

**Developmental Planning in Manipur:
Pattern of the Flow of State Government Fund to Valley vi-a-vis Hills in Manipur
during 2000-01 to 2020-21**

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Introduction:

Manipur is one of the border states in the north-eastern part of the country having an international boundary of about 220 miles(352 kms) long stretch of land with Myanmar on the east. Manipur merged with the Union of India in 1949 as a Part 'C' State and became a Union Territory in 1956. It became a full-fledged State in 1972. Because of its strategic location with a low tax base, it was categorized as a Special Category State. It has a total area of 22327 sq kms of which nine-tenth consists of hills and only one-tenth comprises the valley. The locational disadvantages, topography, land lockness, and natural resource base makes the state economically backward. The State is connected by air with Delhi, Calcutta, etc. However, roads continue to be the most important transport system. Two National Highways NH-39(NH-2) and NH-53 connects the State with the rest of the country. NH-39(NH-2) links Imphal with the railway head of Dimapur in Nagaland to the north & NH-53 with Silchar in Assam towards the south west. Transport system in the State will have a boost when Imphal-Jiri railway line is fully operational.

Developmental Planning in Manipur:

2. Development is a continuing process. Developmental planning in the State started from First Five-year Plan (1951-56) with a provision of Rs 1.55 crores. The First Five-year Plan laid all out emphasis on Transport and Communication. Funds for taking up developmental planning in the state of Manipur are mainly funded by the Government of India in different forms viz (i) funding through State Plan, (ii) funding through Centrally Sponsored Schemes, (iii) funding through Externally Aided Projects, etc. Continuous funding by the Government of India and concerted efforts made by State Government has resulted positive changes and all-round developments in the State as can be perceived in the development indicators compiled from time to time. Approved Annual Plan size is the final figure arrived at the meeting held between the Deputy Chairman, Planning Commission and Government of Manipur represented by the State Chief Minister or Governor. Nevertheless, this system of Plan size finalisation has discontinued with the implementation of 14th Finance Commission.

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Sources of State Government funding:

3. The source of Government funding is mainly from the central funding. The details of the sources of the consolidated fund receipts during the period 2000-01 to 2020-21 are given in the Table-1 below.

Table-1: COMPOSITION OF CONSOLIDATED FUND RECEIPTS FOR THE PERIOD 2000-01 TO 2020-21

(Rs in crs)
(in current prices)

1	Year	Total Share of Central Taxes & Duties	Total State Taxes	State Non-Tax Revenue	Grant-in -Aid contribution			Public Debt	Recoveries of Loan & Advances	Total Consolidated Fund Receipts
					Grants for State Plan Schemes	Total Non-Plan/FC Grants from C.G.	Total			
2	3	4	5	6	7	8	9	10	11	
1	2000-01	11.82	49.07	41.66	599.86	342.21	942.07	1470.9	0.52	2516.04
2	2001-02	141.18	51.97	28.73	604.3	350.6	954.90	2113.69	0.47	3290.94
3	2002-03	186.72	66.56	56.49	626.68	391.54	1018.22	2432.65	0.47	3761.11
4	2003-04	239.97	69.16	49.33	669.9	391.36	1061.26	1338.88	0.48	2759.08
5	2004-05	287.19	81.22	69.75	857.32	447.27	1304.59	1351.75	0.5792	3095.08
6	2005-06	342.14	94.95	76.46	1049.17	846.23	1895.40	309.01	0.64	2718.60
7	2006-07	436.38	121.51	181.04	1193.18	930.63	2123.81	265.96	0.9	3129.60
8	2007-08	550.43	147.41	164.71	1664	981.71	2645.71	299.8	2.29	3810.35
9	2008-09	580.81	170.07	253.46	1851.19	1017.09	2868.28	314.54	0.66	4187.82
10	2009-10	597.56	196.04	239.74	1780.39	1059.4	2839.79	519.89	3.28	4396.30
11	2010-11	990.57	267.05	259.88	2609.6	1302.84	3912.44	298.4	1.19	5729.53
12	2011-12	1154.03	368.07	311.53	2526.82	1293.1	3819.92	293.33	1.89	5948.77
13	2012-13	1317.83	332.83	231.78	3054.44	1882.88	4937.32	866.93	0.59	7687.28
14	2013-14	1438.79	472.73	260.67	3340.73	1769.87	5110.60	657.2	1.23	7941.22
15	2014-15	1526.89	516.83	183.73	3871.64	1899.17	5770.81	489.4	0.97	8488.63
16	2015-16	3142.42	550.44	149.48	2219.58	2218.18	4437.76	925.79	1.02	9206.91
17	2016-17	3757.13	586.67	164.8	2385.8	2234.72	4620.52	1551.29	1.15	10681.56
18	2017-18	4154.33	790.94	174.07	2949.67	2288.82	5238.49	1295.9	8.02	11661.75
19	2018-19	4698.59	1046.05	166.24	2547.76	2103.07	4650.83	3926.54	0.59	14488.84
20	2019-20	4047.77	1201.12	134.53	3183.61	2117.13	5300.74	6313.67	0.8	16998.63
21	2020-21	4271.97	1294.49	148.07	4182.66	3085.47	7268.13	9334.05	3.29	22320.00
	Total	33874.52	8475.18	3346.15	43768.30	28953.29	72721.59	36369.57	31.03	154818.04

Source: Compiled from different Finance Account Reports, Govt of Manipur

Expenditure trend in Revised Budget:

4. The Revised Budget indicates the sum total of Voted and Charged together. This also includes Plan provision, Non Plan provision and Others. The provision for the Centrally Sponsored Schemes, Central Plan Schemes, NEC schemes, Externally Aided Project, Schemes under Non-Lapsable Central Pool of Resources, Finance Commission Awards, etc. are also included.

Fund Flow Analysis:

5. The following Table-2 gives the summary of the fund flow to the Hills and Valley as per the Revised Estimate figures of the corresponding years.

**Table-2: FLOW OF STATE GOVERNMENT FUND TO THE VALLEY VIS-À-VIS HILLS OF MANIPUR
(AS PER REVISED BUDGET ESTIMATES)**

(in current prices)
(Rs in crs)

Sl No	Year	Hills			Valley			Grant Total (v+viii)
		Plan, Non-Plan and Others	Charged	Total (iii+iv)	Plan, Non-Plan and Others	Charged	Total (vi+vii)	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
1	2000-01	308.771	0	308.771	1118.884	1781.868	2900.752	3209.523
2	2001-02	373.244	0	373.244	1322.997	1360.732	2683.729	3056.972
3	2002-03	350.844	0	350.844	1515.344	1664.258	3179.601	3530.445
4	2003-04	420.394	0	420.394	1785.070	2262.205	4047.274	4467.669
5	2004-05	441.433	0.0001	441.433	1722.849	1043.181	2766.030	3207.463
6	2005-06	566.325	0	566.325	2126.818	447.885	2574.703	3141.028
7	2006-07	743.215	0	743.215	2297.951	552.500	2850.451	3593.666
8	2007-08	971.405	0	971.405	2494.709	608.493	3103.202	4074.607
9	2008-09	890.672	0	890.672	3262.495	638.344	3900.839	4791.511
10	2009-10	1141.204	0	1141.204	3578.117	447.899	4026.015	5167.219
11	2010-11	1458.526	0	1458.526	4592.557	494.887	5087.444	6545.970
12	2011-12	1620.395	0	1620.395	5580.850	534.071	6114.921	7735.315
13	2012-13	2024.005	0	2024.005	5466.544	606.754	6073.298	8097.303
14	2013-14	1864.586	0	1864.586	6124.075	624.714	6748.788	8613.374
15	2014-15	2753.346	0	2753.346	7738.285	753.012	8491.297	11244.643
16	2015-16	2582.913	0	2582.913	6873.454	836.667	7710.121	10293.034
17	2016-17	2941.240	0	2941.240	8674.918	1755.485	10430.403	13371.643
18	2017-18	3699.637	0	3699.637	8628.311	915.722	9544.033	13243.670
19	2018-19	4944.883	0	4944.883	9789.253	2035.041	11824.295	16769.177
20	2019-20	5212.754	0	5212.754	11160.769	4233.933	15394.703	20607.456
21	2020-21	7267.083	0	7267.083	13664.280	4409.386	18073.666	25340.749

Source: Budget Copies, Government of Manipur

6. The following Table-3 gives the summary of the fund flow to the Hills and Valley as per the Revised Estimate figures of the corresponding years in percent. The column (iii) gives the percentage flow to the Hills as per the total flows reflected in Hills and Valley classification in the Revised Estimates. The column (iv) gives the percentage flow to the Hills without the Charged items reflected in Hills and Valley in the Revised Estimates.

**Table-3: FLOW OF STATE GOVERNMENT FUND TO HILLS OF MANIPUR
(AS PER REVISED BUDGET ESTIMATES)**

Sl No	Year	Flow to Hills (in pc)	
		Total	Without Charge
(i)	(ii)	(iii)	(iv)
1	2000-01	9.620	21.628
2	2001-02	12.210	22.004
3	2002-03	9.938	18.800
4	2003-04	9.410	19.061
5	2004-05	13.763	20.396
6	2005-06	18.030	21.028
7	2006-07	20.681	24.438
8	2007-08	23.840	28.026
9	2008-09	18.589	21.446
10	2009-10	22.085	24.182
11	2010-11	22.281	24.104
12	2011-12	20.948	22.502
13	2012-13	24.996	27.021
14	2013-14	21.648	23.340
15	2014-15	24.486	26.243
16	2015-16	25.094	27.314
17	2016-17	21.996	25.320
18	2017-18	27.935	30.010
19	2018-19	29.488	33.561
20	2019-20	25.295	31.836
21	2020-21	28.677	34.719

Source: Worked out from above Table-2

7. It is seen that total provision of fund reflected in the Hills was lowest with 9.41% in the year 2003-04 which was followed by 9.62% in the year 2000-01. Highest flow to the Hills was 29.488% in the year 2018-19. However, when the Charged items are excluded in the flow

analysis it is found that flow to the Hills was lowest with 18.8% in the year 2002-03 and highest with 34.719% in the year 2020-21.

Development Fund Flow to Hills:

Methodology for the estimation of developmental fund flow:

8. In the present study concept of state level schemes vis-a-vis the district level schemes are adopted for identification of fund as State level fund or District level fund. Fund flow to Hills or Valley for State Category activities are excluded in the flow analysis. Just for example, funds reflected for JNIMS, Churachandpur Medical College are excluded in the flow analysis. Similar categorisation of schemes in all relevant Demands has been carried out. Attempts have been made to give more appropriate classification. However, there has always been grey area in this classification. For charging expenditure for Hills and Valley certain ratio has been assigned based on nature of the scheme, expenditure trend in other strongly correlated items, past records, etc. Hitherto, the Author is confident that some omissions and commissions could be still inbuilt in spite of sincere attempt to give more reliable estimate in the present study.

The following items are excluded in the flow analysis

- i. Charged items which, among others, includes: Appropriation No-1(Governor), Appropriation No-2 (Interest Payment & Debt Services), Demand No-1(State Legislature), Appropriation No-3(Manipur Public Service Commission),etc
- ii. Non-Plan Items including salary components
- iii. Salaries from Plan
- iv. Council of Minister, Sectt, Police, Vigilance Department, Administration of Justice, Election, State Excise, Sales Tax & Other Taxes/Duties on Commodities and Services, Fire Protection and Control, Jails, Home Guards, Rehabilitation, Stationery & Printing, State Academy of Training and Relief and Disaster Management.
- v. State Schemes/Programs implemented in Hills or Valley viz expenditure for JNIMS, Churachandpur Medical College, etc

9. Further, development fund arrived for the valley under Demand No 14 “Development of Tribal and Scheduled Castes” is transferred to Hills in the flow analysis as this department is dedicated department exclusively for Hills.

10. Fund provisions for the Hills but reflected in the Valley are transferred to the Hills. Provisions of fund for both Hills and Valley but reflected in Valley are also segregated for Hills and Valley respectively based on the nature of the scheme, information from secondary sources, records of the State Planning Department, Finance Accounts, etc. The Author is constrained to say that the segregation exercise carried out could missed out some items and therefore some errors could be built in the estimation. It is believed that aggregate error level will be very low.

11. Based on the Methodology explained above, the estimated development fund flow to the Hills for nine years ranging from 2000-01 to 2020-21 are given in Table-4 below.

**Table-4: ESTIMATED FLOW OF DEVELOPMENTAL FUND TO
HILLS AND VALLEY OF MANIPUR**

(Rs in crs)

(In current prices)

Sl No	Year	Total fund flow as per RE to				Estimated Development Fund Flow to			
		Hills	Valley	Total	%tage flow to Hills	Hills	Valley	Total	%tage flow to Hills
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
1	2000-01	308.77	2900.75	3209.52	9.62	129.31	263.31	392.62	32.93
2	2003-04	420.39	4047.27	4467.67	9.41	242.82	521.82	764.63	31.76
3	2005-06	566.33	2574.70	3141.03	18.03	338.76	755.58	1094.34	30.96
4	2008-09	890.67	3900.84	4791.51	18.59	616.03	1329.36	1945.38	31.67
5	2010-11	1458.53	5087.44	6545.97	22.28	1114.83	1914.11	3028.94	36.81
6	2013-14	1864.59	6748.79	8613.37	21.65	901.24	1909.06	2810.30	32.07
7	2015-16	2582.91	7710.12	10293.03	25.09	1521.29	2370.75	3892.05	39.09
8	2018-19	4944.88	11824.29	16769.18	29.49	3765.40	4440.80	8206.20	45.88
9	2020-21	7267.08	18073.67	25340.75	28.68	5407.87	6817.40	12225.27	44.24

12. From the Table given above, it is found that developmental fund flow to the Hills ranged from 31.67% in the year 2008-09 to 45.88% in the year 2018-19.

13. It is also to record that the above development fund flow analysis is exclusively based on the Revised Estimate figures. However, there are developmental fund directly transferred to the implementing Agencies without routing to the State Budget. The following Table-5 gives the flow to State but not routed to the State Budget from 2008-09 to 2020-21.

**Table-5: STATUS OF DIRECT TRANSFER OF CENTRAL SCHEME
FUNDS TO IMPLEMENTING AGENCIES IN THE STATE**

(Fund routed outside State Budget)

SL.No.	Years	Unit	Amount	REMARKS
(i)	(ii)	(iii)	(iv)	(v)
1	2008-09	Rs in lakhs	64300.37	
2	2009-10	Rs in lakhs	84530.17	
3	2010-11	Rs in lakhs	93157.8	
4	2011-12	Rs in lakhs	125932.17	

SL.No.	Years	Unit	Amount	REMARKS
(i)	(ii)	(iii)	(iv)	(v)
5	2012-13	Rs in lakhs	134946.14	
6	2013-14	Rs in lakhs	88945.1	Adopts this figure
7	2014-15	Rs in lakhs	7463.04	
8	2015-16	Rs in lakhs	12475.47	
9	2016-17	Rs in lakhs	33053.75	
10	2017-18	Rs in lakhs	5467.57	
11	2018-19	Rs in lakhs	5591.8	
12	2019-20	Rs in lakhs	43488.55	
13	2020-21	Rs in lakhs	58072.37	

Source: Finance Accounts, Government of Manipur

Per Capita Fund Flow Analysis:

14. Per capita developmental flow of fund to the Hills and Valley for the year 2000-01, 2010-11 and 2020-21 has been calculated. The projected population of Manipur for the year 2021 (March) released by the National Commission on population, Ministry of Health and Family Welfare is adopted. Population ratio for 2011 is adopted for 2021. Details are given in the Table-6 below. Flow of fund to the Valley and Hills has increased many folds during the period from 2000-01 to 2020-21. Per capita fund flow to Hills in 2020-21 was Rs 39926.82 against Rs 1465.86 in 2000-01 at current prices. Per capita fund flow to Hills and Valley were Rs 39926.82 and Rs 37653.64 respectively for the year 2020-21. Per capita fund flow to Hills was higher than the per capita fund flow to the Valley in the year 2020-21.

**Table-6: Per Capita developmental fund flow to Hills vis-à-vis Valley
(2000-01, 2010-11, and 2020-21)**

Particulars	(in current prices)		
	Population	Fund Flow to	Per capita fund flow to
	(in nos)	(in lakh Rs)	(in Rs)
(i)	(ii)	(iii)	(iv)
For the year 2000-01			
Hills	882130	12930.81	1465.86
Valley	1411766	26331.366	1865.14
Total	2293896	39262.18	1711.59
For the year 2010-11			
Hills	1222122	111482.53	9122.05
Valley	1633672	191411.186	11716.62
Total	2855794	302893.714	10606.29
For the year 2020-21			
Hills	1354445	540786.88	39926.82
Valley	1810555	681739.84	37653.64
Total	3165000	1222526.72	38626.44

Source: GoM, Economic Survey Manipur 2020-21, p/6 for population (projected) for 2021 and p/4 for population for 2001, 2011

Population ratio for 2011 is adopted for 2021

Conclusion:

The State mainly continues to depend to Central funding for developmental and non-developmental activities in the State. Flow of the developmental fund to the Hills and Valley maintained consistency with some fluctuation during 2000-01 to 2020-21. Pattern of funding also reflects that the State Government played fair role for bringing development in Hills and Valley and towards narrowing the disparity.

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The Frontier Manipur