

Analysing the Economic Behaviour of Cherrapunji's Population

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ABSTRACT

In the summer of 2023, I spent a week in Cherrapunji, a town in the state of Meghalaya in India. Every child in India knows the name of this town from their geography books as the place that receives the most rainfall on earth. And characteristically, there was a never-ending heavy downpour day after day throughout my stay there.

But what was a surprise was what I had heard at a dinner conversation before my trip; that this wet place had a water shortage. This contrast played at the back of my mind throughout the trip.

At the same time, I was reading *Freakonomics* by Steven Levitt and Stephen J. Dubner. This book taught me not to take things at face value. So, I started observing things around the town. I made a note of advertisements, number of tourists and commodities which should be in demand.

I decided to then study the economy of the town and also look at the issue of scarcity of water, while also exploring the economic behaviour of the people of this town through a psychological lens.

INTRODUCTION

Meghalaya was home to many tribes during the 16th to 18th century, the Khasi tribe being one of them. The home of the Khasi tribe started being known as the "Khasi Hills" which came into British authority in 1833. The eastern region of these Khasi hills was known as "Sohra" by tribals, but was later renamed to "Cherrapunji" by the British. The history behind the name "Cherrapunji" is quite intriguing. The town was initially called "Sohra" but it was changed to Cherrapunji after the British came, as they could not pronounce the word "Sohra" and pronounced it as "Cherra". Thus, the name Cherrapunji started being used, and it means "land of the oranges". In present time, Cherrapunji is known to be a hot spot for tourists, and is famous for its bamboo handicrafts and waterfalls. The waterfalls, however are not perennial; they start in the monsoon season which is from April to October and the tourist season coincides with this.

CHERRAPUNJI: AN ECONOMY

To begin with, I asked myself the following question: which commodities in Cherrapunji have the highest demand?

Items such as "umbrella" or "raincoat" were the first ones to come in my mind, but I soon learnt that this was not the case. The population of Cherrapunji in 2021 was about 15,200, which means that all these people needed some form of protection from the rain. Assuming that in a rainy town like Cherrapunji, umbrellas have a lifespan of about a year and everybody purchased an umbrella in 2021, making the total sales of umbrellas in 2021 being 15,200. But I decided to dig deeper as to why then, were umbrellas not heavily demanded.

About 16% of the population of Cherrapunji consist of children between the age of zero to six. These children will not be demanding for their own umbrellas, rather, they would share an umbrella with their parent or guardian. Secondly, I read that many of the native Cherrapunji tribals prefer to use a "knup" rather than an umbrella. A knup is a form of shield made from bamboo, meant to be worn on one's head, to protect them from the rain.

By taking into account these factors, I decided to approximate the number of umbrellas sold per year to 10,000. This is not including the demand from tourists. In 2021 itself, roughly 1,500,000 tourists visited Shillong, and many of these tourists visited Cherrapunji as well. While it is safe to assume that these tourists must have demanded for umbrellas, it is certainly not a correct estimate to make that they would all buy their umbrellas from Cherrapunji.

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There is no airport in Cherrapunji as it is a small town, so any tourist who wishes to visit Cherrapunji must arrive at Shillong airport first, the capital city of Meghalaya. Many tourists choose to stay a night in Shillong as it is a hot tourist destination, which would mean that they would purchase an umbrella from there, and not Cherrapunji. Others who are headed straight to Cherrapunji are most likely to encounter rain on their 3 hours journey from Meghalaya or come prepared for a heavy rainfall and bring umbrellas with them. So, most umbrellas used in Cherrapunji may not be bought there. Moreover, the small fraction of tourists who would purchase an umbrella from Cherrapunji will be the main contributors of the umbrella market, which means that the umbrella market might as well be considered a part of the tourism industry.

Speaking of the tourism industry, it is a major contributor to the economy of Cherrapunji. However, the tourism industry of Cherrapunji is not as big as it should be, as it has the potential to grow even bigger due to the immense beauty of the town. When an individual considers travelling in India, places such as Kerala, Goa, Rajasthan or Himachal come to their mind, despite the fact that many people would argue Meghalaya to be more beautiful than all of the places mentioned above. So why is the tourism industry of the above-mentioned states bigger than the tourism industry of a state which arguably has more to offer? This question perplexed me, so I decided to consider it from a more personal perspective. I thought of the few things I would consider before planning to visit a place. Other than beauty, there are a few other things which came in my mind, including availability of good resorts or hotels, the transportation facilities, availability of recreational facilities and the availability of information regarding the tourism of that place. In a study conducted by Sanjay Sinha, assistant professor at the ICFAI university of Nagaland, there was a survey conducted on tourists in Cherrapunji. Questions such as “how do you feel about the natural beauty of Cherrapunji?” were asked, and participants were asked to rate the natural beauty of Cherrapunji on a scale of 1-5, where 1 stands for “poor” and 5 stands for “excellent”.

Results of the survey showed that participants gave the natural beauty of Cherrapunji a mean rating of 4.5, the availability of good hotels or resorts a mean rating of 2.23, the transportation facilities a mean rating of 2.53, availability of recreational facilities a rating of 1.93 and the availability of information regarding tourism in Cherrapunji a rating of 3.06. The overall mean rating was 2.85.

These results show that the tourism industry in Cherrapunji has the potential to grow as it is a naturally beautiful place. However, due to other factors, the tourism in Cherrapunji is not very popular. Now the answer seems pretty simple, by creating more resorts, recreational facilities and a better transportation system, the tourism industry of Cherrapunji can grow. However, despite all these improvements, there will only be a negligible increase in the number of tourists who visit the town. But that seems contradictory, why won't better facilities cause an increase in tourism? And the answer lies in the last question of the survey.

While looking for a place to go on a vacation, how is the place found? Most of the times, it is usually through an online website, a friend or an advertisement. Without these tools, it is not possible for a large population to find Cherrapunji an exciting place to visit. Thus, until the availability of information regarding tourism in Cherrapunji increases, the tourism industry is unlikely to grow significantly. The information available regarding tourism in Cherrapunji will advertise the beauty of this town, causing more people to visit it. Without adequate information, the tourism industry will not grow as people will not find out about the immense beauty which is hidden under the clouds of Cherrapunji.

Through this analysis, it's evident how advertisements play a major role in determining the popularity of an industry, or a firm. Consider Star Cement, a firm which initially started as an experiment to “test the waters” became the largest cement producing firm in Meghalaya, but why could no other firm gain this number one spot in Meghalaya, why was it Star Cement? The answer lies in the advertising strategy of this firm. The name of Star Cement was initially “CMCL” until 2016, when CMCL's advertising agency suggested that the firm's name should be impactful. A name that is short, sweet and self-explanatory, and thus, the firm's name was changed to “Star Cement”. But a firm's name cannot be the only reason for its success.

If we consider the demographic of Cherrapunji and Meghalaya, one thing to note is that many of the citizens do not understand English, and some don't understand Hindi either. Sharing a border with West Bengal, there are some people residing in Meghalaya who only understand Bengali, and Star Cement noticed that, as it is the only cement firm in Meghalaya which advertises its product in both English and Bengali.

But the use of a different language will not attract significantly more consumers as most people who consume cement would have a basic understanding of English. So, what did Star Cement really do which made their advertisement more appealing than the other cement firms? By using popular Bollywood actor Akshay Kumar in their posters, Star Cement was able to specially appeal to fans of Akshay Kumar. This also increased the credibility of their product as they advertised their product using a well-known person.

While using varied languages and famous figures did impact the sales of Star Cement, there was one major thing which the advertisement team took into account while designing the advertisements. Before we discuss advertisements, let's look at the purpose of cement in a town like Cherrapunji. In a town where there is heavy rainfall, many structures and buildings can get damaged due to rain, and will need fixing. These structures can be fixed using concrete and cement in some cases, but builders would like to ensure that the building or structure does not get damaged again due to rain, thus they would invest in a cement which they find durable. Now let's consider the advertisements of Star Cement. The advertisements showed Akshay Kumar wearing an air force uniform, and air force uniforms symbolise reliability, strength and courage. If cement was a human, then buyers of cement would want to buy a cement which has the above-mentioned characteristics, and by using an air force uniform, the advertisements of Star Cement were able to achieve that.

The various techniques adopted by Star Cement thus show how, despite being similar to their competitors in terms of the product they were selling, they were able to stand out and become the number one cement producing firm in Cherrapunji, and the entirety of Meghalaya. The successful techniques used by the firm also gives us an idea on the type of incentives the people in Cherrapunji are driven by, giving us a deeper insight on their behaviour.

WATER SHORTAGE?

To a tourist who knows about the town, the first thing that would come to their minds when the word "Cherrapunji" is mentioned would most likely be "heavy rainfall" or something along those lines. When thinking about heavy rainfall, an individual may associate it with an idea related to "abundance of water". But what if that individual finds out that, despite experiencing heavy rainfall, there is a severe water shortage in Cherrapunji?

The idea may seem impossible at first. Out of all the places in the world, the one with the most rainfall faces the most severe water shortage. There are, of course, reasons for this. Over the years, there has been a significant decrease in rainfall in Cherrapunji. Over the last 48 years, the annual average rainfall has been 11612mm. In 2017, the annual average rainfall was 12041.9 and this dropped to 3878.5mm in 2021. Cherrapunji relies heavily on monsoon and rainfall for water, and a reduced rainfall has led to decline in water supply. The insufficient rainfall has also caused a power crisis due to lack of hydropower, further increasing the water crisis.

But despite the decline in rainfall, Cherrapunji still experiences more rainfall than most places in the world. To put that into perspective, Naukuchiatal, a small town in the state of Uttarakhand, earns an average of 1669mm of rainfall a year, almost 2.5 times less compared to the rainfall received in Cherrapunji when there is less rainfall. Naukuchiatal, despite having less rainfall than Cherrapunji, does not face a water shortage as severe as the one in Cherrapunji.

So then, why does Cherrapunji face a water shortage? The answer lies in the first two sentences of this chapter. For a town like Naukuchiatal, the citizens are used to moderate rainfall, and are aware that they cannot primarily lie on just rainfall for their water requirements. Cherrapunji, however, are used to heavy rainfall, and feel secured that their water needs will be taken care of by the abundance of rain they experience every year. But weather is a very volatile concept. As issues such as global warming increased, the average annual rainfall of Cherrapunji fell, but the citizens of Cherrapunji were too used to the rainfall fulfilling their water requirements. When a person who knows about the town Cherrapunji, the first thing that comes to their mind is "heavy rainfall", as discussed in the first sentence of this chapter, but it is not just people who know about the town, "heavy rainfall" is the first thing that would come to the minds of the residents of Cherrapunji as well, which they would immediately link to "water needs taken care of". Thus, water became a commodity which the citizens of Cherrapunji took for granted, as the abundance of rainfall they were blessed with every year took care of their water needs. As enough water was assured in the town, the citizens did not give much importance to conservation of water, which they did through instalments of bore wells near their houses. As more urban structures started being developed, Cherrapunji citizens destroyed the bore wells to make way for them, as they did not feel that they are required all that much, due to the abundance of water.

As rainfall decreased due to global warming and other reasons, the people of Cherrapunji were faced with a dilemma, as there never was a culture of proper rainwater harvesting, and most forms of rainwater conservation through bore wells was already removed to make way for urban structures. While the shortage of water is of course due to geographical reasons or reasons such as poor water management system, psychological reasons such as the fact that water was taken for granted by the citizens of Cherrapunji too, plays a role here. Due to the abundance of water, the citizens of Cherrapunji did not appreciate water to the extent that they should have, and therefore, never made an attempt to save it diligently. Taking the example of Naukuchiatal again, despite relying on other methods to acquire water, the citizens of Naukuchiatal also made a diligent effort to save any rainwater they do get. The basic principle of human nature plays a role here, one does not appreciate what they have in abundance. Like salt in food, it is something that it always there in food (unless of course, you are eating a food item that does not need salt), because of which you would always expect there to be enough salt in your food. But if one day, you take a bite of your food

and there is no salt, a difference will be felt. Because you have it every day, your mind would have taken salt for granted, making it a necessity for you without you consciously realising it, and the same is the case will rainfall for the citizens of Cherrapunji. Active measures of preserving rainwater are being conducted now, however, it will take a while for the water crisis to be solved.

CONCLUSION

After reading Freakonomics, I had learnt to not take things the way they are presented to me, but rather question the very existence of it, which resulted in me gaining a deeper understanding of the world around me. By writing this report, I was able to put my learning from Freakonomics to the test by observing and analysing seemingly obvious aspects of the town Cherrapunji. In doing so, I was able to consider ideas from different perspectives, develop my critical thinking skills and learn more about the world through an economics and psychological lens.

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