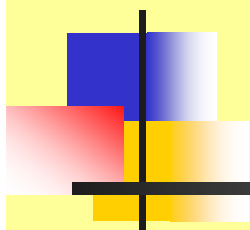


# Peace, Progress and Prosperity in the Northeastern Region: Vision 2020




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The ideas, which are here, expressed so laboriously are extremely simple and should be obvious. The difficulty lies not in the new ideas, but in escaping from the old ones, which ramify ..... into every corner of our minds (Keynes, The General Theory, 1936).

# Scheme of Presentation




## Introduction

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- A profile of NER.
- Vision of peace and progress towards prosperity.
- Six interdependent components of strategy.
- Constraints
- Concluding remarks

# Introduction

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- The Concept of Northeastern Region.
  - The trauma of partition.
    - Landlocked region;
      - Cut-off from the natural transportation routes;
      - Distant “mainland”; narrow corridor.
      - Surrounded by not too friendly neighbours.
      - Seclusion – backwardness;
      - Poor governance and insurgency.
  - People have a vision – the vision of peace and progress towards prosperity.
  - The document attempts to present the vision 2020 and strategy to achieve it.
  - The vision has been articulated on the basis of the our own research, results of the survey conducted by the NEC, interactions with the stakeholders, contributions by the Steering Committee, the views articulated in public hearings.
  - The document presents the vision, the goals, approach and strategy required to realise the vision.

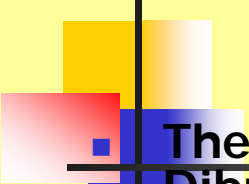
# Northeastern Region: A Profile

- Geo-political, geo-cultural and geo-strategic concept of Northeastern Region.

## ■ Characteristics:

- 262179 sq. kms; 7.9 percent of area and 39 million people (3.8 percent) . Predominantly rural (80%).
  - Significant tribal population – home to 200 of 635 tribal communities; constitute over a fourth of population in the region.
  - Variation in size – Assam the largest (2.67 crores); Sikkim is the smallest ( 5.4 lakhs) .
  - 68.5% literate (64.8 percent in India); 61.5% female literacy (53.7%);
  - Biodiversity hotspot; 52% forest cover; Brahmaputra-Meghna river systems and small rivulets;
  - Frequent recurrence of floods and bank erosion.
  - Low market development
  - Very little manufacturing activity – whatever exists is in Assam.
  - High poverty levels; Planning Commission's estimate are based on NSS Survey in Assam.
  - Low per capita income levels; 62 per cent of the national average.

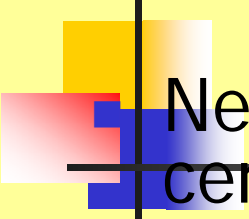
# Northeastern Economy: Salient Features

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- **The region was in the forefront of development 150 years ago; Dibrugarh – Chittagong railway; tea gardens and export of tea (1838); discovery of oil and establishment of Digboi (1890); Missionaries and literacy. Indeed the British exploited the potential for their benefit. We need to harness the potential for the benefit of the people.**
  - **The trauma of partition: Took the economy backwards; land-locked and remote; severance with natural transportation routes. Isolation, quest for ethnic identity; poor connectivity and lack of progress leading to insurgency;**
  - **Lagging in percapita income (38%); In 2004-05 per capita income varied from Rs. 15924 in Sikkim to Rs. 7513 in Assam. Divergence over time.**
  - **Lopsided structure of income – government spending dominated economic activity;**
  - **Less than 8% potential power generation and less than one-third of national average consumption; high unemployment rate despite high literacy; high incidence of poverty; lack of people's involvement in planning.**

# Vision: Peace and Prosperity in NER

- Catching up to level the incomes: Assuming national GDP growth at 9%, GSDP in the NER should grow at 12.95 % or percapita GDP at 11.6 %. Gradual acceleration in the average annual growth rate to 10%, 13.67% and 16.64% in 11<sup>th</sup>, 12<sup>th</sup> and 13<sup>th</sup> Plan Periods.
- Intra-NER spread: Assam needs to grow the fastest (14.85%) followed by Manipur (12.87)
- Structural transformation: From government based economic activity and subsistence agriculture to sustainable agriculture, manufacturing and service sectors to productively harness the resources of the region. Increase in productivity of agriculture, manufacturing and non-governmental services and a secure climate for investments.
- Eradication of poverty.
- Human development and achieving MDGs.
- Empowerment of the people including the disadvantaged sections— Maximum self governance to determine their own destinies. Sense of participation and belonging.
- Effective governance – peace and harmony - to create a sense of belonging;

# Components of the Strategy



Need for a shift in strategy to achieve people-centric development.

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- Six inter-related components of the strategy:
  - Empowerment of the people for participatory governance and grass-roots planning;
  - Rural development through acceleration in agricultural growth and creation of non-farm employment opportunities.
  - Developing sectors with comparative advantage.
  - Capacity development of the people and institutions;
  - Creating an investment climate in the region: Infrastructure and connectivity; "Look-east" policy
  - Resources for development- Augmenting public and private investments.



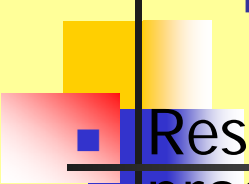
# Empowering People to Govern and Plan

- Need to maximise people's participation;
- Mix of areas covered by Panchayati Raj institutions and Sixth Schedule areas; Nagaland is governed under Article 371-A.
- Total rural local bodies – 7561; Gram Panchayats: 5106; VDCs: 2023; Intermediate Panchayats: 376; DPs: 47; ADCs: 9.
- Activating people's participation in village development councils, district development councils and Area development councils. Harmonise the work of development institutions with the traditional institutions. Communitisation.
- Standardisation of the functions of Regional autonomous councils with minimum assignment given to Panchayati Raj institutions.
- Grass-roots planning - build planning from below for efficiency and accountability; provision of public services according to people's requirements.

# Areas Not Covered Under Panchayati Raj Institutions

State/Area within a State	Provisions under which exempt
Nagaland	Exempt under Article 243M and not covered under Sixth Schedule
Hill areas of Manipur	
Meghalaya	Exempt under Article 243M and covered by the provisions of the Sixth Schedule
Mizoram	Exempt under Article 243M, with some areas of the State covered by the provisions of the Sixth Schedule
Bodoland, North Cachar and Karbi Anglong districts of Assam	Covered under Sixth Schedule
Parts of the hill district of Darjeeling, in West Bengal, covered by the Darjeeling Gorkha Hill Council.	Exempt under Article 243M of the Constitution.

# Responsive Administration

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- Responsive and proactive administration is critical to progress.
  - Ensuring peace for development: Need to control insurgency. Mizoram, Sikkim and Tripura are free from insurgency. Need to have solution to insurgency in Assam, Manipur, Nagaland.
  - Network of connectivity, focus on social interaction, and acceleration in development are the keys. Solutions to the problems should be found in an accommodating environment.
  - Need to provide corruption free administration.
  - Participatory governance by activating Panchayati Raj. Strengthen traditional institutions for public service delivery.
  - Media should play an important role.

# Rural Development and Increasing Non-farm Employment Opportunities

**Primary sector: Different plans for plains and hills.**

- **Single crop and low productivity; high acidity in land; Jhum cultivation in hills; subsistence agriculture;**
- **Need to increase production to 110 lakh MT by 2020 acceleration in the growth from to 2%, 3% and 4% in phases – increase in productivity from 1520Kg/ha to 1650Kg/ha.**
- **Plains: increase cultivable area and crop intensity; adoption of short duration high-yielding varieties; balanced use of fertilizers; balance acidity;**
- **flood control and strengthening embankments is critical to agricultural growth;**
- **Hills: Reduce the crop cycle; work with the tribals to take up improved farm practices and create market for their products wean away from jhum; horticultural crops; strengthening rural infrastructure; IFAD experiment in Manipur; Need for private investment.**
- **Focus on rural infrastructure and extension activities;**
- **Development of handlooms and handicrafts and other non-farm activities; skill development.**

# Developing Sectors with Comparative Advantage

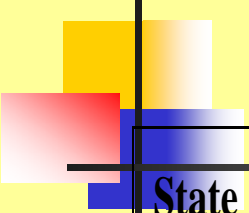


## **Manufacturing Sector:**

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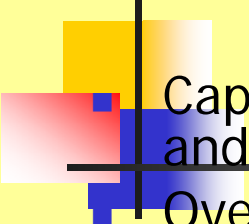
- Agro-processing industries;
- Handloom and handicrafts: Silk industry.
- Cement – oil and bamboo based industries;
- Utilisation of hydroelectric potential. and its use in manufacturing
- **Non-governmental services:**
  - Tourism and cultural rejuvenation;
  - Music and dance carnivals;
  - Adventure tourism;
  - IT development – BPO promotion;

# Comparative Advantage in Agricultural Products in Different States



State	Products
Arunachal Pradesh	Small millet, maize, ginger, pineapple
Assam	Tea, rapeseed and mustard, sugarcane
Manipur	Chillies, rice, ginger, pineapple
Meghalaya	Ginger, potatoes, sesamum, pineapple
Mizoram	Ginger, maize and sesamum
Nagaland	Small millet, maize
Sikkim	Maize, ginger, potatoes
Tripura	Natural rubber, coconut, bananas, pineapple

# Capacity Development

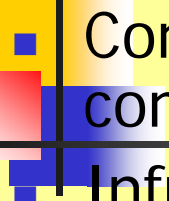


Capacity development – necessary for participatory development and structural transformation;

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- Over 40 % of the population is young and the focus should be on them; Particular focus on capacity development of women and socially disadvantaged sections.
- Primary sector: improved agricultural practices; extension; skills required for commercial farming; horticulture;
- Vocational education and skill development and employability; self – employment skills; focus on agro-processing, IT, paramedical services, bio-technology, entertainment and hospitality.
- Involvement of youth in productive economic and social activities; focus on sports, cultural festivals and carnivals.
- Capacity development of institutions for governance and planning: Panchayati raj institutions, autonomous councils and state governments. District and State officials; Upgrade NEC as a full fledged planning agency to coordinate inter-state developmental issues.
- Capacity development of governmental agencies.

# Infrastructure and Connectivity

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- Connectivity is critical to market access, mobility, controlling insurgency and social interaction.
  - Infrastructure is a major constraint for development. Rail, road and air connectivity is poor and the region is land locked.
  - Need to speed up execution of central master Plan. Completion of rail connectivity between state capitals. New trains between Guwahati and New Jalpaiguri and extension to Sabroom. Activating the 9 old airstrips.
  - Activating inland waterways. Access to Chittagong port. Bridge across Feni River
  - “Look – east from the NER. Development of infrastructure at border posts – fostering trade with China and ASEAN countries.



# Infrastructure



## Transport:

- **Roads:** Phased development of National Highways, Major district roads and state highways; 2966 Kms in addition to the 7616 kms.

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- **Railways:** Bogibeel rail bridge commissioned in 1996 started in 2002. Benefits – Assam, Meghalaya and Aru. Pradesh. Jiribum section; Dimapur to Kohima; Azara to Bunnia; Kumaraghat to Agartala.

- **Bridges across** North and South Guwahati; Dhola and Sadia; Jorhar and North Lakhimpur; Dhubri and Phulburi.

- **Air:** Connecting all state capitals. Guwahati as the hub;

- **Inland water:** Need to expand Indo-Bangladesh protocol to cover passenger transportation.

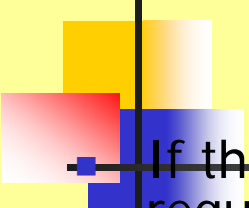
- Aricha – Dhulian – Rajsahi – Dacca route to reduce distance between Kolkata and Northeast. Giomti – Meghna to foster Tripura – Bangladesh trade; Tizu – Chidwani - Irrawady between nagaland and Myanmar. Activation of the routes specified in IWT Transit and Trade Protocol between India and Bangladesh

- **Power.**

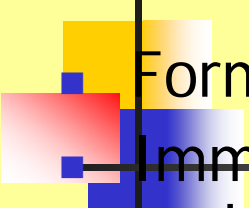
- **Telecommunication;**

- **Information Technology**

# Resources for Development

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- If the growth rate has to be accelerated to 12.95% investment requirements are large.
  - Total investment required is estimated upto 2020 is estimated at Rs 1,156,785 crore at 2006-07 prices. Much of this has to come from the private sector.
  - Strengthening infrastructure by augmenting public investment and private partnership. Large part of the infrastructure requirement has to come from the government. Quantum jump in public investment is required.
  - Creation of enabling environment for private investment.
  - Significant increase in investment by the Central government in highways, railways, airports etc.
  - Need to augment own resources for social sector development;
  - Despite creation of non-lapsable pool based on Shukla Commission recommendation the actual investment has not been adequate;

# Constraints



Formidable challenges

- Immediate diplomatic initiative to have a better understanding with Bangladesh to activity inland waterways and access to Chittagong port; with China to improve trade and to monitor water flow into Brahmaputra; with Myanmar to secure road connectivity to Southeast Asia and improve trade. Focus on Regional development.
- Fear of terrorist groups.
- Initiatives to interact with insurgent groups.
- Creating enabling environment for private investments.
- Sharp increase in public investment in infrastructure and social sectors.

# Concluding Remarks

- There is no other choice but to develop the NER.
- The six components of the strategy should be implemented simultaneously.
- Activating the local institutions for participatory development process.
- NEC and DONOR have to focus on infrastructure development and capacity building in a coordinated manner and in collaboration with the respective states. The State development reports of individual states provide the way forward to harness the resources in each of the states.
- Diplomatic initiatives by the MEA to engage in mutually gainful transportation networking. Involvement of NER States in fostering relations with neighbouring countries.
- Initiatives to engage with insurgent groups by the Home Ministry.
- Needs a paradigm shift in the approach to relationship with the neighbouring countries.
- Reorientation of development strategy. Need to upscale initiatives like social livelihood project (IFAD). Use the hydroelectric potential for development. Flood control.