



Speech

of

Dr. D. D. LAPANG

Chief Minister, Meghalaya

at the

55th Meeting

of the

North Eastern Council

at

Parliament House Annexe,
New Delhi

17th & 18th December, 2007

Hon'ble Union Minister, DONER & Chairman, N.E.C Shri Mani Shanker Aiyar-Ji, Distinguished Members of the North Eastern Council, Officials from the Government of India, N.E.C., State Governments and Friends.

I deem it a privilege to participate at this 55th Meeting of the North Eastern Council to deliberate on the theme - **“Eradication of Poverty in the NER”**. In the N.E. Region, the problem of poverty is peculiar since it exists in spite of the availability of bountiful natural resources which could be tapped, harnessed or utilized for improving the economic well being of the people.

2. Planning Commission has acknowledged that the North East has special problems and that the per capita income in N.E. which was above the national average in 1947 has fallen to almost 40 percent below national average today. **The main reason for economic backwardness has been lack of investment for Infrastructure and adequate investment in socio-economic aspects.** Among the States and U.Ts in the country, Meghalaya ranked **24th** in Human Development Index (**HDI**), **21st** in **Index of social and economic infrastructure**, **16th** in per capita consumption of electricity, **25th** in road density, **30th** in per capita utilisation of credit, **19th** in per capita income, **13th** in Infant Mortality Rate and **24th** in Literacy Rate. **This shows the task ahead for us to bridge the gaps in infrastructure and socio-economic indicators through proper investment, capable institutions and innovative programmes and policies.**

3. **Poverty Scenario in Meghalaya:** According to the estimate of Planning Commission, the population Below Poverty Line (BPL) during 2004-05 is 27.80% in the case of India. However, the household survey conducted by the State Government in 2002 finds that 45.02% of the households in Meghalaya are Below Poverty Line families. As of now we do not have a firm reliable basis and date for the state. Measurement of poverty critically depends on the poverty line and proper survey. We suggest appointing a panel of experts to devise a proper methodology to define and determine the poverty line for Meghalaya. I would like to express my appreciation to the National Institute of Rural Development (NIRD), Guwahati for their attempt to conduct a study to find out the root cause of poverty and to suggest solutions to this problem. The recommendations & suggestions made therein appear to be reasonable.

3.1 Meghalaya is basically agrarian with 70% of the total population depending on agriculture. The operational land holding in Meghalaya is pre-dominated by small and marginal farmers (below 2 ha.) who operate only 65% of the cropped area. Stagnation of agricultural production, soil erosion and lack of new economic opportunities has always been the deterrent factors that caused rural poor farmer in our State to languish in poverty. A more focused, grass root driven, crop and altitude specific holistic *cluster approach* to agricultural & horticultural development with total integration of all required components and packages of practices from the primary production level to the points of sale is now being attempted. However, this is a daunting task involving many stake holders, agencies and programmers. **Helping small farmers**

increase productivity through investment, subsidy and appropriate linkages would be essential. A programme to also include asset distribution and asset creation would also be an essential subset of this effort. **Stress on non-farm activity** that bolster traditional as well as non-traditional and private sector activities, with **special attention to micro enterprises is also required in the rural areas.**

3.2. Rural areas in Meghalaya are characterized by limited opportunities, low level of skill development, poor infrastructure, etc. There are also wide rural-urban disparities in terms of level of human development opportunities as viewed from access to amenities and other social services. **Major reasons contributing poverty in the North East appears to be ignorance, inadequate core infrastructure, inadequate market openings, over dependence on agriculture, lack of skills, etc., which makes them apprehensive to face the challenges that emerge in the new economy.** Therefore, much more investment and states involvement for livelihoods improvement, micro-enterprise and poverty alleviation programmes would be required.

3.3. Many well-conceived poverty alleviation programme seeking to empower rural poor through group efforts e.g. SGSY, IWEP, IWDP; etc., and other programmes like National Social Assistance Programme (NSAP), National Rural Employment Guarantee Scheme (NREGS), Backward Region Grant Fund (BRGF), etc., supplemented by agriculture and allied activities and social services like education, health and social welfare, water & sanitation, and labour welfare measures already exist. **All that is needed is effective delivery mechanism and instrument so that it reaches the intended beneficiaries in time.**

3.4. Empowering people with capabilities to ensure adequate food, clothing, shelter so that every family gains freedom from hunger and lead a healthy life and participate productively in the growth process should be our major commitment. Economic and social empowerment calls for people-centric developmental institutions, pro-poor policies with appropriate delivery systems put in place. **Thus reforms are essential for bringing in transformation in rural areas and achieving the millennium development goals which are essentially linked to alleviating poverty.** *In the words of Prof. Yunus “We can remove poverty from the surface of the earth only if we can redesign our institutions – like the banking institutions, and other institutions; if we redesign our policies, if we look back on our concepts, so that we have a different idea of poor people.”*

3.5. The Eleventh Plan provides an opportunity to restructure policies and institutions according to a new vision of growth that will be more broad based and inclusive, to achieve a faster reduction of poverty. We should aim at (i) **Enhancement of the level of human well being with an inclusive development approach** which includes – creation of essential infrastructure, provision of educational avenues including diversified training for skill development, generation of employment opportunities, extensive health care, adequate attention to women and children welfare, improvement of environment, provision of safe drinking water supply and sanitation. (ii) **Removing disparities**, bridging the divides in sharing the benefit of development and to ensure balanced regional development. **This could be done by adequate investment for the above aims and measured through monitorable**

infrastructural and socio economic targets based on certain indicators for (i) Income & poverty (ii) Education (iii) Health (iv) Women & Children (v) Infrastructure and (vi) Environment.

3.6. To address the multifaceted face and challenge of poverty and deprivation I would suggest that we require **a multifaceted approach which** calls for mainly following **policy and action cluster** which is considered crucial in the context of Meghalaya:

- i.* **Pro-poor Growth that** stimulate labor intensive works through actions such as NREGA to be made for 200 days, and expanding it to cover all districts; launching rural works programmes and food for works programme that focuses on locations and sectors that have the maximum impact on poverty.
- ii.* **More investment in human development** such as nutrition, health (including reproductive health), education, water and sanitation, etc., which foster a productive labour force and addressing the gaps that exists in these sectors.
- iii.* **Investing in rural infrastructure** such as roads, communications, energy, with institutional arrangements for attending to the critical inter-sectoral gaps and linkages for establishing input supply infrastructure, processing, post harvest and market centres.
- iv.* **Employment generation programmes:** Employment and improved livelihoods programmes such as Livelihoods

Improvement Programme (LIPH) or **proposed NERLEP of ministry of DoNER should cover poor people in all areas of my state. We should also** expand successful experiments done in the past under the North Eastern Community resources management (NERCORMP) as well as other employment generation programs to consolidate micro credit and micro enterprise efforts.

- v. **Ensuring a better targeting of** programmes such as nutrition programs and subsidized access to PDS, TPDS, old age, widow pension schemes, accident and maternity benefits and mid day meal programmes.
- vi. **A skill development mission** for the rural areas and particularly for the North East may be evolved and supported. The '**Rural Business Hubs' approach** recommended by the National Commission on Farmers should be implemented to improve livelihood opportunities in rural areas. **Micro-credit programme and Self Help Groups to be made the key instrument of poverty eradication and Social Empowerment programmes** for the poor.
- vii. **Social Security programmes:** All insurance programme for rural areas **should be brought under one umbrella** to make it **a comprehensive insurance programme for rural poor covering life, health, accidents and other vulnerabilities.** An expert group could work out the modalities of its

implementation in the NER by redesigning and scrutinizing existing programmes with additional help if required from the Government of India.

viii. Governance and institutional framework: Creation of an appropriate governance and institutional framework for participation in poverty reduction and human development efforts has to be a significant area in which **building Capacities at various levels should be** focussed. A framework for integrated planning and development by refashioning the existing governmental set up, traditional hierarchical and non-hierarchical institutions towards making them partners in governance and delivery of development should be seriously attempted and facilitated.

3.7. **Constraints of rural credit:** As of now, a major constraint is poor outreach of formal banking sector and mindsets of bankers that poor are un-bankable. Though recent efforts of RBI such as no frills account, Banking agent and facilitator model has given rise to some hope, yet **it is my considered view that establishing and promoting micro-credit and micro-finance Institutions are most essential. I suggest that a programme to support and strengthen micro-finance & micro-credit Institutions by promoting formation of SHG federation and converging with Cooperative Credit structure may be conceived and launched in the NER by support from Government of India to overcome constraints of Institutional Finance in Rural Sector.** NABARD may be involved in the process. Further for effective

convergence of expertise, resources and integrated planning, various agencies, both Central and State, concerned with the development of agriculture, animal husbandry, fishery, sericulture and weaving, plantation crops, forestry, medicinal herbs, etc. should meet at a common forum for an integrated solution to livelihood challenges in our villages.

4. **NEC's Eleventh Plan, Annual Plan 2007-08 and Proposed Plan for 2008-09:** During the 54th NEC meeting held in Aizawl on the 18th May, 2007, we had discussed at length about the allocation of funds to the NEC for the Eleventh Plan as well as the Annual Plan 2007-08. We had proposed an outlay of Rs.12,450.00 crore for the Eleventh Plan and Rs.1803.72 crore for the Annual Plan 2007-08. Allotment of Rs.600.00 crore only for the Annual Plan 2007-08 in view of huge spill over liabilities from the Tenth Plan is a big handicap and letdown. I would request the Chairman, NEC to put forward this issue with the Planning Commission for enhancing of the allocation for the first year of the Eleventh Plan to Rs.1803.72 crore as asked for or to Rs.1000.00 crore at the minimum.

It may be mentioned that out of Rs.2511.50 crore, Meghalaya received only Rs.147.74 crore which is 5.88% of the total allocation in the 10th Plan. This definitely calls for a closer analysis on equity.

4.1 I feel that the recent realization by Government of India about the need and significance of including the NER in its “**Look East Policy**” is more than enough to justify the same. “**The Look East Policy**”, I believe, envisages and requires development of infrastructure in

symmetrical proportion between the neighbouring countries such as China and South East Asian Countries on one hand and India's north eastern states. The issue of providing necessary infrastructure in term of roads, rails & air connectivity in the region is uppermost in our mind and heart. The Task Force for Accelerated Development of the North Eastern States of the Planning Commission, **headed by Shri B.N. Yugandhar had recommended increased investment and had** estimated about Rs. 42,000 Crore as an additional investment during the 11th plan for the region. In fact our deliberations in the various sectoral summits have projected to us even higher requirement of resource mobilization and deployment required. I would request Planning Commission and Ministry of DoNER to ensure and deploy the required investments to bridge the socio-economic and infrastructural gaps and 'deficits' to spur higher economic growth and to bring prosperity in the region. NEC should play a pivotal role in the process.

4.2. **The Annual Plan 2008-2009 for the NEC should be more than Rs.1500 crore. However, if members agree it should not be less than Rs. 1200 crore as proposed.** Given the poor infrastructure in the region, there should also be a scheme to support DPRs and feasibility reports for PPP mechanism. May I also stress **an equitable distribution of fund to the States.** Further, *the allocation and sanction of fund to all states be made in transparent manner.* **Allocations sector-wise and State-wise apportionment be made known in advance with details in order to allow the state to prioritise its proposals.** I suggest that the sanctions made to any member state or organization be made known to all member States. I would also

suggest that member states be informed of the norms and guidelines under each scheme of NEC for support to NGOs. I also suggest that emphasis on one hub in the region can bring intra-regional imbalances which should at best be avoided. If unavoidable or imperative, in such an event, other states are also developed as sub set of the hub and development of other economic sphere and as a hub in other field.

5. A Draft Vision Document of the NER 2020: I commend the National Institute of Public Finance & Policy (NIPFP) who has really made a good and exhaustive draft on the Vision Document of the NER 2020. The draft has covered almost all the important aspects of **development**. The draft Vision 2020 document of the NEC has identified five basic ‘deficits’ confronting the North Eastern Region which includes (i) a basic needs deficit; (ii) an infrastructure deficit; (iii) a resource deficit; (iv) a two-way deficit of understanding with the rest of the country; and (v) a governance deficit. To overcome these deficits, the document stressed on the need for a complete change in the planning process and has suggested the following strategies – (i) participatory development strategy; (ii) capacity development strategy; (iii) augmentation of infrastructure, particularly connectivity and transport infrastructure including intra-region connectivity; (iv) significant increase in the Central Government’s allocation for infrastructure in the region including efficient use of funds; (v) transforming of governance by providing a secure, responsive and market friendly environment. **We acknowledge these aspects and seek mission mode financial, technical and administrative support to ameliorate and address these deficits**

during the 11th Plan. I suggest Ministry of DoNER and the Planning Commission to make it a meaningful exercise by channelising resources and action plans.

5.1. Though state specific figures and studies have been quoted, We also feel that, a comprehensive vision plan of each state be also facilitated by the NEC through the same institute and can be the second part of this exercise and in a more consultative manner which may bring in any post-script for this draft vision. My State would study this document in detail and views & recommendations would be submitted to the NEC soon.

6. A Dedicated Airlines for the NER: I wish to place on record the dedicated service put in by H.E. the Governor of Manipur and Meghalaya Dr. S.S. Sidhu for his special study to provide the North East with a Dedicated Airlines which is a long felt need. We do hope that his expertise and vast knowledge about air connectivity in the NER would also benefit my state with particular reference to the expansion of the Umroi Airport in Shillong and the Baljek Airport in Tura which has been committed by the Ministry of Civil aviation. We seek support from all in the matter so that these Airports could be made operational for the dedicated Airlines and larger aircraft.

7. I hope that the deliberations and decisions of this august body would be fruitful for the benefit of the poor people in the region. With a paradigm shift in the mode of implementation of schemes in almost all the sectors in the 11th Plan, it is expected that the percentage

of people below the poverty line in the NER would be reduced considerably. However, adequate resource and institutional support would be required to alleviate poverty in the region and to bridge the deficits it has suffered so far. Once again, I would like to thank you for having given me this opportunity to place my views before this august gathering.

THANK YOU,

JAI HIND.