

## **Speech of Shri Zoramthanga, Chief Minister, Mizoram**

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

**Respected Prime Minister, Deputy Prime Minister, Deputy Chairman of the Planning Commission, Union Ministers and my distinguished colleagues.**

I am extremely happy to participate in this momentous session of the National Development Council where we shall be deliberating on concerns and commitments as well as policies and programmes of the Tenth Five Year Plan. We have seen that the strategies adopted and interventions provided to the growth process of the country by successive Five Year Plans have indeed brought about significant changes in the quality of life of the general public of the Nation. It is also perceived, with a sense of satisfaction, that the interventions provided by the Planning Commission have been successful in raising literacy, in providing better health and social infrastructure and above all, in bringing down the poverty level of the countrymen. The nation's economy has all along been on the path of growth. I congratulate the policy planners of the country for all these achievements.

As far as the Tenth Plan strategies and interventions are concerned, I seek to invite the attention of the National Development Council to these basic issues:

### **1. Peace and stability:**

The distinguished members of this august Council will agree that peace and stability are the two first and foremost requisites for all kinds of development. We have seen that there are growing tensions between different interest-groups based on party lines, and based on caste, creed and religion. In many areas, disgruntled groups have taken up arms and many secret operatives are engaged in destructive activities, extortion and in mafia-type subjugation. A fairly large section of our innocent population are suffering miserably due to these conflicts. North-East Region, with all its ever-existing geographical constraints, are the worst sufferers on this count. Therefore, I invite the National Development Council and the Government of India to • seriously address, for the sake of steering the sails of development, the issues of conflict-management. Reduction of conflict should, therefore, form an integral part of

the development process of the Government of India and the State administrations. In the cases of the NER, all potential investors are shied away by the insurgency regime and projects are hampered by extortions and kidnapping. Foreign donor agencies and foreign inventors never got attracted to the region.

## **2. Growth and poverty-reduction targets:**

The Planning Commission is aware that the growth rate of many of the States including the North-East Region states will remain far below the national growth-target of 8%. There are insurmountable hurdles. Development of industries in the North-East Region has remained far from being satisfactory. Credit-Deposit Ratio is miserably low, communication is poor and our relations with potential neighbours are always fragile. The much-needed economic corridor linking mainland India with the NER through Bangladesh is played down due to our low-level of relations with Bangladesh.

The Government of India, in fact, needs to seriously address these issues for bringing about higher level of economic growth of the NE region. Our targeted objectives of 15 percentage point reduction of number of people below poverty-line also will get defeated if these issues are not addressed with all seriousness and professionalism. In fact, Planning Commission should consider constituting a special commission, on the pattern of Shukla Commission, to examine all these critical issues.

## **3. Development of NER and access to South Asian countries:**

There is no denying that development of NER in real terms can only be achieved through accelerated trade accesses and linkages with South Asian countries. The mandates of SAPTA agreements can only be achieved if we accelerate our process of development of road - rail - water links with our neighbouring countries like Myanmar and beyond leading us to the prospective Asian economic giants like Thailand and Malaysia on the South-east and like China on the North-East. Therefore, I request the Government of India to set aside a special corpus fund for road - rail - water ways development projects with this ultimate objective. The RITES projects for providing multimodal access to Myanmar from India should also receive adequate attention.

## **4. Prime Minister's package for North-East Region.**

The initiatives taken by the Honourable Prime Minister for accelerated

development of NER should receive focused attention of the Government of India. The policy supports of December 24, 1997 also needs to be widened and deepened. The level of Central assistance, available to development of major projects like IGC/EPIP/Food Park/Agri Export Zone under the existing central guidelines, fixed a decade or so ago, also needs a review for upward revision. I invite the Planning Commission to call for a summary review of all these schemes of assistance for the North-East Region. On-going IGC and EPIP of NE, even though merged under or proposed to be merged under a new scheme of ASIDE should be allowed to receive uninterrupted assistance of Government of India at the same or augmented levels.

#### **5. Literacy and Unemployment:**

The literacy percentage in Kerala and Mizoram is much above all other states of India. Consequently, the problem of providing employment to the educated youths of the states is of greater dimension than anywhere else. In fact, Mizoram has already experienced a very heavy backlog of unemployment among the educated youths and the problem has further confounded by lack of investment in the state and the gradual down sizing of the Government machinery. Therefore, there is a necessity of evolving a separate planned programme for addressing the problem of unemployment among educated youths of India. We have already witnessed that telling effects of unemployment on the youth of the North-East Region where a large section of them have already drawn into the insurgency profile of the North-East Region.

#### **6. Maintenance of assets:**

The State Government fully endorse the suggestion of the Planning Commission that adequate attention should be given to the problem of maintenance of various assets created during the earlier Plan periods. It is a fact that many of the larger and economically viable states have enough scope of raising their own resources for maintenance of such assets. However, most of the North East States including other Special Category States have very little resource base and are not in a position to generate enough revenue through user-charges for maintenance of such assets. On the other hand, the funds calculated by the Eleventh Finance Commission for maintenance of such assets have been found far too little for providing effective maintenance. I would sincerely suggest that the Planning Commission may review this matter, if necessary, in consultation with the Twelfth Finance Commission for providing

adequate support to alleviate this particular problem faced by the North East States. Alternatively, the Planning Commission may even consider setting aside a certain percentage of Plan Fund for maintenance of such capital assets.

#### **7. Agriculture and Horticulture Development:**

It is heartening to know that the Planning Commission has appreciated the necessity of adopting a new Agricultural Policy based on careful assessment of current constraints and possibilities. This approach is most pertinent to the problems of agriculture and horticulture development of the North-East Region, whose inherent potentialities in these areas are yet to be properly tapped and utilised. Though the area is deficient in foodgrains, there are congenial conditions for growing agricultural and horticultural crops. Mizoram is also highly suitable for agriculture and horticulture development. If adequate attention is given to these fields, there is every scope of doing away with the wasteful slash and burn system of cultivation of the North-East Region.

#### **8. Industrial Development:**

The entire North East in general and Mizoram in particular is far behind in industrial development. In Mizoram, there is no medium and heavy industry. The constraints of communication, the poor CDR Ratio, the insurgency factor, low level of entrepreneurship and power deficiency are some of the critical factors for this state of affairs. As such, it is necessary to have a complete review of the industrial policy of the North-East Region vis-a-vis the special initiatives taken by the Government of India by announcing the new industrial policy for North East Region in December, 1997. The initiatives needs to be deepened and broadened. The existing EXIM Policy should also give special focus to the problems of export-import to and fro the North-East Region. The Planned initiatives of the Ministry of Commerce and Industries should lay adequate emphasis on this matter.

#### **9. Rationalisation of cost-sharing formula between Centre and the State:**

We have pleaded, time and again, that the existing cost-sharing formula for funding different projects from the Centre and State resources are varied and wide between 50:50 to 90:10 ratio. This disparity needs to be rationalised in favour of the special category states by adopting a uniform ratio of 90:10 for all kinds of projects

under Centrally Sponsored Schemes. The National Development Council and the Planning Commission may give due consideration to this suggestion. This will also help the States which are suffering from lack of resources and lack of infrastructure in comparison to the larger and economically stronger states of the Union.

**10. Penetration of liberalisation to the North East Region:**

The small states of the North East Region, which do not have much scope of inviting investment and whose products and produces do not have much scope of exporting outside the region, have not yet been able to draw the benefit of the policy of liberalisation of Government of India. In fact, in the fields of infrastructure development and industrial development, it is rather perceived that the liberalisation policy has deprived the North East Region from the Government controlled installations and industrial development in the region.

**11. State Share of power from Central Power Project:**

Under the existing arrangement, the owner state is entitled to receive 12% of total power generated from power projects under the Central sector. This needs to be re-examined by National Development Council as well as the Government of India for enhancing the share at least upto the level of 20%. The enhancement will also conform to the special focus given to the North East Region by the Government of India.

**12. Flexibility in sectoral allocation and earmaking:**

It has been observed that Planning Commission has been rather too rigid in making sectoral allocations and in earmarking of funds. Such rigidity has left the States with no scope of marginal adjustments from one sector to another. Presence of too many "earmarked sectors" in the scheme of financing has a similar implication. Planning Commission is, therefore, requested to exercise some element of flexibility in sectoral allocation and allocation in respect of "earmarked sector". The existing Central guidelines for various schemes should also contain similar flexibility to suit the local or regional requirements.

**13. Augmented Plan size:**

The Planning Commission has, of late, incorporated some of the centrally sponsored schemes and special area schemes like BADP, PMGY etc. within the ambit

of the total Plan size of the State, as a result of which, the plan size gives an impression of being augmented. In this process, the actual Plan size vis-a-vis the size of the yester years hardly get augmented in physical terms. It is, therefore, necessary to place such allocations of special nature outside the normal Plan size. The Planning Commission is requested to reconsider this matter with greater perspection.

**14. Peace Bonus under Non Lapsable Pool of Central Resources:**

The Honourable Prime Minister had approved the Reports of the Group of Officers constituted by the Ministry of Finance for award of Peace Bonus to Mizoram both under Plan and Non-Plan budgets. While the Government of India has fully honoured its commitments of awarding Peace Bonus under Non-Plan funds, its commitments under Non Lapsable Pool of Central Resources have yet remained to be fulfilled. The interpretation of DONER and the Planning Commission of Peace Bonus award regarding the amount to be sactioned per year under Plan is not found to have been correct, as a result of which, the State of Mizoram has been deprived of a substantial amount of resources for its development programmes. This matter needs a thorough examination for honouring the commitments of the Government of India.

**15. Special attention for Bamboo utilisation:**

Bamboo constitutes one of the largest natural resources of the State of the North-East Region in general and of Mizoram in particular. A well tailored policy and programme needs to be formulated for making the best use of this resource for providing additional thrust to the economic development of these bamboo-rich states of North East Region. Bamboo-related special projects, therefore, should recieve special attention of the Planning Commission for providing necessary funding.

With these observations, I express my thanks to the Hon'ble Prime Minister for giving me this opportunity of sharing my views in this august platform.

Thank you.