

Structure and Determinants of Forest Economy in Northeast India

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ABSTRACT The paper seeks to examine the nature, structure and determinants of the forest economy of northeast India using secondary data from various sources. The study employs tools like percentage, compound annual growth rate, per capita availability and multiple regressions to find out the growth trend, structure and determinants of the forest economy of the region. The study finds that the region is experiencing a deteriorating quality of forest as a result of demographic pressure and unscientific agricultural practices like *jhum* cultivation. The study also finds that the contribution of the forest and logging sector to total GDP is increasing and a significant amount of informal employment is generated in the forestry sector. The multiple regression results show that forest cover, literacy rate, rural population and crop diversification are the key factors that are determining the forest economy of the region. The study emphasises the need for strong coordination between community and government so that overexploitation of forest resources from the increasing population is checked and at the same time, new avenues and sustainable livelihoods are generated for communities settling on the forest fringes.