

## **Speech of Shri D.D. Lapang, Chief Minister, Meghalaya**

**50th National Development Council Meeting on 21st December 2002 at New Delhi**

***Esteemed Prime Minister, Distinguished Members of the National Development Council and Friends,***

First of all, I express my gratefulness to the Prime Minister for convening this 50<sup>th</sup> meeting of the National Development Council to discuss and finalise the Draft Tenth Five Year Plan (2002-2007) of our great country. I am very happy that I have got this opportunity to attend and participate in this important meeting and at the same time to congratulate and express my appreciation to the Planning Commission for having prepared a remarkable Tenth Plan document, for which N.D.C's approval is being sought for now.

2. The target growth rate of 8 per cent of G.D.P. during the Plan period is no doubt an ambitious one, when it is compared to the overall growth rate of 6.7 per cent and 5.4 per cent which was achieved during the Eighth and Ninth Plan respectively. However I feel that an ambitious target for the Tenth Plan is essential if we are to achieve the immense potential which exists in the country, especially keeping in view the need of ushering in a faster rate of socio-economic development in our country to improve the well-being and the quality of life of our people and for providing employment opportunities to our ever increasing work force. As a nation, we need to gird up ourselves with determination so that we can mobilize all our resources and potential in an optimal manner and deploy them imaginatively so as to enable us to achieve the target. I therefore fully endorse the target of 8 percent growth of GDP during the Tenth Plan, ambitious though it may be. I firmly believe that it is not impossible for our great country to achieve the target if we all join together to work with determination and with one mind.

3. While looking into the statistics quoted by the Planning Commission in the Draft Tenth Plan document, it is seen that actual realization of investment targets during the Ninth Plan period in respect of both the Central Plans and the State Plans have been far below expectation. The reasons for this may be many. During the Ninth Plan our country had to face the overt threat of evil forces inimical to our nation. This led to an unexpected and unanticipated drain on our country's resources with the consequential pressure on scarce resources, with the Government and our national planners and policy makers having to divert the resources which had been

earmarked for developmental purposes to other more pressing commitments, keeping national interest uppermost in mind. This is perhaps one major factor which led to a situation in which actual realization of investment in respect of the nation as a whole came to 94 percent only during the Ninth Plan.

4. While this shortfall of 6 percent is quite substantial, in the case of my State of Meghalaya, the actual realization of investment has been much lower. Against the approved Ninth Plan size of slightly more than Rs.2500 crores at 1996-97 prices, the total expenditure during the Plan period at current prices is around Rs.1824 crores only. At 1996-97 constant prices, the investment made during the Ninth Plan in my State comes down to around Rs.1487.00 crores only which is 59 per cent only of the target of investment during the Ninth Plan. However, inspite of the low level of investment, it is heartening to note that as per Planning Commission's figures, Meghalaya has achieved a growth rate of 6.2 percent of GSDP as against a national growth rate of 5.4 percent during the Ninth Plan. In the matter of realization of investments targets, statistics indicate that other States also performed below the set target during the Ninth Plan. Given the economic scenario which existed, it is, therefore, natural that our national level investment would suffer a shortfall, leading to a consequential shortfall in the achievement of national growth rate to 5.4 percent during the Ninth Plan as against the target of 6.5 per cent. Our low level of performance during the Ninth Plan should impart a useful lesson while we are proceeding ahead on our path during the Tenth Plan. We have to take positive steps both at the national and State level to remove the deficiencies, improve our resource base, gear up our administrative systems and step up our investments so that we can achieve the targeted growth rate during the Tenth Plan.

5. From the time of its creation in 1972 till date, the State of Meghalaya has been endeavoring to move forward in the matter of socio-economic development and we are very grateful to the Government of India for extending generous and continuing support and assistance to the State through different agencies like the Planning Commission, the Central Ministries and the North Eastern Council. In spite of all attempts, however, the State is still lagging behind, when judged by the parameters of the Human Development Index and other socio-economic indicators. Among the States and UTs in the country, Meghalaya ranked 24<sup>th</sup> in Human Development Index, 21<sup>st</sup> in Index of social and economic infrastructure, 16<sup>th</sup> in per capita consumption of electricity, 25<sup>th</sup> in road density, 30<sup>th</sup> in per capita utilisation of credit, 19<sup>th</sup> in per capita income, 13<sup>th</sup> in Infant Mortality Rate and 24<sup>th</sup> in Literacy Rate. As

such, the State has to take appropriate steps to improve its position in all sectors and I request the Government of India to continue guiding and helping us in all our efforts to bring in faster socio-economic development in our State. We need to provide substantially more investment in power, roads, industries, education and health sectors and I request the Planning Commission to extend all possible assistance in this regard.

6. In the total absence of Railways and inland waterways, roads have to play a critical and pivotal role for transport of goods and services in my State. Although the road density has increased substantially from around 12 Kms per 100 Sq.Kms in 1971 when the State was born to around 33 Kms per 100 Sq.Kms in 2001, yet this is still far below the national level of around 75 Kms/100 Kms. As such, much remains to be done to bring up the State not only to the national level, but more importantly, to the level that agricultural and industrial development can be sustained and the necessary boost can be given to the rural economy. Due to this need of boosting the rural economy, the State Government had sanctioned a large number of road schemes during the Ninth Plan. Although my State has newly constructed about 750 Kms of roads and blacktopped about 500 Kms of roads during the Ninth Plan period, yet many sanctioned schemes remain incomplete due to the paucity of funds and have spilled over to the Tenth Plan. I request the Planning Commission to kindly consider special assistance to the State Government so as to enable us to complete all these spill over schemes by 2003-2004. This would be just and proper, considering that no investments have had to be made in the State so far for Railways and Inland waterways. In this connection, I may mention, that, the increase in road density has already led to a remarkable growth in the tertiary sector in the State's economy, and now contributes to about 59 percent of the State NSDP, and many of our young people could find employment in this sector. Road development is one of the top priority areas of the Tenth Plan in my State and maximum support from the Planning Commission is sought for.

7. There are 14 National Highways in the North Eastern Region, but the condition of almost all these Highways is very bad. There is an immediate need to improve and upgrade them so as to ensure the efficient and smooth transport of passengers, goods and services in the entire region. Assets created in this sector should also be properly maintained. However, funds normally available are quite inadequate as compared to the actual needs, thus leading to the deterioration of the conditions of the Highways with the passage of time. I, therefore, request the Government of India

to consider adequate funds for maintenance, repairs and upgradation of the existing National Highways in the North Eastern Region, which will bring in commensurate returns in the context of national development.

8. In successive Five Year Plans, poverty alleviation programmes had been implemented by the States mostly in the form of Centrally Sponsored Schemes for which policies and guidelines have been prepared by the Central Government. However, it is rather depressing to note, that, even after half a century of the implementation of such programmes, 26.1 per cent of our country's population and 33.87 percent of Meghalaya's population still remain below the poverty line according to 1999-2000 figures quoted by the Planning Commission. According to these figures, my State ranks 6<sup>th</sup> from the bottom in terms of the percentage of the States' population below the poverty line. As if this is not bad enough, the statistics available in my State indicate that the percentage of population below poverty line in Meghalaya was as high as 48.85 percent in 1996-97, and if we go by this figure, then the ranking of my State would go down perhaps to the bottom of the list of States. The existence of a large portion of the population below the poverty line reflects our weakness as a nation. As such, besides persisting in our endeavour to eradicate the ugly image of poverty from our nation we also have to make a careful study and evaluate the impact and success or failure of poverty alleviation programmes in the form that they are being implemented throughout the successive Five Year Plans. Till date, the implementation of anti-poverty programmes in the States are according to the guidelines framed by the Central Government, and I believe that these are often not in harmony with the actual conditions at the field level, thus, leading to a substantial under-achievement. As such, I would request the Central Government through this Council to ensure, that, while the funds for poverty alleviation programmes should continue to be earmarked, the detailed programmes and schemes by which the overall objectives should be achieved, may be left to the wisdom of the concerned State Governments, subject, of course to general parameters which may be specified by the Planning Commission and the Government of India. The policies and guidelines for poverty alleviation programmes should be made more flexible, if we are to .succeed in our goal of tackling poverty effectively in the shortest possible time, if we are to ensure the success of the programme, if we are to improve the financial condition of the large segment of population who are still below the poverty line.

9. Our country being the second largest in the world in terms of population is well

known for its large size of skilled and unskilled work force. Human resource is the most vital resource which any country or nation would need. As such, our large work force should be taken as an untapped asset which we should meaningfully utilize for ushering in development, peace and prosperity in our country. What we need is a visionary plan and strategy to deploy and utilize our vast human resources for the good of our nation. There is a common belief in the Khasi society that **'each and every child born into this world brings along his own bread with him'**. As such, we should have vision and far-sightedness in tackling the problem of unemployment. In our small State of Meghalaya, we do feel the pressure of unemployment, especially from the educated unemployed youth. To tackle this problem we need to provide a higher level of investments so as to create employment opportunities thereby generating sustainable income, especially in the private sector, since employment in the Government and public sector is already saturated. Investment in this sector would yield manifold returns, and I request the Planning Commission and the Central Ministries of the Government of India to kindly ensure that adequate funds flow from the Centre to the State for productive investments, both in the public and private sectors so as to boost economic activities and create employment opportunities to the youth.

10. The North Eastern Council in its recent meeting had the opportunity of discussing the idea of an economic zone for the North Eastern Region. While a lot of issues and modalities still need to be discussed, I feel that this may perhaps be a good idea, if sound economic policies, strategies and activities can be ensured in an integrated manner for the homogeneous economic development of the North Eastern Region. As I have mentioned in the meeting of the North Eastern Council, this matter may be examined and studied in depth by an expert agency in consultation with the North Eastern Council, the North Eastern States and the industrial/ business houses. The Government of India is requested to look into this.

11. During the last N.E.G. Meeting, I had also mentioned about the need to launch air link services between all the State capitals of the North East by using 50-seater aircrafts as a means of improving the communication both in the region itself, and with the rest of the country. I am happy that this dream will become a reality, since inauguration of the air services will be made very soon.

12. Meghalaya has an enormous hydro-electric potential estimated at around 2500 MW, whereas, the installed capacity of Power projects in the State is 186 MW only.

According to a survey conducted by the Brahmaputra Board, a 2x450 MW Hydel Electric Project on Kynshi river in West Khasi Hills District of Meghalaya could be taken up without submerging any cultivable land and without displacing any section of the population. I request the Government of India to kindly look into this and to find out ways to tap this power potential urgently for feeding our power hungry economy both at the State and national level. It may be mentioned that Meghalaya which was once a power surplus State has now become power deficit to the extent of 100 MW as at present, and this is likely to grow in the near future. Unless there is a conscious decision for Central intervention to speed up implementation of Power Projects in the State especially the 2X42 MW Myntdu Leshka HEP, which has already been cleared by the Ministry of Forest and Environment, the power scenario in my State is bleak.

13. The agreed Tenth Five Year Plan of Meghalaya is Rs. 3009.00 crores. According to the approved scheme of financing of the Tenth Plan, 50 percent of the resources will come in the form of Normal Central Assistance, 20 percent in the form of Loans to be raised by the State Government from financial institutions and about 10 percent through Additional Resource Mobilisation(ARM). As my State has a narrow resource base, availing of heavy Loans from financial institutions would add to the already huge debt burden of the State and will have a negative effect on the fiscal health of the State. As such, I request the Planning Commission to kindly find out ways and means to increase the Normal Central Assistance for financing our State Plan. The Planning Commission has fixed a growth rate of 6.3 per cent of GSDP for Meghalaya during the Tenth Plan period as against the actual growth rate of 3.8 per cent and 6.2 per cent during the Eighth and Ninth Plan respectively which is possible to achieve, subject to adequate resources being made available.

14. By and large, the Centrally Sponsored Schemes are funded in the pattern of 75 percent Central Share and 25 percent State Share, but most of the States especially the Special Category States cannot fully avail the Central Share of the funds in respect of the Centrally Sponsored Schemes and programmes because of their inability to provide 25 percent State Share. I would, therefore, request the National Development Council and the Planning Commission to kindly review the pattern of funding of Centrally Sponsored Schemes and Programmes to 90 percent Central Share and 10 per cent State Share to enable the Special Category States to avail to a greater extent than at present, the Central funds under the different Centrally Sponsored Schemes and thereby, bridging the developmental gaps between these

States and other regions of the country.

15. Before winding up, I would like to state that we have full confidence in our esteemed Prime Minister to kindly continue in his efforts to meet the genuine aspirations of different sections of the country's population, and, in particular, the tribals of the North Eastern Region.

I wish the deliberations of this Council all success.

Thank you.

**JAI HIND**