



GOVERNMENT OF MIZORAM

SPEECH
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52ND NATIONAL DEVELOPMENT COUNCIL
MEETING

AT

NEW-DELHI

ON 9th DECEMBER, 2006.

Respected Prime Minister, Deputy Chairman, Planning Commission, my esteemed colleagues, senior government officials, ladies and gentlemen,

1. I am very happy to participate in this 52nd meeting of the National Development Council today to consider and approve 'An Approach to the 11th Five Year Plan' which aims at faster and more inclusive growth for the nation. 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 especially Mizoram.

2. It is a great pleasure for me to note that on the eve of the 11th Five Year Plan, the country's economy is in a much stronger position than it was ever before. We endorse a target of 9% average growth of GDP, 4% agricultural growth, target of creating 70 million new work opportunities, reduction of educated unemployment to below 5%, raising of real wage rate of unskilled workers by 20%, reduction of the headcount ratio of consumption poverty by 10% points and other Monitorables Socio-Economic Targets of the 11th Plan. We also endorse the objectives and strategies adopted to achieve the desired goals set for the 11th Plan.

While broadly agreeing with the objectives and strategies which have been envisaged in the approach to the 11th Five Year Plan, by and large, there are a few exceptions that have to be made by taking the ground realities into account as experienced in the N.E.R.

3. Regaining of Agricultural Dynamism to reverse the deceleration in agricultural growth with an average growth rate of 4% is a welcome initiative as this issue is much more relevant to the North Eastern Region than the rest of the country. While emphasis is given on the need of witnessing second Green Revolution in other parts of the country, the NER has not yet witnessed Green Revolution at all. In the process of implementation of the objectives and strategies of the 11th Plan, I would like to request the Central Government to remember the peculiar problems of hilly States like Mizoram. Self-sufficiency in food-grains is the foremost priority of the State Government. A major chunk of the State's scarce resources are being spent on food-grains imported from outside the region and other important edible items. However, shifting cultivation, which, everybody knows, is a destructive cultivation, is still practised by most of the people. It has been estimated that 70,000 families still practised jhuming by clearing about 2 lakh ha. of forest area annually in the unclassified State forests controlled by the Village Councils. Generally, jhuming is done for one year and the land is kept fallow for three to eight years. Since the land available in the villages for jhuming was always limited, the

fallow period decreased, leaving less time for the jhumed land to be rejuvenated. The Central Government intervention is required in a bigger way to do away with the traditional practices of jhuming.

As I had already emphasised in the meeting of Regional Consultation held at Shillong on 8th July, 2006, one of the problems being faced by the cultivators is in the marketing of their products particularly those in Agriculture and Horticulture Sectors. Very often, the farmers do not get competitive price for their products. There should be an appropriate intervention by the Government to ensure that the farmers get competitive prices. For this purpose, I mentioned in the Regional Consultation that there should be a closer involvement of the Central Government Agencies like NAFED, NERAMAC, APEDA, TRIFED, and so on. I am very happy to learn that this issue has been incorporated in the final approach paper to the 11th Plan as one of the important tasks of the 11th Plan by ensuring the importance and necessity of timely and adequate credit (both term loan and working capital). Animal Husbandry, as I have already stated in the Regional Consultation meeting is another sector which holds out tremendous potential in the N.E.R. as livestock and fisheries sectors together can provide full-time and part-time employment to the rural poor families. The 11th Five Year Plan offers us a challenging job, particularly in view of the annual targeted 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 mobilisation of additional resources.

4. Power:

It is true that rapid economic development places a heavy demand on power especially ensuring lifeline supply of commercial energy. Though the present infrastructure of transmission & distribution system is the greatest weakness in the power sector for awhile, more priority, in the case of Mizoram, will be given during the 11th Plan period as it lags far behind other States of the country in this power generation. I wholeheartedly welcome the introduction of Accelerated Power Development & Reform Programme (APDRP) as well as Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) under Bharat Nirman.

a) Accelerated Power Development & Reform Programme (APDRP):

Under APDRP, 7(seven) schemes were taken up with a target set to bring down the AT&C losses to 15% by the end of 10th Plan. However, this scheme could not be completed during the 10th Plan due to procedural problems and price escalation. Besides, some additional works have come up for

improvement of the Distribution Systems in order to bring down the AT&C losses. Hence, spill-over of the APDRP to the 11th Plan for Mizoram is inevitable for completion of these ongoing schemes.

b) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY):

Under RGGVY, Detailed Project Report (DPR) for electrification of the remaining 137 un-electrified villages, 7 micro / mini hydel projects and 8 33KV Sub-Stations have been formulated. Rs. 90.73 crore has been sanctioned for electrification of the un-electrified villages which are lying under the 7 Districts of Mizoram. The works under RGGVY are required to be carried over to the 11th Five Year Plan so as to accomplish the task envisaged under Bharat Nirman.

c) Power Generation:

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, the following hydel stations are proposed to be constructed during the 11th Plan period.

1) Tuirini Hydel Electric Project:

Tuirini HEP at the estimated cost of Rs. 265.00 crore envisages construction of 111m high earth filled dam across the river Tuirini, about 10 km south-west of Sesawng village. The total installed capacity of the project is 38MW (2 units of 19MW each).

2) Tuivai Hydro Electric Project:

Tuivai HEP (3 x 70MW) at an estimated cost of Rs. 1500.00 crore envisages construction of 115 meter high rock filled dam over Tuivai river near Ngopa village of Champhai District in Mizoram and the water impounded is to be utilised for generating 210MW of hydro power.

3) Bairabi Dam Project

The proposed Bairabi Dam Project, with installed capacity of 2 x 40MW at an estimated cost of Rs. 640.00 crore, is situated about 3.5km upstream of Bairabi village close to Assam/Mizoram border. All necessary clearances were obtained. The implementation of this project 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.

5. Balanced Regional Development:

I am happy to note that the approach paper tries to do away with regional divides which is one of the challenges for the 11th Plan. No one can deny that balanced regional development has been an important objective in the country's developmental planning and provides various instruments including fiscal incentives, industrial policies, etc. Therefore, while implementation of the objectives and strategies of the 11th Plan will improve the national economy, we should also not forget that the same can bring about inter-State inequality leading to more pronounced regional imbalance thereby jeopardising existing national economy. It is, therefore, necessary to have flexible norms and guidelines for implementation of the various Central schemes in order to cater to the peculiar requirements of the hilly States, which still require special attention. It gives me great pleasure to note that the approach paper envisaged emphasis on infrastructure in the 11th Plan, which will help to achieve a more balanced regional development and also incorporate special problems of the North East. It is true that the North East States have some unique social and economic problems arising out of remoteness, poor connectivity, hilly and often inhospitable terrain, a weak resource base, poor infrastructure, sparse population density, shallow markets, inadequate administrative capacity, low skill development, etc. Connectivity is the key issue for the North East States. It not only creates a sense of isolation but also adds to the transportation costs making trade and investment uncompetitive and cost of providing services very high. Construction of 4-lane (with paved shoulders) National Highway No. 54 linking Silchar in Assam with Aizawl is yet to be taken up. I request the Central Government to start the construction work soon. If a full-fledged 4-lane is not feasible due to topographical reasons, even a smaller highway in the initial period will help to improve the economy of the region. Construction of National Highway to connect all the District Headquarters in Mizoram needs to be taken up on priority basis. Upgradation of the lone railway link i.e. Bairabi into Broad Gauge (BG) may also be taken up during the 11th Plan. As envisaged in the approach paper, only 4 airports in the North East viz. Guwahati, Dimapur, Agartala and Imphal are proposed to be modernised during the 11th Plan. I request the Central Government to include Lengpui (Aizawl) Airport for modernisation.

6. Bamboo Link Road:

In the meeting of Regional Consultation held at Shillong, I had already mentioned the importance and necessity of Bamboo Link Roads. About 30% forest area is covered with bamboo forest which grows abundantly in the western parts and all along the rivers. The Government of Mizoram have come out with a policy for utilising the rich bamboo forest for economic upliftment of the State. Bamboo based industries have come up in the State and harvesting of bamboo before its flowering is in full swing.

To harvest the natural bamboo forest as much as possible before it vanished and also to take up new plantation, it is necessary to have link roads to the bamboo forest area. The Ministry of DONER have come up to our help and sanctioned 2 link roads for bamboo in the interior places. Even before the roads are completed, quite a substantial quantity of bamboo had already been extracted using these roads and exported to Assam. It is necessary to have more bamboo link roads during the 11th Five Year Plan.

7. Vocationalisation of Education:

The approach to the 11th Plan envisaged employment generation and raising employability as one of the major challenges for the 11th Plan. I have already stressed the importance of vocationalisation of education in the Regional Consultation meeting. Though Mizoram is doing reasonably well in literacy, this, by itself, does not mean much, as we have to go far beyond in terms of quality and equity. The ratio of the number of Government employees to the total population is already very high in Mizoram. In fact, there is hardly any scope for absorbing additional manpower in the Government Departments. 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 existing 3 ITIs in the 3 Districts viz. Aizawl, Lunglei and Saiha will have to be substantially expanded not only in terms of the number of persons they trained, but also in the number of different schemes and trades they teach. Further, ITIs may be set up in all the remaining 5 District Headquarters viz. Kolasib, Mamit, Champhai, Serchhip and Lawngtlai under Central Schemes during

the 11th Plan period. Besides, the existing funding ration of 90:10 for SSA may be maintained.

8. Food Processing Industries:

There is a significant business opportunity in processing of fresh fruits, vegetables, medicinal and aromatic plants, spices and herbs. Facilities have to be created for primary processing and secondary processing in the region by infusion of proper technology. Proper marketing linkages between farmers and manufacturers have to be established, so also technological support.

9. Jawaharlal Nehru Urban Renewal Mission:

The Jawaharlal Nehru Urban Renewal Mission holds a tremendous potential. However, there is an apprehension that smaller towns and other State Capitals may totally get neglected as the Mission appears to supersede the erstwhile Integrated Development of Small and Medium Towns and other similar schemes. The Planning Commission and the concerned Central Ministry may issue appropriate instruction in this regard.

10. National Rural Health Mission:

The National Rural Health Mission is a welcome initiative. The integration of health concerns that determines safe drinking water, sanitation and nutrition is a step in the right direction. However, such an integration of various factors will call for an enhanced outlay in the several sectors that will come into play.

11. There is a genuine concern that the process of growth has not generated employment at the pace required for absorbing the additional entrants to the labour force. In the absence of organised industries in the State, this problem becomes even more pronounced. While preparing the 11th Five Year Plan, this issue needs to be addressed in its entirety.

12. It has been rightly pointed out that the central part of the vision of the 11th Plan should be to expand access to essential public services, and that Plan expenditure in these areas will have to be increased substantially to achieve the expansion which is needed. We welcome the commitment of the Central Government to provide resources to assist the States in these areas. My Government, on our part, is committed to enhance and strengthen the existing system of delivery of these services. It will be our endeavour to shift our focus to final outcomes from outlays hitherto being done.

13. Plan Financing:

I would like to take the opportunity to draw the attention of the Hon'ble Prime Minister and my colleagues from the other North Eastern States and they will agree with me, that substitution of the Central loan financing by direct access of States to market borrowing as recommended by the 12th Finance Commission may create serious operational difficulties.

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.

Regarding Externally Aided Projects, the recent policy decision made by Central Government on the pattern of financing of EAP in the ratio of 90:10 grants and loan system in the N.E. Region through Ministry of DONER in respect of Multi-State Infrastructure Projects is a welcoming initiative for resource crunch States of NER.

14. State Matching Contribution for CSS, etc.:

The Centrally Sponsored Scheme being implemented by various Departments of the State Government have been making significant contributions to the development process of the State. A thorough study of CSS will be required to identify some schemes which should continue and others which may be transferred to the States with the required fund. 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. Hence, I request the Central Government not to transfer all the CSS implemented in the State during the 10th Plan period. Even if the CSS are to be transferred to the States, the required fund should also be transferred correspondingly.

Wherever State's Matching Shares are required, only a token share of about 10% may be demanded on special category States. In order to avoid confusion, the percentage of State's share under CSS may be uniform in all the projects. Regarding the funding pattern of Sarva Shiksha Abhiyan (SSA), the Education Ministers of the North Eastern States in their meeting held at Shillong on the 31st October, 2006 emphasised their endeavour to achieve the super goal of the SSA in the North Eastern

States and unanimously agreed that the Government of India may be impressed upon to continue the same funding pattern of SSA for the North East States which is 90:10 (Central:State) during the 11th Plan period also. In this connection, I would also like to add that I agree with the Education Ministers of the N.E.R. and request the Central Government to continue the same funding pattern of SSA during the 11th Plan period.

15. Before concluding my speech, I would like to take this opportunity to draw the attention of this august gathering that constitution of the Working Group for the 11th Five Year Plan under the chairmanship of Secretary, Ministry of DONER to look into the problems of the North Eastern States and to make roadmap for development of the North Eastern Region during the 11th Five Year Plan is a very welcome initiative. I hope that the Working Group will look into the financial resources gap and will find ways and means to fill the gap by converging various sources of funding so that the development gap of the N.E.R. could be bridged to be at par with the rest of the country.

Thank you.