

## CHAPTER I

### INTRODUCTION

Nestled high up in the eastern Himalayas, the sweeping panoramic view of the picturesque mountains with snow-fed silver shinning, emerald lakes, fluttering prayer flags, fascinating Buddhist murals and the gentle chant of hymn by Lamas beside the tender butter lamps inside the monasteries are all synonymous with the name of 'Sikkim'.

The state falls in the eastern Himalayas surrounded by vast stretches of Tibetan Plateau in the north, the Chumbi Valley of Tibet and the kingdom of Bhutan in the east, Darjeeling district of West Bengal in the south and kingdom of Nepal in the west.

Sikkim is located between 28°07'48" and 27°04'46" north latitudes and 88°00'58" and 88°55'25" east longitudes.<sup>1</sup>

The state has an area of 7096 square kilometres. It has been divided on the basis of the dividing lines of two rivers Teesta and Rangit. The state is almost rectangular with a distance of 114 kms. from north to south and 64 kms. from east to west. As the inner part of the Himalayan range of mountains project southwards, it has no flat piece of ground of good size anywhere. The state is separated from its surroundings by great mountains ranging from 3000 metres to 8500 metres in height. Thus the land is of varied elevation ranging from 300 mt. above mean sea level at the southern foothills to 5500 mts in inner part of boundary hills in northern and north western boundaries.<sup>2</sup>

The rainfall varies between 50 cm. to 200 cm. The temperature in the state ranges between 00.0° to 26.5° centigrade.<sup>3</sup>

The forest cover of the state is around 36.0 percent of the total geographical area. About one-sixth of the forest area is under perpetual snow. The snow-bound areas are largely in the north district and some parts of west and east district.

### HISTORICAL PERSPECTIVE

The history of Sikkim dates back to 1641 when a horde of Tibetans overran this area inhabited by a small tribe of Lepchas. The latter are reported to have migrated to this area from one of the tribal regions of north-east India. Beyond being animists, indolent and fun-loving, the British records do not reveal very much about their origin and culture.

The first phase of Sikkim's history is linked to the 'Blood treaty' in 1641 between the two tribes recognising the leader of the invaders as the spiritual and secular head. This treaty between the Bhutias and Lepchas promoted the growth of a multiple ethnic society with the invaders providing the ruling dynasty. The Lepchas were converted to the Lamaist Buddhism of the Tibetans. The new religion and ruler made a deep impression on the social and economic life of the community. The dominance of the Bhutias was so overwhelming that the Lepchas remained the poorest and the most neglected of the people, barring a few who intermarried with the Bhutia elite to attain the level of equality. Mostly confined to the northern belt of Sikkim in an area called Dzongu, they lived their life of indolence and negligence contributing little against the aggressive exploitation

by the Bhutias of the riches in land and forest. In the late eighteenth century, during British presence, their missionaries converted a few of them to christianity.

The advent of the eighteenth century saw an aggressive Nepal encroaching on the territory of Sikkim. This was the beginning of the second phase in Sikkim's history. While a small trickle of Nepalese into Sikkim had started at the beginning of the eighteenth century, Nepal's invasion in 1774-75 and subsequent occupation of Sikkim's western region, led to a substantial settlement of the Nepalese on her territory. By 1790, Nepal extended its hold over the entire lower Teesta basin in the East. Helpless against the powerful invaders, the Sikkim ruler sought the assistance of the British East India Company who had by then established their stronghold in eastern India with the weakening of the Mughal rule. Nepal's occupation of Sikkim came to an end in 1812, when the British troops of the East India Company intervened and defeated the Nepalese forces. But, the Nepalese settlers stayed back.

The British interest in Sikkim were linked to their trade and political interest in Tibet. Both Bhutan and Sikkim were the possible gateways to Tibet. Sikkim, besides being weaker of the two, had an easy access. On Feb.10, 1817, Sikkim signed a treaty with the East India Company surrendering all her rights to deal with any foreign power and conceded unhindered right of free access to the British upto Tibet border and Sikkim became a de-facto protectorate in 1861 when this treaty was further revised. The Anglo-Chinese convention of 1890 put a seal on this status.

The ethnic scene of Sikkim began to change rapidly with the advent of the British. Not only had the early Nepalese settlers multiplied in numbers, the British needed more Nepalese labour to develop the communication net work for access to Tibet. By 1891, the Nepalese constituted fifty-one (51.0) percent of Sikkim's population, reducing the Lepchas to nineteen percent (19.0) and Bhutia's to Sixteen percent (16.0). This excluded Darjeeling which had been gifted by the Sikkim ruler to the British as a health and recreation resort forming part of the State of Bengal under British occupation.<sup>4</sup>

In 1830, an official of the East India Company, J.B. Herbert wrote a valuable travel-account of Sikkim namely 'Particulars of Visit to the Siccim Hills'.

The Sikkim Gazetteer compiled by H.H. Raisley in 1889 is the main source to know about Sikkim of a hundred years before.<sup>5</sup> The book is in the form of travel account and official reports. The book also discussed about various ethnic groups in Sikkim.

The ethnic-composition changed in Sikkim by 1947 when the British left India and India became independent. The Nepalese constituted 75.0 percent of Sikkim's population reducing the Bhutia community to 11.0 percent and the Lepchas to 14.0 percent. In terms of inter-ethnic group interaction, it acquired the attributes of a plural society with the focal point of its management being the ruler whose shrewd manipulations succeeded in co-opting at the top, the ethnic notables in the economic, administrative and political fields.<sup>6</sup>

## ECONOMIC PERSPECTIVE

Being a very humid region, Sikkim has a variety of flora and fauna as resource-base. The state possess 4000 species of flora of wild relatives of crop plants, native bamboos, medicinal plants like Ginseng, Chirota, Jatamansi etc., beautiful orchids and many species of Rhododendrons. Sikkim occupies first position in the country with 600 species of orchids in the state. As reported, in respect of faunal resources, the state has 144 species of mammals, 429 species of birds, 39 species of reptiles, 9 species of amphibia, 16 species of fish and 423 species of lepidopteron insects.<sup>7</sup>

The total area under cultivation as per 1980-81 Agricultural census was 1,09,068 hectares divided into 56,198 holdings. More than 80.0 percent of the holdings are below 3.0 hectares. The agricultural lands are situated at an altitude of 300 mt. to as high as 3600 mt., but majority of the cultivated area lies below, 1800 mt. At lower altitude it is possible to take multiple cropping but at high altitude only monocropping is possible.<sup>8</sup>

The mineral deposits in Sikkim are notably copper, zinc, lead, dolomite, graphite etc. The copper reserves found at Rangpo has been estimated at 6 lakh tonnes and those at Dikchu at 2,87,000 tonnes. High grade dolomite reserves of 11,00,000 have been located near Rishi.<sup>9</sup>

Sikkim also is rich in hydro-potential. Besides the two main rivers, there are many rivulets like Tholung chu, Lachan chu, Lachung chu, Bokachu chu, Kayam chu and Rangbhang khola. All these

rivers drain out through deep mountain gorges and the sharp currents could be used for hydro-electric generation.

The utilization of all these resources have been, however, very much below expectation. In the following section we give a look to the growth of the economy over the years.

#### GROWTH OF ECONOMY (PRE-MERGER SITUATION)

Planned economic development in Sikkim started in 1954 by the then Prime Minister of India Pandit Jawaharlal Nehru and Chogyal of Sikkim. The Table I.1 shows the pattern of actual plan expenditure during the first four plans (1954-76).

The total expenditure incurred over the twenty two year period was Rs.3812.0 lakhs. In this total, the Agriculture and Allied Sector accounted for 16.0 percent, and the Secondary Sector for 14.5 percent. The Secondary Sector, however, also included power and it accounted for 6.9 percent of the total plan expenditure; thus the industry's share was only 7.6 percent. The highest allocation was for the Tertiary Sector, accounting for 69.5 percent to the total plan expenditure. In the aggregate for tertiary sector, Road and Transport accounted for as much as 64.2 percent.

As regard to achievements, according to a survey conducted by the Reserve Bank of India, 80.6 percent of the net domestic product in 1965-66 accrued from agriculture, 7.3 percent from Industry, Mining and Construction, 5.6 percent from Trade, Commerce and Transport and 6.5 percent from services. The per capita annual income was less than Rs.500 in 1975.<sup>10</sup>

The growth in agricultural output was very meagre. Production of foodgrains in 1975-76 stood at only 29,650 tonnes with Maize accounting for 16 thousand tonnes and Rice 8,200 tonnes. Output of Soyabean in that year was 1,200 tonnes and of Rapeseed and Mustard 150 tonnes. Production of potato stood at 4,500 tonnes, of ginger 2,750 tonnes and large cardamom 3,300 tonnes. Among fruits, orange was the most important and its output stood at 5,600 tonnes in 1975-76. The output of fruits as a whole stood at 6,100 tonnes.<sup>11</sup>

The pace of industrial development in pre-merger period was very slow. Total number of small and medium scale units in 1975 was only 31. The important among them were Sikkim Distillery Limited, Government Fruit Preservation Factory, Sikkim Mining Corporation, Sikkim Tannery Private Limited and Sikkim Jewels Limited. The achievements were more significant in the area of infrastructure. In 1950, Sikkim had only 2 kms. of pucca road in the capital town and 39 kms. of bullock cart road connecting Gangtok with Rangpo. By the end of 1975, the total of mileage rose to about 828 kms. Many of the roads were, however, only fair weather ones. In power generation, the installed capacity stood at only 2.87 MW in 1975. The per capita power availability was 0.0022 KW.<sup>12</sup>

A full-fledged department of co-operation to look after the co-operatives was established in 1975 to boost up the co-operative movement in the state.

In Educational front, a total of 264 schools were there in the state during 1975-76. Out of this 228 were primary school, 29 middle and only 7 higher secondary schools. Total enrolment

during that period was 20,959 in which 66 percent was boys. The plan and non-plan expenditure during 1975-76 accounted for Rs.7.5 crores and Rs.4.6 crores respectively. During the period, tax revenue collected was Rs.1.3 crores and grants-in-aid was Rs.7.1 crores.<sup>13</sup>

The post-merger period witnessed an unprecedented growth in the economy of the state. In the next chapter, an elaboration and analysis has been made on the post-merger development.

REFERENCES

1. Government of Sikkim (GOS), Agriculture Census, 1980-81, p.10.
2. Ibid, p.10.
3. GOS, Sikkim at a Glance, 1993, p.2.
4. Das, B.S. The Sikkim Saga, Vikas Publishing House Pvt. Ltd., New Delhi, 1990, p.6.
5. Raisley, H.H, Gazetteer of Sikkim, Bengal Secretariat Press, Calcutta, 1894.
6. Das, B.S., The Sikkim Saga, op. cit.
7. GOS, Agriculture Census, op.cit., pp.21-24.
8. Ibid, p.40 and Annexure 1.
9. State Bank of India, Lead Bank Survey, Gangtok, 1985, p.4
10. GOS, Compendium of Achivement, 1987, p.ii.
11. Ibid, p.4.
12. Ibid, p.ii.
13. Ibid, pp.39-40 and Statistical Profile (1979-80 and 1991-92), GOS, p.156.

Table-I.1**PATTERN OF SECTORAL OUTLAY DURING THE FIRST FOUR PLANS (1954-76)****(Rs. in lakhs)**

Sector	Total Plan Outlay (1954-76)
Agriculture & Allied	610.0
PRIMARY SECTOR (A)	610.0 (16.0)
Power	263.0
Industry, Mining & Commerce	291.0
SECONDARY SECTOR (B)	554.0 (14.5)
Road & Transport	1699.00
Education	343.0
Health	234.0
Co-Operation	34.0
Miscellaneous	338.0
TERTIARY SECTOR (C)	2648.0 (69.5)
<b>GRAND TOTAL = (A) + (B) + (C)</b>	<b>3812.0 (100.0)</b>

**Note** : Figures in brackets are percentages.

**Source** : Compiled from the Sixth Five Year Plan, Draft Proposal (1980-85), Department of Planning & Development, Government of Sikkim.