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Problems of Agricultural Transition  
in the Hill areas of N.E."

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Problems of Agricultural Transition in the  
Hill areas of N.E. :-

My dear Students

Let us today have a discussion  
on the Problems of Agricultural  
Transition in the Hill areas of N.E.

Till independence, the economies of  
most of the hilly States of North  
Eastern Region was purely agricultural.

Modern tertiary sector was almost  
non-existent and some handicrafts  
were produced largely for consumption  
at home, or to meet the basic need  
of the family.

Agriculture was traditional.

It was based mainly on shifting  
cultivation using family labour and  
other traditional inputs having very low


Productivity: Infrastructural facilities, specially the transport and communication was not developed. As a result, the market institutions did not emerge in most of the States of North Eastern Region.

There are also institutional rigidities, which inhibit the emergence of factor markets. For example, the land is owned by the community and this has also prevented the growth of labour market.

Existence of non-monetised sector used to create problem. The money market did not develop because of pre-dominance of family production and barter system. Thus, when the market for different inputs is underdeveloped, the risk and transaction cost associated with production organized outside the family remain

However, emergence of market institutions in the new organized mode of production has not been significant in the North Eastern States of India.

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