue receipts and the capital receipts. The total receipts of the government have been increasing since 2013-14. From a total receipt of Rs. 8474.32 crores in 2013-14(actual) the total receipts of the

government have increased to Rs. 14887.72 in 2016-17. During 2018-19(B.E) the total receipts of the State government is estimated to grow by 13.60 per cent there by raising the total amount of receipts to Rs. 18232.50 crores from Rs.16049.03 crores in 2017-18 (B.E). Component wise, during 2018-19(B.E) the respective share of revenue receipts and capital receipts in the total receipts was 69.03 percent and 30.97 percent respectively.

## **2.8 REVENUE RECEIPTS:**

Revenue receipts of the State Government comprises of Tax Revenue, Non tax revenue and Grand in Aid from Central Government. During 2018-19(B.E) the Revenue Receipts of the State Government is estimated to increase by Rs.18.83 percent thereby raising the total revenue receipts to Rs.12586.72 crores from Rs. 10592.52 crores in 2017-18(R. E). With the introduction of Goods and Service Tax (GST), the collection from GST has become a primary component of Tax revenue from 2017-18(R.E). During 2018-19(B. E) the total amount of tax revenue is estimated to increase to Rs.4418.42 crores from Rs.3923.79 crores in 2017-18(R. E). As a percentage of Total Tax revenue receipts, total revenue account for 37.04 percent in 2017-18(R.E) and 35.10 percent during 2018-19(B.E) respectively.

The non- tax revenue comprise of interest receipts, rebuke from administrative, State lottery, power, water supply, housing, forestry, wildlife and road transport. During 2018-19(B.E) the total non tax revenue is estimated to increase to Rs. 347.45 crores from Rs.294.45 crores in 2017-18(R.E). On percentage basis, the non- tax revenue accounts for only 2.76 percent of total revenue receipts in 2018-19 (B.E).

Central transfers are determined by the Finance Commission Awards. The State being financially weak due to its small tax base has been relying on the Central transfer since Statehood. During 2018-19(B.E) the Grand- in- Aid Account for 62.14 percent of total Revenue Receipts as against 60.18 percent in 2017-18(R.E). In absolute figure, the Grand-in-aid from Central Government is estimated to have increase from Rs.6374.50 crores in 2017-18 to Rs.7820.85 crores in 2018-19(B.E). As per statement under Nagaland Fiscal Responsibility and Budget Management Act 2005, presented along with budget 2018-19, the State Government does not propose to introduce any new taxes

during the year 2016-17 considering the low economic status of the people. However, all efforts will be made to improve collection of existing taxes.

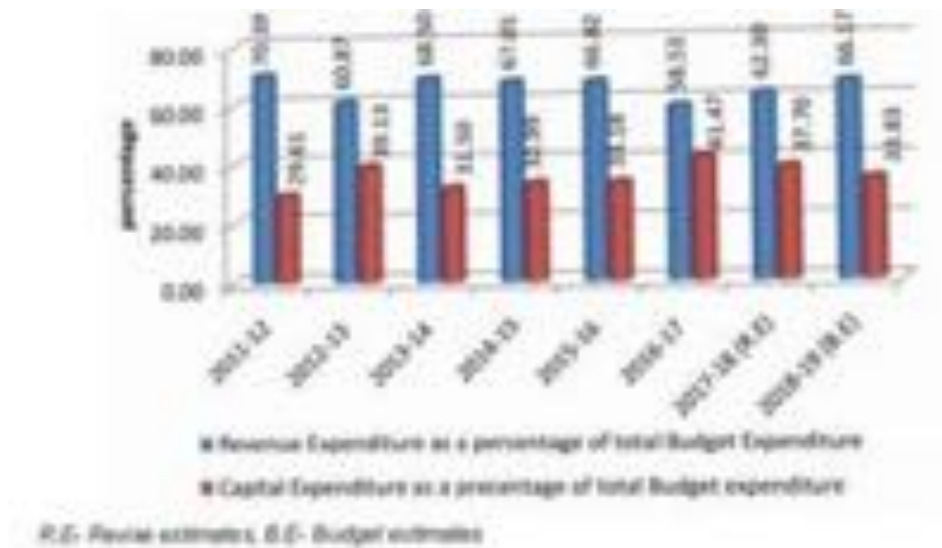
## 2.9 EXPENDITURE OF THE STATE GOVERNMENT:

On expenditure front, Budget 2018-19 estimated total expenditure on consolidated fund at Rs.18305.40 crores which was 7.97 percent higher than 2018-19(R.E) estimate of Rs.16953.51 crores. The growth in total expenditure in 2018-19 (B.E) was mainly based on expected growth in revenue expenditure by 14.68 percent over 2017-18(R.E).

Revenue expenditure which accounts for 58.53 percent of total Budget expenditure in 2016-17(Actual) has steadily increased to 62.30 percent in 2017-18(R.E) and is estimated to further increase to 66.17 percent in 2018-19(B.E).

During 2018-19(B.E) capital expenditure is estimated to fall by 3.11 percent. In absolute figure, Capital Expenditure is estimated to fall from Rs.6391.16 crores in 2017-18(R.E) to Rs.6192.57 crores in 2018-19(B.E).

Table: 2.9 Revenue and capital expenditure as a percentage of Budget Expenditure.



## 2.10 Industries and Commerce:

The state industrial policy was revised in 2004 to provide better facilities to entrepreneur/ industrialists for promotion of Enterprises both in manufacturing and service sectors. The Government under the policy has taken various measures like industrial Development and infrastructure, promotion of exports and trades, provision of training and Development in Entrepreneurial and Technical Skill. The government also provides incentives to promote industrial activity. The incentives scheme packages include: a) power subsidy, b) drawl of power line, c) subsidy for feasibility cost, d) manpower subsidy, e) subsidy for equality control measures.

### **2.11 Textile, Handloom and Handicrafts:**

The Nagaland Handloom & Handicrafts Development and Corporation Ltd (NHHDC) was set up in 1979 as Government of Nagaland undertaking with the main objectives of promotion and development of vibrant traditional handloom and handicrafts products, indigenous and unique to the state. NHHDC invested an amount of Rs.10.30 lakhs only for procurement of raw materials for production with total turnover Rs.15.10 lakhs during 2017-18. The Corporation also invested an amount of Rs.40.60 lakhs for the procurement of handloom & handicraft finished products and achieve a total sales amounting to Rs.39.10 lakhs during 2017-18. During the Financial Year 2017-18, the Government of India has sanctioned 8 block level cluster under Nagaland Handloom Development Programmed (NHDP) for a period of 2 years. Altogether 1140 beneficiaries were benefited.

### **2.12 Prime Minister's Employment Generation Programmed (PMEGP):**

Prime Minister's Employment Generation Programmed (PMEGP) is a credit linked Subsidy programmed administered by the Ministry of Micro, Small and Medium Enterprises, Government of India. Khadi & Village Industry Commission (KVIC) is the nodal Agency at the national level for implementation of the Scheme. At State level the scheme is implemented through KVIC, KVIB and District Industries Centers (DICs). The achievement of PMEP during 2018-19 was quite satisfactory. The target allotted against the District Industries centers (DICs) during 2018-19 was 452 units only. The sections of the beneficiaries are done through District Task Force (DTF) headed by the Deputy Commissioner of all the respective districts and the case of selected beneficiaries has

been forwarded to the recommended banks for release of loans and margin money as well to set up their approved Enterprise. The employment generation under the set programme during the current financial year 2018-19 is approximately 3616.

### **2.13 State Initiatives Under Nagaland Industrial Development Corporation Ltd (NIDC):**

With the objective to promote, develop, establish & assists industries in the state, NIDC has played a significant role in taking up several major projects to contribute to the industrial development of the state. The contribution made comply with the infrastructural & employment generation needs of the state. As on 31<sup>st</sup> march 2017, paid up capital of NIDC stands at Rs.23.20 crores and Rs.18.46 crores are subscribed by the IDBI and the State Government respectively. Some of the major Initiatives and projects implemented by NIDC are:

- I. Agro and Food Processing Special Economic Zone (AFPSEZ) at Ganesh Nagar
- II. Integrated Infrastructure Development Centre (IIDC) at Kiruphema
- III. Industrial Estate-NIDC manages two industrial estate at Dimapur
- IV. Assistance to State Infrastructure for Developing Export and other Allied Activities (ASIDE)-NIDC at the state nodal agency.

### **2.14 Infrastructure Sectors:**

2.14.1 Power and electricity: Power or electricity is one of core of infrastructures to accelerate economic development of a region. It is a source of energy for increasing industrial production besides, meeting the domestic energy requirements. The demand for energy overtime has increased immensely. Therefore, it has grown at a rate faster than any other forms of energy. Power sector makes a direct and significant contribution to the economy in terms of revenue generation, employment opportunities and enhances quality of life.

#### **2.14.2 Road, Transport and Communication:**

Transportation network system is a key element of economic infrastructure, Development of Agriculture, Industry and Trade, is crucially dependent on the growth and development of the network of roads. It plays an important role in economic growth linking producers and consumers and providing economic and social opportunities and benefits that results in positive multipliers effects such as accessibility to markets, employment and additional investments. Nagaland transport comprises of Road transport, air and railway. Unfortunately, Nagaland being a land locked States, communication by air, railway is limited and thus the only proper mode of transportation is road communication system. Therefore, construction and development of road assumes paramount importance in the State.

The total road length of the state during 2018-19 excluding the national highways is 12079.8 km. Due to changes in Classification and up gradation of roads from Other District Roads (ODR) to Major District Roads (MDR) or to State Highway the road length in various categories under the purview of the PWD (R&B) decreased from 2015-16 length of 13031.83 km.

**Table: 2.10 Total Length of Road under PWD(R&B)**

SN	Category	Road Length (In Km)
		2018-19
1	State Highways	1129.00
2	Major District Roads	1751.25
3	Other District roads	3377.96
4	Village Roads	4420.50
5	Urban Roads	459.30
6	Town Roads	941.80
	<b>TOTAL</b>	<b>12079.80</b>

Source: PWD (R&B)



The respective categories of road length in percentage wise during 2018-19 are: Village Road 36.95 percent, other district roads 27.96 percent, major district roads 14.50 percent, State highways 9.35 percent, town road 7.80 percent and Urban road 3.80 percent.

### **2.14.3 Tourism:**

Nagaland is a unique State of India, enriched with unique cultures and traditions. The combination of its lush Green mountains, unrestricted valleys, maiden forests and crisp weather, salubrious climate has the caliber to attract the tourists from the entire world to this land of colors and exquisite scenic beauty. Virtually unexplored, Nagaland offers distinct opportunities in almost all major areas of tourism, agreed tourism etc.

Over the years of tourism in Nagaland has grown remarkably and is becoming a promising sector, sharing its tourism potentials with other places in the country and the world. Promotion of tourism not only generates employment but also preserves and protects the tradition, culture heritage and natural resources. Also, tourism contribute to the state economy at a large extent. Though tourism is blooming with the passage of time, still large part of the splendor remains untapped and unexplored.

Some of the key challenges of tourism are lack of physical infrastructure, poor roads and lack of accommodation facilities. Development of the same and join efforts for development of innovative tourism destinations combined with appropriate marketing and publicity and private investment can elevate the tourism sector to a higher level.

Annual Mega Hornbill events attracts the highest inflow of tourists in the state. With the gradual growing tourism potentials, more entrepreneurs and private parties are coming to tackle this major set back. Government is promoting the concept of community based rural tourism to boost rural economy and at the same time to enhanced local participation. Since tourism is one of the areas which enhance Human Resource Development, the Government is developing it by way of giving Human Resource Training and Development Program and therefore encouraging the Youth to come forward and varied avail job opportunities that the tourism offers. With the vision to make Nagaland a tourist centric, the state is developing some physical infrastructure with various scheme and funding like Swadesh Darshan Scheme, Yatri Niwas and Swachhta Action Plan. On April

16<sup>th</sup>2018,the Cabinet Approved the introduction of Mini Hornbill Festival in all 11 districts of the state coinciding with the respective tribal festivals. Inflow of both Foreign and domestic tourists to the state has increased over the years.

**Table:2.11 Inflow of Tourists in the State**

SN	Year	Domestic Tourist	Foreign Tourist
1	2009	20953	1423
2	2010	21004	1495
3	2011	25216	1941
4	2012	28945	2173
5	2013	52350	2305
6	2014	58507	2585
7	2015	64616	2769
8	2016	58178	3260
9	2017	63362	4765
10	2018	1,01588	5010

The state has been earning quite a lot through the tourism sector in the recent years however with the coming of pandemic the income from this sector has also declined as the State can no longer hosts the Hornbill Festivals which highly attracts the tourists from different parts of the world.Besides the State could no longer promote or encourage the foreign tourists to the state as compared to the recent years.

### **2.15 Urban Development:**

Over the years urbanization has become an important part of Government Policy making since it is recognized as a positive change because cities and towns are central to

economic growth of any nation. Urban centers play a critical role in the structural transformation of the economy and in achieving and sustaining high rates of economic growth vis-à-vis population growth. It is critical towards achieving inclusive growth as urban centers create benefits which trickle down to the rural peripheries.

According to 2011 Census, Nagaland recorded highest Growth rate of urban population at 67.38 percent which is much higher than the National growth rate of 31.80 percent. Thus, as a result of rapid urbanization in the States, the development of urban centers and municipal amenities has gained prominence so as to foster and managed the growth of cities and towns effectively. But It became imperative to work out a long-term solution for improvement of amenities and infrastructure in order to alleviate various problems associated with growing urban habitats.

#### **2.16 Employment Skill, Development and Entrepreneurship:**

The Ministry of Skill, Development & Entrepreneurship is responsible for co-ordination of all Skill Development efforts across the country, removal of disconnect between demand and supply of skilled manpower, building the vocational and technical training framework, skill up gradation, building of new skills and innovative thinking not only for existing jobs but also jobs that are to be created. Skill Development Initiatives are supported by- National Skill Development Corporation (NSDC), National Skill Development Agency (NSDA), National Skill Development Fund (NSDF) and 33 Sector Skill Councils (SSCs) as well as 187 training partners registered with NSDC. The Government also intends to work with the existing network of Skill development centers, universities and other alliances in the fields. Further, collaborations with relevant Central Ministries, State Government, International Organization, Industries and NGOs have been initiated for multilevel engagement and more impactful implementation of skill development efforts.

**Table: 2.12 Consolidated statement of Applicants (Job seekers) as on 31<sup>st</sup> march 2018 under office of employment skill, development&Entrepreneurship, Kohima.**

SN	Categories of Applicants	Male	Female	Total
1	Below Matric	17547	2504	20051
2	Matriculate	9034	2720	11754
3	Pre-University	7378	4437	11815
4	Graduate	11210	8832	20042
5	Post Graduate	2176	2748	4924
6	Degree (Technical)	934	404	1338
7	Diploma Holder	467	209	676
	<b>Total</b>	<b>48746</b>	<b>21854</b>	<b>70600</b>

## **2.17 Labour Welfare:**

The Government through the Labour Department promote opportunities for men and women to obtain decent and productive workhand also aims at promote rights to work, encourage decent employment opportunities , enhance social protection and strengthening dialogue in handling work related issues. The Government ensures this right by enforcing the various industrial and labour laws that are applicable to the state.

**2.17.1 Labourwelfare centres:** Total dependence on Government has resulted in impeding social development and created new problems which has affecting the very social fabric of the State. Therefore, having genuine concern for the wealth sections of the society and also with a view to give support for their economic wellbeing as well as to create employment opportunities the Government has established 3 Labour welfare Centers i.e, i) Nagaland Pulp Paper Company Ltd, ii) TuliMokokchung District, iii) Mini Cement Plant,Wazeho at Phek district and 5<sup>th</sup> Mile Dimapur. The welfare center imparts training courses in Cutting, tailoring, knitting and embroidery fully sponsored by the department. Preferences are given to the dependents of the industrial workers and then general public to avail such training courses.

## **2.18. Deendayal AntyodayaYojana-National Urban Livelihood Mission(DAY-NULM):**

The Government through the State Urban Development Agency (SUDA) is implementing the DeendayaAntyodaya Yojana-National Urban Livelihood Mission (DAY-NULM). The DAY-NULM is targeted towards poverty alleviations and susceptibility of the urban household by enabling them to access gainful self employment and skilled wage employment opportunities. The mission aims at providing shelters to the urban homeless and to provide accessibility to emerging markets for the urban streets vendors by facilitating access to suitable spaces, institutional credit, society security and skills. In Nagaland, the State Urban Development Agency implements the programme in all the district through the respective District UrbanDevelopmentAgency (DUDAs).

## **2.19 MAHATMA GANDHI NATIONAL RURAL EMPLOYMENTGUARANTEE ACT (MGNREGA):**

The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) plays a holistic approach of microeconomic stability measures in the short run by strengthening programmes in rural sectors for longer period, supply of free ration to rural-urban households through the public distribution systems , large scale direct cash transfer using Jan Shan Account provide soft loans to households that lose wage days, Rescheduling bank loan repayment cycles for Self Help Groups (SHGs) and individual agricultural debtors , direct financial assistance to self – employed workers , small business house and young startup entrepreneurs.

### **2.20 LIVELIHOODGENERATION SCHEME (LGS):**

Nagaland Government has started a Livelihood Generation Scheme (LGS) for those who returned to the State due to the Covid-19 pandemic with an emphasize on re-skilling them and providing grants for entrepreneurial ventures. “This is part of the Government’s plan to restore the State Economy. The Industries and Commerce Department's goal is rehabilitating these workers, reinstating them and providing seed money to those who have good ideas as perfect our funds”.

### **2.21 National Rural Livelihood Mission (NRLM):**

The National Rural Livelihood Mission is a poverty alleviation of project introduced by the Ministry of Rural DDevelopment, Government of India. The scheme focused on promoting of self employment and organization of rural poor. The crux of the Programme is to organize the rural poor into SHGs (Self Help Groups) and made them capable for self employment.

The NRLM in Nagaland is implemented through the Nagaland State Livelihood Mission (NSRLM). In 2018-19 the scheme covered 508 villages, with dedicated Mission management units done at 29 blocks and 9 districts. The state Mission through the scheme bridges the gap between SHGs and Banks to access financial services and has successfully opened 3248 SHGs Saving Bank accounts and 7441 Individual saving accounts with 1701 aadhar seeded and Rs.386 lakhs credit accessed. The state mission has provided Community Investment Support Funds of Rs.1600 lakhs to SHGs for undertaking various Income Generating Activities in the State.

### **2.22 Pradhan Mantri Kaushal Vikas Yojana (PMKVY) State Managed Component:**

Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is a flagship Scheme of the Ministry of Skill Development & Entrepreneurship (MSDE). The objective of this Skill Certification Scheme is to enable a large number of youths to take up industry- relevant skill training that will help them in security a better livelihood. This schedule rolled out in the State during 2018 and till date 641 youths have been trained and out of which 200 youths have been successfully provided placement in various companies. In Recent years more than 447 youths are undergoing training in various training centers across the country. But the pandemic became a stumbling block for the youths across the state to undertake such training and work in various companies.

### **2.23 Local Business and the Fight for survival during pandemic:**

The local entrepreneurs have stated that although the recent years business was successful and able to have their daily sales with decent profits, until the pandemic occurred. They stated that with the pandemic they are struggling to survive unlike the past years as the demand of the products has gone down drastically and with this, the expired stocks increased. The goods supplied in the past years were now shut down and all this has a huge bump on the business. Thus, this effects on the demand and supply of products of the state will have huge impacts on the Revenue contribution of the State as most of the contribution towards the state are from the private section.

## **CHAPTER 3**

### **CONCLUSIONS**

At this point the State Government seems to be struggling to find an appropriate mechanism to tackle the economic crisis created by the COVID-19 pandemic is over. What is really the best option? What will be the future consequences that the State Economy will have to suffer? This is such a big matter for us all. Thus, the policy makers needs to be prepared to scale up the response as the events unfold so as to on both the formal and information sectors and have the way for a sustain recovery. At the same time, they must ensure that the responds remain enshrined in a rules-based framework and limit the exercise of discretion in order to avoid long term damage to the economy.



## BIBLIOGRAPHY

- Director, Indira Gandhi Institute of Development Research (IGDR) Mumbai.
- Nagaland Post /Public date:4/17/2020 11:47:22AM IST.
- The Morung Express 23<sup>rd</sup> March 2021.
- <https://www.ibef.org/states/Nagaland-presentation>
- <https://Indianexpress.com>article/north-east-india/Nagaland/nagaland-launches-livelihood-generation-scheme-for-returning-migrant-workers-6665112/lite/>
- <https://agriculture.Nagaland.gov.in/reports-journals>
- <https://hbr.org/2020/03/what-coronavirus-could-mean-for-the-global-economy>.
- <https://www.sciencedirect.com/science/article/abs/pii/S0269749120332887>.
- <https://www.moneylife.in/article/covid-19-pandemic-and-the-indian-economy-a-systems-view/62936.html>
- [ideas.repec.org/p/ind/igwipp/2020-013.html](https://ideas.repec.org/p/ind/igwipp/2020-013.html)
- <https://www.google.com/search?q=government+policies+that+are+helping+during+pandemic+in+nagaland&oq=&aqs=chrome.2.35i3936215...5.-1j0j7&client=ms-android-transsion&sourceid=chrome-mobile&is=UTF-8#sbfbu-1&pi=government%20policies%20that%20are%20helping%20during%20pandemic%20in%20nagaland>  
and.
- <https://www.researchgate.net/publication/342332567-Impact-of-COVID-19-on-Indian-Economy-A-Review>
- <https://www.google.com/searchq=agriculture+in+nagaland+after+being+hit+by+pandemic&aqs=chrome.0.35i39i36215...5-1joj&client=msg-android-transsion&sourceid=chrome-mobile&ie=UTF-8>.

- <https://www.google.com/amp/s/www.Deccanherald.com/amp/business/economy-business/nagaland-govt-focuses-on-agriculture-to-revive-economy-834594.html>.
- <https://statistics.Nagaland.gov.in/statistics/category/25>.
- The Morung Express 8 December 2020
- <https://www.researchgate.net/publication/342131352.COVID-19-and-its-impact-on-Nagaland-Economy>.
- Morung Express News, Kohima August 2020