

SPEECH
OF
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HONORABLE CHIEF MINISTER
MIZORAM

AT
THE 54TH MEETING
OF
NATIONAL DEVELOPMENT COUNCIL
IN
NEW DELHI
ON
19TH DECEMBER, 2007

Respected Prime Minister, Deputy Chairman, Planning Commission, esteemed colleagues, Senior Government Officials, ladies and gentlemen.

It is a great pleasure for me to participate in this 54th National Development Council meeting today and I believe our deliberations at this Council will have a fruitful outcome. I am glad that this important occasion gives me an opportunity to offer my comments on some of the economic development issues of the country which relates to the North East Region as well as Mizoram.

I am happy to share that our State economy in terms of GSDP is improving as we are entering into the second year of Eleventh Five Year Plan. During 2006-07, the growth of GSDP of Mizoram was 4.67% which increased to 6 % during 2007-08. We all endorsed the central vision and the broad vision of the Eleventh Plan. The 11th Five Year Plan however offers us a challenging job, particularly in view of the annual targetted GDP growth rate of 9% per annum. This exercise of rapid and more inclusive growth calls for not only more efficient use of available resources but also additional mobilisation of resources. What I would like to raise first in this Council is that, Mizoram has the potential to grow at the rate of 9 % if timely and right investment is made.

I shall begin with the areas of concern to us.

Food / Livelihood Security & Bamboo Flowering: Before delving on the various factors that are perceived to be detrimental to the economic growth particularly in the agriculture sector in my state, I must open my remarks with the major issue that confronts us today i.e. the onset of bamboo flowering in the state which has begun to adversely impact upon the food grain production and food security of my small state. The overall food grain production of the predominantly subsistence farming economy is expected to fall far below the 50% mark which has already triggered a famine like situation in a large part of the state today. Needless to say, this has caused a huge jolt to productivity in the agriculture sector and particularly in the food

grain production of our state - which is characteristically still deficient in many areas – institutional, infrastructural, technology, and basic delivery mechanisms in the sector. Though, the average production in rice during 10th Plan period was 1.64 Mt/Ha, there has been a sharp decline in rice production during 2006-2007 with an average yield at 0.55 Mt/Ha. This sharp decline in rice production has resulted from none other than the onset of bamboo flowering in the state which is characterized by phenomenal increase in pests and rodent population causing large scale damage to our food crops.

The report of the *SUB COMMITTEE ON NDC ON AGRICULTURE AND RELATED ISSUES* has amongst other things pointed out the major factors that have impeded growth in the sector. Of the issues raised, some of the findings are pointedly relevant to the NE Region and particularly in the context of Mizoram.

On-Farm Development (Land Development): With a view to enhance productivity in production of food grain, bringing more potential areas under wet rice cultivation through land development efforts needs to be given a serious consideration. We have taken initiatives in this front, however much remains to be done as this involves considerable intervention in terms of resources and manpower.

Project Area Connectivity : Appreciating the need to strategize on pooling of resources through convergence of various program components to address the essential infrastructure needs, initiatives to dovetail programs of developmental departments especially Rural Development with that of the Agriculture and allied sector have been made. Connectivity requirements including *potential area connectivity* are met from available resources from plan grants and central sector as well as sponsored programs. Yet large gaps continue to remain.

Low Level of Farm Mechanization: Farm mechanization is perceived to be a crucial component in the strategy for enhancing farm productivity. Characterized by low population density and inadequate manpower availability for effective farm handling, appropriate application of mechanized tools and machinery is expected to contribute to a more efficient management of the present holdings especially in the lowlands and wet rice cultivation areas of the state.

Water Resource Management: Agriculture in Mizoram is typically rainfed. The state receives heavy rainfall from May to October 2007. *Water Harvesting structures* coupled with *Micro Irrigation* through Drip and sprinkler systems will effectively increase productivity especially in the dry spell period. As a matter of fact this can be said to be a prerequisite for multiple cropping. Besides, with individual rain water harvesting structures and micro irrigation systems in place, the process of settled farming will be facilitated. This would be particularly true for the majority of farmers with small holdings. The recommendation for Rain Water Harvesting at individual farm level is indeed most welcome but I see this as an immediate short term need rather than a long term measure. (The Sub-Committee recommended *Rain Water Harvesting at Individual Farm level* as a long term measure). Preferably, in the case for Mizoram this program can be effectively dovetailed with the Minor Irrigation programs. What is needed is adequate intervention in terms of resources through appropriate policy adoption.

Technology Application: The need for new generation technologies and their effective application is indeed very crucial. However, I for one do not quite endorse the idea of setting large discipline-specific Research Institutions in different states in the NE. Institutional arrangements must be made such that in each state a fully loaded yet appropriately scaled Institution/Center catering to the whole gamut of the agriculture and allied sector ought to be instituted. Further, while largely depending on the ICAR and State Level Institutions, some flexibility must be allowed such that fully integrated A to Z Hi-Technology application through contract scientists or

consultants/firms of the choice of the State Government is facilitated. I would also like to make a point here that application of technologies and agriculture practices in the NE Region has close affinity with those of the farming communities of the South Eastern having close ethnic and cultural affinity. Geographical contiguity and cultural compatibility is a case in point which could be taken advantage of through sharing of systems and practices both traditional and modern.

Market Linkages for Agriculture/Horticulture Produce : Although there are a number of other pertinent issues which I would have liked to touch upon in this session, I shall restrict my comments on the point on Market Linkages and the role the Central Government can play in facilitating the link. Although APMC amendments and application of the new norms would lend a great extent in linking buyers with the organized contract farming societies, the process of seeking out reliable and trustworthy buyers, exporters can best be identified and facilitated with central government intervention. Forums and meets have proven to be fruitful and the NE-Business Summit was one such positive step. Other arrangements of the nature as well as North East specific programs would be most welcomed. Action plans proposed in the agriculture sector on a regionally differentiated model is indeed a positive step taken by the Government of India. The programs and schemes that may emanate from such action plan should however take due cognizance of the regionally different cost norms on the scheme components.

Communication (transportation bottlenecks): One of the conspicuous factors that were spelled out as region specific constraints in the sub-committee report was on poor communication infrastructure. I cannot more than agree to this. It would be acknowledged by all discerning that any agri-business plan for the State would be seriously confronted with this restrictive factor. The fate of any PPP arrangement would also largely be governed by this factor. The Center and the Planning Commission is well posted on the matter and positive steps towards the right direction are being taken with long term action plans drawn to address the issue. However, the

recommendations are, as mentioned, *long term* in nature. With the target of raising incomes in the agriculture sector, certain policy intervention would need to be hastened to facilitate agriculture production & agri-business activities for the current 11th Plan period if we are to achieve any significant growth in the sector during this period

Border Area Development Programme : Mizoram is sandwiched between Myanmar in the east (404 Km of border) and Bangladesh in the west (318 Km of border). Considering the entire breadth of the State, it is a border State. As such, the State in its entirety should be eligible for the BADP instead of selecting certain blocks as is being done at present.

4-Lane road to connect the State Capital Aizawl from Silchar: The proposed East-West Expressway corridor terminates at Silchar and 4-lane road has been proposed from Silchar to Aizawl to further connect the State Capital of Aizawl under the Ministry of Road Transport project NHDP-III. The project is entrusted to National Highway Authority of India (NHAI) and ground survey also has been done. However, the progress is very slow and it needs to be accelerated. Mizoram being at the extreme corner of the country and with a very limited means of communication, it badly needs a good road communication with the rest of the country to do away with the feeling of isolation and to bring all round development of the State.

Multi-Modal Transport Route via Myanmar: A Multi-Modal Transport Route between Kolkatta port and Mizoram comprising of sea route from Kolkatta to Sittwe (Akyab) in Myanmar, a river route from Sittwe to Kaletwa and a land route from Kaletwa to Mizoram linking NH-54 has been proposed. This transport route is expected to benefit the whole North-Eastern Region. The cost of transportation of essential commodities from the rest of the country to the North Eastern region will be substantially reduced and the route will provide an alternative link to the only existing link through the chicken neck between the states of Assam and West Bengal. In addition, this route will open up an International trade route to the North

Eastern Region through Myanmar. The Government of India may accelerate the process to materialize this proposed Multi-Modal Transport route.

Power : In spite of a vast potential for power generation, Mizoram has no substantial generation of its own and depends on power supply from Central Sector Power Station in the North Eastern Region. At present, the only sources of generation are Mini / Micro Hydel Projects which generate 4MW – 5MW. Due to high cost of fuel, the 22.9MW Bairabi Thermal Power Plant is used as standby to supplement power shortage. At present, the peak load restricted power demand is about 50MW. Thus, to meet the increasing demand of power supply and to bridge the gap between power generation and power utilised within the State, few hydel projects such as Tuirini Hydel Electric Project, Tuivai Hydro Electric Project and Bairabi Dam Project and Tuirini Hydel Electric Project are on the agenda. The implementation of these projects will ensure uninterrupted quality power supply to the remote areas of the State which is not available at present. Once reliable power supply is ensured, there is a possibility for all-round development in sectors like water supply, irrigation, small scale industry, agriculture, horticulture, etc.

Water Supply : Mizoram made great achievements in the Water Supply sector with the generous help of Government of India. However, recently we are facing problems in carrying out operation and maintenance of water supply schemes throughout the State. The present system of water supply has been deteriorating due to ageing of pipelines, machineries and equipments, thus decreasing the capacity as per design. The high head pumping and burying of pipe into the acidic soil along the steep gradient results in higher capital investment. The State Government alone cannot withstand this due to limited State resources. I cordially request, Government of India to extend all possible helps in providing safe drinking water and improving sanitary facilities for the North Eastern States in the cost sharing pattern of 90:10 during the 11th Five Year Plan.

Tourism : Tourism is the sector where Mizoram has a comparative advantage because of its cultural, church activities and natural diversities. Mizoram, which is richly endowed with natural resources, diverse flora and fauna, beautiful topography could be the major tourist destination in future, if the right environment is created. In the meantime, Tourism sector facilities should be developed taking the entire North East Region as one unit. There is a need to develop easier access to tourist destination within the State - be it air, road, rail or waterway. Improvement of Lengpui Airport, extension of existing railway line and development of feeder road network to the talked about Asia Highway should be given priority.

Vocationalisation and Training: We have an increasing number of educated unemployed and the solution to this social problem lies in a meaningful vocationalisation of education. Merely having an increasing number of educated youths without matching employment opportunities only adds to problems of educated unemployment, frustration, drugs, etc. Hence, the right overall linkages are necessary. We have to explore innovative ways of going about this exercise if we are to solve the problem of educated unemployed. The Central Government may contemplate a specific focus on this issue for the North Eastern Region. The climate of Mizoram is suitable for wide range of agro-horticultural as well as exotic floricultural products. But success depends on the development of rural infrastructure including marketing links, cold storages and processing facilities. With support services like training, tissue culture labs, production, finance, marketing tie ups and farm to market roads, the region can produce both for domestic and international market. Also, Mizoram has a large pool of literates. With training, these talents can be utilised amongst other, in IT sectors, paramedical, biotech, aviation, entertainment and hospitality industries.

Plan financing and State Matching Share: Mizoram, along with other North Eastern States, are Special Category States, having Plan financing pattern of 90% grant and 10% loan. If financially weak and small

States like ours are left to ourselves to borrow funds from the open market, our plan performance is bound to suffer. We, therefore, strongly urge that the previous practice of inter-mediation by the Centre should continue for some more time for Normal Central Assistance and ACA until some agreed mechanism is put in place to meet the shortfall. The Centrally Sponsored Scheme being implemented by various Departments of the State Government have been making significant contributions to the development State. Wherever State's Matching Shares are required, only a token share of about 10% may be demanded on special category States like Mizoram. Any attempt to raise beyond this will create problems for Special Category States. In the past, most of the assets created from CSS were transferred to the States at the end of each Five Year Plan without providing the required fund for maintaining the assets which created serious problems for the States. Even if the CSS are to be transferred to the States, the required fund should also be transferred correspondingly.

Although there is a sign of improvement in the economic growth, yet many people in the state still lack access to basic services such as health, education, clean drinking water and sanitation facilities. On careful examination of sectoral growth of the economy, the situation is not satisfactory and each sectoral growth needs comprehensive restructuring which might require a paradigm shift in the planning process. Although Mizoram at present is free from insurgency problems and ethnic conflict unlike few other States in the region, inadequate physical infrastructure networks, sense of alienation, low human capital formation problems still exists in the State which need to be solved. Overcoming deficits is of utmost importance which will require a paradigm shift in the development strategy, supplemented by reforms in policies and institutions including capacity building and strengthening governance. The capacity of States in removing these deficits is very weak. This agains calls for more intervention of the Central Government.

The biggest constraint in the NER has been the poor state of infrastructure, in particular roads, railways and power which in fact is very true for Mizoram. Given the difficult terrain and strategic situation of the State, the State no doubt requires special attention. Realising the vision of more inclusive growth cannot be realised unless significant initiatives are taken to improve connectivity. Infrastructure and connectivity could support the Look East Policy and provide an impetus to trade with neighbouring countries. As the success of the eagerly awaited LE Policy lies on this, a big push in this regard is needed, if the State is to receive more fruit from the Policy. As of now, the GSDP statistics of the State shows the need for improvement in various sectors. The State requires more attention for increasing its per capita income. In order to achieve the growth at the national level, the States need special attention which automatically calls for more intervention of the Central Government. It is necessary that a means has to be developed for maximum utilisation of the resources within the State.

With this, I would like to express my gratitude to the Honorable Prime Minister and the Planning Commission for giving me this opportunity to express my views and thoughts in this august Council.

Thank You