



GOVERNMENT OF JHARKHAND

# **NATIONAL DEVELOPMENT COONCIL MEETING**

Speech of

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New Delhi

**Hon'ble Prime Minister,**  
**Dy. Chairman, Planning Commission**  
**Union Ministers**  
**My Fellow Chief Ministers & Ministers from Other States**  
**and**  
**Officers of Govt. of India and States.**

I feel happy in participating in this meeting of the National Development Council convened to deliberate on the 'Approach Paper' of the Eleventh Five Year Plan.

2. The 'Approach Paper' aims for inclusive growth and removal of regional imbalances. We welcome this. Though Jharkhand has abundant natural resources, yet 54% of its people live below poverty line. The problem of poverty, illiteracy, unemployment, insufficient health services and shortage of drinking water pose a great challenge to us.
3. The ST and SC population in the state is 26.3% and 11.8% respectively. 80% people of the State depend on agriculture. Only 11% area is irrigated. Out of 32,615 villages, only 10,000 villages have been electrified so far. The State lacks in health service infrastructure. Food and Nutrition security also needs improvement. There is high incidence of illiteracy, especially among the females. The State is below the national average in basic infrastructure, such as irrigation, electricity, road and rail transport, etc. We hope that during 11<sup>th</sup> Five Year Plan, with the support of Govt. of India, we would be able to bring about economic development, along with improvement in the living conditions of the people of the state.
4. The Planning Commission is targeting 9% annual GDP growth rate during 11<sup>th</sup> Five Year Plan. For achievement of this, agriculture sector is expected to grow at 4.1% p.a. In Jharkhand, 80% people depend on agriculture and allied activities. The net sown area is 29.74 lakh ha. The State is characterised as low agricultural productivity area. Low agricultural productivity in the state is attributed to less cropped area under assured irrigation, agriculture being mostly rainfed, monocropping and undulating topographical features. 83% land holdings are less than 2 ha. size.

5. Another reason for under development of agriculture is predominance of food crops. About 92% of the cropped area is covered under foodgrains whereas hardly 5% area is under cash crops. In order to encourage agricultural diversification, extension activities are being strengthened. During 11<sup>th</sup> Five Year Plan, while implementing programmes relating to agriculture, we must pay special attention to those States which lag behind in agriculture production, but have the potential. Jharkhand has great possibilities in 'Horticulture' and 'Floriculture' also and efforts are being made for their development. We request Govt. of India that 'Seed Replacement Scheme' and scheme for creating irrigation facility on the field itself should be taken up as Centrally Sponsored Schemes, to achieve the targeted growth rate in agriculture sector.
6. In order to rejuvenate agriculture extension, credit and delivery system, banking sector should be encouraged to make available more and more crop credit and expand its "Kisan Credit Card" facility.
7. Irrigation plays an important role in the development of agriculture. The State gets about 1300 mm rainfall every year. The rainfall is not uniform. The state lacks assured irrigation facility. Only 11 % of the net sown area enjoys irrigation facility as against the national average of 40%. To augment irrigation facility, many schemes are being implemented. If available water resources could be tapped and utilized properly, irrigation capacity can be increased substantially in the State.
8. Jharkhand Govt. has taken up Swarnrekha Multipurpose Project which aims to provide irrigation facilities in poverty stricken tribal areas of Jharkhand, West Bengal and Orissa. The Govt. of India should take up Swarnrekha Multipurpose Project as a National Project. If so done, it will provide irrigation to 2.65 lakh ha. and will help the State achieve the targeted growth rate of 6.3% for the agriculture sector.
9. At present, in Jharkhand 6 irrigation projects are receiving assistance under the AIBP programme. As per existing policy of MoWR, new projects under AIBP are sanctioned, only after completion of the previously sanctioned AIBP projects. Jharkhand has a large

number of incomplete projects which fulfill the criteria for inclusion under AIBP, but they are not being included in view of the existing policy. This policy needs to be revised. We must utilise our limited resources for completion of those schemes, which can be completed with little investment.

10. In view of the greater scope for development in the State, there is a need to augment more water in Swarnarekha Basin. This could be possible by forging linkage with South Koel river and Sankh river as well as linking of river Ganga, Damodar and Swarnarekha. This would help the State in augmentation of additional water in Swarnarekha basin and also for making the downstream Swarnarekha navigable. Govt. of India is requested to take up a techno economic study in this regard urgently.
11. The different legislations relating to forest and environment conservation have hampered the essential developmental activities in the State. Jharkhand has around 30% of its land under forest cover as against the national average of 23%. The sites selected for many irrigation and developmental schemes include forest land also. The State does not have suitable land free from forest area. Many developmental schemes can not be implemented because of various provisions of Forest Conservation Act, 1980. The State is experiencing great difficulty in locating land for compensatory afforestation. Steps should be taken to ammend the related laws immediately. While determining the parameters in this regard, the available forest cover in the State and its present economic and social status should be kept in mind. The provisions of the Forest Conservation Act should not be made applicable to those projects which were sanctioned before the coming into force of this law. We would also suggest that for compensatory afforestation, the State Govt. and private companies should be allowed to use degraded forest land as is done in case of Central Govt. projects.
12. In the "Approach Paper", industrial growth target is being fixed at 9.9% per annum for the 11<sup>th</sup> Plan period. If due to some reasons, the desired growth rate is not achieved in the agriculture sector, that would require further accelerating the growth in the industrial sector. Our State has great potential for industrial growth, but we do not have adequate

infrastructure. It may be noted that Jharkhand has a comparative advantage in steel sector. Jharkhand has more than 1/3rd of the iron ore resources of the country and this can play a vital role in the economic growth of the country during 11<sup>th</sup> Plan and will also help India achieve its steel production target of 110 MT by 2020. It is suggested in this regard that the economic policy should be framed in such a way as could attract more investments in states like Jharkhand.

13. The State Govt. has signed MoUs with large industrial houses for setting up industries in the State and this has created possibilities of investment of more than Rs. 2 lakh crores. After the abolition of 'Licence Raj', no investor can be persuaded for investment in a particular State. In view of this, investors can be attracted only by creating proper infrastructure thereby making economic climate congenial for investment. Jharkhand is committed to develop infrastructure with its limited resources. Govt. of India and its agencies are also required to play an important role in this regard. In view of the possible industrialisation, it is imperative to improve and strengthen national highways, rail network and power generation in the State.
14. The road network in the State is inadequate. We have 24.40 km of roads per 100 sq.km as against the national average of 74.25 km. In this context, we request for strengthening NH network in the areas where industrialists have shown interest in setting up steel units. While Govt. of Jharkhand appreciates priority accorded by NHAI to NH 33 but priority given in respect of NH 23, 32 & 75 needs to be reconsidered. These NH should be made at least 2 lane everywhere as the traffic flow will multiply considerably with the setting up of new industries. Fund constraints should not be allowed to come in the way of development of these roads. Upgradation of these NH will contribute substantially to the achievement of 12% growth rate in the manufacturing sector as envisaged for the 11<sup>th</sup> Plan and this will also help achieve the targeted GDP growth rate of 9%.
15. The State has taken up an ambitious project of opening of a new corridor from Govindpur to Sahebganj together with a bridge over river Ganga at Sahebganj. As per DPR, the estimated cost is Rs 422 crores and the 5.5 Km long bridge will cost Rs. 800 crores. This

corridor will open up access to North - East via Silliguri. With the opening of this corridor, it is expected that the backward region of Jamtara, Dumka and Sahebganj will get opportunity for increased economic activities. It is our request that keeping in view the importance of the project for the State, this state highway should be notified as NH and this corridor linking Govindpur on NH-2 to Katihar on NH-31 is taken up on priority basis.

16. Most of the rail network in the State are of pre - independence period, which were designed for transporting the mineral resources of Jharkhand to other parts of the country. More or less the situation remains the same even now. After creation of the State, new rail projects worth Rs. 2000 crores were taken up with a contribution of 67% from the meager state resources. There is an urgent need to speed up work on these projects and these should be completed within the stipulated time schedule. We have repeatedly requested that the investment for these rail projects should be met from the railway resources. We hope that after the marked improvement in the finances of the railways, our request would be given due consideration.
17. It may be noted that "Railways" earn more than 50% of its freight revenue from Jharkhand region. The Govt. of Jharkhand has requested for certain new essential railway lines to be taken up on priority basis. These projects are not only necessary for economic development of this area but will help achieve the national economic targets during the 11<sup>th</sup> Plan, especially in the manufacturing sector, because these will boost the possibility of setting up of industries in this region, under various MoUs already signed for units in steel and power sectors.
18. We have taken up rural electrification programme on a large scale under the "Rajiv Gandhi Gramin Vidyutikarn Yojana" (RGGVY). Our request would be that a general exemption under section 2 of the Forest Conservation Act, 1980 is granted for carrying out the work related to rural electrification as this will speed up the implementation of the schemes under this programme.

19. The states, which have poor infrastructure and are economically backward, should be allowed to take up infrastructure related schemes under NREGA.
20. Nuclear Power can play an important role in increasing power availability in the State. Jharkhand is an important source of uranium in the country. We request for setting up of a Nuclear Power Plant in the State.
21. At present, there is no central sector scheme for power transmission. We are experiencing difficulties in inter/ intra state power transmission in the absence of adequate transmission network. It is, therefore, requested that a 'Central Sector Scheme' should be taken up in 11<sup>th</sup> Plan for improvement/ strengthening of power transmission system.
22. In case of Hydel Power Projects, 12% free power is provided to the host states. This provision should be made applicable for Thermal Power Projects also, where pit head plants are planned to be located. To some extent, this will offset the ill effects of environmental degradation and rehabilitation of the affected people.
23. The State is committed to utilize rich wealth of its mineral resources to bring prosperity to its residents. It is, therefore, necessary that the National Mineral Policy (NMP) should give priority in grant of mineral concessions to value adders in the State. The policy should also aim at gradual reduction in export of iron ore and allocate mines for captive use.
24. The Coal India and its subsidiaries mine over 100 million tons of coal each year. We request that preference should be given for coal linkages from the mines in the State, to industries being set up in Jharkhand. The policy on coal linkage needs to be reviewed so that the economic interests of a poor state like Jharkhand are protected.
25. State Govt. has signed MoUs with 10 corporate houses for setting up pit head coal based Independent power plants. Captive coal blocks may be released against these MoUs so that the work starts early.

26. Despite recommendations of the 12th Finance Commission and the Hoda Committee, Ad-valorem rates of royalty for coal and iron ore are yet to be notified. We request that the royalty regime be shifted to Ad- valorem basis urgently.
27. The State Govt. has reservations about certain recommendations of the Hoda Committee. The Hoda Committee is silent on evaluation of impact of the National Mineral Policy on the lives and livelihood of local inhabitants. Taking away power from the States to grant mineral concessions does not seem to have any rationale basis. A joint mechanism needs to be put in place to expedite such matters, both at the Centre and the States. Similarly, the export policy on iron ore should be reviewed continuously and while drafting amendments to MMDR Act / Rules, the representatives of the State Govt. should also be associated.
28. The Tribal population of the State is dependant on forest and forest produce for their livelihood. An urgent action is required to confer land ownership rights on the people living in forests.
29. The 11<sup>th</sup> Plan "Approach Paper" mentions about investments for development of infrastructure on PPP model, but it must be appreciated that investors do not invest in states which are weak in basic infrastructure. In view of this, Government of India should consider liberalising and relaxing norms and conditions governing viability gap funding and extend budgetary support for creation of necessary infrastructure in backward States. It may be very difficult for our State to build the required basic infrastructure on such a large scale without support from Government of India.
30. A number of Central Public Sector Undertakings are located in Jharkhand, but economic condition of most of them is not good. In this regard, I would mention HEC, BCCL and Sindri Fertilizer, etc. The Central Public Sector Undertakings are the backbone of Jharkhand's economy. If these undertakings do not function efficiently, a big source of employment of people of the State would remain affected. I would request government of India to take effective measures to improve the health of these organisations.



31. India has made remarkable progress in the field of IT Sector, but there is shortage of trained manpower. The approach paper mentions about expansion of ITI's. Government of India should consider setting up ITI's on a large scale to supplement the efforts of the state governments. While setting up new institutions of higher learning, the preference should be given to backward states. We would also request government of India to set up institutions in Jharkhand on the lines of IIT's and IIM's.
32. In the "Approach Paper", emphasis has been laid on further improving the school education. We hope that with the efforts of the Planning Commission, it may be possible to raise the education standards in backward states. In the last few years, as a result of Sarva Shiksha Abhiyan, the number of students requiring secondary education has increased substantially. We feel that Government of India should consider setting up large number of secondary schools and Central Schools in the country for quality education.
33. It has been observed that children belonging to poor families could not go to school because their families depended upon the earnings of these children. We think that the law banning child labour even in non-hazardous areas is a step in the right direction. But, it is also necessary, that in order to make sending children to schools attractive, for the BPL families, these children should be given stipend. It will have a preventive effect on the practice of child labour. Government of India should consider starting a Centrally Sponsored Scheme in this regard. The approach paper also mentions about making labour laws more liberal. While doing so, the social security network also needs to be strengthened simultaneously.
34. The Centrally Sponsored Schemes initiated by government of India are directly associated with the welfare of the people. In order to ensure speedy implementation of these schemes, Government of India should consider releasing funds to agencies set up especially for the purpose on 100% grant basis so that their execution is not delayed. It also needs to be ensured that the implementing agency is a non-government body. The number of CSS should be reduced to the essential minimum, so that the work is

completed in a shortest possible time frame. In some of the CSS, with a view to speed up execution, states should be allowed to take up work on the basis of model guidelines, in place of detailed DPR's.

35. Because of non holding of Panchayat elections in Jharkhand, the grants earmarked for local bodies under the 12th Finance Commission award are not being released by the Government of India. The notification for holding Panchayat elections was issued but in view of the Hon'ble High Court's judgement, the notification had to be cancelled. The matter is now pending before the Hon'ble Supreme Court of India, in which Government of India is also a party. The grants earmarked by the 12th Finance Commission should be released to the state on the condition that Panchayat elections would be held within a short period (say six months) of the judgement by the Hon'ble Court. Because of non release of approximately Rs. 96.40 crores per annum, the interests of the poor people of the State are getting adversely affected. Like wise, the conditions for release of funds under BRGF (Rs. 10 crores annually for selected districts) also need to be relaxed. By this, Jharkhand stands to benefit by more than 200 crores and this large amount will help accelerate the pace of development in the state.
36. Special economic packages have been given to North Eastern States, Sikkim, Jammu & Kashmir, Uttranchal and Himachal Pradesh. This facility has not been extended to Jharkhand. The topography of Jharkhand is also difficult for cultivation and in terms of development indices, Jharkhand is backward. Hence Jharkhand should also be allowed similar benefits under the special package.
37. We would request Government of India to define State specific developmental plans and policies and growth targets, which would bring the backward states at par with the developed states of the country within next five to ten years. For this, the requisite investments should be made available by both the Government of India and the respective state governments. We strongly believe that till all round development takes place in the backward states, the problem of extremism cannot be tackled. Development is the only effective solution for this problem. There is, therefore, need to develop

infrastructure in the backward states. At the same time, there is need to move forward at a very fast pace in the areas of education, health and poverty alleviation.

In the end, I once again thank the Hon'ble Prime Minister for convening this meeting. We hope that as a result of the targets and strategies being adopted for the 11th Plan, a developed Jharkhand would be a reality.

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