



**SPEECH OF
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**52ND MEETING
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Hon'ble Prime Minister and distinguished members of the National Development Council

It is matter of privilege for me to participate in the deliberations of the 52nd National Development Council which is meeting to consider the Draft Approach Paper to the 11th Five Year Plan.

*The present United Progressive Alliance Government was elected to power primarily on a platform of basic livelihood issues for the people of the country. The approach followed by the earlier Government was essentially a growth driven model and urban centric with not much emphasis on the content of growth and was, therefore, rejected by the people. I feel more important than mere targets for growth rate is the content of growth. One of the most important challenges before us today is providing gainful employment to the people; therefore, our strategy should be " **employment first and growth as the outcome**".*

While it may be true that during the 10th Plan period the Indian economy achieved an average growth rate of about 7.2%, yet it failed to address the basic issues of freedom from hunger, clothing and shelter to all and poverty alleviation. It is unfortunate that even in this 21st century, we are still grappling with these fundamental requirements of society. Our planning process has to have as its main focus improvement in the standards of living and raising above the poverty line the large proportion of our population still below this level. Here, I would like to express my reservations about the methodology followed by the Government of India in arriving at estimates of persons below the poverty line; we disagree with the idea of "fixing" an upper limit for the number BPL families in a particular State. This is unrealistic, the number of BPL families has to be based on actual numbers. It is important that instead of concealing, we rather properly and correctly assess the BPL figure for only then can the planning process be meaningfully directed towards poverty alleviation.

Our country still exists in its villages and the countryside. We are all aware that agriculture employs over 60% of the labour force in the country. Therefore, the deceleration in agricultural sector, which has also been identified in the Draft Approach Paper, from 3.2 % in the 80's and early 90's to the present level of about 2% is a matter of concern. It is not only necessary to arrest this decline, but also turn it around -for this, we feel that land reforms need to be given highest priority and ensure that this basic asset is given to the actual tillers of the land. This security of tenure to the tillers

is the only way for proper exploitation of the productive capacity of our land. This will also have a positive, cascading or ripple effect on the economy and take us towards attaining food security, increasing the purchasing capacity of the people and consequently widening and strengthening our internal markets, industrialization and ultimately of course generating a lot of employment opportunities.

I would like to point out that even almost after 50 years of planned development, we continue to see the phenomenon of imbalances in our country, be it regional imbalances, inter-state or even intrastate imbalances. This has been the outcome of faulty and misdirected policies and planning. The North-east region in particular has been a victim of these policies with the result that this region is now particularly backward in both physical and social infrastructure. While on the one hand provision of basic infrastructure like good roads, rail network, air connectivity etc. have progressed almost at a snail's pace, on the other hand social infrastructure network such as provision of health facilities, education, drinking water and security have also been lagging. This imbalance is now manifesting itself in the region through growing feeling of discontent and frustration and a sense of injustice. We must make all efforts to dispel such negative and disruptive feelings, which can also drive the people, particularly a section of young and unemployed, to the path of extremism and other anti-national activities.

It should be a matter of concern to all of us that even six decades after Independence we have still not been able to ameliorate the standard of life of the disadvantaged sections of our population belonging to the ST and SC communities. I would urge for taking up some special programmes for the welfare of the SC and ST during the 11th Plan, perhaps on a mission mode. This needs to be given the highest priority. It is also necessary to have a realistic relook at some of the existing legislations like the Forest Conservation Act in the interest of our tribal communities so as to achieve a harmonious balance between protection of interests of the tribals as well as protection of our forests and environment.

We must also reorient our policies for the development of the minorities, who have contributed greatly to our economy and culture. It may be thought whether, on the lines of the tribal sub-plan or SCP, there could be a sub-plan for the minorities as well. A definite action plan for the welfare of minorities should form part of the 11th Plan. Such measures are also necessary to ensure that some of the misguided persons within this section of society are not led astray and exploited by anti-national and secessionist forces.

I have already mentioned about the imbalance of growth in the North-east region. The 11th Plan should give high priority towards development of basic infrastructure in the region, provision of telecommunication facilities right-up to the village level and optimal utilization of the power generating capacity of the region to meet the power requirements not only of this region, but also to contribute to the national energy security net. In this context I would also like to mention that we should not rely on the

Public Private Partnership model for the development of such infrastructural facilities in this region, particularly at this stage. Similarly, the **Build, Operate, Transfer (BOT) model** would also not be a practicable or viable option in this region for the infrastructure development effort. Adequate public funding should be provided for this purpose. We do appreciate the role that the PPP or BOT model could play and, therefore, it may be availed of in some selective cases where it is found to be implementable and acceptable, in line with the ground realities.

You are aware that Externally Aided Projects (EAPs) have as it is been quite slow to take off in the Northeast. Now one more impediment has been added by insistence of the Union Finance Ministry that the EAPs would be availed of on "back-to-back" basis. It must be appreciated that the NE States, already suffering from a poor resource base, would hardly find it feasible to accept such additional burden. Therefore, we would reiterate that for the NE Region, EAPs should continue to be made available on the existing 90:10 funding pattern.

Role of banks and proper credit mobilization is important for promoting investment in agriculture and related activities. The present Credit:Deposit (CD) ratio in the Northeast is very low and the banking sector has to take necessary measures to maintain this ratio at atleast 50% to ensure adequate credit flow for the primary sector.

The North-east Industrial Policy (NEIP), 1997 has expired. A fresh Industrial Policy for the Northeast region should be put in place at the earliest to attract and promote industries in the region. Benefits which are available under the NEIP should not be extended to other parts of the country, which can have their own special packages, as such extension only dilutes the benefits and rather discourages industry from coming to this region. I would also like to suggest that in the interest of industrial development of this region, those minerals and natural resources whose extraction takes place in the northeast, should be priced at a concessional system for being utilized in the region itself. This is bound to attract industry entrepreneurs.

Our Hon'ble Prime Minister has rightly been advocating a "Look East" policy. This region has a natural, locational advantage with the NE States having international boundaries with as many as 5 Southeast Asian countries. We should exploit this plus-factor and due emphasis should be given in the 11th Plan to develop facilities and the wherewithal to promote international trade to and from this region.

I have tried to highlight some of our major concerns and policy directions that we feel are necessary in providing the correct "**employment first, growth as an outcome**" orientation for the Approach to the 11th Plan. In so far as the more region-specific and State-specific issues pertaining to the 11th Plan are concerned, we have separately made known our requirements to the Planning Commission. I hope that the suggestions made herein would be duly taken note of.

Thank you.