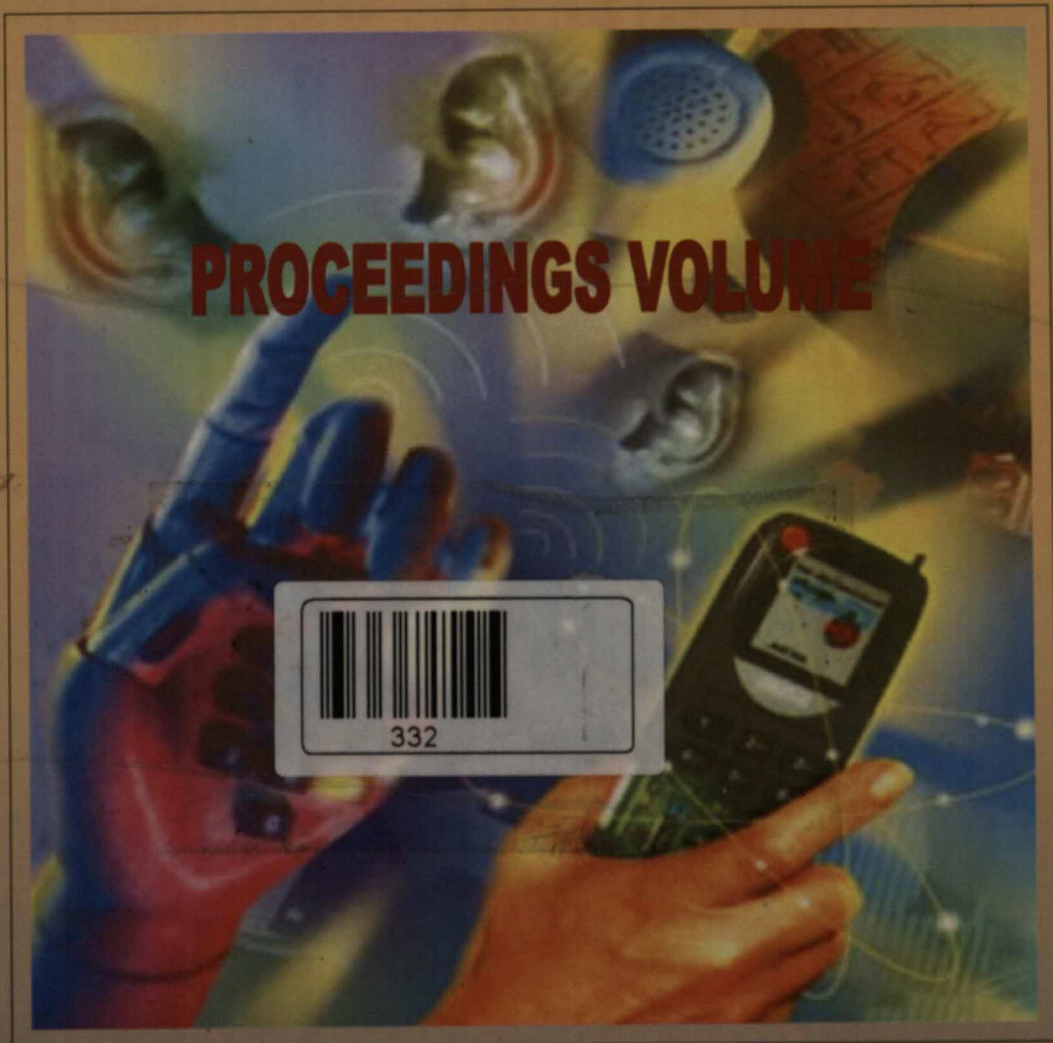


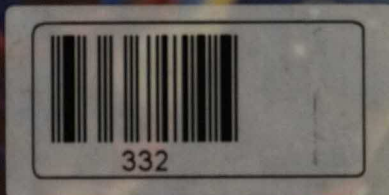
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WITH SPECIAL REFERENCE TO NORTH EASTERN REGION

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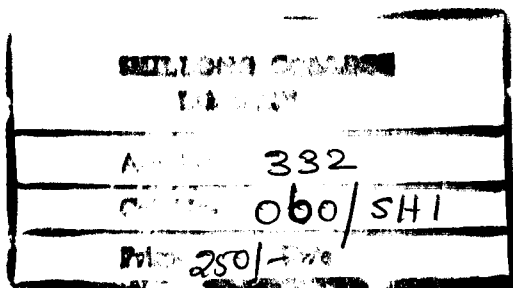
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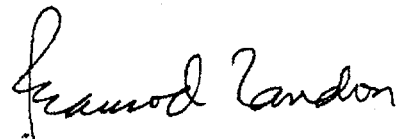
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FOREWORD

I am delighted to learn that the Shillong college Academic Society is bringing out the proceedings of a National Conference, on "*Socio-Economic Development of India with special reference to North Eastern Region*", organised the Society in the month of May, 2005.

The papers submitted for deliberations, mostly by intellectuals of NE Region, in the Conference dealt with various topics on agriculture, environment, planning, industry, trade and commerce with special emphasis on North East. The presentations highlighted the great potential that the region commands, which needs special attention, from all concerned, for its economic development. It is expected that the region would usher new hope of growth and self-sufficiency.

I congratulate the Society for publishing a treatise on various aspects of socio-economic development of the region and hope that, it would be immensely helpful for the students and researchers.


(Pramod Tandon)

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SOCIO-ECONOMIC DEVELOPMENT OF INDIA

**WITH SPECIAL REFERENCE TO NORTH
EASTERN REGION**

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WITH SPECIAL REFERENCE TO NORTH EASTERN REGION**

MAY 3 – 4, 2005

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ON
SOCIO-ECONOMIC DEVELOPMENT OF INDIA**

WITH SPECIAL REFERENCE TO NORTH EASTERN REGION

May 3 – 4, 2005

PROGRAMME

3rd May, 2003 (TUESDAY)

Shillong College, Shillong - 793003

**Registration of Delegates
(9.00 AM to 10.00 AM)**

INAUGURAL SESSION

- Chairperson** : **Dr (Mrs) M.P.R. Lyngdoh**
Principal
Shillong College
Shillong
- Welcome Address** : **Dr S. K. Gupta**
President & Joint Convener
Shillong College Academic Society
Shillong
- Chairperson's Address** : **Dr (Mrs) M.P.R. Lyngdoh**
- Keynote Address** : **Shri P. J. Bazeley I.A.S.**
Chief Secretary
Govt. of Meghalaya
Shillong
- Inaugural Address** : **His Excellency, Shri M.M. Jacob**
Governor of Meghalaya
Shillong
- Vote of Thanks** : **Dr M. Dey**
Secretary & Joint Convener
Shillong College Academic Society
Shillong

NATIONAL ANTHEM

3rd May, 2005 (TUESDAY)

12.30. P.M.

: Shillong College, Seminar Hall

SESSION - I

: SCIENCE, ENVIRONMENT AND HUMAN RESOURCES

Chairman

: Dr K. C. Bhattacharya
Director, North Eastern Space Application Centre
(Govt. of India), Umiam Meghalaya

Inter Governments' – Guardians' Thrust on Education- A Study with Special Reference To NER

Kalyan Mukherjee, Hojai College, Assam

Myths and Realities of Production and Distribution Constraints in The NE Region With Special Reference to Meghalaya

K.K. Datta, Subhasis Mandal and Med Ram Verma, Indian Council of Agriculture Research (NER) Umiam, Meghalaya

Development, Environment Degradation and Socio-Economic Distancing in NE Region: Some Issues

Gautam Purkayastha, Post. Doctoral Research Scholar, Dibrugarh University, Assam

Water Quality vis-a-vis Health Hazards in Sung Valley

K.V. Nambiar and Sushil Kumar, Geological Survey of India (NER), Shillong

Emerging Socio-Economic Trends In The Harmony Between Forest And Tribal: The Case of The Khasi of Meghalaya

Rekha. M. Shangpliang, Deptt. of Sociology, North Eastern Hill University, Shillong

Redefining English Teaching For Socio-Economic Enrichment: Challenges and Prospects

T. Kumari Bamon, Central Institute of English and Foreign Languages, North Eastern Hill University, Shillong

Obstacles of Social and Economic Development in the North East India

Jayanti Biswas, Deptt. of Pholosophy, Shillong College, Shillong

Languages And Ethnic Groups In Shillong

Surojit Sen Gupta, Deptt. of Sociology, North Eastern Hill University, Shillong

LUNCH BREAK

3rd May, 2005 (TUESDAY)

2.30 P.M.

SESSION – II

: PLANNING, INDUSRY, TRADE AND COMMERCE

Chairman

: Dr P. M. Passah
President, Meghalaya Economic Association
Shillong

Economic Development of The North East: A Case For Regional Co-operation

Sujit Sikidar, Gauhati University, Guwahati

Leveraging LTC For Socio-Economic Development Of North East India – A Case Study Of OIL India Ltd And State Government Departments Of Assam

Bipasha Chetiya and Amalesh Bhowal, Dibrugarh University, Assam

Small Scale Industry in Assam: Explaining the Intra-State Variation

Nivedita Goswami, B. Barooah College, Guwahati, Assam

Role Of Medicinal Plants And Their Value-Added Products In Boosting Rural Economy In Meghalaya

Ayesha Ashraf Ahmed and S. K. Borthakur, Deptt. of Botany, Shillong College, Shillong

Entrepreneurship And Guild System In Linkages With Education Among The People of Ri Khasi

Hamlet Bareh Ngapkynta, former Professor, North Eastern Hill University, Shillong

Public Expenditure And Economic Growth in Meghalaya

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Education, Employment And Equality: The Axis of Socio-Economic Development

Benjamin Lyngdoh, Deptt. of Commerce, Shillong College, Shillong

Impact of Globalization On The Tea Industry Of Assam

Nirmala Borah Das, Deptt. of Economics, J. B. College, Jorhat, Assam

Infrasructural Facilities For Tourism Development In NE Region With Special Reference To Balukpung-Bomdila-Dirang- Tawang

Kangki Megu, Deptt. of Commerce, D. N. Govt. College, Itanagar

Globalization As An Opportunity

Anjan Kumar Borah and Parag Sarma, Guwahati, Assam

Conceptual Marketing vis-a-vis Product Marketing

A. L. Ghosh, Deptt. of Business Administration, Assam University, Silchar, Assam

Role of Women Entrepreneurs In The Economic Development of Manipur

Th. Prabha Devi, Shyammuhini Devi., Y. Sulochana Devi and G. Pritam Devi, Social Activists P. R. W. O. Imphal

Problem and Opportunities for Economic Development OF Meghalaya

Natalie West, Deptt. of Economics, Shillong College, Shillong

Role of National Bank For Agriculture And Rural Development of India (NABARD) With Special Reference To The North Eastern Region

A. P. Sandilya, National Bank for Agriculture and Rural Development (N.E.R.), Shillong

4th May, 2005 (WEDNESDAY)

9.30 A.M.

SESSION – III

: AGRICULTURE AND ECONOMICS

Chairman

: Prof. R.K. Bhattacharya
Deptt. of Horticulture
Assam Agriculture University, Jorhat, Assam,

Space Technology For A Village-Centric Economic Development of The NE Region
K. C. Bhattacharya, North Eastern Space Application Centre, Umiam

Role of Watershed In Agriculture Development In Meghalaya: Socio-Economic Issues
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Bioresource and Bioprospecting In North East India: Unlicking The Treasure For Socio-Economic Development of the Region
S.R. Joshi, Centre for Science Education, North Eastern Hill University, Shillong

Improvement of Homestead Garden In Assam
B.N. Hazarika, R.K Bhattacharya and Bhaskarjyoti Sarma, Deptt. of Horticulture, Assam Agriculture University, Jorhat, Assam

Decision Making Behavior of Rural Meitei Farm Women In Agro-Based Economic Development of the State
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Sustainable Agriculture for Socio-Economic Development in the North Eastern India: An Overview
Mithra Dey and Nikhil Bhusan Dey, Deptt. of Zoology, G.C. College, Silchar, Assam

Towards Sustainable Economic Development Through Modern Agriculture Methods
W. Kharmawphlang and D.L. Buam, Deptt. of Chemistry, Synod College, Shillong

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E. Kharkongor, Deptt. of Economics, Shillong College, Shillong

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I.M. Syiem, Ka Lympung Ki Seng Kynthei, Shillong

Factors Influencing Profitability of Public Sector Banks – An Empirical Diagnosis
Jaynal. U. Ahmed and Rajani. K. Deptt. of Commerce, Umshyrpi College, Shillong



4th May, 2005 (WEDNESDAY)

2.00 P.M.

: Shillong College, Seminar Hall

VALEDICTORY FUNCTION

:

Chairperson

: Dr (Mrs) M.P.R. Lyngdoh
Principal
Shillong College
Shillong

Welcome Address

: Shri D. Mukherjee
Vice-Principal
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Shillong

Valedictory Address

: Shri H.W.T. Syiem I.A.S
Ex-Secretary
North Eastern Council
Shillong

Chief Guest's Address

: Dr Mukul Sangma
Deputy Chief minister
Govt. of Meghalaya
Shillong

Joint Convener's Remark

: Dr S. K. Gupta
President & Joint Convener
Shillong College Academic Society
Shillong

Group Song

: Students of Shillong College

Observation by Participants

: Prof. Sujit Sikidar
Gauhati University, Guwahati, Assam

Dr Jaynal U. Ahmed
Umshyrpi College
Shillong

Chairperson's Remarks

: Dr (Mrs) M.P.R. Lyngdoh
Principal
Shillong College
Shillong

Vote of Thanks

: Dr M. Dey
Secretary & Joint Convener
Shillong College Academic Society,
Shillong



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| 94. Mr. K.S. Guite, NABARD, Shillong | 101. Mr. K.C. Bhattacharya, North Eastern Space Application Centre, Umiam |
| 95. Mr. N.K. Sarkar, (Ex- Vice Principal) Shillong College, Shillong | 102. Mr. R. K. Bhattacharyya, Deptt. of Horticulture, Assam Agriculture University, Jorhat, Assam |
| 96. Mr. D.A. Majumdar, Aizawl West College, Aizawl | 103. Dr P.M. Passah, Meghalaya Economics Association, Shillong |
| 97. Smti Nirmala Borah Das, Department of Economics J.B. College, Jorhat, Assam | 104. Dr Th. Prabha Devi, Department of Commerce, Manipur University, Imphal |
| 98. Ms. Rekha Shangpliang, Department of Sociology, NEHU, Shillong | 105. Ms. Shyammuhini Devi, Department of Commerce, Manipur University, Imphal |
| 99. Dr Surojit Sen Gupta, Department of Sociology, NEHU, Shillong | 106. Ms. T. Matouleibi Chanu, Department of Extension. Education, CAU, Imphal |

RAPPORTEURS

- | | |
|---|---|
| 1 Dr (Smti) Jayanti Paul, Shillong College | 4 Dr (Smti) A.A. Ahmed, Shillong College |
| 2 Dr (Smti) D. Bhowmick, Shillong College | 5 Smti V.R. Solomon, Shillong College |
| 3 Dr (Smti) E. Kharkongor, Shillong College | 6 Shri Benjamin Lyngdoh, Shillong College |

WELCOME ADDRESS

*Proc. Nat. Conf. Socio. Eco. Develop.
May 3-4, 2005*

**Dr S.K. Gupta
President and Jt. Convener
Shillong College Academic Society
Shillong-793003, Meghalaya**

Madam, Chairperson Dr (Mrs.) M.P.R. Lyngdoh, His Excellency Shri M.M. Jacob, the Governor of Meghalaya, Shri P.J. Bazeley, Hon'ble Chief Secretary, Govt. of Meghalaya, Prof. (Mrs.) K.S. Lyngdoh, President Shillong College Governing Body, Dr M. Dey Secretary, Shillong College Academic Society, Shri D. Mukherjee, Vice - Principal, Shillong College, Distinguished Scholars and Scientists, Learned Participants and Delegates, Members of the Media and Press Corps, Beloved Students and Fellow Teachers, Ladies and Gentlemen.

I sincerely welcome you all to this inauguration on National Conference cum Workshop on "Socio-Economic Development of India with special reference to North Eastern Region" on behalf of the organizers and on my own behalf.

It's a wonderful privilege and opportunity for us to have you all this morning in our midst for a successful beginning of a series of meaningful sessions we have been preparing for and looking forward to for the last couple of month. Yours valued presence here today will greatly encourage us to go ahead with our humble mission in creating an awareness about the Role of Science and Technology, Environment and Human Resources, Trade and Commerce, Agriculture and Industry in the Socio-Economic Development of India with special reference to North Eastern Region.

In today, world of knowledge explosion, all discipline of higher education whether they are humanities, languages, Social Science, Science, Information Technology, Telecommunication, Medicine or Agriculture have diversifies significantly. Inter disciplinary areas have also emerged. All these development have cumulatively helped in evolving a knowledge Society in the world ultimately leading to the economic development of the country.

The geography and the history of the North Eastern Region have created a very distinctive socio-economic, cultural and political milieu. Although the topography, geology and the general natural setting of the region have endowed it with abundant natural resources; industrial growth and general prosperity have not been commensurate with the resources available. There are mineral resources, oil and natural gas, abundant water, both on the surface and underground and an abundance of forest wealth. Yet, the region is lagging behind the caravan of National progress.

In recent years, the emphasis has been on harnessing of Science and Technology for the economic and social development of the society and thus to enrich the quality of life of its people. Application of Technology has made tremendous impact on the ways human society could progress, forcing their social and cultural patterns to change rapidly and giving them immense potential to achieve prosperity.

Keeping the above back ground in view, Shillong College Academic Society and Shillong College have ventured to hold this conference. The Shillong College fraternity look upon themselves primarily as humble hosts with the generous help of man, money and material from different well meaning organizations are discharging probably more of an Academic role of pointing out to the society, the huge potential can be explored for development of the region in particular and India as a whole.

The National Conference on 'Science and Technology' in the year 1998, the conference on "Pollution, Man and Environment" in the year 1999, the conference on "Information Technology" in the year 2002 and the present conference on Socio-Economic Development of India are our humble bits of

contribution towards generating an awareness and interest in our problems ensuring interaction among concerned group and organizations and providing suggestions conducive to healthy development and progress of the society in the region.

We record our deep appreciation and gratitude to the generous help and cooperation received from the various developmental agencies and organizations, State Government and College Management in making the conference possible and fruitful.

While once more sincerely welcoming each one of you, we look forward to the successful sessions of deliberations today and tomorrow and seek your valued encouragement and co-operation in our endeavour and pursuit.

THANK YOU

KHUBLEI

ADDRESS BY CHAIRPERSON

Dr (Mrs.) M.P.R. Lyngdoh

Shillong College fraternity is very happy that the College and the Shillong College Academic Society has been able to organise the two days Conference-Cum Workshop on the Socio-Economic Development of India with Special Reference to N.E. Region. Socio economic development of any Nation is measured through its economy, education, health care facility, well being of the people, good governance and other measures. If we achieve development in these fields, then we will have a better socio economic situation in our country. Education is the most important factor that will make the people enlightened, to be aware of the development, of their rights, duties and responsibilities. Education is the strongest weapon of the people to fight against any injustice and exploitation. The people also need proper health care because as the saying goes, a healthy mind resides in a healthy body. Health care facilities and amenities must be improved particularly in the rural areas. People must have the basic needs of food, shelter and clothing, hygiene and sanitation, clean drinking water and others. There must be proper connectivity throughout the country by constructing good roads, since many villages are not linked with good roads. We are living in a free and democratic country and a welfare state. The government should see that the social policy is effectively implemented for the welfare and development of the people in particular the weaker sections, the poor and the marginalised groups in the society.

The North Eastern Region has rich natural resources, big market potential, yet it remains under developed and industrially backward. There are several factors and difficulties that hindered the progress and development of the region, like lack of proper communication, infrastructure, geographical conditions, ethnic clashes, militancy and others. For the socio-economic development, the region needs quality education, scientific and technological advancement, skilled, efficient human resources and highly motivated entrepreneurs. The resources of the region like coal, limestones, tea, timber, oil, bamboo etc will offer immense potential for socio-economic progress of the region. The North Eastern Region must study its own strengths and weaknesses and try to evolve a purposeful plan and an appropriate strategy for an overall progress and development.

With the progress of globalisation initiated slowly in 1985 and more vigorously since 1991, we have entered an open trade regime, under the policy of liberalisation, privatisation and globalisation, our country has entered a global market and our economy and education has been globalised which has brought many changes in our country

Development of the entire country and the North Eastern Region will not take place by itself unless people learn to work over the changed situations in the society. For the socio economic development of our country, in general and the region in particular, we must have (1) A balanced development, right from the grassroot level (2) Quality education, to produce skilled human resources (3) Scientific and technological advancement (4) Strong and dynamic political leadership with vision and commitment (5) Efficient and clean administration with responsibility, transparency and accountability (6) There must be a work culture and discipline, all of us must understand that we work not only for bread and butter, but also for the development of the state and the country as a whole (7) Each one of us has a role to play with sincerity and dedication (8) Community involvement and participation in the socio economic development is very important. There are a number of NGO's including women organizations and Self Help Groups that have made a real contribution towards the society. We have a responsibility to create a congenial atmosphere for development where peace and social life is not disturbed.

I hope that the deliberations during the conference will be fruitful with certain suggestions and recommendations to be forwarded to the appropriate authorities.

KEY NOTE ADDRESS

Shri P.J. Bazeley, IAS CHIEF SECRETARY, GOVERNMENT OF MEGHALAYA

I am deeply grateful to the Shillong College Academic Society for having invited me to share a few moments of thought with the participants of this National Seminar on 'Socio Economic Development of India with special reference to the North Eastern Region'. I wish to felicitate the Society for having organized this useful seminar, in collaboration with Shillong College, NEHU, NABARD, UGC and Other Organisations of repute. The Society has, earlier, organized a number of National seminars on different facets of development with special reference to the north eastern region. The recommendations of these seminars have been concise and focused on local and regional needs, though anchored in the macro canvas of national development policies and strategies. I am confident that the deliberations of the distinguished participants assembled here, will result in weighty recommendations which will be of interest to scholars and planners of socio-economic development, for long years to come.

I trust that the intention of the Organisers of this Seminar is to provide a platform for dispassionate discussions on the strengths and weaknesses of the socio-economic development process of the North Eastern Region against the macro-canvas of the nation. I will, therefore, restrict my observations on the socio-economic development of this region.

Looking at the socio-economic development of India as of now, the Indian Economy registered a growth rate of over 8 percent during 2003-04, the highest ever except for the emergency year of 1975-76 and the Reforms Year of 1988-89. Such record growth rate is clearly the result of extremely favourable growth in the agriculture and allied sectors, during the period, due to favourable monsoon, and the improved performance of the industries and the service sectors. Normally, periods of strong and anaemic growth, alternate. Thus, the initial projected growth rate for the year 2004-05 was 6.2 to 7.4 percent. However, consequent to monsoon deficiency during the peak sowing season of that year, namely a 13 percent deficiency in the South West Monsoon, economists projected a revised growth rate of around 6 percent for 2004-05.

The worsening world inflation environment, particularly in the prices of petroleum, coal and steel during the closing months of 2004-05, led to further fall in the revised expected economic growth rate for that year.

However, inspite of these developments and the extensive damages caused by the effect of the unparalleled Tsunami along over 2600 kilometres of Indian coast line, besides crippling damages to life and property in the Andaman & Nicobar Islands, it now appears from available Quick Estimates of the Central Statistical Organisation that our economy grew around 6.9 percent during 2004-05.

The salient features of our Nation's economic growth during 2004-05, are –

1. A 3 percent decline in overall food production due to inadequacy of monsoon, but our comfortable buffer stock of foods grains will ensure that our food management continues to be comfortable;
2. A 1.1 percent increase in cotton, fruit and vegetable production;
3. A 3.5 percent decline in the share of the agriculture sector in the GDP, as compared to the position during the year 2001-02;
4. Exogenous factors such as sharp rise in global petroleum prices, monsoon deficiency and monetary overhang from accretion of foreign exchange reserves, led to a peak level of inflation of 8.7 percent during the last week of August, 2004, which was the highest level of inflation during the last four fiscal years.

5. The quick monetary and physical measures taken by the Reserve Bank of India, such as adjustments of the cash reserve ratio (CRR) and the reverse repo-rates (RReR) of Banks, alongside the federal government efforts through reduced excise & customs duties on iron and steel, reduced tariff values of various vegetable oils, and a slight easing of the global petroleum price, resulted in inflation falling to around 5 percent during early February 2005, compared to around 6.1 percent during the same period the previous year;
6. Appreciation of the Indian Rupee Value towards the end of 2004-05;
7. Increasing Foreign Exchange Reserves to a level of 128.91 Billion US Dollars during early February 2005; and
8. Current Account Deficit of around 3.2 Billion US Dollars, after three years of continuous surplus;

Looking, at the socio-economic development of the North Eastern Region as of now, against the macro canvas of the Indian economy, let us briefly reflect on certain fundamental realities of the region -

- The region comprises of the seven States, otherwise known as the 'Seven Sisters' covering a geographical area of 225,000 square kilometres or 7.7 percent of India's gross geographical area;
- About 65 percent of the north eastern region's geographical area is comprised of hills and hill-river basins, 13 percent of the area is covered by the Meghalaya plateau and the remaining 22 percent by the Brahmaputra valley;
- The region has a population of around 38.4 million which is slight short of 4 percent of the nation's population;
- However, the State of Assam alone has 26.6 million people or 69 percent of the population of the north eastern region.
- The region was the most affected by the socio-cultural, socio-political and socio-economic consequences of the —partition of Eastern Bengal from India during the formation of East Pakistan. The partition shattered the economy of the region and unleashed the process of perpetuating poverty on all habitations along the border belt, on either side of the frontier. The affected areas and its population have not yet recovered from the aftermath of partition and continue to adversely effect the accelerated development of other parts of the region.
- Consequently, the political evolution of the region has been handicapped and conditioned by deeply ingrained ramifications of the partition. A deep sense of unqualified and disenchanting distrust looms large and considerably paralyses the framework for progress and development. This has resulted in infructuous investment of large amounts of development funds and thwarted accelerated development. The insurgency and anti-national movements prevailing in the region are to some extent, the consequences of the resulting socio-cultural and socio-economic milieu.
- Geographically, the north eastern region is isolated from the rest of the country and surrounded by our neighbouring countries except for the 2 kilometre chicken-neck off Siliguri in West Bengal, resulting in insurmountable transport and communication bottlenecks. The region has limited air connectivity and has none to the sea. A direct rail-cum-road link of the region to Kolkata which is the gateway of eastern including north eastern India, through Bangladesh, would reduce the travel distance and time by half the distance and time presently required to traverse over the chicken-neck North Bengal hump.
- The region is a seismic hot-spot and has been ravaged by frequent mega-earthquakes over the centuries. The well known 1950 earthquake totally changed the river-bed of the mighty Brahmaputra River which drains the north east into the Bay of Bengal. Consequently, the fertile Brahmaputra valley has been critically affected by floods every year, totally destroying the agricultural economy of the region, which is largely dependant on agriculture itself.

- While agricultural production in the otherwise fertile river valleys entirely depend upon the vagaries of the monsoon caused annual floods, agricultural production in the hilly areas of the region is largely dependant on the primitive slash and burn method of dry cultivation, otherwise known as 'jhuming'. Shifting cultivation with mixed cropping of paddy which is the staple crop, along with maize, millet, other cereals, root-crops, vegetables and the attendant shifting habitations, are deeply ingrained in the ethnic ethos of the people concerned. It has deep moorings on the cultural psyche of these communities and they are loathe to part company with such an age-old but pernicious practice. Consequently, continuing State efforts over the last five decades to wean away the shifting cultivators to permanent wet cultivation has not been successful, albeit, it has arrested increase in the size of the population dependant on such method of cultivation. Presently all efforts are being directed to stabilise dry cultivation by adoption of suitable crop rotation, dependant on the topography, altitude and average rainfall of a particular location.
- The heavy rainfall experienced by the region which is criss-crossed by numerous rivers and streams, makes it the store-house of about one-half of the country's hydro power. However, less than 10 per cent of the region's potential of over 42000 Megawatts of hydro power has so far been tapped. Much worse, although a transmission highway links Misamari in Assam to Malda in West Bengal, this highway is not yet adequately connected to the States of the region, except Assam. Thus the States are unable to either draw or evacuate power, even if available on the national grid. Further, although the region is fairly rich in its' hydro-carbon deposits with coal from Meghalaya being of high calorific value and exceedingly suitable for thermal power generation, this potential has not been adequately exploited, till date. Consequently, there is a critical power shortage which has discouraged the establishment of all power intensive industries. As a result, the abundant potential of the region for value added activity could not be adequately exploited, till date.
- For such reasons, the considerable plan investment in the region has not proved fructuous. During the year 2001-02, the average per capita plan investment in the region was Rs. 1546, as against a national average plan investment of Rs. 356 per capita. Plan investments of commensurate level have continued to be made in the States of the region over the last five decades. Nevertheless, the region continues to be retarded as compared to similar regions elsewhere in India.

The Central and the State Governments as well as the North Eastern Council have been continuing to address the handicaps arising from the position reflected above, within the premises of the national approach to the Tenth Plan, as adopted by the National Development Council. This approach ordains that every effort shall be made to –

- i. Achieve economic growth with enhancement of all round human well being;
- ii. Ensure provision of adequate level of consumption of food and consumer goods;
- iii. Ensure access to basic social services, such as education, healthcare, drinking water and basic sanitation;
- iv. Causing expansion of social and economic opportunities for all;
- v. Ensure reduction in disparities;
- vi. Cause wider participation in the public decision-making process.

In the premises stated, let us briefly compare certain vital developmental indices of the North Eastern Region (NER) with the corresponding All-India Average (AIA) indice –

- i. The debt-service burden of the NER as a percentage of gross transfers is 9.7 percent, as compared to an AIA level of 25.1;
- ii. Interest payment burden of the NER as a percentage of revenue expenditure is around 10.6 per cent, as compared to an AIA of 15.9 percent;
- iii. The tax-revenue of the NER as a percentage of revenue expenditure is 6.9 percent, as against an AIA of 43.7 percent;

- iv. The non-tax revenue of the NER as a percentage of revenue expenditure is 6.7 percent, as compared to an AIA level of 12.1 percent;
- v. The annual tax-revenue growth of the NER is around 8.3 percent, as compared to an AIA growth of 18.2 percent;
- vi. The growth of development expenditure excluding establishment costs of the NER in absolute terms, at current value is negative, as compared to an AIA growth level of 5.8 percent;
- vii. The growth of non development expenditure of the NER is around 20.2 percent, as compared to an AIA level of 32.6 percent;
- viii. The growth of non development expenditure of the NER as a percentage of aggregate disbursements is around 29.4 percent, as compared to an AIA level of 35.9 percent;
- ix. The growth of non development revenue expenditure of the NER as a percentage of revenue receipts is around 36.1 percent, as compared to an AIA level of 47.7 percent;
- x. The percentage of population below the poverty- line in the NER (1999-2000 data) is around 31.2 percent, as compared to an AIA level of 26.1 percent;
- xi. The literacy rate of the NER (2000-01 data) is around 61.9 percent, as compared to an AIA of 54.2 percent;
- xii. The per capita consumption of electricity of the NER (1999-2000 data) is around 99.25 Kwh, as compared to an AIA level of 354.75 Kwh;
- xiii. The road density of the NER (1996-97 data) is around 664 kilometres per thousand square kilometres, as compared to an AIA level of 749 kilometres per thousand square kilometres;
- xiv. The Socio-Economic Infrastructure Index of the NER (1999 data) is around 76.49 as compared to a level of 200.57 in Goa and 187.57 in Punjab;
- xv. The Credit: Deposit Ratio of the NER (2000-01 data) is around 38.89 as compared to an AIA level of 54.29; and
- xvi. The flow of Externally Aided Funds per Capita in the NER (2001-02 data) is 20.1 as compared to an AIA level of 70.42.

It is obvious that almost on all scores of vital development indices, the NER is critically behind the AIA levels, giving rise to galloping inter-regional and intra-regional development gaps which need to be arrested and reversed without delay.

Any discussion on our national or regional socio-economic development would be incomplete without a reference to India's green gold – the Bamboo Wealth of our Nation. For the sake of brevity, I would limit my thoughts by merely flagging the relevant features –

- I. Around 42 percent of India's Bamboo wealth is located in the NER;
- II. Although, the area under Bamboo in India is almost 3 times the area under Bamboo in China, our Bamboo Industry yields only a fraction of the over 3 Billion US \$ Chinese Bamboo Industry.
- III. This is because Bamboo is a state-of-the-art high yielding variety (HYV) cultivation in China, but it is mostly grown wild in our country.
- IV. This underscores the need for evolution, or adoption and transfer of soil specific HYV Bamboo technologies, in the areas endemically under Bamboo.
- V. NER grows two-thirds of India's Bamboo, with an assessed annual base value of 5,000 Crore Indian Rupee (INR);
- VI. With suitable value addition, the turn over could be doubled to 10000 Crore INR per year;
- VII. The Total Plan effort in NER is around 8000 Crore INR per year;

- VIII. Thus, if the Bamboo resource base valued at 5000 Cr INR is fully tapped and value added, it could generate 10000 Crore INR which is more than the total current level of Plan Effort in the NER;
- IX. The naturally growing Bamboo wealth of NER is located in geographically difficult terrain, resulting in high extraction, removal and collection costs to centrally located processing Units.
- X. As such, there is poignant need to develop and encourage a three stage processing network, wherever Bamboo is grown –
 - Sliverisation at or near the point of extraction,
 - Veneered, particled, fibred, wafered or stranded at decentralized locations, and
 - Bonded, composited and finished at State of the Art Centralised Units of the type which have come up in some parts of the N.E.
- XI. An aggressive training through fully equipped mobile mounted training centres needs to be provided;
- XII. Need for follow up with initial hand-holding support to Selected Growers of HYV Practices & Bamboo Product Entrepreneurs;
- XIII. Market Intelligence Access;
- XIV. Market tie-ups and linkages;
- XV. Enabling Incentives under Industrial Policy to be provided in respect of Bamboo for at least 10 years.

With these words, I wish the participants of this Seminar, two-days of vibrant and soul-searching deliberations and look forward to their generating far reaching suggestions and a road map for the accelerated development of the country with particular reference to the north eastern region.

Thank you Ladies and Gentlemen

INAUGURAL ADDRESS
His Excellency, Shri M.M. Jacob
Governor of Meghalaya

It is an honour and privilege to be invited to inaugurate today's National Conference cum Workshop on 'Socio-Economic Development of India with special reference to North East Region', organized by the Shillong College Academic Society in collaboration with the Shillong College. I am thankful to the Principal of the college and the teachers and members of the Shillong Academic Society for giving me this opportunity. This conference is an opportunity to deliberate upon important scientific issues concerning the country in general and the North East in particular.

As different development-oriented departments and organizations from the Central and the State Governments are here, it is both a prestigious gathering and a representative conference.

The geography and the history of the North Eastern Region have created a very distinctive socio-economic, cultural and political milieu. The topography, geology and the general setting of the region have endowed it with considerable natural resources - fertile soil, lush forests, fossil fuels, minerals and abundant water potential. The geographical isolation coupled with a series of socio-political and historical obstacles, has hindered progress of this region.

In today's world, all disciplines of higher education whether they are humanities, languages, social sciences, sciences, technology or medicine have diversified significantly. Inter-disciplinary areas have also emerged. These developments have cumulatively helped in evolving a knowledge society in the world.

The prime requirement for the overall development today is that scientific and technological advancement serves the development of the disadvantage sections of the local populace as well. There cannot be a gap between these two, otherwise development may serve only the miniscule elitist class, while the living condition of the majority of the population deteriorate to an extent that as happened in some parts of the country, farmers committed suicide, to ward off poverty.

Progress requires that all members of the society benefit from economic development. There cannot be development excluding the local people and their social conditions as well their outlook. Again such a development process requires internal as well external resources. The internal resources include the minerals and other natural resources like water, flora and fauna etc., which the N.E. Region have plenty. The external resources are dedicated technocrats who are ready to train the internal human resources to turn them into stepping stones of future developments. Proper planning is the real necessity and education from primary to higher level must be able to back up this planning.

In recent years, the emphasis has been on harnessing science and technology for the economic and social development of the society and to enrich the quality of life of its people. Application of technology has made tremendous impact on human society's progress and prosperity. There is however, a deep concern at the continuous number of educated unemployed, year after year for which development strategies and technology needs to address seriously.

Education brings social changes said Erasmus long time back. Exploitation of people started due to lack of education. Father of our nation, Mahatma Gandhi, championed the cause of Basic Education which means learning skills while you study. With the advent of modern tools and equipments, the students must learn some skills to use the modern knowledge. Teachers may have to impart latest information, because 'information is knowledge and knowledge is power'.

It is Important that the educational system should highlight the importance of entrepreneurship and prepare the students to get oriented towards setting up of enterprises which will provide them creativity, freedom and ability to generate wealth. The system should imbibe confidence in the students for entrepreneurship. The banking system should support efforts of the educational system and provide venture capital right from the village level to the prospective entrepreneurs for undertaking new enterprises. The capacity to identify marketable products and methods of enhancement of purchasing power among the people has to be built as part of the education system.

I am confident that the deliberations in the ensuing three technical sessions will provide rich insights and valuable exchange of information. I hope such interactions will also facilitate better awareness of area-specific problems and offer reasonable and satisfactory solutions for the benefit of our people.

With these words, I declare this National Conference cum Workshop open and wish it all success.

JAI HIND

- THANK YOU

- KHUBLEI

- MITHELA

INAUGURAL SESSION - VOTE OF THANKS

Dr M. Dey
Joint Converner and Secretary

Dr (Mrs.) M.P.R. Lyngdoh, chairperson of the Conference and Principal, Shillong College, His Excellency Shri M.M. Jacob, Hon'ble Governor, Govt. of Meghalaya, Respected Shri P.J. Bazeley, Chief Secretary, Govt. of Meghalaya, Dr S.K. Gupta, President, S.C.A.S. and Vice Principal, Professional Courses, Shillong College; Shri D. Mukherjee, Vice Principal, Shillong College; Prof. Sujit Sikidar, Head, Dept. of Commerce, Guwahati University, Distinguished guests, delegates, Scholars, and dear friends.

At this very outset, I, on behalf of the organizing committee express a deep sense of gratitude to our Chief Guest, His Excellency Shri M.M. Jacob, who have been kind enough to spare his most precious time to be here with us today. We have been immensely benefited from his inaugural address, which would provide key objectives for the participants in the deliberation of the conference.

It is my proud privilege to profusely thanks Shri P.J. Bazeley for taking keen interest in the activities of Shillong College Academic Society. The key note address presented by Shri Bazeley is a testimony of his concern and involvement in matters relating to Socio-Economic Development. The participants may take this opportunity to analyses the facts from the speech and suggest remedial measures. Sir, we're thankful to you for your thought provoking address.

I take the opportunity to extend our thankfulness to the delegates, participants, and scholars, for responding so well to our call. Many of the participants are representing their respective organizations located in different states of N.E. Region. I wish them a comfortable stay in Shillong, lapses on our part if occur may kindly be excused. I once again thank them all for their kind presence. Our sincere gratitude goes to University Grants Commission, N.E. Region, Guwahati, NABARD, Mumbai, Geological Survey of India, Kolkata, Indian Overseas Bank, Shillong and others for their generous financial support for organizing the conference.

Members of press and electronic media deserve special thank for covering the function. We're also thankful to D.I.P.R., Govt. of Meghalaya for extending their assistance.

I am extremely grateful to our Principal, Vice Principals, Shillong College and fellow colleagues for their valuable support and suggestions.

Lastly, I would like thank all those friends & well wishers whom I have not mentioned by name or designation.

Once again thank you all.

Jai Hind.

VALEDICTORY FUNCTION WELCOME ADDRESS

Shri D. Mukherjee
Vice-Principal, Shillong College

Respected Chairperson and Principal Dr (Mrs.) M.P.R Lyngdoh, Chief Guest, Hon'ble Deputy Chief Minister of Meghalaya, Dr Mukul Sangma, Guest of Honour, Veteran IAS Officer and former Chief Secretary, Govt. of Meghalaya and Secretary, North Eastern Council, Shri H.W.T. Syiem, Dr S.K. Gupta, President, Shillong College Academic Society, Dr M.Dey, Secretary, SCAS, Representatives of the Sponsoring Organizations, Distinguished Guests, Scientists, Delegates and Participants, Members of the S.C.A.S., Electronic and Print Media persons, Dear Colleagues, Beloved Students, Ladies and Gentlemen.

I feel honoured to have the privilege in conveying to you all a hearty and cozy welcome in this Valedictory function of the National Conference cum Workshop on "Socio-Economic Development of India with Special Reference to North – Eastern Region," organized by the Shillong College Academic Society and Shillong College on 3rd and 4th May 2005.

Socio-Economic development of this region, the theme of this Conference, encompasses a huge area, consisting of multifarious social, economic and other allied factors. Science, environment, human resources, planning, industry, trade and commerce, agriculture, economics and many other factors play a significant role in enriching the living standard and collimating the human civilization to march ahead towards prosperity and development. The huge knowledge amassed through research, application and experience is in the threshold of explosion. In this age of liberalization and globalization, all the stake holders have to come forward to put their heads and hands together to utilize the immense resource potentials of the North-Eastern Region for the general upliftment and meaningful socio-economic development of the human society as a whole and for the North-East dwellers in particular. The motto should be that the fruit of development, which is processed in the Institutions, Libraries and Research Laboratories of the metros, cities and towns should reach the fields of the cultivators, workplaces of the industrial labourers and the home of the poorest of poor, living in the remotest corner of the country. But to convert this dream to reality, perhaps the most relevant task is to have a perfect co-ordination and correlation between all the State and Central organizations, scientists, researchers, institutions of higher and technical education, N.G.O's social activities and the concern, co-operation and participation of the public in general.

With this high perspective in view, member of the Shillong College Academic Society, in collaboration with Shillong College and sponsored by University Grants Commission (NER) Guwahati, National Bank of Agriculture and Rural Development (Mumbai), North Eastern Hill University, Shillong, Geological Survey of India, Kolkata, Department of Soil Conservation, Meghalaya, Indian Overseas Bank, Shillong and others, have ventured to hold this conference. During the two days of the conference, eminent scholars, reputed scientists, researchers, administrators, planners and social activists have deliberated on the complicated network of topics related to Socio-Economic development of this region. Let us hope that the end result of this whole exercise would go a long way to create awareness about the environment and the world we live in and have a significant contribution towards the Socio-Economic development of the N.E. region, in particular, and of the country as a whole.

We consider ourselves honoured and encouraged in presence of all of you who have come all the way from within and from outside our State of Meghalaya. I believe the participants from outside have had a pleasant stay at Shillong and had enjoyed the interactions while sharing knowledge and experience with others.

Once again, I take this opportunity of welcoming all of you this afternoon to this valedictory function.

VALEDICTORY ADDRESS

Shri H.W.T. Syiem I.A.S.

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The theme "Socio-economic Development needs to be considered carefully. The tendency has been to lay more stress on the "social" component at the expense of the "economic" part. This may happen consciously or unconsciously with certain consequences in the long term. This may be due to the necessity for providing the required social services like health care, education, etc. which produce quicker apparent gains and are helpful to produce a favorable public image as against economic activities which have a longer gestation period - a clash of interests between the long term and the short term. Any activity - whether in government or outside - entails a financial cost for which resources have to be raised. In private ventures this is obtained through economic earnings or returns. Government has the option of levying taxes in addition to raising resources from economic activities.

Much has been said about the backwardness and the underdeveloped state of the North Eastern Region. I shall dwell rather on the potential for development and the need to create avenues for the youth to realize their dreams and aspirations. Before doing that, it will perhaps be appropriate to attempt at conceptualizing the meaning of development even though there are many and varied definitions of the word. Development may be considered as a concerted activity to improve the quality of life through economic activity involving judicious use of the natural resources and manpower available. There is a need for a fresh look at outdated policies and a change in the mindsets to evolve a more meaningful concept of Socio-economic development which can be practically implemented and bring about an equitable distribution of economic benefits rather than confine these to a select few in the elite.

Another important factor responsible for the lack of impact of developmental activity could be attributed to the top-down approach that has been adopted. Plans are developed and approved based on concepts and general guidelines that may not be relevant or appropriate to the Region in the name of uniformity and commonality, and these are forced down on the states regardless of their practical applicability, resulting in a lack of acceptability, thereby affecting the motivation and involvement of those who are supposed to implement them, or those for whom they are meant. This has a negative effect on the administrative machinery and the people as a whole.

In a free enterprise and market economy, public participation in investment in the economy should be more than the government's. Higher intervention by the government should be in a sustained situation of depression as happened during the depression in the 1930's in the United States. In accordance with the Keynesian Theory the level of government expenditure as part of Gross Domestic Product (GDP) was about 30% or so. In the North Eastern Region Government expenditure as part of GDP is around 75% even today in all states except Assam. Even in Assam Govt. expenditure will be around 50%. This has been the situation for more than 30 years. This highlights the fact that there is a serious lack of private entrepreneurship due to Govt policy. Political thinking and Public attitudes also come into play. It should be borne in mind that entrepreneurs will invest only if the terms are favourable to them. They cannot and will not invest in a losing proposition. In a situation where there are alternatives, he will look at the best or most favourable conditions before taking a decision. The North Eastern Region is invariably the loser in this

competitive situation. We have to create a more attractive package to the outside entrepreneur to wean him from competition from elsewhere rather than prescribing unfavourable terms, which act against our own economic interests. This is especially so when we are all shouting from the rooftops of the need to generate employment for our youth. Management Specialists have estimated that an investment of Rs.70,000/- is required to create one job. To create 10,000 jobs therefore means that an investment of Rs.700 crores. The annual increase in the workforce is of the order of 50,000. These will be about ten times higher for the Region as a whole. Of course, it should be borne in mind that in a situation where there is an urgent need to build infrastructure in all areas, Govt. will have to intervene more actively, and its level of expenditure will remain high. But private investment needs to be increased for higher economic activity, and we have to attract such investment.

Prior to independence there was not much developmental activity. The colonial power had two basic objectives - one, to make profits from all their activities and take these home; two, to ensure a minimum acceptable standard of peace and security from both internal and external threats, the cost of which is to be added to the expenditure for administration of the colony. The sole priority was the profit motive. To ensure achievement of their objectives, the government of the day did provide, over a period of time, some inputs in educational and administrative infrastructure, which have been carried on to the present day. Unfortunately, other restrictive and corrective laws, like the Inner Line Regulation, and preferential taxes were imposed, the legacies of which are being largely continued, and serve rather as a hindrance to economic activities and national integration. The rationale for their introduction was "to protect the simple hillman from the wily plainsman". Today, it is a moot point on who is more wily. There is no doubt a growing realization of the need for development and transition from the present outdated policies and practices to more modern scientific approaches. With increasing levels of education, there is a distinct trend towards modernization even at the cost of giving up old values and traditions. Perhaps true development has to be somewhere in between as there is a need to preserve the culture and traditions of old societies. A good developmental system is one which cherishes the old while bringing the new without conflict between the two.

The North Eastern Region suffers from an odd paradox of having all types of technology in varying degrees. Completely traditional ways of working with simple tools involving large-scale manual labour go side by side with the latest capital-intensive technology. In effect we are using all types of manpower resources, from basic and unskilled, through intermediate technology requiring some amount of skilled labour, to the highly specialized skills that one finds in sectors like Oil Refining, Fertiliser production, Electronics, etc.

The variety of manpower requirement emphasizes the need for different types of skills immediately, which are in short supply. There is no doubt that great strides have been made in education and literacy, which means that a large educated pool exists. Unfortunately, the development of this manpower has been largely unplanned and leaves much doubt as to the adequacy of this pool to meet the demand for technical and scientific personnel for the various activities. In other words, we may have built up a sizeable bank of unemployable manpower involving much time, effort and expenditure. We cannot afford to lose any more time if we are to make the necessary strides to achieve economic advancement. It takes 20 years to produce highly skilled technical and scientific personnel. While the necessity for human resource development was recognized 20 years ago, not much has been done by way of creating the infrastructure to produce the required workforce. The North Eastern Region requires the whole gamut of quality manpower from its own internal resources if any meaningful contribution is to be made from its own people towards the Region's development. We should not lose further time to provide the infrastructure and other inputs. While the investment may be heavy, the resources should be made available.

The Shukla Commission, set up by the Planning Commission to identify the infrastructure gap in the North East Region, identified a requirement of Rs.93,000 crores. This excludes the Industrial Sector. Considering that industrial development is vital to providing large-scale employment, there is an urgent need to plug the infrastructural gap and step up industrial investment to bring about the necessary change for a meaningful impact on the economy of the Region in sectors like Agriculture, Oil, Power, Tourism and Health. There is a serious deficiency of infrastructure in all these sectors, and therefore heavy investment is a must. Involvement of the private sector will go a long way in supplementing the gap, for which favourable conditions cannot be overemphasized.

There is tremendous potential to develop the Power Sector for export. We could take advantage of the demand gap of 40,000 MW in the Northern Grid. Meghalaya has a potential to produce about 4000 MW, while Arunachal Pradesh is capable of generating around 40,000MW. Tapping the potential of just these two states could meet the demand of the Northern Grid and more. From an economic point of view, power generation could be looked upon as a potential economic product for export earning.

The North Eastern Region suffers from serious communication problems both within and with the rest of the country. Partition left a very adverse impact as the road, rail and riverine routes through what is now Bangladesh were closed affecting trade and commerce. To illustrate, Agartala is only 75 km from Chittagong Port. . Today the nearest port it can avail of is Kolkata, which involves a land route of 1500 km or more. Owing to political and other difficulties, which make transit through Bangladesh unlikely, we need to explore alternatives. As our relations with Myanmar are much better, the possibility of availing the river route via the River Kolodyne in Mizoram to the port of Akyab could be explored. An all-weather road already exists in Mizoram up to Lawngtlai. The road could be extended a short distance further where the port could be established. River transport is much cheaper than other forms, and will bring immediate benefits by way of reduced transportation costs to Mizoram, Tripura, the Barak Valley and even to other parts of the North East. A concerted effort by all the states with the Central Govt. is called for to explore the possibility of setting up the river port near Lawngtlai.

There is no end to identifying problems and prescribing solutions for Socio-Economic development in the North East. It is also important that there should be development in our mindset. What is necessary is an open mind and realization that there is a need to change attitudes and thinking processes. Economic Development entails costs. The costs have to be looked at objectively and a balance must be struck between the profits (benefits) and the losses. A society cannot exist in isolation especially in the present context there must be interaction, exchange of views and a readiness to accept the sharing of both the efforts and the fruits among all those taking part in the developmental process. This is necessary as no one person or group can bring about benefits without interaction and support of other groups. It is only on the basis of constructive engagement that one can go forward. The effort must be from both sides if economic improvement can be achieved within the Region and the rest of the country.

JOINT CONVENER'S REMARK

Dr S.K. Gupta
President Jt. Convener
Shillong College Academic Society

Madam Chairperson Dr (Mrs.) M.P.R. Lyngdoh, Respected Chief Guest Dr Mukul Sangma, Dy. Chief Minister of Meghalaya, Hon'ble Guest of Honour Shri H.W.T. Syiem, Former Secretary, North Eastern Council, Shri D. Mukherjee, Dr M.Dey, Dr R.K. Bhattacharya, Dr K.C. Bhattacharya, Distinguished Scholars and Scientists, Delegates and Participants, fellow Teachers, Ladies and Gentlemen.

It is my privilege to stand before you this afternoon to make some laymans remark on the entire exercise of this conference. After 2 days of hectic activities, we now beat the retreat. But before doing so it is necessary to make an assessment-some sort of introspection.

As you know, this conference on " Socio Economic Development of India with special reference to North Eastern Region" had three sub themes, comprising of (i) Science, Environment and Human Resource (ii) Trade, Commerce and Industry and (iii) Agriculture and Economics. Altogether there were four sessions including the Inaugural one.

The Conference was inaugurated by His Excellency, Shri. M.M. Jacob, Hon'ble Governor of Meghalaya, who in his Inaugural Address set the ball rolling by making some well thoughts of valuable suggestions on the role of Science and Technology, Human Resource, Trade and Commerce, Agriculture and Industry for overall Socio Economic Development of the N.E. Region. His message was mixed with a sense of urgency.

Shri. P.J. Bazely, Hon'ble Chief secretary of Meghalaya in his key note address covered all aspects with statistical data related to the Economic and Social Development of the region in particular and India as a whole.

During the two days conference 30 (thirty) papers were presented and accepted for publication. The outcome is highly interesting and encouraging. It is difficult to make a critical review of all the sessions which continued for more than nine hours. In a short span of time, I shall therefore mention some salient features of common interest. This is actually an aerial survey.

SESSION – I : SCIENCE, ENVIRONMENT AND HUMAN RESOURCES

Socio - economic development of a region or the country as a whole depends on a complex network of a large number of interdependent factors, which may be summarized as follows :

1. Socio - economic development of a nation immensely depends on the attainment of knowledge-economy, which is primarily based on citizens' educational upliftment. Students and guardians could play an important role in shaping Government's policies in educational and service sectors, connected to economic growth of the country.
2. Socio-economic parameters and policy visions responsible for production and distribution constraints should be addressed by adopting appropriate policy reforms which would go along way to eradicate poverty and hunger from the poorer section of the Society.
3. Tremendous growth of population followed by unplanned developmental and other non-eco friendly measure has increased the ecological imbalance in the region. Displacement caused by floods and other natural calamities as also by developmental projects such as construction of massive dams often hampers tribal people's access to common property resources. Each rural settlement of NER should have its own clearly and legally defined environment to project, improve, care and use.

4. Appropriate space technology for a village-centric economic development of the NER is the need of the hour. Establishment of Community Information Centers (CIT) and Village Resource Centers (VRC) in the North Eastern States would facilitate socio- economic development of the region.
5. Water quality and related health hazards are to be given proper attention and the public health engineering department and the allied authorities should undertake schemes for improving chemical quality of water before putting in use for human consumption.
6. The close harmony between forest and tribals from time immemorial demands that question of forest rights of the Khasis and other hill tribes should be given due consideration while developing strategies for economic and social development of the tribals.
7. Obstacles to economic and social development in the north east lies deep-rooted in the need for identity which leads to ethnic upsurge and tension encouraging upcoming of destructive and divisive forces, which needs to be addressed properly.

SESSION – II : PLANNING, INDUSTRY AND COMMERCE

8. Regional economic cooperation between the N.E. States and their Asian neighbours across the border should be encouraged along with exploring the opportunities for enhancing trade and business in the North East.
9. For balance development in the different districts of Assam, so far as small scale industry is concerned, an even distribution of SSI units across the State is to be ensured.
10. For boosting rural economy in Meghalaya, priorities are to be fixed for commercialization or marketing of medicinal plants found in Meghalaya and their value added products has immense export potential leading to socio economic development of Meghalaya.
11. The dream goal of socio - economic development can be achieved by concentrating on education, employment and equality. This allows the educated mass to adapt themselves with national mainstream and make the human resource a contributing force to economic and social growth.
12. The process of globalization had led to uneven development in Indian economy. The downward trend of income from tea industry of Assam is related to globalization and some other factors, which are to be addressed properly so as to reverse the trend and achieve socio- economic development of Assam.
13. N.E. States should study its own strength and weakness and evolve an appropriate strategy to utilize the least vulnerable form of globalization to its advantage, which leads to an accelerated growth in the field of economy of the region.
14. For promoting sustainable agriculture and rural prosperity, the development-oriented activities of NABARD are to be utilized to the optimum level.
15. Entrepreneurial education among the youth of N.E. region could play a very significant role to extract the rich resource potentials of the region, leading to socio - economic development of the North East India.

SESSION – III : AGRICULTURE AND ECONOMICS

16. While implementing the watershed project, a key for agricultural development in N.E. Hill region, relevant issues are to be taken into consideration and an alternative or improvement of the existing practice of jhum cultivation is to be developed.
17. The bio resources of the North East such as medicinal plants and their bio prospecting can be a springboard for socio economic development of the N.E. region, through scientific, technological and policy support.

18. Identifying the major constraints and working out of the developmental strategies, leading to scientific management of existing homestead gardens (Baris) in Assam, where almost all kinds of horticultural crops are grown, may substantially increase the farm income.
19. The decision making behavior of the rural farm women in Manipur and other North East States can play a significant role in Agro – based economic development of the States.
20. For sustainable agriculture for socio - economic development in the N.E. region, the prospects of techniques of integrated pest management and integrated nutrient management of the soil, use of bio-fertilizers and organic farming etc. are to be looked into.

As a solution for the overall Socio-Economic development, in brief, various suggestions were made by our learned speakers mostly in all sectors for example Human resources, Environment, Industry, Agriculture, Science and Technology. Programming like vocational training, entrepreneurship, awareness and motivation have also to go side by side and in this connection the role of NGO's has to be given priority apart from the leading role played by both the Central and State Government machinery. The infrastructural facilities such as good roads, communications, irrigation, power etc. have to be made available uniformly in both the rural and urban areas for the overall growth and prosperity of the region as a whole.

Ladies and Gentleman,

We have tried our best to organize the conference in a befitting manner. Our sincere apology is for the shortcomings. The efforts will be considered successful if, as a follow up action, the different developmental agencies and institutions make a co-coordinated effort for the all round development of the region.

Thank you.

VALEDICTORY SESSION : VOTE OF THANKS

Dr M. Dey
Joint Converner and Secretary

Chairperson and Principal, Dr (Mrs.) M.P.R. Lyngdoh, Hon'ble Chief Guest, Dr Mukul Sangma, Deputy Chief Minister of Meghalaya, Shri H.W.T. Syiem, former Secretary, North Eastern Council and former Chief Secretary of Meghalaya, Dr S.K. Gupta President Shillong College Academic Society, Shri D. Mukherjee, Vice Principal, learned participants and delegates, beloved Students and fellow Teachers, Ladies and Gentlemen.

On behalf of the organizers of the conference, it is my proud privilege to sincerely thank you all for your kind presence, patronage and co-operation towards the successful completion of our "National Conference on Socio-Economic Development of India with Special reference to North Eastern Region".

We are very grateful to Hon'ble Chief guest this afternoon Dr Mukul Sangma, who has always been kind to us and stood by us in any meaningful endeavour, we approached him. We owe our deep gratitude to you Sir. We are extremely grateful to Shri H.W.T. Syiem for his most illuminating Valedictory Address. Shri Syiem was also an honorary member of our advisory committee in the last three National Conferences. He has always inspired us with his valuable suggestions and most needed guidance, we are thankful to you Sir.

I take the opportunity to thank Prof. R.K. Bhattacharya, Prof. Sujit Sikidar, Dr. K.C. Bhattacharya and Prof. Passah for chairing the different technical sessions and making the Conference more lively and interactive.

I would like to extend a special thanks to the delegates, participants and scholars for taking keen interest on the topic of the conference and sharing their thoughts with us to make the conference a success.

For the last couple of months, I have been seeking advice, suggestions and a variety of assistance from the College authority, administration and from my fellow colleagues, every now and then and no one ever refused to spare their time and labour. I'm extremely grateful to them for the kindness shown to me.

Thanks are due to the members of Print and Electronic media for giving wide coverage of the programmes. Assistance received from Meghalaya Police Dept. and Directorate of Information and Public Relations, Govt. of Meghalaya is highly appreciated.

Never the less, I'll fail in my duty unless I convey our Gratitude to University Grants Commission, North East Region, Guwahati; NABARD Mumbai; North Eastern Hill University, Shillong; Geological Survey of India, Kolkata; Indian Overseas Bank, Shillong; and many others for theirs generous financial support.

In the end, I thank you all again.

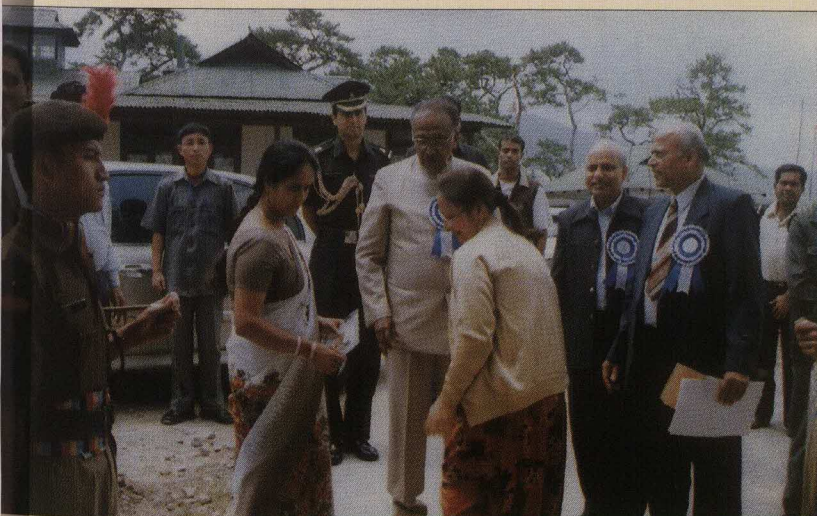
Jai Hind.



Dr. S. K. Gupta, President and Dr. M. Dey, Secretary, Shillong College Academic Society Welcoming Shri P. J. Bazeley, Chief Secretary, Govt. of Meghalaya



Chairperson Dr. (Mrs.) M.P.R.Lyngdoh and Jt. Convener Dr. S.K. Gupta Welcoming His Excellency, Shri M.M. Jacob, Governor of Meghalaya



His Excellency, Shri M. M. Jacob, Governor of Meghalaya along with Shri D. Mukherjee, Vice-Principal, Dr. S. K. Gupta Jt. Convener, Dr. M. Dey, Jt. Convener, Dr. (Mrs) Jayanti Paul and Miss V. Solomon



His Excellency, Shri M.M. Jacob, Governor of Meghalaya, along with Shri P.J. Bazeley, Chief Secretary, Govt. of Meghalaya



A view of the Guests on the Dias during Inaugural Session



Shri P. J. Bazeley, Chief Secretary, Govt. of Meghalaya, delivering the Key Note Address during the Inaugural Session



Chairperson Dr. (Mrs) M.P.R. Lyngdoh
delivering the Chairperson's Address at the Inaugural Session



His Excellency, Shri M.M. Jacob, Governor of Meghalaya
delivering the Inaugural Address



A view of the August gathering
during the Inaugural Session
of the National Conference on
"Socio-Economic Development of India"



His Excellency, Shri M.M. Jacob, Governor of Meghalaya delivering the Inaugural Address



His Excellency, Shri M.M. Jacob along with the Chairperson, Dr. (Mrs.) M.P.R. Lyngdoh, Shri P.J. Bazeley, chief Secretary, Meghalaya, during a Tea Session



Dr. K.C. Bhattacharyya, Director, North Eastern Space Application Centre, presiding over the Technical Session-I, along with the Rapporteurs – Dr. (Mrs.) D. Bhowmick and Shri B. Lyngdoh



TECHNICAL SESSION – I
SCIENCE, ENVIRONMENT
&
HUMAN RESOURCES

INTER GOVERNMENTS' – GUARDIANS' THRUST ON EDUCATION – A STUDY WITH SPECIAL REFERENCE TO NER

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ABSTRACT

Socio-economic development of nation immensely depends on the level of attainment of knowledge – economy which is primarily based on citizen's educational upliftment. While delineating the concept of economy without boundaries and fulfilling some contractual obligations, educational sector has no longer remained confined to India's political boundary. In observing some international norms, government stake over service sector including education, suffers a major setback owing to the gradual relinquishment of government's stake over the same. Student's guardians, who have no direct control over the state's infrastructural development, are in dilemma. They take a befitting strategic decision to combat such changing scenario and thereby protect their wards' academic career. The author has made a humble attempt to study its impact and the mode of such change in different states' economy. This paper is an attempt to study the same.

INTRODUCTION

Economic development of a nation is directly linked with the educational development of a society. Both variables are positively correlated. Constitution of India has also uphold this concept and accordingly due emphasis has been posed in this section. Although our Fundamantal Rights guarantee basic education to all irrespective of caste, creed and religion and Sarba Siksha Abhijan is the outcome of the same. But since it belongs to our concurrent list of our constitution so both the Union of India and the respective State Government have their equal control in the sphere of education leads to the lack of uniformity in the system of education throughout the country.

The opening up of Indian Economy in the early part of 1990's have shown a great deal of changes in this sector. Prior to such changes we had undergone through an economy which were primarily based on "Product" and as such it was termed as "Product Based Economy". Owing to the introduction of the concept of boundary less economy, the scenario has gone through a great deal of changes. The economy has been since then, rolling through an economy which is based on "Knowledge" and as such it is termed as a "Knowledge Based Economy". Now a days we are lying in between these two concepts of economy i.e. we are going through a period which is termed as 'Transition Economy Period', with a positive direction keeping a track with the rest of the economically developed/developing nations. So, "Education" at its critical juncture plays a very unique role which directly discern knowledge amongst the mass. Higher the development of education, more will be the knowledge indice and hence it will have a positive reflection towards the economic development indice of a nation. In this context various suggestions put forward by the World Bank as reform measures in the area of higher education, would be a worth mentioning one, they are :

- Encouraging a greater differentiation of institution of higher education including the development of private institutions.
- Evolving cost-recovering mechanisms including cost sharing with students.
- Redefining the role of the government by developing a policy framework to make the sector more market friendly and the educational institutions more autonomous;
- Prioritizing investments towards quality improvements.

The University Grants Commission, being the traditional source of funds for education in India, has addressed most of the aforesaid issues in its Xth Five Year Plan.

Moreover, the thrust on education has also cropped up from international organization like the WTO and GAATS. The conference at Doha in 1996 also bears a significant role in this direction, which led to a General Agreement of Trade in Services (GAATS). India being a signatory of the said Agreement became a member of the World Trade Organisation (WTO). Education has been identified as one of the 12 services for general trade, which has made it an obligatory to the member countries to allow market access. International, investment in educational sector, has been viewed not as welfare or service sector's investment rather they treat it as an intangible product and its investments are termed as commercial investment. And as such we have been experiencing, nowadays, coming up of so many foreign origin Universities with commercial motive, discriminating education with lucrative packages. Not only that, we have been experiencing mushroom growth of private universities with Indian origin.

So, it is an established fact that "Education" is a thrust area, in the present day economy and the economy cannot ignore this aspect.

OBJECTIVES

The present study would like to address the following issues while undergoing a threadbare study right from macro level to micro level cum core issues of the economy :

1. To study India's overall market positioning at the international level, with respect to "Public Expenditure on Education"
2. To broadly analyze the stake over-
 - a) The respective state's social sector's covering on education, sports, arts and Culture;
 - b) The respective state's service sector's bearing over the respective state's domestic product;
 - c) The respective state's educational expenditure bearing over their total expenditure.
3. To make a micro level study on state wise individuals (guardians) monthly consumption expenditure on education.
4. To draw overall inferences over the study.

LIMITATION

This study though covers a wide area while addressing the core issue but it has some limitation of its own. Basically this study is limited by two dimensions – it is based on secondary information and secondary data base of the study concentrated within a limited period 1985-86 to 2001-02 and hence inferences drawn on the study may not reflect the true picture.

SIGNIFICANCE OF THE STUDY

This study bears an immense impact keeping in mind the "Socio – Economic Development of India." The concept of "education" be it at the primary level or at the higher level, it is directly and positively correlated with the economic development of a nation/region. More the development of human resource more will be concentration of intellectual property of a nation. Gradual withdrawal of government's budgetary support from the Centre and/ State government has put both the guardians and their wards in dilemma. This process, if continued, would undermine the importance of human resource – an important bearing of National asset of development of a country with more than 200 crores human population. To keep pace with the International development, educational upliftment of a nation can never be underestimated. This study bears immense importance in the same direction.

This study is based on some secondary data collected from concerning issues of the Economic Times, Kolkata Edition, Economic and Political Weekly, ICAFI University Press – Portfolio Organisor, Annual Report – HRD Ministry and the World Bank Report.

ANALYSIS OF DATA AND FINDING OF THIS STUDY

(i). India's market positioning at the international level, with respect to "Public Expenditure on Education." : Globally where do we stand as regards the "Public Expenditure" on education is a matter of concern and it can be realized from the Table - I. The table depicts India's global positioning with respect to Public Expenditure on Education. Though three to four countries are trailing behind India under different levels but still India is much behind the leading nations. It is apparent from these facts that there is shrinkage of state stake over higher education and is a matter of concern, which needs to be addressed at the appropriate stage to combat the effect in India's ' Socio – Economic Environment.' According to the Human Development Report 2004, India ranks 78th among 137 countries of the world when the public expenditure on education is compared with the Gross National Product (GNP). In 1999 – 2000, India spends only 4.1 percent of its GNP on education (including higher education) while many nations spend more then 6 percent on similar purposes. Incidentally, some of the countries, which spend more than 4 percent of their GNP on education, are economically poorer than India.

(ii) (a). Stake over the respective state's social sector covering on education, sports, arts and culture : This issue has been explained and discussed with the help of Table - II. It is discernable from the table that State Government's expenditure on education, sports, arts and culture is always at a higher level than the Central Government's stake. The year 1992 – 1993 is a landmark in this direction; State Government's expenditure was at the highest level during the same period. It was as high as 13.02 times than that of the Central Government's stake. Though it appear to be a little bit volatile in this direction but the quantum has taken a downward trend ever since 2001 – 2002. It is attributable from the fact that the State Government's are perennially in financial distress due to a mark than proportionate increase in expenditure. This financial imbalance re-affirms from the dimentions of times of expenditure in this sector. While the Central Government's has increased its stake of expenditure to the tune of 7.98 times within the span of 14 years of this study and the State Government's stake has increased merely to the tune 4.49 times. From the point of view of budgetary allocation too it uphold the similar view. Whereas the Union Government's share (%) in total budgetary allocation shows more or less a continuous increase in support but the State Government's allocation shows a more or less stable upto 2000-2001 and subsequently it started falling.

(ii) (b). Statewise service sector's bearing over the respective state's domestic product : In the international arena, India has established its worth and has emerged as one of the fastest growing economy in the world. WTO has already identified 'education' as one of the 12 services for general trade and in micro level too we suppose 'education' as an integral part of 'service sector' in the India economy. During the past five years, the economy has continuously recorded above 5% growth rate per annum. In 2003-2004, the growth rate was impressive at 8.5%. In this background, it would be prudent to identify the respective state's bearing on "service sector:" in their domestic product. State Domestic Product (SDP) is an annual measure of the economic output of a state/nation. This issue has been addressed with the help of Table - III. It is discernable from the table that service sector plays a very significant role towards the individual State's Domestic Product (SDP). Over the period of said nine years. Jharkhand shows a constantly least share (%) in SDP which fell below 30%. On the other hand, North Eastern State like Nagaland and Meghalaya ranked on an average at the top level not only within the range of NER but at the national level too. So it clearly shows that from the point of view of SDP, state of NER play a lead role. Though at the beginning period it has substantially and gradually improved its share (%) of service in SDP but still trailing before the state of Manipur which has a high as 48.4% in the year 2001-2002.

(ii) (c). Statewise educational expenditure bearing over total expenditure : Coming to the micro issue of the study, leaving behind the aforesaid background of social and welfare aspect, it would be prudent to make a threadbare study of the core issue i.e. State government's budgetary support on "Education". The Common Minimum Programme (SMP) of the United Progressive Alliance (UPS) has late raised the importance of this sector. Socio-economic development of a nation will always remain a dream unless there is an improvement in culture and education. Realizing the need of the hour, the extension of education had formed a core issue of the new government's CMP and a huge investment has been planned during the current five Years Plan period to improve the quality of education as also to make it more universal. Keeping it in mind, government's projections spend 6% of the Gross Domestic Product (GDP) on 'education' and behalf of this on the primary and secondary education alone. To fund this ambitious project, government's has put an "Educational Cess" on all Central Taxes from the Financial Year 2004-2005. While on the hand share of education in individual's consumption basket is increasing from 1.8% in 1993-1994 to 2.1% in 2002-2003. On the other hand, its share in state's aggregate budgetary support is declining. To make a threadbare study of this aspect, data as shown in Table – IV. It is evident from the table that although in general there is a overall increase in budgetary expenditure covering all the states but from the point of view of the weightage on education, its share (%) has been in a reducing trend from 17.95% to 14.48% for the period under study, whereas the total corpus for education has also been increase from Rs. 56,343.04 (Cr.) to Rs 70,714.55 (Cr.), an increase to the turn of Rs. 14,371.51 (Cr.) which is a significant one. Financial year 2001-2002 and 2002-2003 reportedly to have the highest marginal increase in total budgetary expenditure as Rs. 4,947.39 (Cr.) and Rs. 4,982.26 (Cr.) respectively, whereas the year 2000-2001 marked to have the least marginal increase i.e. Rs. 511.3 (Cr.). On an average, educational share in all states total expenditure is 16.15%. The Highest share goes to Assam i.e. 23.68% and the second highest share goes to Bihar i.e. 20.69% respectively. Whereas, the lowest goes share goes to Sikkim i.e. 9.08% and the second lowest goes to Nagaland i.e. 11.28% respectively. 16 states fall below the national average of 16.15%. So, the NER having the land mark feature of both the highest and the lowest percentage of share of education in total budgetary expenditure.

(iii). Statewise individuals monthly consumption expenditure a micro analysis of educational expenditure : It has been explained with the help of Table - V. It is discernable from the table that people of Haryana and Punjab value children education the most. The urban population of Haryana's share of education in per capita consumption expenditure has increased from 4.7% in 1998 to 8.3% in 2000 and in real terms the same has increased by more than three folds from Rs.28 (Cr.) to Rs.86.4 (Cr.). Haryana's rural population's share of education in per capita consumption expenditure has also scored the highest level occupying 4.9% and in real terms Rs. 34.8(Cr.). In the same direction Punjab stands second occupying 7% with Rs. 69.9%9Cr.) in the urban population and in rural population too it occupies the second position with 4.5% share and in real terms Rs. 4.59Cr.) respectively. In urban population, Rajasthan value the least occupying 4.5% and in real terms it is Rs.36.6 (Cr.) The second lowest population in urban population goes to Maharashtra with 4.6% share. As regard the rural population, Karnataka ranked the top position occupying 1.3% and Maharashtra occupying the second lowest population with 1.8%. So, the state of Maharashtra and Rajasthan enjoys a unique and uniform feature of having the second lowest position both as regard the urban and rural population is concerned, though it is a fact that the states of Maharashtra and Rajasthan are supposed to be the leading and advanced states in the field of industry, trade and commerce. So it is attributable that the people of Maharashtra and Rajasthan give more thrust on commercial investment rather than their investment in children and education.

Regarding the states of NER, in a composite way, statistics occupying in their stakes in both the sectors and rural and urban are unlike the general trend. Though the reduced rank show the share (%) as 4.5 and 6.3 respectively in rural and urban sectors but their position is much higher in comparison to the national level in the year 2000 which were 2.6% and 6.1% respectively. The composite figure shows NE states are at par with Punjab regarding rural population's share (%) in monthly consumption expenditure per person. As the rural population is concerned as many as ten states are trailing behind the national level, they are namely W.B., U.P., Orissa, Maharashtra, MP, Kerala, Karnataka, Gujarat, Bihar and A.P. respectively. In

the similar way in urban population, as many as seven states are trailing behind, they are namely Rajasthan, Orissa, Mahashtra, M.P., Kerela, Karnataka and Gujarat respectively.

CONCLUSION

Shrinkage of state's stake on education is prevalent in many countries. India is no exception to this. Although state's budgetary support as a whole appears to be an increasing one but its marginal increase is at a reducing pace. Perhaps being a signatory of GATTs, India is under the obligation to downsize its stake in public expenditure. However at a micro level, two states namely Nagaland and Meghalaya occupy a lead role in ranking themselves in their share in service sector, which is a deviation from the global scenario. Guardians, of mostly two states are very much concerned about stake on education and as a result they accelerated their own stake on children education, which has made Haryana and Punjab leading states. However whatever may be the dynamism in the educational policy decision, citizens must be well prepared by themselves to combat with such dynamism and it would be prudent to follow with such changes rather than indulging ourselves in resistance for such volatile 'Socio-Economic Environment.'

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Table – I

STATES COMMITMENT TO HIGHER EDUCATION

Countries	Public Expenditure As Percent of Total Govt. Expenditure		Public Expenditure on Higher Education As Percent of Expenditure on all Level	
	1985-86	1995-97	1985-86	1995-97
Sweden	12.8	12.2	13.1	27.2
Australia	12.5	13.5	30.5	30.5
Netherlands	NA	9.8	26.4	29.3
United Kingdom	11.3	11.6	19.8	23.7
United States	11.9	14.4	25.1	25.2
France	18.0	10.9	12.9	17.9
South Korea	NA	17.5	10.9	8.0
Japan	NA	9.9	NA	12.1
Philippines	11.2	15.7	22.5	18.0
Singapore	11.5	23.3	27.9	34.8
Thailand	17.9	20.1	13.2	16.4
Malaysia	18.8	15.4	14.6	25.5
China	11.1	12.2	21.8	15.7
Indonesia	4.3	7.9	NA	24.4
Namibia	NA	25.6	NA	13.1
Zimbabwe	15.0	NA	NA	17.3
India	8.5	11.6	15.3	13.7

Source: Economic and Political Weekly.



Table – II

EXPENDITURE ON EDUCATION, SPORTS, ARTS AND CULTURE (RS. IN CRORES)

Years S.Govt,	Central Govt.	State Govt.	States Govt's Inv. Times Over Central Govt.	%Share of Total Budget Allocation	
				State Govt.	Central Govt.
1990-91	1,281	15,812	12.34	1.22	17.36
1991-92	1,377	17,355	12.60	1.24	16.08
1992-93	1,503	19,563	13.02	1.23	16.39
1993-94	1,844	21,908	11.88	1.30	16.27
1994-95	2,455	25,375	10.34	1.53	15.71
1995-96	2,984	29,386	9.85	1.67	16.55
1996-97	3,328	33,578	10.09	1.66	16.56
1997-98	4,452	37,715	8.47	1.92	16.53
1998-99	6,029	46,310	7.68	2.16	17.39
1999-00	6,405	56,350	8.80	2.15	17.95
2000-01	6,767	60,268	8.91	2.08	17.36
2001-02	7,276	60,370	8.30	2.01	12.06
2002-03	8,936	65,783	7.36	2.21	11.83
2003-04	10,222	71,060	6.95	2.33	12.91

Source: The Economic Times, Kolkata Edition.

Table – III

SHARE OF "SERVICE" IN STATE'S DOMESTIC PRODUCT (SDP) IN %

-Years -

States	'93-'94	'94-'95	'95-'96	'96-'97	'97-'98	'98-'99	'99-'00	'00-'01	'01-'02
Andhra Pradesh	42.4	43.0	43.1	43.6	46.3	44.7	46.6	46.1	47.1
Assam	38.2	38.3	39.3	40.5	38.4	40.2	42.9	44.0	44.5
Bihar	41.3	40.5	44.0	41.6	46.2	44.7	47.0	48.2	49.2
Chattishgarh	29.4	30.1	31.4	31.9	32.1	32.4	35.2	37.4	35.9
Goa	48.7	52.6	54.8	55.5	54.6	52.5	53.0	52.9	54.3
Gujarat	38.8	35.8	37.2	34.6	38.1	38.2	41.3	42.8	41.5
Haryana	31.3	30.8	32.3	33.8	36.0	36.2	37.7	38.9	40.3
Himachal Pradesh	39.8	37.5	37.6	37.4	39.2	40.9	42.8	42.2	NA
Jammu & Kashmir	45.4	44.1	45.8	46.7	49.0	49.3	50.1	51.0	NA
Jharkand	28.2	27.8	28.1	28.7	26.6	28.4	27.1	NA	NA
Karnataka	38.4	39.6	40.8	42.0	43.7	41.8	43.2	43.4	46.2
Kerala	48.8	48.0	49.2	50.4	52.5	53.2	55.4	56.0	56.4
Madhya Pradesh	35.7	35.4	36.2	37.1	37.6	37.9	36.3	38.7	38.0
Maharashtra	47.1	47.9	47.9	46.3	48.1	49.7	50.7	53.7	55.1
Manipur	45.9	47.4	47.5	48.1	46.3	42.4	48.8	48.1	48.4
Meghalaya	54.1	54.3	53.7	52.5	53.3	52.7	52.4	52.2	52.8
Nagaland	61.6	60.4	58.8	57.1	54.3	56.8	56.8	NA	NA
Orissa	35.3	36.0	36.9	40.1	39.2	39.2	41.4	42.4	42.1
Punjab	32.1	32.1	32.9	34.0	35.6	35.2	35.9	35.7	36.2
Rajasthan	38.8	36.0	37.3	37.2	37.4	39.1	40.2	41.6	40.1
Tamilnadu	41.5	40.9	42.9	45.0	46.8	47.2	47.9	48.9	50.6
Tripura	53.7	54.4	54.0	54.6	55.8	54.4	54.5	49.6	48.3
Uttar Pradesh	38.8	38.1	38.3	37.9	39.7	39.5	39.3	39.2	39.1
West Bengal	43.1	43.3	44.1	44.9	45.2	48.0	48.9	50.6	51.0

Source: The Economic Times, Kolkata Edition.

Table - IV

**TOTAL BUDGETARY EXPENDITURE (RS. IN CRORES)
(% OF EDUCATION'S SHARE IN STATES TOTAL EXP.)**

States	1999-00	2000-01	2001-02	2002-03	2003-04	X % share of Edu. Exp
Andhra Pradesh	22,766.67 (14.57)	28,119.39 (13.30)	31,074.36 (12.46)	34,887.60 (12.54)	40,480.45 (12.68)	12.21
Arunachal Pradesh.	1,098.16 (12.21)	1,206.32 (6.40)	1,380.48 (13.27)	1,636.88 (11.66)	1,473.22 (11.92)	11.09
Assam	7,086.22 (23.64)	7,630.93 (25.47)	8,550.36 (21.90)	11,176.68 (22.56)	13,397.18 (24.84)	23.68
Bihar	19,548.19 (21.54)	16,946.04 (23.68)	14,869.29 (20.69)	17,752.42 (18.36)	18,735.16 (19.19)	20.69
Chattishgarh	NA	1,917.09 (13.06)	5,623.89 (12.39)	7,572.56 (11.28)	9,541.32 (13.47)	12.55
Goa	1,614.28 (15.12)	1,961.97 (11.88)	2,352.49 (10.51)	2,880.60 (10.33)	2,988.86 (10.16)	11.60
Gujarat	21,465.50 (15.90)	27,174.61 (13.56)	25,650.77 (12.72)	29,053.23 (12.78)	29,771.26 (12.93)	13.58
Haryana	5,228.25 (16.00)	9,158.87 (14.57)	10,728.47 (13.79)	11,717.42 (13.99)	12,896.33 (14.20)	14.51
Himachal Pradesh	7,844.39 (16.13)	5,314.93 (17.02)	5,669.50 (16.20)	6,562.32 (14.57)	7,317.85 (14.03)	15.59
Jammu & Kashmir	NA	NA	7,933.75 (16.17)	9,809.39 (18.95)	9,479.31 (14.78)	16.63
Kerala	12,900.37 (20.35)	13,148.64 (20.04)	13,131.91 (18.96)	15,440.85 (16.93)	17,316.14 (17.05)	18.67
Karnataka	17,818.23 (16.92)	19,633.69 (17.74)	21,937.61 (15.98)	25,017.25 (14.78)	27,020.91 (14.78)	16.04
Madhya Pradesh	17,957.44 (17.03)	16,924.05 (16.32)	16,959.68 (12.53)	20,049.68 (12.09)	21,22.65 (13.12)	14.22
Maharashtra	38,243.61 (19.10)	42,208.19 (22.32)	42,479.58 (22.10)	49,571.03 (18.31)	49,462.04 (17.38)	19.84
Meghalaya	1,195.40 (17.48)	1,423.87 (16.65)	1,394.97 (17.93)	1,901.11 (15.04)	2,067.60 (20.18)	17.46
Manipur	1,779.76 (19.06)	1,381.10 (20.24)	2,117.06 (13.73)	2,459.25 (13.35)	2,292.11 (12.96)	15.87
Mizoram	1,160.51 (13.88)	1,287.94 (14.74)	1,333.52 (16.04)	1,506.43 (13.98)	1,310.47 (14.51)	14.63
Nagaland	1,494.94 (10.74)	1,835.47 (12.95)	2,018.58 (11.05)	2,172.26 (10.85)	2,283.70 (10.80)	11.28
Orissa	10,119.65 (19.16)	11,047.37 (15.94)	12,064.73 (14.55)	14,044.67 (13.54)	15,363.33 (12.99)	15.24
Punjab	11,979.51 (15.13)	14,110.57 (13.18)	15,692.05 (11.68)	18,739.22 (12.11)	21,125.83 (10.92)	12.60
Rajasthan	16,256.23 (19.15)	17,494.19 (18.78)	18,994.72 (18.19)	22,350.91 (15.86)	22,498.05 (16.71)	17.74
Sikkim	1,619.46 (7.03)	947.23 (10.16)	1,909.35 (7.98)	2,252.68 (7.78)	2,179.76 (8.44)	9.08
Tamil Nadu	22,626.81 (19.49)	24,437.09 (18.04)	24,818.18 (17.33)	30,539.36 (14.83)	31,761.96 (16.03)	17.14
Tripura	1,773.15 (20.16)	2,135.04 (19.27)	2,465.62 (18.63)	2,761.53 (18.97)	2,991.84 (18.57)	19.12
Uttaranchal	NA	1,110.25 (21.49)	3,297.76 (21.13)	5,615.91 (17.79)	7,590.56 (16.08)	19.12
Uttar Pradesh	34,615.31 (16.56)	36,681.20 (16.83)	38,103.75 (15.98)	45,377.41 (14.00)	59,723.24 (11.06)	14.89
West Bengal	22,677.45 (22.10)	26,740.79 (17.13)	28,078.79 (16.21)	30,591.52 (15.25)	35,645.00 (13.44)	16.83
NCT Delhi	5,911.66 (18.41)	7,362.28 (15.15)	8,630.72 (13.72)	10,464.00 (12.33)	9,800.00 (15.00)	14.92
All States	3,13,888.813. (17.95)	47,198.173 (17.36)	77,311.614 (16.11)	42,641.694 (14.85)	88,360.15 (14.48)	16.15

Table – V

X MONTHLY CONSUMPTION EXPENDITURE OF EDUCATION PER PERSON (RUPEES)
(% SHARE IN MONTHLY CONSUMPTION EXPENDITURE PER PERSON)

States	Rural		Urban	
	1998	2000	1998	2000
Andhra Pradesh	3.20 (0.8)	10.00 (9.1)	17.70 (2.8)	51.80 (6.0)
Bihar	7.50 (2.6)	9.00 (2.2)	42.50 (8.3)	46.90 (7.5)
Gujarat	4.90 (1.2)	13.00 (2.1)	23.60 (4.0)	58.7 (6.2)
Haryana	21.90 (4.0)	34.80 (4.9)	28.00 (4.7)	86.40 (8.3)
Karnataka	6.30 (1.7)	7.00 (1.3)	36.80 (5.4)	54.50 (5.6)
Kerala	22.60 (3.7)	31.90 (3.8)	35.10 (4.5)	59.70 (4.8)
Madhya Pradesh	3.60 (1.1)	10.20 (2.5)	26.10 (4.6)	38.70 (5.2)
Maharashtra	7.90 (2.1)	10.60 (1.8)	32.10 (3.6)	55.30 (4.6)
Orissa	5.60 (1.9)	5.00 (1.6)	17.20 (2.7)	39.90 (5.4)
Punjab	28.00 (4.6)	34.5 (4.5)	41.10 (6.0)	69.90 (7.0)
Rajasthan	5.50 (1.2)	10.20 (1.8)	31.90 (4.3)	36.60 (4.5)
Tamil Nadu	5.80 (1.5)	14.70 (2.7)	15.00 (2.4)	62.70 (1.0)
Uttar Pradesh	11.50 (3.1)	11.20 (2.6)	30.00 (5.2)	52.10 (7.1)
West Bengal	12.6 (3.5)	16.00 (3.2)	47.40 (6.9)	62.90 (6.5)
NE States	35.00 (7.3)	27.20 (40.5)	71.70 (10.3)	62.40 (6.3)
INDIA	9.60 (2.5)	12.90 (2.6)	34.90 (5.1)	56.60 (6.1)

Source: The Economic Times, Kolkata Edition.

EMERGING SOCIO – ECONOMIC TRENDS IN THE HARMONY BETWEEN FOREST AND TRIBALS : THE CASE OF THE KHASIS OF MEGHALAYA

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ABSTRACT

Since time immemorial, forests have played a vital role in the determination of the ways of life and culture of societies across the world. Human ingenuity and nature's generosity have conspired into numerous ways of uses borne out of forests. Tribals are known to have a very close affinity with the forests. They depend on them not only for their economic requirements but more importantly they have a strong cultural link with the forests. Ecological wisdom and forest knowledge of the tribals is a real knowledge that is deeply linked to their day to day experience and survival needs. Today the tribals have come a long way since the British rule was imposed on tribal areas and a new set of administrative process have been established which aims at economic and industrial development. With the rapid increase in population the economy pressure fell on the forests and this pressure had to be borne by a land-based economic system which did not achieve a better growth rate agriculture because of the lack of marketing facilities. As a result, forests as common property resource was privatized because of the continued reliance on land based activities. Added to the problem of tribes is their high dependence on forests to meet their needs for survival. According to an estimate, roughly, 95 % of India's population is located in the rural areas where agriculture and forestry constitute the main source of livelihood. For a Khasi the forest has been a natural storehouse from where he derives everything needed for his daily life, shelter, fodder, food and medicine. Traditionally, the forest is a well loved home, over centuries and also an abode of worship around which his social, cultural and religious activities revolve. Keeping in mind this close harmony that has existed since time immemorial one cannot help looking into the question of forest rights of the Khasis in the light of the Government's developmental strategies for a planned change and economic development.

INTRODUCTION

Since time immemorial, forests have played a vial role in the determination of the ways of life and culture of societies across the world. Human ingenuity and nature's generosity have conspired into numerous ways of usages born out of forests. During the Indian mythological period, certain distinct forest territories - 'Aranyas' were identified as abodes of sages. In the forestlands of western Africa of the Sahelian states, Africans lived in small communities known as 'Forest Kingdoms' under the rule of their tribal chiefs. For the local forest dwellers of Amazonia, the "Caboclos", the 'Punan' hunter gatherers of Borneo and the 'Pygmies' of Central Africa, tropical forests provide them nearly with all their needs, from medicinal plants and protein-rich game to fuel-wood and building materials; flour resins and dyes to fruits and mushrooms. The forests are both a shelter and a food larder [4]. These are but, a few examples to show the myriad ways in which forests have intricately coalesced with human life and culture which makes it the most important biological entity of all eco-systems.

FOREST KNOWLEDGE OF THE TRIBAL PEOPLE

Today there is a gulf of difference between the ways of human understanding about the forest and their interrelationship. Although tribal societies across the world have been known for their special kinship with forest and forest products, the mainstream view, about tribal cultures, since colonial times up to the present, is extremely negative and seems to bear almost no shred of reality. It starts from ideas that tribal cultures are 'primitive' and 'backward'. This negative perception about tribal people that was built during British rule remains unquestioned in India till today, and denies the existence of tribal forest lore, their culture and values. But what exactly constitutes tribal knowledge of forest? While schools and universities have

taught us to value one kind of knowledge ('factual', 'rational' or 'scientific') as against another kind - 'intuitive' and 'instinctive knowledge' [9], it is this second kind of knowledge that is based solidly in 'experience' and not 'experiments' that harbors tribal knowledge. Tribals depend on this knowledge to fulfill most of their day-to-day needs (their 'economy') through agriculture, hunting, fishing, and gathering a huge range of forest foods and materials; with these they make most of their articles of daily use from houses to ploughs, baskets to leaf-plates; they possess an ancient lore of herbal medicine, as well as knowledge about many aspects of nature and human life that is more highly developed than ours [9]. The forest knowledge of the tribal people is a "real" knowledge that is deeply linked to their day-to-day experience and survival needs and so there is a lot we need to learn from them. Today, the tribals have come a long way since the British rule was imposed on tribal areas and a new set of administrative process have been established which aimed at economic and industrial development. With the rapidly increasing population, the economic pressure fell on the forests and this pressure had to be borne by a land-based economic system, which did not achieve a better growth rate of agriculture because of the lack of marketing facilities. As a result, forests, as common property resource was privatized because of the continued reliance on land-based activities. Added to the problem of tribes is their high dependence on forest to meet their needs for survival. According to an estimate, roughly 95 per cent of India's tribal populations are located in the rural areas where agriculture and forest traditionally constitute the main source of livelihood [7]. Indeed the tribal development policies of the government would do better than consider them as 'museum pieces'. In Jenny Diski's novel *Rainforest*, an anthropologist / ecologist goes mad when she begins to feel the forest she has been studying scientifically. Official knowledge of the forest compartmentalizes it, an analyzing that kills the heart – kills our relationship with it [9].

This paper goes deeper into the so called 'real' knowledge of forest among the Khasi of Meghalaya while making an appraisal of the changes in the parameters of resource use that have emerged in recent times as a result of the gradual spread of government policies and legislations.

*"U Khasi u im bad ka mariang
bad ka mariang ka im bad u ..."*

This resounding declaration of the famous Khasi writer H.O. Mawrie, which literally means 'A Khasi lives with nature and nature lives with him', sums up the strong emotional bond that has ever sustained between the Khasi and nature. The Khasi Hills is a plateau of rolling grasslands, meandering rivers, green rolling hills gently sloping towards the plains and valleys with deep gorges and precipitous ravines [not found in reference]. Situated in the North Eastern State of Meghalaya known as the 'abode of clouds' - ¹ the East and West Khasi Hills have both earned a name for their temperate climate, which is neither too hot nor too cold with a plentiful supply of rainfall in summer which helps the growth of gorgeous and luxuriant vegetation.

From a historical retrospective the forest wealth of the Khasi was diverse, ranging from tropical to temperate type of forests. Besides the indigenous pine tree (*Pinus khasiana*), which still dominates the natural vegetation, 'Sal' is also a valuable timber in the region. Bamboo or '*siej*' as it is locally called has served as a good source of traditional craftsmanship ever since long centuries past. From cane and bamboo, the Khasi created several articles of daily use such as cones, baskets, mats, cages, sun and rain, shades etc. [3]. Bamboo was so much in use and modeled into so many articles of value that 'there was once among the Khasi a widespread bamboo culture' [3]. Much of Khasi timber in the past was also used for making bridge-piles, railway sleepers, boat building and furniture. For a Khasi, the forest has been a natural storehouse from where he derives everything needed for his daily life, shelter, fodder, food and medicine. The forest is a well-loved home, a game sanctuary and also an abode of worship around which his social, cultural and religious activities revolve.

The natural wisdom of the ancient Khasis is a God-given gift to them, an inborn quality which could be interpreted as the result of their close contact with mother-earth. Much of this ancient wisdom is today the result of oral tradition [6]. A basic element present in such legends is the personification of elements of nature as mother, son, husband and wife, friend and foe, according to their natural behaviors, their love,

hate, jealousy, pride and vanity which are projected out before the listeners with the sole purpose of teaching moral and spiritual values. Forest myths and legends have played an important role in enriching the ecological history of societies around the world. One such legend which is very popular among the Khasis is the legend of "U Diengiei". According to this legend there was a very tall and gigantic tree at "Lurn Diengiei" which had its branches spread far and wide and covered the sun overshadowing the earth. The whole world became dark, damp and gloomy and the people were deprived of the warmth of the sun and light resulting in ill health, disease and death. So they held their village council and decided to cut down the tree Accordingly they felled the tree and it was only after they had felled the tree that they could enjoy good health, peace and happiness [not found in reference]. This folktale throws ample light on the perception and attitude of the ancient Khasi towards tree and forest. They considered forest as the home of gods and evil spirits, as something dreadful and look upon them with a sense of awe and reverence

Thus, for the Khasi, nature itself is like a great book with infinite leaves in it. Each page contains valuable lessons which every Khasi adheres to [6]. It is known that in the reckoning of time, months of the year, days of the week, the Hindus looked at the planets like sun, moon, Jupiter, Saturn etc. while the Greeks followed the mythological names of gods and goddesses. The Khasi ancestors, however, had no knowledge of astronomy, but they had their mother nature close to them. They looked at the changes that took place in nature from season to season and named the months of a year according to their natural characteristics.

Objects of nature have occupied a central place in the *sanctum sanctorum* of Khasi tradition. They are indispensable in the performance of religious rites and rituals amongst the followers of traditional Khasi religion. Whatever may be the occasion, either naming ceremony (*Ka jer ka thoh*), marriage (*Ka poikha poiman*) or death (*niam iap*) there is an explicit usage of natural objects with a sense of necessity and sacredness. To cite an example, during the naming ceremony of a child, a banana leaf (*'la-kait*) is placed on the floor with five pieces of dry fish (*Khapiah*) on it. Beside this, is placed a bow and three arrows if the child is a boy and if the child is a girl, a bamboo basket (*khoh*) with a carrying belt (*star*) is placed. As the priest summons God to witness the function and give his blessing, the relatives present in the ceremony mention a few names for the child. The priest repeats each name while pouring out the liquor from the gourd container (*u klong*) on the floor. The name at the repetition of which the last drop of liquor from the gourd adheres to the spout of it, is the selected name for the child The role played by nature in its various forms in Khasi ethos and tradition is thus an embodiment of their socio-cultural heritage.

Khasi literature is replete with thoughts and ideas that express and communicate what nature means to them. One finds that most of the idioms and phrases commonly used by them in ordinary course of conversation are derived from the beauty of a flower, the lofty mountains, the cascading waterfalls and various forms of nature which attract their imaginations. To cite a few examples here - a person with good reputation and respect is often compared to a flower called '*Tiew-pathai-khubor*' (flower that sends messages) a kind of flower which emits a sweet smell around it. A boy who grows very tall is compared to a tender bamboo plant shooting straight to the sky.

The indigenous system of folk medicine prevalent among the Khasi society accounts for the rich ecological heritage of the Khasis. Over the centuries, the Khasis have developed an indigenous ethno-medical knowledge which has served well the Khasi community and has been handed down from generation to generation. A study conducted by the North Eastern Biodiversity Research Cell of NEHU, Shillong, revealed that the total volume of medicinal plants or their products used or consumed per year was 80 to 120 tonnes, involving an amount of Rs.2.5 crore per annum within the three districts of Khasi and Jaintia Hills.

TRADITIONAL SYSTEM OF FOREST MANAGEMENT AMONG THE KHASI

For the Khasis, the traditional system of forest management emerged as a natural response to their deep sense of eco-consciousness. This is evident in their unique system of ownership, control and management of forests that has formed the basis of forest culture of the Khasis since time immemorial. In

spite of British possession of the 25 Khasi states, there was no instance of the British substantially interfering with the tribal rights to land and forest. British administration showed considerable respect for customary land laws of the Khasis and never stood in the way of its normal operation. The Meghalaya Land and Revenue Manual while expressing its viewpoint on this matter noted:

The customs of the Khasis in regard to land was respected by the British from the day they came to these hills in 1829 till the day they departed in 1947. We may be surprised by the magnanimity of the British, strange though it may sound that they never thought it necessary to interfere in the customs of the Khasis. For their needs and requirements of land the British went through proper negotiations. After due agreements, paid for the land in cash (Phira 1989).

The three categories of land identified by the Land Reforms Commission of Meghalaya which was appointed in 1973 are Ri Raid Land, Ri Kynti Land and Government Land. This categorization presents a logical order of the Khasi land tenure system and its related concepts of ownership; control and occupancy rights of land.

The Ri Kynti Land is a private land acquired by a particular clan which has proprietary, heritable or transferable right over such land. Such land can also be inherited by a woman from her mother.

The Ri Raid Land which is a community land is managed and controlled by the concerned community. Every member of the community has the right to use and occupy the Ri Raid land without payment of land revenue. However, such rights revert back to the community when the person ceases to occupy or use the land for a consecutive period of three years or more. The forest-lands that fall under the category of Ri Raid land are :

Ri Law Lyntang, Ri Law Niam or Ri Law Lyngdoh

These are forest lands that are set apart for religious purposes, managed and controlled by the Raid or the village or in the case of Ri Law Lyngdoh by the Lyngdoh (Priest) of the community.

Ri Law Adong, Ri Law Sang, Ri Law Shnong

These are village forests reserved by the villagers so that any member could obtain timber or firewood for personal needs or for use as water catchments areas.

Ri Law Sumar

There are forests which belong to the individual or clan or village who had first occupied and afforested them and maintain them thereafter.

The attitude reflected in the above observation exhibits the apparent trend of land and forest ownership pattern prevalent among the Khasis and the traditional methods of conservation strategies evoked by them as a response to their eco-consciousness.

EMERGING TRENDS

The concept of change and emerging trends in relation to the environment has acquired a new dimension today. It goes beyond the description of the nature and extent of environmental degradation; it has little to say about the rates of tropical deforestation in the extinction of species or the build-up of carbon in the atmosphere. These facts are properly the reserve of the scientist. Rather to make an assessment of the emergent trends in forest-man relationship would mean to examine the changes in the parameters of resource use that have emerged in recent times as a result of the gradual spread and rigidity of government policies and legislators.

The parameters of resource used among the Khasis have been defined largely by their traditional belief systems, concepts and perceptions about nature, its resources, their usage and conservation. These parameters basically revolve around the social, religious, economic as well as recreational life of the Khasi whereby the forest is considered as their total life situation from where they derive almost everything for their basic needs. Land and forests are the integral parts of their habitat to which they belong, hence from time immemorial tribes have exercised complete control over these, and whatever else is contained above and beneath them [7]. Among the Khasis the right to use, control and management of lands or forestlands within the society is defined at the village level or *shnong*' where there are categories of forestlands owned by the village community or privately. The village council acts as the highest authority which accordingly respects and abides by the customary beliefs and practices. These councils have done a good job of protecting the forest reserves and taking action against those violating the rules.

In the first part of this Paper, I have mentioned the apparent trend, eco-consciousness and deep sense of eco-spirituality that the Khasis have associated themselves with forest and nature. This has no doubt generated a liberal use of resources and allowed the emergence of rational concepts of resources and their behavior. Had it not been for the existence of village forests (*law-shnong*) and sacred groves (*law-kyntang* or *law-lyngdoh*) the forest wealth of the hill areas would have long ago been irremediably lost. The widely talked about issue of Common Property Resource Management (CPR) has acquired an important place in the traditional economy of the Khasi particularly of the rural masses. Common Property Resources (CPRs), broadly speaking are the resources accessible to the whole community of a village and to which no individual has exclusive property right. Subject to seasonal variation, the local Khasi villagers especially women engage themselves in collection of Non-Timber Forest Products (NTFP) such as fruits, edible roots, vegetation, mushroom, bamboo, broomstick, dried pine leaves, pine cones, bamboo-shoots, etc. which cater to the needs for food and other daily requirements. Every Khasi village has two categories of rules of right over forestlands. One rule is for the permanent residents of the village, "*Trai-shnong*" and the other is for the non-permanent residents of the village, "*Bar shnong*". The second category of persons cannot enjoy equal rights on the village CPRs. They are not allowed to cut grasses or woods from any of the community forests. But they are allowed to use the springs, ponds and rivers to collect water and to wash their clothes and collect wild vegetables

Systematic management of forests in the Khasi Hills began over a hundred years ago, specifically in the period immediately following the visit of Lord Northbrook, the Viceroy of India to the Khasi Hills in 1874. Steps were then taken to reserve certain tracts for the regeneration and preservation of timber trees and 37 'reserved' and 'protected' forests varying in size from 0.65 to 18 sq.kms. were created in several of the then Khasi states [2]. In addition, a number of "Green Blocks", for protecting the water supply of Shillong and providing firewood were also set up in the neighborhood of the town [not found in reference].

This is just the tip of the iceberg in the light of the major achievements of the colonialists in bringing about systematic forest management in the country. This has largely been a result of colonial rule and the process of development that followed soon after India's Independence [7].

Unlike other areas of the country, the Khasi Hills have a diarchical system of forest management managed by the state government on one hand and the Autonomous District Council on the other. In accordance with the provisions laid down under the Sixth Schedule of the Indian Constitution, the first District Council was inaugurated in 1952. Under Section 3 of the Sixth Schedule empowered to make laws on a range of subjects, which include:

- ❖ The allotment, occupation or use, or the setting apart of land other than any land which is a reserved forest for the purposes of agriculture or grazing or for residential or other purpose likely to promote the interests of the inhabitants of any village or town.
- ❖ The management of any forest not being a reserved forest.

- ❖ The use of any canal or water course for the purpose of agriculture; and
- ❖ The regulation of the practice of *jhum*, or other forms of shifting cultivation.

In addition to these, the District Council is also equipped with other legislative powers relating to the establishment of town or village committee, town and village administration, appointment and succession of chiefs and headman, inheritance of property, marriage and divorce and social customs [7]. However, a major setback of the Sixth Schedule has been its failure to bring a clean-cut distinction in the working of the State Government and the District Council. In matters relating to forest management, the existing diarchy between the two has posed problems on two counts. Firstly, forest being the principal source of revenue the District Councils cannot afford to stop giving permits for forest operations under prevailing fund constraints. Most of the forests in the district being under the management of the District Council, the Government does not have much of a say in the affairs of controlling forest operations. Secondly, the District Councils are paranoically wary that their powers under the Sixth Schedule may be over-stepped by the State Government on the ground of protection and preservation of environment. In fact, the claim of State Forest officials that all tree permits issued by the District Council authorities must have a corresponding marking of the forest department is termed by the District Council authorities as a curtailment of their powers [10]. In addition to this, the enactment of the Assam Reorganization Act, 1969 and the North Eastern Reorganization Act, 1971 further undermined the powers of the District Council by rendering the laws passed by it as subservient to those of the State legislature. All this has led to a strain in the relationship between the two and added constraints to their functioning, especially in areas pertaining to the protection of customary rights and practices of the people [7].

In the field of judiciary powers entrusted to the State Government, the Supreme Court order empowering the government to bring all forests under working plans and evict encroachers from forestlands seemed to be an encroachment on their customary rights and systems of resource management and land use. The passing of the Supreme Court interim order on December 12, 1996 putting a blanket ban on "all on-going activity within any forest in any state throughout the country, without the prior approval of the central government", has put many states in the North Eastern region in quandary, as a major part of their economic activity, including revenue earnings, is based primarily on forest based activities (Aphira, 1997: 1) what comes to the fore is that a large chunk of forested areas in the region are under the control of the Autonomous District Councils (ADCs) whose main revenue earnings come from royalty from forest based produce. It is also pertinent to note here that the Apex Court had taken into consideration the Forest Conservation Act of 1980 which "must apply to all forests irrespective of the nature of ownership or classification thereof". All this leads one to ponder upon the question, "what impact has the timber ban had on the Khasi community and so the most visible impact of the ban has been on the economy of the indigenous communities?" Forest has always been an important source of livelihood to the Khasi rural dwellers, a major chunk of whom depended on forest as the primary source of subsistence. Forest owners and loggers the ban has become the proverbial Sword of Damocles, which they want to cut off and throw into the dark sea. But for the environmentalists the ban came a much needed respite [not found in reference]. While one can appreciate the humble motive behind the Supreme Court order to protect environmental degradation, one can also point out its shortcomings in understanding tribal knowledge about forest. What needs to be recognized and understood is that the tribals have their own wisdom- a different way of understanding nature. In this juncture, the solution lies only on working together in close cooperation between the Government and the District Councils giving way to a more pragmatic approach and if necessary even by providing additional fund to District Councils to compensate their revenue losses.

In short, an appraisal of the roots of environmental change in these hills has revealed that it has largely been a result of modern forces of development, faced by a challenge to identify to implement a development process that will lead to greater equity, growth and sustainability. But development can take place at the cost of the environment only up to a certain point. Beyond that point it will be like the foolish man who was trying to cut the very branch on which he was sitting [1].

Far from knowing what is best for them, our planners and policy matters had better learnt a lot from them. With such awareness perhaps the Government will develop a policy for safeguarding the forest based on recognition of tribal knowledge of it, instead of a constraint that alienates them from it [9].

CONCLUSION

1. The British colonialists referenced to Shillong, the capital of Meghalaya as the 'Scotland of the East.'
2. Mother earth is personified by the Khasis as 'Ka Mei ramew' and her husband was called 'U Basa.' Having no off-spring, they pleaded the creator to give them children. Finally Ka Mei Ramew gave birth to five children – U Bnai (moon), Ka Um (water), Ka Lyer (air) and Ka Ding (fire).
3. The Khasis have a large collection of fables and folktales called 'Khanatang and Puriskam' which carry moral lessons for the people and most of them are connected with nature.
4. The traditional Khasi religion is holistic and has two parts – one is based on Ka Niam-im (religion for the living) and Ka Niam-iap (religion for the dead). The Khasis uphold the theandric commandment of their religion namely – 'Tip briew - tip blei' and 'Tip kur - tip kha' (know man and know god and know the kinsmen).
5. The Khasis are a matrilineal tribe.

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REDEFINING ENGLISH TEACHING FOR SOCIO-ECONOMIC ENRICHMENT: CHALLENGES AND PROSPECTS

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ABSTRACT

Changes in the environment, in social organizations, in market culture, in travel and technology have created a demand for tangible and useful outcome in the teaching and learning of English. English is today the language of empowerment. It is one of the most successful products in the global market like oil and microchip. Unfortunately, the English curriculum in the State's scenario has not woken up the demands of English in today's world. English teaching needs to reposition itself in a broader socio-economic context, to redefine and reconceptualize its contents and objectives. Its goals should evolve and expand from learning English for 'English literature' to learning English for 'functional meaningful communication' in the local and global scenario.

The paper is a plea for the redesigning of the English course at different levels – for a paradigm shift which both is sensitive and responsive to the needs and requirement of the ultimate consumer of education – the Learner, though at the same preserving the society accumulated values and wisdom.

INTRODUCTION

Real civilization and Development starts in the mind. It is ideas that make life grow green...If we do not have them and cherish them we shall be tied forever to the wheel of circumstance.

Foremost in the public eye is the perception that development is indicated by economic growth and prosperity, technological know how and industrialization. But development has nothing to do with economic wealth or technology (industrialization) though these may accrue as a result of development or alongside it. True development, as opposed to the mere replica that lends itself easily to caricature, lies not 'out there' but 'in here.' It really starts in the mind of every individual who is part of a community-of a society and as teachers, administrators, pedagogues and learners we are part of that community.

Models of development have been profoundly Eurocentric conflating development, modernization and westernization and promoting particular worldview, cultures and technicist rationalism. The whole concept is most often based on the notion that in order to become more developed, societies needed to follow western patterns of modernization, be in the life styles, habits, attitudes and thoughts of the people. But this eurocentism of development model can lead to a singular path of upwards development and can simultaneously produce images of the other, which is not at all encouraging. There will have to be an alternative model of possible development, which can be linked to notions of local involvement, continuity and ecological soundness.

I shall not try and explore the other models of development but my key concern in this paper is how the teaching of English might be related to development.

ENGLISH LANGUAGE TEACHING AND DEVELOPMENT

The world is in various stages of social economic and demographic transition. The emerging global economy is both competitive and interdependent and an international language is a logical requirement in this era of worldwide information sharing and commercial exchange.

English is a world language. It is not only distinguished by its use as a mother tongue in so many countries of the globe, but is important for its ubiquity as Second Language. The spread of English goes hand in hand and is associated with material progress as it coincides not only with the growth of education, trade and commerce but with technical and economic development.

It is the language of empowerment and is one of the most useful products in the global market like oil and the microchip. It is the tool that open windows to the world, unlock doors to opportunities and expand our minds to ideas and perceptions.

On the first page of the edition of the EL Gazette, there is a picture of a Laughing child accompanied by the subtitle "English is the Key. On page 2, the editorial explains that 'for many of the world's poorest people, English can hold the key to escape from grinding poverty.'" On page 3, the article itself carries the title "English could be the key to a better life for the underprivileged." These statements go to the heart of some of the issues that need to be addressed in the context of language and development.

The global importance of English cannot be denied. It is unprecedented in several ways, by the increasing number of users, by its in-depth penetration into societies and by its range of functions. English is used for more purposes than ever before. But English has also taken new forms, Vocabularies, grammatical forms and ways of speaking and writing have emerged influenced by technological and scientific developments, economics and managements literature and entertainment genres.

ENGLISH IN MEGHALAYA

The importance of English in Meghalaya cannot be undermined. English fills the need both for an educational language and for a common tongue in politics, law, administration and the professions. The ability to read, write and speak effectively is a prerequisite for recognition and professional success more so because English is the official language of the state. The result is that its status in the education system and settings is an extraordinary one. It gives immense responsibilities to those who contribute to the development of teaching and learning programmes, methodologies and materials. They are all working in an international arena that is at the same time unique, demanding and challenging.

A cursory glance and one can conveniently declare that all is well with the English education in the state. Everywhere people both young and old are flaunting their English. Road signs, billboards advertisements are all in English catch words and phrases. The electronic media is besides playing a dominant role in exposing the people to all that is English. It is bringing about maximal changes in the attitude and even in the lifestyles of the people-oral discourse pattern, dress codes and social activities reflects the West in every way. (Not that I support of it. The tremendous impact of Western ideologies is posing a threat to our very own local and ethnic identities).

A critical scrutiny however reveals the many lapses inherent in how English is taught and learnt. The English taught in our institutes do not prepare the learners for a functional knowledge and use of English. Teaching English in the state as a whole continues to follow the long tradition of teaching English with a literary bias.

The teaching of English till date continues to be heavily literature oriented. It is taught as a literary and humanistic discipline, the idea being to expose the learners to classics with the hope that such exposure

can help achieve some educational objectives. The teaching of English implies familiarity with paraphrasing and interpretation of literary texts for the more advanced learners and the felicity to read and understand poems, short stories and one act plays by well known British authors.

English that is English literature rather than literature in English continues to be passed down as an imperial heirloom, whose values were questioned. School, colleges and the University English courses have faithfully and diligently held on to the canons. But thus excessive dependence on 'colonialism in the

Classroom' - has deprived the students of what is more important to be a successful individual with the necessary – communication competence – to handle the language appropriately and confidently.

There is no denying the contribution of literature. Literature does help learners develop an appreciation and sensitivity to the language besides contributing towards an understanding of cultures. However, the teaching of English should not be done at the expense of what is really important, the teaching of the functional and communicative skills. To read Shakespeare 'is a good reason for learning English, but he is not a model for learning contemporary English. The objective of teaching is no longer to impart 'education' (which) equips the learner with inner resources but 'training' (which) enables him to 'perform efficiently.'

The present teaching English programme is a mismatch to the perceptions and needs of the learners. The ability to negotiate day encounters demanding the use of English rarely constitute the pedagogical objectives of English. Most often students who have endured hours of study in English face a situation where they are deprived of the satisfaction of expressing themselves appropriately and meaningfully. This is because the English teaching programmes do not develop the necessary operational, functional and communicative competence of the learners.

An article that appeared in the Meghalaya Guardian July 30th, 1997 highlights the fact that even after 12 years of teaching English the majority of the students are still deficient in their ability to use the language and to understand its use in communication, whether in its written or spoken mode.

Changes in the environment, in social organizations, in market culture, in travel and trade, in technology have created a demand for tangible and useful outcomes in the teaching and learning English.

The present global context calls for drastic steps to tone up the English teaching in the schools and colleges. (Unfortunately, for many in the state, the Concept of ELT (English Language Teaching) and ELE (English Language Education) with its focus on the different dimensions of English as a 'Language' rather than 'Literature,' is still strange and foreign).

The teaching of English ought to be reorganized, revamped and made need based, focused and relevant or else it will cease to have any social and economic relevance. The ultimate objective should be to help learners acquire not only context governed and syllabus bound competence. The learner should be able not only to handle English. She/He should be able to attain that level of proficiency which will enable him/her to use it with confidence in terms of what to say, when and how according to the topic of discourse, the addresser addressee relationship and the socio economic setting.

OBJECTIVE OF ENGLISH TEACHING

The starting point of innovation and development in English teaching will have to be with the stating of the Objective of teaching English. The taxonomy of objective will have to be clearly spelt out for teachers, so they can adopt the necessary teaching strategies in order to achieve them. Till date syllabus designers have ignored the significance of learner needs. Very often the syllabus is influenced by administrator and members who fail to consider the actual requirements of the learners. Most often, texts include contents, which are only to satisfy the whim and fancy of a member of the syllabus committee. This leads to frustration

not only on the part of the learner but also especially on teachers. They have to grapple with a text, which often has no supporting supplementary materials and is not only always easily available in the market.

There is need to humanize the teaching programme by accounting for the role(s) that the learner plays in the learning process. The English course will have to be designed keeping in mind the predictable needs of the learners. The needs analysis profile has to be comprehensive in order to include not only specific needs but also unpredictable situations where English would be required for social interaction and communication.

Needs analysis concern itself with the identification of the areas and purpose for which English would be needed. It provides an empirical evaluation of the requirements of students and the society in which the learner performs different roles with a variety of interlocutors in varied situation. Its importance and validity for language teaching cannot be ignored. It can help overcome the different regarding the means and the ends in Language teaching.

'If some procedures like needs assessment is not adopted...we will (be) plagued by problems. Some of these are: confusions of means and ends, uncertainties over which problems are most acute and a susceptibility to adopt new things before what they are designed to do and what they will do when applied to.

Needs analysis is therefore a procedure where the assessment is made of the input available, the skills that would be developed and the resultant outcome of such an analysis.

If the English teaching is to be both effective and successful, it must develop proper criteria for identifying the participants and their language needs, selecting proper materials and designing effective classroom activities capable of making learners communicative in both predictable and unpredictable needs.

The objective of teaching English should be the development of

- Linguistic
- Communicative
- Intercultural Competence

A knowledge of the formal aspects of language will not suffice. The learner has to know how to use what, when and where.

Beside with the multi-ethnic and multicultural nature of not only the classrooms but also the society at large- globalization and the increasing popularity of the concept of a 'global village' one cannot ignore the importance of developing intercultural, interlingual and inter ethnic understanding and tolerance.

The English classroom is the ideal context for the teaching and learning of these skills.

ELT SYLLABUS

I refuse to dwell in depth on this issue, but as I had pointed out earlier, I reiterate again that the English Syllabus as followed by the educational institutions in the state do not prepare the learner for their economic citizenship. It is more content than skills- oriented. Scant attention is given to the central purpose of language teaching – namely the imparting of linguistic, communicative functional competence.

It will be interesting at this point to note that what is called the 'English Paper II which at least tried to have the imparting of the language skills as its objective has been removed from the present English syllabus. Alas the day! Is it because the performance of our students has proved so remarkably that they have become masters of the language or are we as educators shying away our responsibilities as language teachers. The present syllabus does not cater to the promotion of these skills. Certainly the language of

Shakespeare, John Keats and Charles Dickens cannot teach a learner how to draft a leave letter or write an application for a job.

If development is what we seek, I should start in the context of the classroom – to bring about a transformation in the pedagogic paradigm of English.

The English syllabus will have to be revamped reorganized and formulated with utmost care, keeping in mind the needs and requirement of the customers-the students in our classrooms. In short it will have to be "RELEVANT."

I have tried in the following section to highlight some of the language Tasks and sub-tasks that can be part of the English syllabus, especially at the tertiary and graduate levels of education.

Sl. No	Language Tasks
1	Giving instruction and direction.
2	Note taking.
3	Interviewing
4	Negotiating deals and agreements.
5	Making speeches.
6	Seminar presentation
7	Writing reports.
8	Writing letters (personal, business).
9	Writing memos and Orders.
10	Writing notices, agenda, minutes.
11	Filling in forms.
12	Writing short messages.
13	Writing proposals.
14	Note making.
15	Writing formal invitations.
16	Abstracting and summarizing.
17	Writing research papers, articles.
18	Editing.
19	Drafting.
20	Writing press releases.

I am positive that if these tasks be given importance, the English education will be sound investment.

A MATTER OF MATERIALS

The next step in the development of meaningful and relevant English curricular is in the selection of proper instructional materials. As had been highlighted earlier, teaching English in the state's schools and colleges and the university is deeply content and English literature oriented.

In this age of flux and change where cultural boundaries have become increasingly blurred, communities and selves need to be continually reconstituted. To combat the threat of being de-ethnified and de culturalized there is need to establish the indigenous identities both locally and globally. This effort can start within the classroom.

The English teaching programme is partly responsible for the students' cultural alienation. Its emphasis is on exposing the students to every thing that is 'the west.' The use of instructional material that were mostly borrowed from the colonial master has led the people to almost devalue the age old cultural bindings that held our characteristic identity, family and society together.

If the English programme in the schools and colleges is partly responsible for the students' cultural alienation, the teaching of English can be a challenging enterprise if its pedagogical practices are profitable associated with the teaching of culture. The English language classroom is most suitable for the negotiation of culture ideas. The students can come out of the English education programme enriched by a knowledge and a love of their own culture while at the same time be members of a wider global and cultural milieu.

The English classroom can provide the forum for the dissemination of local beliefs values and traditions and can be part of the society's effort at preserving the local identity. The English teacher can be the bearer of the community's culture and identity by drawing upon the resources of the community to provide important learning materials that are culturally based.

What better way is there for learners to identify with their own culture than to have them discuss texts which takes into account their own social and cultural specificities? Besides teaching texts that are rooted in the culture and traditions familiar to the learners makes teaching much more easier and interesting. The English text can by incorporating not only translated versions of local and regional literature and cultural stories of the region but also tales of the other North East states and of the Indian mainland as a whole, be Cultural capsules to trigger off the student's cultural sensibilities.

Translated version of folktales, legends and myths, are repositories of culture, which can amuse, inform as well as educate. These can be used as texts to be used for initiating talk in the language classroom. Biographies of important men and women whose lives are exemplars of the community, proverbs, idioms, pictures, identity symbols and illustrations carrying a cultural load of some kind can provide the tools for the teaching and development of language skills. Poems by local writers, Rhymes and lyrics can be exploited for meaningful and functional language teaching.

Materials such as these can provide texts, which are culturally and cross culturally relevant to the student's lives while at the same time be extremely stimulating as talk topics in the classroom. They can hone up the language skills while also develop in the learner the awareness of Self which as I said is the very essence of development.

A MATTER OF METHODOLOGY

Quiet classrooms have traditionally been considered good learning environments and teachers, administrators and parents have assumed that students learn best when students work quietly and individually. The notion that a quiet environment facilitates learning is however challenged by instructional strategies of the communicative language teaching approaches that encourage talk and interaction in the classroom.

Talk is the primary expressive language mode and is a necessary ingredient for learning. It is an essential part especially of the language arts and is necessary for academic success in all content areas. Both children and adults use it more frequently than writing. Children learn to talk before they learn to read and write. When children enter school they have had 4 or 5 years of extensive practice talking and listening. They have acquired basic oral competencies even though it may be in the use of their own mother tongue. There can be no question as to the value and importance of talk. It involves the learner in the learning of a wide range of skills and sub skills, which together constitutes an overall competence of the language. In fact

the most way to meet the needs of students who are still uncomfortable using the language, is to have them talk in small comfortable groups and to keep the language very informal.

Talk is therefore a useful learning tools and it is important that activities in the classroom be adapted so every student can use talk.

With the role of English as an international language of communication and more so because English is not only the medium of instruction but the official language of the state, there is need for the learner to interact in a multiplicity of situations. In many of these instances, talking is the skill upon which one is judged for one's competence in the language. Most often students who have endured hours of study in English face a situation where they are deprived of the satisfaction of expressing themselves appropriately and meaningfully. Students frequently remains deficient in the ability to use the language and to understand its use in normal communication.

There can be a number of possible explanations for this, but can also be because of the existing English language teaching approach that is currently being followed in the school and colleges within the state. Learners till date continue to be merely the passive recipients of the teacher's wisdom. Teaching English simply means the study of poetry, prose and drama and, knowledge of a few idioms and phrases and the definitions of the different parts of speech- through memorization, rote learning and drills. The problem with such teaching is that the drills tend to condition the learner to an attitude of perceiving the language classroom as a class in mental gymnastics. (Students find grammar classes boring). Such a method of teaching naturally renders the learner psychologically unprepared to use the language in meaningful expression. This methodology will have to be revamped and restructured if teaching English is to be more geared towards the teaching and learning of the language as communication and function.

Informal talks and conversations are common occurrences in the social environment of a school or college. In brief informal conversation students use talk for different purposes to control the behaviour of classmates, maintain social relationships, convey information and share personal experiences and opinions. Teachers on the other hand use talks with students outside the classroom walls or even before classes for socialization and often to encourage and to create a climate of trust.

Organizing interactions and talks in the otherwise quiet classrooms is one of the many strategies for effective learning, and yes it involves neither money nor resources. It is a teaching strategy that can be adopted not only in the elite and prestigious city and town schools but also in the simple village and community schools. It can be exploited by the teacher and the curriculum planners to bring about a more meaningful language learning experience even within the harsh realities of a village classroom.

Language sessions at least at the school level can be organized around Conversations, Informal and Formal Talks, Show and Tell presentations, Debates and Dramatic activities.

There is no doubt that to expatiate on the importance of using Talk, as an instructional tool is to expound an extremely difficult doctrine. The reaction of many will be almost unpleasant.

Teachers, educational authorities and parents may feel uncomfortable with the whole idea. Growing up with the belief that classrooms should be "keeping quiet places." Using Talk as a teaching strategy in the class will only turn to chaos and confusion that sense or order and discipline which as teachers they have worked so hard to achieve.

Simply getting the talk sessions scheduled in the daily timetable itself can be a challenge. There is the problem of the large classes, which can be a major impediment for any innovative ideas in teaching. But this is an inevitable aspect of education and there is no way one can avoid this. The better alternative is to approach the problem of class population optimistically rather than let it come in the way of development and progress.

There is again the problem of having students of different proficiency levels and students from different linguistic and ethnic backgrounds. But again, the heterogeneous nature of the classroom can positively contribute to the classroom climate and atmosphere. It can be in the hands of an imaginative teacher a potential resource for learning. The strategy of group division can stimulate the more advanced student as well as help the less proficient students gain the self confidence by conversing informally with members of the group.

A MATTER OF MOTIVATION

The achievement of any programme will have to depend ultimately on the willingness, the personality and the positive attitude of the teachers. Innovation in whatever field can be suggested, but everything depends on the belief and approach of the teacher. The teacher alone can facilitate the when and the how of learning or can single-handedly thwart it. The teacher can either guide the learners on to the road to success and proficiency or lead the learner down the road of frustration and diffidence.

Teachers then will have to be motivated. School teachers especially those in the rural areas are meagerly paid as compared to the amount of work they are expected to do. Most often teachers of English are those who qualify from different disciplines Arts, Science and even Commerce. (This is the situation found even in some of the Elite Schools in and around the city). Teachers are coerced into teaching the subject provided they knew 'some English.' The majority of these teachers have not been exposed to any training whether it be in the teaching of English Literature or in teaching of English as a language. They have had no opportunities to participate in workshops, orientation programmes or language seminars. In fact little do they know about what is 'ELT' all about? This means that the Teachers are oblivious of current methodologies and innovative teaching materials and strategies. Such is the plight of those who handle the most important component in the school curriculum. So teachers will not only have to be motivated. They should be given opportunity to be professionals and specialists in the field.

The priority then is in the teaching and training of those who are at the grassroots of the learning process, the teaching and professionalization of teachers, especially those of course who are everyday grappling with the harsh realities of the 'the real classroom.'

CONCLUSION

We still have to respond to new global concerns, which are both multifaceted and sophisticated. We need to harness all the available resources to make our learners meet up to the challenges of the present world scenario. The multilingual and multicultural population in the North East makes us uniquely able to do this. We have the people and we have the talent. We only need correct judgement and the will to lead us on.

Then can we be not only professionals and academicians but responsible people with specific visions of the community and moral accountability preparing our present and future generation of students not only for their economic citizenship but for the so important cultural and cross cultural citizenship.

OBSTACLES OF SOCIAL AND ECONOMIC DEVELOPMENT IN NORTH EAST INDIA

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ABSTRACT

India's national Culture is an amalgam of common temperament and outlook. For centuries its philosophy was 'Unity in Diversity'. Early scholars, philosophers and travelers who have visited the country from time to time have acknowledged it and recorded it. Pre-historic culture, foreign culture with which India had contact, culture brought by stream of immigrants and the socio – religious movements sweeping India from time to time have all gone a long way in shaping a culture based on the idea of 'Live and Let Live'.

North Eastern India being an integral part of India is not new to such an idea. Except for occasional transgression by invading monarch who marched into the region more out of curiosity than anything in mind, the region remained relatively isolated and virgin. But all this changed with the advent of British into the region. The region was suddenly catapulted into a hubbub of activity both political and economic. This sudden resurgence of the area into the mainstream led to dissatisfaction and disparity among its ignorant mass.

With development came educational enlightenment. Knowledge gave rise to the need for identity. The need for identity led to ethnic upsurge and tension. The character of this turbulence strikingly defer between peaceful and violent, individualistic and sectarian, progressive and destructive, non – communal and communal, nationalistic and secessionist and integrationist and divisive and the like. The present paper is designed to do such a study and come to a reasonable conclusion.

INTRODUCTION

It is an irony of fact till this day, on this era of easy "Info Technology", that any person on the road in Delhi, our capital city if asked about his or her opinion about North East India. This is probably what would be the reply :

Firstly, he will not know about the seven sisters, but he or she might be aware of Assam because to most of our countrymen this region is better known as Assam.

Secondly, he would paint a picture of lush green dripping and impenetrable forests abound with strange animals with equally strange sounds.

Last but not the least, the region has a very hard and difficult terrain, lack of proper and all weather roads, irregular train service, primitive means of communication and malarial infestation to list a few hardships.

On the whole the picture that will be painted will be one so grim that for a moment one might feel like taking up an anthropological expedition to explore the region.

DISCUSSION

The North Eastern Region lies between 22°-29°5 N latitude and 88°-97°5 E longitude and covering an area of 2,55,083 square kilometres the region is popularly referred to by its metaphor of 'SEVEN SISTERS'. It is a home to various tribes and non-tribes speaking diverse linguistic religious and distinctive cultural background. Its early history is more or less shrouded in ambiguity. It is strategically located at the confluence of south, southeast and East Asia and that has made this region a center of active population movement. Many of the present inhabitants of this region have migrated into their present abode from China and Southeast Asia, which accounts for their close cultural similarities with people across the international border.

The region retains a strong regional identity even after its integration into India's federal polity. This lends the region a peculiar geo-historical specificity. It is a region, which present sharp contrast and contradiction and variation in cultural, which attain its present form after being subjected to reasonable churning in different degrees of assimilation and isolation of different indigenous communities in relation to general population. Though non-homogenous, there are many common elements that one community share with other.

In physiographic terms the North east India lacks uniformity. The region is interspersed with undulating hills, valleys and plateaus. Altitude range from sea level to 8,500 meters. Annual average rainfall ranges from 107-305 Cm in plain to 1,270 Cm in the hills.

Eco-physically, the region is endowed by nature gifts. It is abound with gas, oil, minerals and water energy. It boasts of wide ranging floral and faunal diversity many of which are endemic to the region and in the brink of extinction earning it a reputation as a bio-diversity 'Hot Spot'.

The region has the unique distinction of experiencing first hand the horrors of three wars, the Second World War, the Chinese Invasion and the war of Bangladesh Independence. The people of the region have been a speechless, horrified spectator to how an erring shell can shave off a person's head. Apart from blood draining, the people of the region underwent tremendous hardships during these wars. But being a Northeasterner, the people have amazing tenacity and took all these dangers and hardships in their stride.

In 70's and 80's, Assam and Meghalaya saw turmoil for a completely different reason. In Assam language became the focal point of discontent and tension and in Meghalaya, the fear of getting swamped by immigrants. Furthermore, the beautiful state of Nagas, the Nagaland has been an audience to bloodletting right from the days of Independence. The question of Naga sovereignty and self-determination always had her stained with blood. She is still bleeding and very few see reasons to bandage her wounds.

There are quite a number of causes and factor behind the social tension, which we had in the past and are having today in Northeast. The blame for such tension can be laid in parts to historical, social, political and economic factors. The identification of the cause of such tension is very important and should be done before a serious conflict arises from the depth of troubled sea. Tensions are like the tip of an iceberg on the surface of the sea. It is a symptom if not properly diagnosed may give rise to serious repercussions and other deeper intricate problems in future. The problem of this region is indeed intriguing and ranges from social, cultural, political and economic to ethnic and linguistic. The ever-increasing intensity of such problem have made this region a tinderbox where a spark is enough to put the entire region into flame.

The matter is multidimensional and requires active co-operation from the various sections of society in order to bring a tangible and working solution to these problems if not completely eradicating the same. The social scientists have to serve as a facilitator and probe deep into the roots of social tension, understand its dynamics and enlighten the people about its ill and curses and how to avoid it in future.

Northeast has been maintaining primitive and original cultural features in the midst of socio-economic exploitation as well as superior domination. The secular characters of the constitution of India have driven the religious sentiments into background. The cultural life of the region with different caste, creed language and religion is in a process of assimilation from the modern way of scientific development. These varied characteristics of races language, religion, and arts are studied with interest all over the world and as such assimilation is being fostered and appreciated. The Bihu, the Nongkrem Dance and other festivals in the hills and plains are celebrated with passion and fervor and unite the people through music and dance side by side with the unity of folk-life and rural art. The spirits of hospitality and the liberty in food, drinks and social life as well as thinking are remarkable characteristic in tribal and non-tribal societies of the region. Handloom and weaving are special attributes of the women in the region.

Since Independence, Northeast India has been experiencing a multitude of ethnic upsurges. In order to ease of social tensions, the region has been reorganized into seven states. In spite of geo-political reorganization, ethnic conflict remains unabated in the region. Every group is now trying to maintain their distinctiveness and for their respective ethno-political association. Ethnicity plays central role in the formation of this association, which is frequently converted into pressure groups to fulfill political aspirations of the people.

After attaining independence, the country pumped in massive administrative resources into the region, which till Independence remained isolated. Among the various resources, education played a very important role. As people became educated they started to become conscious of the need to be viable human resources. This led to social change and this change brought increasing assertion of tribal identity. So the process of modernization has also intensified the search for an identity on the part of the tribal communities. This search for identity has led to the growth of socio-political organizations. It is a adoptive mechanism to the changing social cultural and political circumstances. No doubt in identity movement for wider social base, there are ethnic and political overtones. But, the strength in the struggle for economic and political advantage of deprived people comes from the unification and intensification of political action by the marginal groups. The rising tide of ethnic self-consciousness is partly due to the prospect of increased social and political gains by the entrenched class.

One can look at the situation from two different angles, one cultural revivalism and the other political aspiration. Cultural revivalism or socio-cultural aspiration to protect and preserve cultural heritage, not at the cost of other and disturbing the socio-cultural equilibrium and harmonious relation among all. But when these are motivated by political aspirations, destructive forces starts playing role. The situation becomes problematic. It gives rise to secessionist forces.

With their well knit propaganda machinery, they try to strengthen the parochial tendencies and help in sharpening the deep-rooted sense of grievance. They endeavor to create discord and distrust between various communities. They thrive on genuine mass grievances without which it is difficult to create explosive situation. The graffiti written on the walls, convey the message to the dominant community that they are being exploited by the outsiders The Assamese are told that they give oil, tea etc and gets nothing. The meek, mild, and well behaved and hospitable Tripurians are constantly told that they are exploited. The

process is same everywhere in the region. The poison works slowly and unnoticed. The communities become aggressive and other terror stricken and panicky.

It is true that much of the problems of Northeastern India today can be traced in their economic backwardness. It is also a major reason for all the upheaval in Northeast India. The economic necessities are unlimited and our resources are finite. Necessities can be generalized into the bare and conventional necessities. The necessities are largely determined by the living condition of the people at the subsistence and post-subsistence level. The concept of wealth has come into prominence because of the role of modern science, modern equipment, the widespread use of modern media of mass communication, growth of urbanization and developed means of modern transport and growth of new trades, professions and practice.

In the wake of reorganization of North Eastern India, a catalytic organization to accelerate the integrated development of backward area was conceived and Northeastern council (hereafter will be referred to as NEC) came into existence.

The main thrust of the council's policies and programme was rapid and balanced development of the region. It adopted a highly bureaucratic and technological approach in pursuit for finding regional policies for the region. Through programmes of regional importance concerning all or more than one state, it supplement the effort of their respective areas by rendering them such balancing and infrastructural support as needed. It spends a major portion of its plan outlay in developing infrastructure by assuming that infrastructural development will heralds regional development. However several authors have shown that infrastructural developments with modernization have no co-relation with the actual growth indices in the units of North Eastern India. With its over emphasis on infrastructure accompanied with a half-hearted concern the NEC failed to create human capacity formation for a balanced regional development. The failure in developing the local forces of production made the region increasingly dependent on the mainland. Despite abundance in prime resources like oil, timber, tea, gas limestone, water, the region lacks in any major industries. The region became an ideal market for finished goods from mainland industrial parts of the country. Consequently, new industries and jobs were created in other parts of India. For example, Assam imports 74% of its milk products, 94% of its eggs and 98% of its meat requirement from outside. The region is blessed with water resources, yet it imports half its fish requirement from outside. In addition, the credit deposit ratio being very low in the region, the banking sectors transfers something to the tune of Rs 500 cores from this region to other region for investment.

Notwithstanding, relative rapid growth in Indian economy and more so in the post reform period, the pace of growth in Northeast India has remained stagnant and strikingly as some indicators of welfare indicates trailing behind relative to all India growth and even slowing down in certain sectors of regional economy.

The increasing gap in the State Domestic Product (SDP) is a prominent features of the region Gap in generation of per-capita income between the region and national average is increasing. In 1950-51 per-capita income in Assam was 40% above national average. The same has come down 41 % below national average in 1998-99 at current prices. Between 1980-1990 PCI at 1980 prices grew by 20% in Assam compared with 4.0% for all India. The per capita income grew by 10% in Assam between 1980-1998 compared to the growth of 39% for all India. (Assam Development Report)

A glance at the Net state Domestic product of the seven states shows that there has been gradual slowing down in the annual average NSDP over the years.

Table - I

States	1980-81		1985-86	1996-97	
	State income (Rs. In millions)	Per capita income (Rs.)	State income (Rs. In millions)	State income (Rs. In millions)	Per capita income (Rs.)
Arunachal Pradesh	873	1,382	2,024	873	1,382
Assam	23,978	1,221	44,773	23,978	1,221
Manipur	1,973	1,382	3,816	1,973	1,382
Meghalaya	1,494	1,131	3,153	1,494	1,131
Mizoram	620	1,289	1,570	620	1,289
Nagaland	1,024	1,1351	2,420	1,024	1,1351
Tripura	2,451	1,211	4,850	2,451	1,211
All India	11685	1,627	206133	11685	1,627

Sources : 1. *Basic Statistics, NE Region, North Eastern Council, 1995,p.16*
2. *Economic of India Survey, 1999-2000.pp.s-11-12*

Now let us move to per-capita income, which is accepted as the yardstick of standard of living of the people. In 1950- 51-percapita incomes in Assam was 4% above the national average and Assam was considered as the most prosperous state in the region. But in 1998-99, it was 41 % below national average at current prices and 45% below national average at 1980-81prices. Between 1980-1998 per capita income in Assam grew by 10% compared with 39% for all India. (Assam Development Report, 2002).

The situation is grim in the other states of the region as well. According to the economic survey of 2000-2001, against all India's per capita income of Rs. 14,712in 1998-99 Assam's figure was Rs.8, 700, Tripura's was Rs. 9,187, Manipur's was 10,599, Arunachal's was Rs. 12,929 and Meghalaya's was Rs.10, 607 and Mizoram's was in 1997-98 was Rs.11, 667. The above figures clearly show that there is underdevelopment among the productive forces within the mode of production. This further indicates that the productive forces are on external support system. Agriculture is the main source of sustenance and the economy of the region depends heavily on it. More that 70% of the population depends on agriculture for their livelihood. The share of agricultural income in the state domestic product was 48.6% in Assam, 49.3% in Meghalaya, 31.6% in Nagaland, 53.4% in Manipur and 52.8% in Tripura as against 16.2% in Maharastra and 27.8% in Tamil Nadu.

High dependence on agriculture in Northeast India demonstrates that a domestic and peripheral mode of production continues to engage large number of workforce in rural, semi urban and intermediary transactions of food supply economics. Cultivators and agricultural labourers accounts for 73.8% of population in Arunachal Pradesh, 65.5% in Assam, 68.7%in Manipur, 73.3% in Nagaland as against 68.5% in all India average as per 1981 census. These figures are greater than states like Tamil Nadu, Kerela, Punjab, Gujarat, Haryana, and West Bengal.

Agriculture is mostly based on sharecropping and community- holding land points to a increased pressure on land. The produce of such a mode of production is more or less restricted to producing food for cash crop peasants and pauperized rural laborers. Incidence of periodic shortfall in food supply leads to shortfall in calorie intake.

Absence of industrialization in an appropriate form has further aggravated the situation and dependence on domestic mode of production by the larger section of the people has further magnified. The distressing scenario of the peasant in the absence of alternative form of income generation has further compounded their misery.

A small percentage of migrant population controls trade and industries. They enjoy exclusive monopoly. Major industries like tea, oil and plywood which form the base of industries on North Eastern India is controlled by big Indian bourgeoisie. Out of about 620 tea gardens in the Brahmaputra valley, only 158 is own by Assamese planters. Overwhelming majority of the big tea gardens are in the custody of big Indian and foreign companies and are controlled from London and Kolkata. Tea gardens in Assam accounts for 55% of tea production in India and earns revenue of 5000 cores annually in foreign exchange for the country. Assam Tea Corporation, a public sector enterprise owns few sick and non-profitable gardens. The main office of the tea board which is the highest policy making authority in relation to the tea industry and which is responsible for implementing the Tea act of 1958 and is also responsible for approving loans, grants labour welfare projects is situated in Kolkata though most the gardens it controls are located in Assam. Till 80's Assam did not even have a tea auction center. Since major portion of the tea was sold outside the state, the state was loosing precious revenues in the form of vital sales tax on tea during all these years.

Assam has an estimated reserve of 70.46 million tones of crude oil and 23000 cubic meters of natural gas. The crude is rated very high in the international level for its high aromatic content. Assam produce 43 lakh tones of crude oil and by international standards Assam's crude should cost 1.5 times higher than the much lower grade OPEC product. However, till 80's Assam did not have a refinery and crude was carried through pipeline to Barauni in Bihar. The center did not fix royalty rate on Assam's crude or refused to do it at 20% of the post price equivalent of the Middle East. Even sale tax that Assam derives from her crude is Rs. 54 per tonne whereas the country earns Rs.991 per tonne as sale tax on Assam's crude oil.

Whatever manufacture firms are operating in Northeast have few if any linkage to the local firms and are paying very low wages to the worker. These core-based companies, which own these plants, supply labour in order to reduce operating cost.

The process of forest use has changed remarkably the tribals. They have learnt other uses, which the forest can be put into. This has changed the occupational structure of the rural communities. At the same time over exploitation of forest has resulted into large-scale deforestation and depletion, which has affected the earning and survival of tribal immensely. So under the system the forest dwellers are transformed from owner to wage earner and became increasingly dependent on core-based industries, which supplies consumption item in the local market through linkage to near by towns and other urban center.

North East India has a high incidence of rural poverty. Recent report published by Planning Commission on Assam Development shows that while urban poverty is declining over the years the rural poverty is on a increasing note. But rural poverty is erratic. For example, 1987-88 to 1993-94 rural poverty has decline by 2%. But has increased in the hill areas. National Sample Survey in the same period has shown that the incidence of rural poverty in hill areas has doubled. Rural poverty is highest among agricultural labourer and other labours (as high as 76% to 80%) followed by self-employed in agriculture and self-employed in non agricultural sectors.

High dependence on investment from outside has reduced the benefit from the process of development. The occupational structure and low yield from productive recourses favours only a few and

those few has relation with the market and employment that is the result of the dependent modes of production.

Table - II

LIVING CONDITION IN NORTH- EASTERN STATES, 1998-99

States	Percentage Share of Households					
	With Electricity	With Drinking Water that is Piped or from a Hand Pump	With a Toilet or Latrine	Using Biomass Fuel for cooking	Living in a Pucca House	Mean Number of Persons per room
India	60.1	77.9	35.9	71.7	32	2.7
Arunachal Pradesh	68.9	80.7	73	80.8	14.2	2.2
Assam	26.4	60.1	63	87.1	10.9	2.1
Manipur	75.3	48.9	92	69.2	7.1	2.1
Meghalaya	41.2	42.1	52	83.5	14.5	2
Mizoram	84.1	63.2	97.7	57.4	16.2	2.6
Nagaland	56.3	40.5	74.3	86.1	18.1	1.6
Sikkim	80.7	84.6	72.7	63.2	50.6	2
Kerala	71.8	19.9*	85.2	81.7	79.8	1.3

Source : Planning Commission of India (2002), Assam Development Report.

- This figure is low because in Kerala majority of the household obtains their drinking water from wells.

Deteriorating living condition is another characteristic of North East India's condition. In comparison to developed states like Kerala (known by the metaphor 'God's Own Country') the quality of health and education is extremely poor. Life has been affected by low availability of basic service. Assam ranks like among 16 states when ordered in descending order of Human Development Index (HDI) and Gender Development Index (GDI).

The low standard of living symbolizes asymmetric distribution of primary necessities inflicting structural Rural and urban disparity is very high on several indicators. Life expectancy at birth is 54.1 in rural as compared to 63.3 in urban areas. 52% of the children are underweight in rural areas compared to 37% in urban areas. The low standard of living symbolizes asymmetric distribution of primary necessities, inflicting structural bottlenecks of growth and mobility

The low revenue collected by states from their own sources coupled with privileges enjoyed by states in the matter of grants and loans from the center has made the states over dependent on the center. In case of Assam, the total revenue generated by state government is declining from 4% in the beginning of 90' s to 30% at the end of it. Lower annual growth rate of 12.3% in own revenue receipt than that of central

revenue transfer 16.4% (Assam Development Report 2002) is the main cause. In case of share state plan transfer and shared taxes, which covers up centrally sponsored scheme and non-plan grants are also declining. Generation of low revenue income shows that the formal structure of the state cannot appear in increasing portion of the resource collected at source from the taxpayer. The states of North East India have failed to develop adequate ways and means to shoulder their own financial responsibilities from various section of income generation populace and therefore remains dependent on Central Government.

CONCLUSION

It is evident, that the seriousness of the prevailing situation in Northeast India demand in depth study and discussion without much delay. The problem of social tension has many perspectives and interaction of such factors in various permutation and combination play an important role in creating on explosive situation. So, the problem of Northeast requires thorough understanding as well as imaginativeness, patience, determination, ingenuity and tact

All right thinking people should join hands to develop a more egalitarian society and fight against exploitation, corruption and all other social and economic injustice. The people of the region should be encouraged to set up trade and industries. Medium and heavy industries should be established and the people of the region should be given preference to work in such Industries.

Agriculture, which is the main source of employment for the rural youth, should be given priority. It should be made more production oriented and land holding system should be changed with required legislations in order to balance the now lopsided system. Development of various co-operatives should be encourage in rural area in the line of Anand Milk Union limited (Amul).

Lastly, the people of the region have now learnt the qualities of acceptance and understanding. Today, the world is moving ahead at great pace we have to put in a much bigger effort to catch-up.

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LANGUAGES AND ETHNIC GROUPS IN SHILLONG

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ABSTRACT

City of Shillong, Scotland of the East is the most cosmopolitan urban centre in this tribal heartland of North East India. Though it is just over a hundred years old township, it has developed into a multi-ethnic, multi-cultural and multi-lingual settlement ideal for administrative, educational and ecclesiastical expansion. In this brief paper, an attempt is made to identify firstly, the process of urbanization that took place over the last hundred years, which gave the city a cosmopolitan outlook. Secondly, to map out a brief sketch of the city of Shillong, with various social groups whose languages play an important role in the lives of the citizens. Thirdly, to explore the finding that urban ethnic groups have their distinct settlement in different parts of the town, which adds to the mosaic of this social fabric. On the whole this paper reports on the ethnic and linguistic complexity of this city, which gives it its distinctive character.

INTRODUCTION

Urbanization refers to the movement of population from rural to urban areas, and the resulting increase in population that resides in urban rather than rural areas. Urbanization means the movement of people from village to city and the effects of this movement upon the migrants and their families and upon their fellowmen in the villages "Urbanization may be defined, as a process of concentration of non-agricultural occupations and land uses around a single nucleus or multiple nuclei." (Prakash Rao, V.L. and Tiwari, V.K. 1986).

The settlement, thus emerging creates a distinctive physical and social environment, different from the adjoining regions. It provides contrasts in terms of occupations, socio-economic value systems, way of life degrees of socio-economic awakening and level of social and economic interaction (Chandna and Sidhu, 1980). Not only this established ones, the urban centers are characterized by the concentration of power, socio-economic and political and tend to influence the 'whole socio-economic milieu of the area'.

The study of the process of urbanization and urban growth thus, is primarily concerned with the recognition and analysis of the basic economic and sociological factors that are responsible for the physical growth of settlement to an urban centre. Urbanization, as Berry (1962) suggests, therefore, is essentially associated with the economic development and diversification of occupations caused by the 'movement of people out of agricultural communities into other and generally larger non-agricultural communities' (Carter, 1982).

The dynamics of urbanization, however, is complex one. The natural increase of existing urban population add to the total number of people on one hand and the people from adjoining regions tend to concentrate to already crowded clusters, on the other, the concentration of population in such clusters is guided both by push factors in the adjoining regions and pull factors operating in the urban centers. Thus, urbanization refers to the movement of people from rural to urban areas leading to the process of change in values, attitudes and styles of those people, who migrate to cities and towns from villages.

The increase in the size and percentage of urban population does not adequately describe the importance of towns. It is in cities that most of the administrative, political, educational and religious institutions are located. Towns are also the centers of trade, industry and science. A city is a great focus of all round human development. At the same time, it is there that we also find extreme human miseries by way

of crimes, cruelty, delinquency and slums. Cities hold forth not only economic and social development, which enrich human existence but also a variety of situations which mar human happiness. According to Huth, "... the sociological study continues to be dominated by the crisis approach, pollution, traffic congestion, urban sprawl, irrelevant education, drug abuse, illegitimacy, general disease, suicide and the financial difficulties of local Government" (Huth, R. H. 1970).

URBAN ETHNIC CITY

The concept of ethnicity helps to understand the heterogeneity of population. For Talcott Parsons ethnic groups are aggregates of families and extended kinship units. According to him "ethnic groups are formed on the basis of descent either from a common ancestor or from ancestors, who all belonged to the same categorized ethnic group" (Gmelch et al, 1980). If ethnic loyalties are acquired by birth, they are called 'primordial.' Punekar thinks that ethnicity is "the sense of people hood or 'we' feeling shared by members of a group" (Punekar, V. 1974). It is a subculture within a larger culture. It need not have any reference to a descent group, a set or a tribe. An occupational group can be an ethnic group. It is in the cities that we find various groups based on ethnicity.

CITY OF SHILLONG

City of Shillong was established mainly for administrative purposes. Through out the history of its evolution, it has ascribed a certain degree of specialization to its service functions. The population has increased at varying pace over the decades. Most of the town/cities are often associated with intangible values such as status, character and functions and Shillong city is no exception to this. Within the city, therefore, distinct environments are created because of the different community groups and classes, which make up the urban society, occupy distinct areas, having distinct occupations.

Shillong is the most cosmopolitan town in the North-East India and it has immigrants from almost all the states of the Country. But only some social groups are conspicuous by their strength. They are the Assamese, Bengalis, Khasis, Nepalis, Punjabis, Hindustanis and Garos. The distinct ethnic groups by their concentration in a particular locality have acquired characteristic, which becomes reflective through patterns of houses, type of construction, clustering of similar linguistic groups and alike neighbours etc.

The economic conditions of the inhabitants' availabilities of amenities and degree of congestion, the pattern of residential segregation takes a distinctive form in Shillong, which is very similar to any other urban centers in the country.

According to 1961 census there was as many as 187 languages in the country. Out of which, 94 languages are spoken by less than 10,000 person each, and 23 languages together account for 97 percent of the total population of the country. The picture become more confusing in 1971, when the census report declared as many as 3,000 languages spoken by different communities. (Ali, Ahmed, 1983).

India being a multi-ethnic country with regional variations has many regional languages. Similarly a number of major and minor languages are spoken in North-East India. City of Shillong, as multi-ethnic cosmopolitan urban centre has a number of linguistic groups.

From the census figure of 1981, it is clear that after the independence of India, the establishment of office complex in Shillong got momentum and the various ethnic groups flocked to it. Furthermore with the partition of India in 1947 and consequent influx of refugees from East Pakistan in 1964 and from Bangladesh in 1971 greatly accentuated the population growth in Shillong. Many other ethnic groups from other states of this country have also moved into this town for business, contract works and other vocations. Some Nepalis settled in the town as soldiers, coolies, handy boys, office workers and in various other petty jobs. These ethnic groups co-existed in Shillong and their inter-ethnic relations were marked by cordiality in the

beginning. However, through inter-ethnic relation was cordial and inter-dependent for economic existence, under current strained relations emerged in course of time, which become evident from occasional street clashes and conflicts. This came to the fore, when an open communal conflict broke out in 1987 with the Nepalis and 1992 with the Hindiwalas, resulting in huge loss property and causing human misery. A type of ethnic intimidation continues to be prevalent, which may be seen in the threats and intimidation often used as method of election campaign. However responsible citizens are aware of the fact that they have to live together and as such, inter-ethnic marriages also take place and efforts are quickly made to restore normalcy in social harmony.

The population in Shillong can be classified into two distinct groups (a) the tribal and (b) the non-tribal. The major tribal population in Shillong consists of the Khasi, inclusive of the Jaintias and the Garos. Among the non-tribal population, Bengalis, Biharis, Nepalis, Assamese, Punjabis may be enumerated.

A language plays a very important role among all the ethnic groups. Shillong the capital of Meghalaya also happens to be the home of many ethnic groups. The census report of 1981 found that the major languages or mother tongues spoken in the city are Khasi, Bengali, Nepali, Hindi and Urdu. There are some minor languages such as Punjabi and Garo, which are spoken by relatively small group of urbanites in Shillong.

In case we consider 10 % and above population of this town as speakers of a major language, one finds four major ethnic groups in Shillong: Khasi, Bengali, Nepali and Hindustanis (speaker of Hindi and Urdu together). Khasi was spoken by almost half of the urbanites in Shillong (80,392 only 1,74,703 persons). Similarly, Bengali was spoken by about 20 % of the population, Nepali by about 12 % of the Shillongites, and Hindustanis (Hindi and Urdu) another by 10 % urban residents. Incidentally, ethnic groups have been major social players in the life of Shillong. The Assamia was spoken by 6,367 persons. There were two languages spoken by about one percent, residents of Shillong, which may be termed as the minor languages spoken in Shillong. These were Punjabis (2,647) and the Garos (2,012). However, there were many other minor languages such as Bodo, Manipur, Kuki, Mizo, Naga, Sema, Tibetan, Lotha, Dogri, Tangsa, English may be enumerated, whose spoken are very small in number. Linguistic variety adds to the heterogeneous character of the town.

ETHNIC SETTLEMENT

In 1881 about 40 % of the population of Shillong were the Khasis. Their relative share decreased though it has started increasing recently from 34 % in 1941 to 36 % in 1961 and 56 % in 1991.

Heavy concentrations of Khasis in Shillong are in Laitumkhrah, Malki, Mawkhar, Jaiaw, Mawlai and Nongthymmai. Except for a few jobs of the barber, cobbler, sweeper, etc, the khasis are present in every walk of life. Quite a good number of them are in office jobs. Some of the business like fish, vegetables, fruits and tea tiffin supply to office are mainly controlled by the khasi women folk.

The Bengalis came to Shillong with the shifting of district headquarters from Cherrapunjee in 1864. In the early years of the growth of Shillong the major portion of the commercial activities, including transport was in the hands of Bengalis. Most of the Bengali from Sylhet settled down in Jail road and Police Bazar, and the Bengalis from Hooghly preferred Laban area. Since then these areas have continued to be the area of attraction for new Bengali migrants to the city.

The Bengalis are mostly to be found today in Laban, Lumparing cum Madan Laban, Rilbong, Lower Mawprem, Sunny Hills, Laitumkhrah and Umpling.

After the First World War when many of the retired army personnel were allotted land for settlement in Jhalupara, the Nepali settlement increased significantly. Today they occupy a significant position and are present in every kinds of jobs from domestic servants, manual labourers and graziers to white collar jobs,

many of them also work as porters, pony cart drivers, motor vehicle drivers, casual labourers, milk and milk product sellers, etc. though their settlements are scattered all over Shillong and its suburbs yet they are predominantly in Jhalupara, Barapathar, upper mawprem, Palton Bazar and Nongmynsang (Lalchand Bustee). They are also present in Qoalapati, Garikhana, Lower Mawprem, Mawlai, and Nongthymmai.

The Hindustanis followed the British administrators as personal attendants and servants, police men, peons and sought employment in various services. They have been coming since the early years of the growth of Shillong. They have monopolized the commercial and the lower category of jobs and services like barber, cobbler, butcher, washer man, mattress and quilt maker and in Bakery. Some of them, however have taken up new jobs like that of the provision stores, drivers, mechanics and clerks. Most of them are from the North-Western districts of Bihar and Rajasthan. They are concentrated in Bara Bazar, Guwahati Shillong Road, Laitumkhrah and Lalchand areas.

The Assamese settlement residents in Shillong having isolated settlements in Laban, Madan Laban, Kench's Trace and Laitumkhrah. They came to Shillong with connection with government job (prior to independence). The Assamese settlements in Shillong today are concentrated in Bishnupur, Kench's Trace, Motinagar and Forest Colony. They are also settled in Laitumkhrah, Nongrim Hills, Fruit Garden and Lachauriere.

The Punjabis, most of whom are sweepers belonging exclusively to Amritsar and Gurdaspur districts of Punjab are concentrated at Goraline in Laitumkhrah and sweeper's lane near Bara Baza.

The people of the other states are found scattered all over Shillong and are engaged mainly in Government job.

Thus, the population composition of Shillong City is ethnically dominated by the Khasi, Bengali, Nepali, Hindustani, Assamese, Punjabi and Garo. Linguistic uniformity brought greater harmony amongst the different ethnic groups who used to differ not only in their spoken languages, but also in their administrative organization, customary laws, and social and societal institution. Such harmony as is expected, has been at work positively, in the growth of Shillong despite the fact, that different groups maintain their identities.

Inter-ethnic relationship within city generally appears to be harmonious not only in the economic field, but also in social context. Various ethnic groups are almost equally important as a business community and apparently there is nothing to indicate sectorisation or polarization of communities in matters of business dealing. Any such apprehension is further thwarted by the fact that social interaction between different ethnic groups with regard especially to marriage is very common. As a matter of fact, at a superficial level there is no distinction among the urban ethnic groups.

On the basis of the mother-tongues the city of Shillong had 57 linguistic communities ranging from 80,392 with Khasis, to many other mother-tongues which are spoken by only one person in 1981. However, there are a number of languages which are used as the lingua-franca such as English, Hindi, Assamese and Khasi. The lingua-franca of the educated residents of Shillong is English. But languages of commerce for inter-ethnic transaction is Bazar Hindi, a type of Hindustani. There are large many urbanites who are multi-lingual and bi-lingual. In this way city of Shillong has been a linguistic melting-pot in which linguistic exclusiveness dissolves.

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TECHNICAL SESSION – II
PLANNING, INDUSTRY, TRADE
&
COMMERCE

ECONOMIC DEVELOPMENT OF THE NORTH EAST A CASE FOR REGIONAL CO-OPERATION

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ABSTRACT

The article deals with the implication of the Look-East Policy on the prospect of Economic growth in general and for the NER in particular. It also emphasizes on the needs for regional-economic co-operation as a means of sustainable development for the NER with its Asian neighbours across the border. The paper concludes with exploring the opportunities mixed with the eventual threads in enhancing our trade business in the North-East.

INTRODUCTION

Maritime facility - A must for Global Trade: Since time immemorial and the emergence of human civilization, the concept of trade between the nations emerged through maritime because mankind by basis instinct, always tries to avail of the cheapest mode for carrying bulky goods. That urge for exchange of surplus product of one nation with another nation was carried through navigational route. Trade relation in South East Asian Nations cannot be improved with North East India owing to landlocked state and hilly terrain. Although Mr. James Stilwell had constructed the Stilwell Road during the Second World War period but this road from Margherita to Ledo and beyond has remained closed. Perhaps mainly because of voluminous trade in landlocked area through surface road is not commercially viable.

From historical account we find that maritime and continental trade in Laos (Vietnam) and other neighbouring nations was possible because of navigational facilities. Even coastal Andhra Pradesh and coastal belt of Orissa during the regime of Kalinga had established trade relation with South East Asian countries by sea route. Even King Ashoka could depute his children Mahendra and Sanghamitra to Sri Lanka, China and Japan through sea route for spread of Buddhism. Perhaps the same maritime route may be now converted into a commercial export route. The land route for bulk import and export through difficult physical terrain would not attain a high rate of success. The Confederation of Indian Industries in North Bengal in one of its meeting at Siliguri in January 2004 had deliberated upon the possibilities of opening of the Nathula Pass for facilitating trade with Younon province of China. The summit concluded that though Nathula Pass bordering Yunan province is landlocked and far from the main commercial hubs of Beijing and Peking, they found that physical barrier would be minimum for getting their supply from India via Nathula pass. Secondly it was also estimated that at an altitude of 11,000 to 12,000 ft. of landlocked hilly terrain, the Government of India machinery would find it difficult to maintain the all seasonal surface road connectively. Thirdly, the seminar also predicted the transportation cost involved in carrying the goods from Siliguri and catchments areas even from the North East would be very high. Fourthly, the repairing cost of vehicles and spare parts, maintenance of International Highway for export trade with Younon province of China is also a reckoning factor. This justifies our aforesaid historical account that maritime route can never be substituted by surface road connection. As a result many basic industries with their products did not find it convenient to locate their manufacturing units in landlocked hilly terrain. Perhaps it is because of this that the former External Affairs Minister Yasbanta Singh describes the 160 k.m. Tamu-Kalewa-Kalemyo Road through Myanmar as opening up the natural outlet of the North East.

REGIONAL ECONOMIC CO-OPERATION

The SAARC conference at Islamabad in January 2004 of seven nations had signed an agreement call South Asian Free Trade Area Framework Agreement 2004. As per this agreement by the 1st January 2006 the seven SAARC nations would create a South Asian Free Trade Area (SAFTA). As a result the trade among the seven nations would be liberal, each of them would remove trade restrictions (barring certain

exceptions) among themselves, import duty would be reduced, besides extending further economic concessions and other facilities for business and trade among them. Till then attempt is on the anvil to form a sort of economic co-operation in the name of South Asian Preferential Trade Agreement (SAFTA). But the proposed SAFTA is more liberal than SAPTA; the difference is between F in place of P. No doubt it is a great event in the economic history of South East Asia. By virtue of this Agreement, the nations would march closer to the formation of unified economic zone or region. Obviously the reference is brought from the European Union.

It must be remembered that regional economic arrangement may be of various types as discussed here under:

(a) Free trade agreement is the first step towards that unification. SAFTA is grouped under this category.

(b) After graduating from free trade the nations march towards the second step by establishing customs union. Under this arrangement, the trading nations not only abolish import duty or custom duty on their reciprocal imports, but impose unified or same import duty on imports from the rest of the nations of the world. That is to say, if India and Pakistan (and other SAARC nations) join a customs union, then same rate of custom duties would be levied in the two countries on import from the USA. It implies that in respect of external trade principle, the member nations of customs union would be virtually acting like one nation.

(c) Thereafter the third step is Unified market or Common market. Under this arrangement, there will be free and unrestricted movement of labour and capital among the member nations.

(d) And the last step is Economic Union, under which co-ordination is restored in totality, in respect of economic principles among the member nations.

In Islamabad Convention it was decided to set up a South Asian Economic Union and Indian Prime Minister Vajpayee sounded of a common currency among the nations. It is good to speak out all these matters but they are difficult to execute, because to achieve the goal the nations have to work step by step and they cannot overnight jump to the last step without completing the few steps in gradual order. However, to begin with, let SAFTA be established initially and then we can move towards the second step.

The SAFTA has assumed significance at the present juncture of time owing to some other reasons. Note that despite the influence of WTO, regional trade co-operation and regional trading blocks have been expanding over the years. For instance, NAFTA for North America; ASEAN for South East Asia; South-American Free Trade Agreement for South America APEC, for Asian and Pacific Oceanic region. Economic co-operation between India and Pakistan is necessary to ensure further trade relations among the SAARC nations. Regional trade and economic co-operation had arrived more and more following the failure of WTO negotiating conference such as Cancun Convention in 2003.

It is also believed that the more the trade between the nations increases, the more will be the urge for maintaining reciprocal friendly diplomatic relations.

CHALLENGES AND THREATS

The tea industries in Assam had agreed to have its products tested by the Bureau of India Standard (BIS) as part of a strategy to prevent the export of tea that has not been manufactured in compliance with global norms. As a member of WTO, India has accepted the International Hazard Analysis and Critical Control Point (HACCP) system, designed to identify and eliminate the presence of microbial and other hazardous substances in food. Tea industry has agreed to sustain its export potential in the certification system, the Indian Standard is IS-15, 000: 1988. Several countries said they were not satisfied with the quality of tea manufactured in India. Germany for instance, complained in 2004 about the presence of pesticides residue in Tea.

The present author suggests that it is imperative for the Indian Food Industries to adopt the HACCP system to reach global standard. The tea gardens would be required to pay around Rs. 40,000 annually to BIS to get its products tested. The primary aim is to meet the requirement of overseas market and get preferred-supplier status.

The Codex Alimentarius Commission was created in 1963 by the Food and Agricultural Organization (FAO) and WHO to monitor the global food standard. It has advocated the adoption of the HACCP system by all countries.

TRADE POTENTIAL OF CHINA

It is a fact that the Chinese goods are cheaper than the Indian products. So, the opening of new economic co-operation may lead to potential market for China and not for India. In addition to this there is a strained relationship between India and China over border dispute. In order to ensure free and fair trade between the nations a congenial atmosphere and change of mindset is a pre-condition. Due to difficult mountainous region of NER, the construction of road may not be viable for trade export.

China occupies first rank in production of doll, mobile phone, colour TV, monitor etc. in the whole world. China occupied the first position in terms of production of those luxury goods in 2003; and China earned a foreign exchange reserve of 11,000 crores of US dollars. The growth in increase recorded 40 pc in comparison to the last five years since 1998. This news was released by the National Development and Reform Commission of China on February 5, 2004. This Report has manifested a picture of industrial growth in China. Of the total production of mobile phone in the world 35% share of it comes from China; of the colour TVs produced in the world, 40 pc of them are China made; China also produces 55 pc of world production of VDO monitor. China earned an export earning of 33,100 crores US dollar in 2003 from the export pc those products. The pc share of growth as compared to 2003 has been recorded at 30 pc.

SOUTH-ASIAN FREE TRADE FRAMEWORK

The South Asian Free Trade Area (SAFTA) framework treaty, linked by the foreign ministers of SAARC's seven members, in their meeting held in Islamabad on January 6, 2004, seek to eliminate tariffs in phases. The treaty will operationalise the free trade area by January 1, 2006, by when tariffs would be brought down to 20 pc in non-least developed SAARC countries and 30 pc in least developed countries (LDSs). The rate will be brought down further to 0 to 5 pc in non-LDC countries in the subsequent five years and in LDCs in eight years. The pact also has a provision to establish a ministerial mechanism for administering the treaty and dispute settlement among the members.

As Asian Free Trade Zone aimed ultimately at encompassing nearly two billion people moved a step closer towards finalization on Saturday February 7, 2004, as seven nations met to work out the final details. Five nations, Bangladesh, India, Myanmar, Sri Lanka and Thailand were due to approve a deal in the second part of February 2004 to create a Free Trade Zone by 2017. Impoverished Nepal and Bhutan also joined the meeting, but there was no immediate word on when they would accede formally to the pact. Ultimately it is going to be a link between SAFTA and APTA.

ECONOMIC TRADE BETWEEN INDIA, BANGLADESH, CHINA AND MYANMAR

The regional economic co-operation may be strengthened by establishing trade ties among India, Myanmar, Bangladesh and Kunming Province of China. Land trade may be started through the Stilwell Road (initially named Ledo Road) built during the Second World War. This road passes through India, Myanmar and China and meets the Asian highway at Kunming. The Kunming province is now considered one of the hubs of industrial activities in China. Opportunities for warehousing and the transport industry will develop

with the starting of border trade. India and Myanmar government should think of linking Ledo near Lekhapani, the last railway station on the Indian side, with Mitykana in Myanmar.

In October 2003 in Bali, Indian Prime Minister Sri A.B. Vajpayee sealed an agreement with ASEAN that promised to open up the entire connected landmass from the north-east of India way down to Thailand. Roads were the need of the area, and to put forward his proposal forcefully he proposed an India-Asean car rally. The road connectivity through the car rally would stretch over 5,400-plus km. covering six nations including India. The roads and the rally would originate from Imphal and pass through Myanmar, Laos, Vietnam, Cambodia and Thailand

BORDER TRADE INITIATIVE AND OPPORTUNITIES

Second border trade center at Mizo town was opened at Zokhawthar: The Mizoram chief minister Zoramthanga inaugurated the region's second border trade center at Zokhawthar on the state's border with Myanmar on 30th January 2004. The center would facilitate extensive trade in goods produced in India and Myanmar. Minimum tariff will be slapped on the indigenous industrial and agricultural products to boost trade and curb cross-border smuggling.

The first trade center at Moreh on the Manipur-Myanmar border was commissioned in 1995 following the signing of a protocol by the two countries. Zokhawthar, a village on the bank of the river Tiau near Champai town, has hosted the inauguration ceremony. The border trade center is a part of a Rs. 8 crore-project funded by the Union Commerce Ministry. Several shops, a bank, a telephone exchange, a warehouse, a police station, a custom center and a BSF base have been established at the center to facilitate trade. The existing protocol allows people of both countries to cross the border and travel upto a distance of 10 km. on the opposite side. While agricultural products from Mizoram like ginger, pine apples, oranges and passion fruits and handicraft items are likely to draw buyers from Myanmar, products like rice, gems, shoes and bags as well as electronic and consumer goods are expected to be popular among the Mizos.

At Moreh Border: The second trade post between India and Myanmar, which was opened on Friday 30th January 2004, is expected to generate business worth 1 billion dollar. The trade post was opened at Zokhawthar on the Indian side in Mizoram and Rikhawdar on the Myanmar side. On the Indian side it was inaugurated by Mizoram's acting chief minister Tawnluia and in Myanmar by the country's commerce minister Brig. General Pyi Sone. The Indian delegates at Rikhawdar were served a traditional Burmese meal. The first border trade post between two countries was opened at Tamu in Myanmar and Moreh in Manipur, India in 1995. Another trade post is slated to be opened at Nampong in Arunachal Pradesh.

At Dawki Border: An ambitious project aimed at promoting Dawki as the hub of border trade with Bangladesh, has a potential for regional co-operation. Work on the Rs. 10-crore land custom station (LCS) at the border town of Dawki in Meghalaya has been undertaken in January 2004, out of the proposed North East package announced by Prime Minister Vajpayee during his 2000 visit to the region. The Central Warehousing Corporation (CWC) has been allotted 30,000 square metre of land for the project in October 2003. the proposed project includes a truck terminal, dumping ground for loading and unloading of coal, limestone, cement or any other items of export-import, a customs office, a hotel and a parking lot, a warehouse and driver's dormitory-all housed in a single complex. The Union Ministry of Commerce will bear the entire cost of the project.

Nathula Pass: Nathula talks on Sino-Indian trade: Despite all the excitement, a debate on the emergence of a new Sino-Indian trade route via Nathula Pass was held at Siliguri in January 2004. To make the trade and exchange through this route possible, the channels of communication between the two sides need to be opened up further and the two countries need to exchange proper information. Nathula can emerge as a true bi-directional road map for regional economic co-operation.

SEZ EXPORT NORMS

All supplies made to special economic zones (SEZs) are to be treated as physical exports with effect from September 1, 2004 and will be entitled to benefits of duty free replenishment certificate (DFRC) under the foreign trade policy of the commerce ministry. The DGFT in its notification in January 2005 has conferred the benefit on units operating in domestic tariff area. The facility of draw back, advance license, duty entitlement passbook was already available for supplies to SEZs but they were not eligible for DFRC. With the issue of this notification, a long-standing demand of SEZ units has been met.

The notification on January 19, 2005 also allowed the gems and jewellery sector to import gold of eight Kg and above under the replenishment scheme subject to proper verification by way of an assay certificate. Henceforth holders of diamond imprest licenses will also be entitled to procure the inputs from indigenous sources in lieu of an import against-advance release order. Earlier this facility was available to advance license and DFRC holders only. The total exports of the country's gem and jewellery sector during January to December 2004 touched 10.34 billion dollar mark, which represent 28.42pc jump from the corresponding figure of 8.05 billion dollar for the same period of the previous year January to December 2003.

The government of India has initiated in February 2005, an idea of floating a Rs. 10,000-crore special purpose vehicle (SPV) to fund the viability gap in infrastructure projects. The SPV will focus on rail, road and power projects, especially those connected with the northeast and Jammu and Kashmir regions. The inter ministerial meeting has identified 6,000 km of highways that need to be built to improve infrastructure in the north east and ensure better links with the rest of the Country.

The Prime Minister's economic advisory council chief C. Rangarajan assured that they would give a holistic view of the fiscal conditions in the states of north east and Jammu and Kashmir is due course of time.

China has exceeded India in economic front. The massive infrastructure built-up in China contrasts sharply with India and has been the main reason for major global companies preferring to set up their manufacturing bases in that country.

The historic, cultural and trade links between India and South East Asian countries have been exemplified by Borobudur in Indonesia and Angkor Vat. This was owing to spread of enlightened Buddhism. The trade link among the nations has also widened as reflected by the current trend. India's trade with ASEAN countries grew substantially from US 6.1 billion dollar in 1997-98 to 908 billion dollar in 2002-03 (registering a 60pc increase).

Among the ASEAN countries, Singapore enjoys a major share of India's exports to the extent of about 31pc, which is followed by Indonesia (18pc), Malaysia (16pc), Thailand (15pc), Philippines (10pc) and Vietnam (7pc). Other countries like Brunei, Myanmar, Cambodia and Laos account for a negligible share.

Indo-ASEAN summit at Bali in 2003 initiated by former Prime Minister A.B.Vajpayee was further cemented by the visit of present Prime Minister M.M.Singh in December 2004 to Thailand. During the summit India signed the Framework Agreement on comprehensive Economic Co-operation with ASEAN, which will help establishing a Free Trade Area (FTA) in a time frame of ten years.

AGREEMENT ENVISAGES SEVERAL MATTERS NAMELY

- (a) AFTA in goods, in services, in investment areas and economic Co-operation
- (b) An early harvest programme. In a unilateral development India has proposed an open skies agreement that would connect all ASEAN capitals with the four metros of India.
- (c) India attaches specific economic and trade interest with Myanmar for security reason and its Co-operation is vital to India as it shares a long common border in the northeast with that Country. Myanmar will be the gateway to South East Asia for India

India can offer world class power generation, world class highways, world class ports and airports, world class banking and communication infrastructure.

Engineering Export promotion Council has been doing an excellent job in export Promotion.

The total volume of our exports from engineering sector has multiplied from about US 0.1 billion dollar in 1956-57 to more than US 10.00 billion dollar in 2003-04. India's Engineering Export Promotion Council (EEPC) was set up on 21st September 1955 with the Venue in Calcutta, the designated head office; It was inaugurated by Late T.T. Krishnamacharis (the then commerce Minister of India). The EEPC completed its 50 years in January 2005 in Calcutta.

CONCLUSION

India's export grew 26pc in 2004-05 to 61 billion dollar in 10 months upto January 2005. Country's merchandise exports exceeded the target of 16pc growth had been achieved despite strengthening rupee and the overall impact of rise in fuel prices on competitiveness.

The top ten countries to which Indian goods were exported in 2003-04 were the USA, UAE, China, Hong Kong, UK, Germany, Singapore, Belgium, Japan and Italy.

A strong export growth is considered necessary in view of the increasing foreign exchange required to meet the soaring oil import bill. Crude oil imports have gone up by over dollar 10 per barrel in 2004-05 compared to last year's prices.

Indian and Sri Lanka commerce Secretaries in February 2005 had worked on bilateral Comprehensive Economic Partnership Agreement (CEPA). Both the countries agreed to set up a trade negotiating committee and set out a clear road map for negotiations to conclude CEPA expeditiously. The negotiations would include widening a deepening free trade in goods covered by the existing India - Sri Lanka Free Trade Agreement. It was also decided to explore the possibility of setting up an economic co-operation fund to facilitate the flow of Indian investment in Sri Lanka.

LEVERAGING LTC FOR SOCIO-ECONOMIC DEVELOPMENT OF NORTH- EAST INDIA - A CASE STUDY OF OIL INDIA LTD. AND STATE GOVERNMENT DEPARTMENTS OF ASSAM

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ABSTRACT

We generally find ourselves indulged in discussions as to how to develop the North-East region via its tourism resources; tourism industry being globally recognized as the most profitable, of late. Our discussions mostly remain confined to searching out avenues in the most obvious areas like proper fund allocation, infrastructural strengthening, advertising and promotion, development of travel routes, optimal utilization of nature's bounty and such others.

All that's required is a little modification and alteration in the existing LTC provisions so that the same might be used as a leverage to create more tourist inflow (as also internal flow) in the enchanting North-Eastern destinations. Such efforts are sure to result in strengthening the social attributes of the North-East dwellers by giving them enough of exposure among the existing and prospective employee tourist of the region as well as those of outside the region; and thereby, also boosting up the economic strength of the North-East by proper marketing of these social attributes.

INTRODUCTION

We generally find ourselves indulged in discussions as to how to develop the North-East region via its tourism resources; tourism industry being globally recognized as the most profitable, of late. Our discussions mostly remain confined to searching out avenues in the most obvious areas like proper fund allocation, infrastructural strengthening, advertising and promotion, development of travel routes, optimal utilization of nature's bounty and such others.

However, one more tool that happen to be already in our hand but which remains painfully in the shadows, quite unnoticed – which we might intelligently use to our advantage for the purpose of positioning North-East higher in the Indian Tourism circuit – is LTC.

LTC CONCEPT

Leave Travel Concession is the relief given in the cost of the travel. This time may be given by the travel service provider himself or by a third party. When, the Travel Service provider provides this, it resembles a kind of promotional tool. When a third party provides this to another party, for example concession provided by the employer to its employees, it resembles a kind of fringe benefits. From this perspective, LTC, as it is popularly known, stand for *Leave Travel Concession* – a concessionary travel provided by organizations/departments, to its employees so as to facilitate visits to different destinations as a relaxation with family.

In some organization it is provided once in the work life of the employee; in some it is provided once in every four years. In some it is provided for train ticket cost in some other it covers airfare too. Similarly, in some cases it allows to travel any part of India, in some organization it is allowed for foreign trip also. But in no case it covers other costs like food, board and lodging, site seeing, i.e. only cost on wheel is provided. Similarly, in some cases 100% of the cost is provided, in some other cases, it is made available maximum to the extent of the 80% of the cost.

UTILITY OF LTC – FOR EMPLOYEES

It is economically helpful as it is a free-of-cost opportunity to travel to different destinations. Socially, it allows mixing with people, emotionally; it creates bonding between the family members by providing a welcome opportunity to take a break from the monotony of hectic work schedules and to relax with family; and more importantly, with non-objectionable leave benefits, psychologically, it acts as refreshing tool leading to healthy as well as energized mind and body when the employee comes back to his place of work; academically, it gives employees enough of exposure to “learn by seeing, exploring and experiencing”, it also helps to discharge parental as well as family responsibility to provide the scope for outing and enjoyment only at the least.

UTILITY OF EMPLOYERS

If looked from the perspective of the employer, LTC can be leveraged to build the image of the organization for the existing as well as prospective employers it further can act as employee-loyalty enhancer of productivity and efficiency by enabling them to draw a balance between work life and family life, and there by indirectly enhances profit and profitability of the firm. Some believe that this LTC facility from the employer, indirectly, helps the firm to discharge its duties under the domain of “Social Responsibility of business”.

UTILITY TO TOURISM INDUSTRY

Keeping in line with this objective, it becomes pertinent for us to know as to who exactly are the true beneficiaries of LTC that is either provided by the state of Assam or availed by those employed in the state of Assam. It becomes quite a challenge, in fact, to prepare an exhaustive list of beneficiaries of LTC in today's date. With every growth in the tourism sector, more and newer additions to the list can be evidenced every now and then. To highlight a few of the top-slot holders among beneficiaries, this includes the concerned organization/department providing LTC, the employees of these organizations, the respective state governments of those states to which tours are directed or through which tour are undertaken, the accommodation industry, the transportation sector, the tour operators and travel agents, the banking services and a host of others.

Stating differently, Destination Management for the Tourists is a must in case of Tourism Industry. These involve Creating Destination, Identifying Destination, Nurturing Destination and Maintaining Destination. At the same time, every tour destination has its unique life cycle. This involves several phases like [1] introduction, [2] growth, [3] maturity, and [4] decline. A manager involve in tourism industry is required to manage these phases of a destination too. Logical corollary is that money is essential for these activities. Question is what is/are the sources of money both respect of capital and Revenue. Broad categories of sources are [1] Government, [2] Private. Again private sources may be inland or foreign. Government fund is scarce because of Government policy; private fund, the majority of which comes from the pocket of the customers i.e. the tourist. In this context LTC is a good source of Revenue. Thus, it acts as leverage for “destination image building”. Apart from these, since facilitated and funded by the organizations concerned, LTC helps tourism enthusiasm among otherwise non-travellers too, thereby, boosting an increase in the total tourist population and consequently, in total earning from the tourist community. Modes of travel being generally specified by the organizations/departments concerned, the respective transportation industry reaps the benefits.

UTILITY TO THE SOCIO-ECONOMIC ENVIRONMENT OF THE REGION

The existing trends and patterns of using LTC benefits add on to the Central government's revenue pockets more generously than to the North-Eastern state government's. The prime reason being that all or nearly all of those who avail of LTC benefits do so to travel destinations outside this region. Consequently, the flow of money, associated therewith, is directed towards either the Central Railways or other Railways rather than to the North-Eastern Railways; so also is the case with the money flow-out to the accommodation sector of the states other than of the North-East or to the traditional handloom and handicraft sectors of those destination or, for that matter, to any other sector associated with the tourism industries of these most-travelled places rather than to the North-East. All these misdirected money might, however, be directed and redirected back to flow toward this region with the aid of LTC. All that's required is a little modification and alteration in the existing LTC provisions so that the same might be used as a leverage to create more tourist inflow (as also internal flow) in the enchanting North-Eastern destinations. Such efforts are sure to result in strengthening the social attributes of the North-East dwellers by giving them enough of exposure among the existing and prospective employee tourists of the region as well as those of outside the regions; and thereby, also boosting up the economic strength of the North-East by proper marketing of these social attributes.

CURRENT PRACTICES AND SHORTCOMINGS REGARDING AVAILING OF LTC

This shall be explored in the context of the Assam only. Money is made available from the schemes of LTC to the employees working in Assam spent outside state i.e. outside the local area. Currently, this is made available to employees of a few organizations. In some cases, it can be availed by a few of the employees only; in some cases it is availed by a few further not by actual traveling either because of LTC encashment facility or because of unethical as well as corrupt practices of tampering with the rules and regulations. Such practices, however, remain under control, to some extent, in corporate public sectors like Oil India Limited due to firm implementation of LTC rules therein and the existence of hawk-eyed methods of checks in this regard. Another feature in the current LTC utilization is that they are mostly availed in respect of destination other than Assam vis-a-vis North-East. They shy away from this region as the Local Tourism destinations, of Assam (as also of entire North-East), are said to be not well developed and have very little to offer to the tourism related customers. As there is no upper limit as to the distance one can travel, it is quite but natural to travel the furthest distance possible at the cost of others i.e. the employer.

Moreover, additional spending in the form cost of food, board and lodging, sites seeing, buying local products obviously takes place only at the place of destinations. It involves outflow of funds from Assam. Thus, it benefits only the economy of destinations situated outside the state. In no way it benefits the local destinations or the economy of the local destinations of Assam.

The existing provisions in the LTC do not provide any special incentive to the employees to travel local tourism destinations. Those who visit, numbers being very few, visit exclusively at their own motivation only. Moreover, traveling outside Assam necessitates selection of a Central-Government-owned mode of transportation (be in Railways, the Airways, the road transport services of other states or the water transport services of the same). This too leads to an additional bulge to the Centre's revenue pockets rather than to Assam Government's. Other tourism-related sectors of the state (like hoteliers, travel agent, transport service providers, tour guide, ATDC, etc) also suffer much due to these reasons. This apart, talking not from the monetary viewpoint but from the viewpoint of 'the stand of Assam to other parts of the country as their first choice rather than showing even the slightest interest to travel anywhere within the state has continually been indicating a sorry decrease in knowledge about the state among its insiders. The result is that the state of Assam faces tougher chances at building up its image as an attractive and promising destination for tourism in India.

JUSTIFICATION FOR CHANGE IN THE EXISTING PROVISION OF LTC

Therefore the crying need of the day is to have a Strategy to divert the fund, originating from the scheme of LTC, in the hands of the employee to the local destinations. This cannot be done by force but by providing only incentive. These may be either in the form of tax rebate to the extent of cost of travel exclusively done for local tourism destinations or in the form of opportunity to travel more number of kilometer distance inside the state of Assam. The logical corollary is a change in the existing LTC provision. But this incentive should not be construed and conceived as well as designed at the prohibition of travel to outside the state of Assam. It only require re-writing of the provisions in a creative way so that huge sum of money spent in the name of LTC can better be utilized for economic development of the destinations both within the state as well as outside the state.

AREA OF CHANGE IN THE EXISTING LTC PROVISIONS

While advocating a change in the LTC provisions, aim was not to hurt the providers of the facility but prove to be promising enough in building up renewed zeal and enthusiasm among the employee tourists to travel within Assam – thus, contributing towards promotion and development of Assam tourism.

The Government of Assam, in its introductory round of providing LTC facilities, allowed its employees to avail the benefits of the concession in four terms of work life, at a minimum interval of at least four years. Later, this provision was amended and the frequency of availing LTC provisions by employees was cut down to twice during one's work life, at a minimum interval of at least four years. Further amendment led to keeping the frequency of the benefit down to only once during the entire work life of state government employees. While advocating a change in the existing model of LTC in State Government Department, we suggest specifying a limit on [a] the total distance that can be traversed by the employee, [b] the total fund that can be spent by him/her and [c] a minimum time interval that has to be maintained between enjoying LTC benefits. In brief, the model attempts to suggest keeping the total distance fixed at X_1 kilometers, the total fund to be spent in selection of the mode of traveling at Rupees Y_1 and the time interval for undertaking journeys at Z years – employees might be encouraged to cover up the pre-specified distance and fund by traveling shorter distance within the state [here the state of Assam] but more frequently rather than availing of the facility far less frequently to cover up the said distance and fund at one go. To further add on to the attractiveness of the package, a bonus of another X_2 kilometers and Rupees Y_2 might be provided to those who have undertaken the highest number of tours within the state.

AREAS OF CHANGE IN THE EXISTING LTC PROVISIONS

For Oil, we would like to suggest following changes in the existing provisions of LTC: [A] In respect of LEAVE FARE ASSISTANCE (LFA) SCHEME, under "Class of Entitlement" [1] There should be an upper limit to the distance that one can travel, and, one should link it to "x% of Basic Pay", [2] There should not be any definition of class of Train travel. Instead, these should be a financial upper limit that is linked to y% of Basic Pay. Under the Frequency of LFA, there may be incentive to visit local area [i.e. the state of Assam or North-East] at every alternate year; under Eligibility, instead of denying Leave Travel Assistance altogether, the overall KM limit can be reduced proportionately or may be restricted to the local area only. In respect of LEAVE TRAVEL CONCESSION (LTC) under Entitlement, instead of making it anywhere in India, there should be a fixation of upper limit as mentioned under the point [A][1] and [A][2] above; under Frequency, instead of making it as "Once in a block of 4 (four) years in lieu of LFA in any one block of 2 years", there should be an upper limit in term of KM with provision for extra [provided on has utilized the limit of KM for local tours]; under Eligibility, instead of denying Leave Travel Assistance altogether, the overall KM limit can be reduced proportionately or may be restricted to the local area only; under LTC ENCASHMENT,

alternatively there should be provision that if LTC is availed exclusively for the local tour no Income Tax shall be charged or deducted at source.

POLICY IMPLICATION OF A CHANGE IN THE EXISTING LTC PROVISIONS

This is expected to ensure [1] flow of fund to the local destination, [2] scope of experiencing and on the job learning for the local tour and travel operators, better site / destination management, entrepreneurial motivation, sustainability of the existing destination because of continual flow of money to the local tourism industry. Finally, this may go a long way in providing preparatory ground level training for welcoming the foreign tourist from East Asian Countries because of the Government of India's policy of "Looking – East". Finally, it will help in controlling and monitoring the budget on account of LTC.

CONCLUSION

However, at no point of time are we claiming that the poorly designed and conceived provision of LTC is the main cause of under development of Assam Tourism or North-East Tourism. We admit that owing to factors like lack of promotional efforts on the part of those associated with Assam and North-East Tourism, lack of ornamentation to the existing tourism resources of these states (like history, mythology, natural beauty, culture and tradition, etc), negligence towards development and maintenance of tourism infrastructure, and so on so forth – employee tourists of this state prefer traveling to destination out of the North-Eastern region than within it.

Rather than working on absolutely abolishing the provision in State-government-department (as is the word in the air), can't it be used to our advantage with a little modification and alteration? The question looked pertinent to us. Hence, we came up with this new suggestive model which we leave open to any kind of constructive criticism from our readers so that we can together work on developing a most feasible and strong LTC model to redirect those green notes, that have and that still are flowing out of Assam's and North-East to other states.

SMALL SCALE INDUSTRY IN ASSAM: EXPLAINING THE INTRA-STATE VARIATION

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ABSTRACT

A notable feature of small-scale industrial (SSI) units in Assam is its uneven pattern of distribution across districts. SSI units are found to be concentrated in a few districts and it is spread sparsely over most of the districts. Thus the objective of this paper is to find out the various factors that explain the pattern of distribution of SSI units in Assam across the 23 districts. Following the literature on entrepreneurship six variables were identified as the explanatory variables for this study. With the help of simple linear regression analysis, this study found that SSI units in Assam tend to come up in those districts having a higher percentage of urban population. Thus to ensure an even distribution of SSI units across the State, it is imperative to take steps in the direction of increasing the availability of industrial credits ensuring attainment of high literacy rates as well as enlarging the periphery of the infrastructural facilities that exist in the urban areas. An uneven distribution of SSI units across the State alone can enable Assam to attain a high level of industrial growth without any regional imbalance.

INTRODUCTION

Small-scale industry (SSI) in India has received considerable attention from the planners of our country since independence, and for very right reasons. For a capital weak country, SSI units serve the dual purpose of providing employment as well as utilization of locally available resources. With its features of low capital requirement, use of simple technology and short gestation period, the small-scale industry is considered to be an ideal breeding ground for new entrepreneurs. In view of the immense potential of these units, the Government of India has been framing policies and schemes for encouraging the growth of SSI units all over the country. In addition, each state frames its own scheme of incentives for SSI units. It may be mentioned here that a small-scale industrial undertaking, as defined by the Government of India Notification of December 1997, is one in which the investment in plant and machinery, whether held on ownership terms or lease/hire-purchase basis does not exceed Rs.30 million. This ceiling was later reduced to Rs.10 million. The SSI sector encompasses a number of sub-sectors like Ancillary Industrial Undertaking, Tiny Enterprise, Women Entrepreneurs' Enterprise, Export Oriented Unit and Small Scale (Industry related) Service and Business Enterprise.

In Assam, policy measures directed at encouraging the growth of S.S.I. units came up in a definite way only after the announcement of the Industrial Policy of 1986. Though the industrial policies have been revised after almost five years on a regular basis, the underlying principle of encouraging the use of locally available resources and manpower runs common in all the policies. Despite a uniform policy prevailing throughout the state, a lot of disparity exists among the districts of the state in terms of the distribution of S.S.I. units across the districts. Till March 2002, there were a total of 42933 units permanently registered with the Directorate of Industries, Government of Assam. Of these, 29.58% belonged to Kamrup district, 10.97% were in Dibrugarh district, followed by Nagaon and Sibsagar districts with 6.65% and 6.08% of the total units respectively. These four districts alone accounted for 52.78% of the total registered units, thereby reflecting the highly uneven distribution of units across districts. In terms of the distribution of SSI units per thousand of population across the districts, Kamrup and Dibrugarh still had the highest number of units per thousand of population, followed by N.C.Hills. Lowest number of units per thousand population was in Karbi Anglong and Sibsagar.

For a resource rich state like Assam where almost all the districts have some or the other natural resource, such marked variation is not called for. In other words, existence of a uniform policy framework as well as natural resources should have had a uniform impact across all districts. This problem therefore reveals that policy measures may not be sufficient enough to encourage the utilization of natural resource through the small-scale industry. Many other factors are likely to act in tandem and have an influence on the setting up of an SSI unit.

The literature in the area of entrepreneurship highlights the fact that venture creation, an indicator of entrepreneurship, is a multidimensional process (Gartner, 1985) involving the simultaneous operation of a number of factors. Sharma and Akhouri (1978) mentions about the model of Pareek and Nadkarmi where entrepreneurship is regarded as an outcome of the interaction of four factors or systems, viz.

- (i) Self-sphere system, which system is concerned with the individual perse, his knowledge, skill and motivation,
- (ii) Sociosphere system, which relates to the social influences on the individual, availability of technology, manpower, infrastructure, etc. and
- (iii) Resource system comprising of the available raw materials, demand for the product availability of technology, manpower, infrastructure, etc. and
- (iv) Support system, which operates through the creation of organizations formulation of policies etc.

According to this model, all the four systems are inter-linked, interact and constantly adjust to each other and planned efforts to develop entrepreneurship in a society require integrated efforts covering all the four systems. Gartner's (1985) framework too describes new venture creation across four dimensions, involving

- (1) Individual(s) – the person(s) involved in starting a new organization:
- (2) Organization – the kind of firm that is started
- (3) Environment – the situation surrounding and influencing the new organizations.
- (4) New venture process – the actions undertaken by the individual(s) to start the venture.

According to Gartner, no new venture creation can be comprehensively described, nor can its complexity be adequately accounted for unless all these four dimensions are investigated.

OBJECTIVE OF THE STUDY

Starting a SSI unit is obviously a new venture creation. If we are to analyse the distribution of SSI units in Assam across districts in light of the above views, it is important to recognize that several factors or forces are in operation when an individual decides to start a new venture. Availability of natural resource and a conducive policy framework are undoubtedly critical decision variables. Yet cognizance must be taken of other factors as well when one is analyzing the process of enterprise development, or as in our case, the setting up of a SSI unit.

Thus, the objective of this paper is to find out the various factors that explain the pattern of distribution of SSI units in Assam across the 23 districts.

VARIABLES

Gartner (1985) has not only provided a comprehensive framework but has also compiled a list of variables (as many as 55 variables) relating to the four aspects or dimensions of venture creation. Three out of these four dimensions include variables that relate to the individual and his organization and only one dimension, i.e. environment has a large number of variables that can be measured at the macro level. Thus, for a district level analysis of venture creation, it is not possible to measure the variables relating to the individual, organisation and process, despite the desirability of such an integrated approach.

The dimension on environment basically acknowledges the fact that entrepreneurs do not operate in vacuum. The existence of highly supportive regional entrepreneurial environments can be actually said to create entrepreneurs (Gartner, 1985). Gartner lists out as many as 22 variables relating to the environment of which five are again applicable only at a micro-level. Likewise, data on some variables such as presence of experienced entrepreneurs, attitude of the area people, etc. are not available at the district level. This paper intends to explain the distribution of SSI units in Assam with reference to some of the variables suggested by Gartner, pertaining to the 'environment', that could be subjected to treatment at the district level. The variables which are to be included in this study and their respective measures and other details are given in the Table - I

Table - I

DETAILS OF THE EXPLANATORY VARIABLES USED IN THE STUDY

Sl. No	Explanatory	Measure	Year	Data source	Symbol used for this study
1	Proximity to universities	Literacy rate	2001	Census of India 2001	LIT
2	Accessibility of transportation	Ratio of surfaced roads to total roads	1995	Statistical Handbook of Assam, 2000	SURF_RD
3	Large size urban areas	Percentage of urban population	1991 census	Census of India, 1991	URBSN
4	Technically skilled labour force	Ration of industrial workers to main workers	1991 census	Census of India, 1991	IND_WRK
5	Availability of financial resources	Industrial bank credit per lakh population	*	CMIE. Profiles of Districts, Oct. 2000	IND_WRK
6	Living conditions	Per capita GDP	1994-95	Statistical Handbook of Assam, 2000	PCGDP

* CMIE, Profiles of Districts, Oct. 2000 does not give the exact year of this data. It is simply mentioned as being the 'latest' data.

All the above six variables are expected to be positively related to the setting up of SSI units (or venture creation in other words). A brief description of the variables follows below:

Proximity to Universities : This variable is difficult to measure and apply for a district level analysis. Proximity to universities refers to the accessibility of higher education. For our study, we shall not consider the access to higher education but instead take into account, the general level of literacy only. Higher levels of literacy are expected to be associated with a greater number of SSI units because an educated person is able to acquire additional skills that may enable him/her to start his/her own enterprise. Thus, instead of proximity to universities, we shall take the general access to education and the measure for this variable is given by the literacy rate of the districts pertaining to the year 2001.

Accessibility of Transportation : The successful operation of an SSI unit is highly dependent on the availability and quality of transportation facilities. Absence of a good transport system acts as a hurdle in the free flow of raw materials to the industrial units and the outflow of their finished products to the market. For a state like Assam, the mode of transportation most widely used is the roadways, and its network spreads over a far greater area than the railways, waterways or airways. Hence the measure of this variable is given by the ratio of surfaced roads to total roads.

Large Size Urban Areas : Urban areas provide impetus to industrial units in two ways. First they constitute the market for manufactured goods. The larger is the size of an urban area larger may be the expected size of the market. Secondly, in terms of infrastructural facilities like power supply" transport and communication, urban areas are better placed than rural or sub-urban areas. From both these angles, existence of large urban areas in a district may be expected to promote the growth of industrial units in that district. This variable is proposed to be measured by the ratio of urban population to total population in the district.

Technically Skilled Labour Force : The measure of this variable is given by the ratio of the industrial workers to the main workers in a district. Technically skilled labour force defined in this manner would be both the cause and result of the growth of SSI units. The existence of a technically skilled labour force means that the population is competent in technical lines which in turn is expected to encourage the growth of SSI units. Conversely, larger number of SSI units in a region would imply a greater number of people employed in the industrial sector.

Availability of Financial Resources : For setting up a SSI unit, financial considerations play an important role. Individuals willing to start an industry may often be handicapped by lack of financial resources. Thus, areas where institutional sources of finance are available are more likely to encourage the growth of SSI units than areas where sources of finance are limited. This value measured in terms of industrial credit per lakh population.

Living Conditions : Living conditions encompass a lot of things relating to the individual as well as his surroundings. Better living conditions in an area would mean that people living there are accustomed to certain goods and services other than those that meet their essential needs. Hence better living conditions in a sense reflect a larger size of market and thus acts as a positive input for the growth of SSI units in an area. The measure of living conditions is given by the per capita GDP of the district and the data is for the year a1994-95.

These are thus the variables, which are taken as the explanatory variables for analyzing the pattern of distribution of SSI units in Assam. The dependent variable for the study is the number of SSI units per lakh of population. Here the number of SSI units is the total number of SSI units permanently registered with the Directorate of Industries, Government of Assam till March 2004 and the population figures are obtained from the Population Census of 2001. Symbolically, it is denoted by SSI.

HYPOTHESIS TO BE TESTED : Districts having accessibility to transportation, large urban areas, availability of financial resources, higher literacy, better living conditions and a larger size of technically skilled labour force are expected to have a greater number of SSI units per lakh of population than districts deficient in these factors.

MODEL AND ESTIMATION : For purpose of estimation, we shall use a simple linear regression model including the above-mentioned dependent and explanatory variables. The model for estimation is as follows:
 $SSI = a_0 + a_1 LIT + a_2 SURF-RD + a_3 URBSN + a_4 IND-WRK + a_5 IND-CREDIT + a_6 PCGDP + u$

The correlation matrix of the explanatory variables is given in Table - II

Table - II

TABLE 2: CORRELATION MATRIX OF THE EXPLANATORY VARIABLES:

	LIT	SURF-RD	URBSN	IND-WRK	IND-CREDIT	PCGDP
LIT	1					
SURF-RD	-0.1483	1				
URBSN	0.3667	0.3553	1			
IND-WRK	0.1936	0.4225	0.9800	1		
IND-CREDIT	-0.4541	0.0698	0.4023	0.5892	1	
PCGDP	0.4636	0.3149	0.6232	0.5892	0.6667	1

RESULTS

A look at the correlation matrix reveals that two variables IND_WRK and URBSN are highly correlated. This correlation arises on account of the fact that an urban area, by definition, should have at least 75% of the male working population engaged in non-agricultural pursuits (Misra and Puri, 2000). To remove the problem of multicollinearity, we drop the variable IND_WRK and proceed with the ordinary least squares estimation of the model. The results of the estimation are presented in Table-III

Table III

Explanatory Variable	Coefficients
Intercept	-287.087 (-1.733)
LIT	5.492 (2.236)
SURF-RD	121.306 (0.559)
URBSN	9.294 (3.346)
IND-CREDIT	1.207 (2.111)
PCGDP	-0.0128 (-1.088)
R ²	0.732
Adj R ²	0.653
F	9.304

Figures in parentheses are the t values

^a statistically significant at 1% level of significance

^b statistically significant at 5% level of significance

Table 3 shows that the coefficients of all the explanatory variables, excepting PCGDP, are positive, implying that these have a positive impact on the growth of SSI units. This therefore conforms to the proposed hypothesis. The coefficient of literacy rate and industrial credit per lakh population is positive and significant at 5% level of significance. Higher levels of literacy stimulate the growth of SSI units because once educated, people can shift from traditional occupations to non-traditional ones as education enables them to acquire new skills and at the same time affects their outlook on self-employment. Likewise, bank credit to industries are also an important determining factor for the growth of SSI units. Though the scale of

operation of SSI units is small, the people who start the industry are usually constrained by the availability of finance. Therefore, districts where this constraint does not exist are found to have a larger number of SSI units than others.

The coefficient of urbanization is positive and highly significant. As already said, urbanization is both the cause and effect of growth of SSI units. Urbanization ensures a constant flow of demand for various types of goods and hence acts as an incentive for the growth of SSI units in a district.

The coefficient of per capita GDP is negative but not significant. This variable is used to represent the living conditions of the people. It is likely that per capita GDP by itself may not be an appropriate indicator and hence we do not get the sign of the coefficient as expected. Likewise, accessibility of transportation, as indicated by the ratio of surfaced to total roads is positively related with the distribution of SSI units but is not significant.

The high value of R^2 together with the value of the F statistic being significant at 1 % level of significance implies that all the variables taken into account have a high explanatory power in explaining the pattern of distribution of 551 units in Assam.

CONCLUSION

Recognition of the positive potential contribution of the small-scale industry in Assam have directed the policy makers in the state to encourage the growth of SSI units through various incentive schemes. Despite such attempts, the overall response has not been satisfactory. The most striking feature of SSI units in the state is its uneven pattern of distribution across districts. SSI units were concentrated in a few districts and its spread was sparse over most of the districts. This study sought to explain the pattern of distribution with the help of a few variables suggested in the literature on entrepreneurship. The finding of the study is that SSI units in Assam tend to come up in those districts having a high percentage of literate population greater availability of industrial credit and a high percentage of urban population. This therefore enables one to conclude that, apart from availability of resources (which works from the supply side), SSI units tend to come up in those districts, which offer ample scope for expansion from the demand side as well. The significance of the coefficient of urbanization in particular is a pointer in this direction. Thus to ensure an even distribution of SSI units across the state, it is imperative to take steps in the direction of increasing the urbanization in particular is a pointer in this direction. Thus to ensure a~ even distribution of SSI units across the state, it is imperative to take steps in the direction of increasing the availability of industrial credit, ensuring attainment of high literacy rates as well as enlarging the periphery of the infrastructural facilities that exist in the urban areas. An even distribution of SSI units across the state can enable Assam to attain a high level of industrial growth without any regional imbalance.

In order to achieve this desirable state of affairs, it is necessary for the policy makers to make concerted efforts for improving the various factors (as mentioned in this paper) that encourage the growth of the small-scale industry. Mere formulation and modification of industrial policies after every five years is not a sufficient condition for stimulating the growth of SSI units in the state. It is important to recognize that several forces operate behind the setting up of SSI units and only when these forces can be taken care of in a desired manner, one can expect the small-scale industry to work wonders for the region's economy.

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ROLE OF MEDICINAL PLANTS AND THEIR VALUE – ADDED PRODUCTS IN BOOSTING RURAL ECONOMY IN MEGHALAYA

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ABSTRACT

The paper deals with priorities to be fixed for commercialization or marketing of medicinal plants found in Meghalaya, with a view to give a boost to rural economy. Nature, in its generous abundance, has bestowed on Meghalaya a unique array of vegetation, ranging from tropical and subtropical to temperate or near temperate. As such it is one of the major source of medicinal plants in the country due to its dense forests, hilly areas and abundant rainfall. Medicinal plants of Meghalaya and their value addition has immense export potential which needs to be exploited to earn foreign exchange in boosting rural economy.

INTRODUCTION

Plants constitute a major reservoir of biologically active compounds. Any plant or part of the plant, which contain active medicinal chemical constituents and give a definite physiological response in the treatments of diseases in humans and other animals are called medicinal plant. Medicinal plants constitute about 8000 species and account for about 50 percent of all higher flowering plants.

DISCUSSION

The World Health Organization (WHO) estimated that 80% of the population of developing countries relies on traditional medicines, mostly plant drugs, for their primary health care. Modern pharmacopoeia still contains at least 25% drugs derived from plants and many others which are synthetic analogues built on prototype compounds isolated from plants. China, India, Sri Lanka and a few other countries have officially recognized the uses of traditional medicines in their health care delivery systems. According to the World Health Organization estimates, the present demand for medicinal plants is about 14 billion US dollar, in a year. There is a substantial volume of internal trade in medicinal plants in India. In term of the volume and value of medicinal plants exported, India rank second in the world. Medicinal plant related trade in India is estimated to be around Rs. 550 crores per year. The demand for plant based medicines are on the increase both in the developed and developing countries because of the growing reorganization that herbal remedies are non narcotic natural products without any residual effects and easily available at affordable price. All these have increased the demand for crude herbs both on domestic and International markets. In India, for example, there are 46000 licensed pharmacies manufacturing traditional remedies, 80% of which come from plants (Alok, 1991). An earlier Exim bank study, finds renewed world wide interest in natural medicines and newer cases in food and cosmetic industries, with good prospects of exports of medicinal plants from India. A favorable policy framework is required to promote commercial cultivation, research and development, and increased export of medicinal plants. The study adds that exports of finished products, rather than of crude material, should be encouraged. Table – I provides the estimated annual demand of some of the herbal crude drugs in Indian market and Table – II provides some globally important herbal drugs.

Table – I

Botanical Names	Trade Name	Quantity(in tones) required per year
<i>Andrographis paniculata</i>	<i>Kalmegh</i>	1,000
<i>Aloe vera</i>	<i>Ghritakumari</i>	1,000
<i>Asparagus racemosus</i>	<i>Satmuli</i>	2,500
<i>Centella asiatica</i>	<i>Thangkuni</i>	1,500
<i>Emblica officinalis</i>	<i>Amla</i>	2,750
<i>Terminalia chebula</i>	<i>Haritaki</i>	1,000

Table – II

Plant Names	Uses
<i>Ginkgo biloba</i>	Cerebral vasodilator
<i>Gardiner cambogia</i>	Anti-obesity
<i>Calandula officinalis</i>	Wound healing
<i>Rosmarinus officinalis</i>	Anti-dandruff
<i>Plantago ovata</i>	Antacid and anti-flatulence
<i>Symphytum asperum</i>	Tonic
<i>Hypericum perforatum</i>	Tranquilizer

Some medicinal plants with large global potential have been provided (with trade name in parenthesis) in Table – III.

Table – III

Plants	Indications
<i>Aloe vera (Kumari)</i>	Cosmetic, Ageing
<i>Azadirachta indica (Neem)</i>	Skin allergy, Eczema
<i>Boerhaavia diffusa (Punaarnava)</i>	Nephro-protective
<i>Centella asiatica (Brahmi)</i>	Memory & Learning disorders
<i>Curcuma longa (Haridra)</i>	Oral cancer
<i>Mucuna Purita (Atmagupta)</i>	Parkinson & ageing
<i>Terminalia arjuna (Arjuna)</i>	Cardiac dysfunction
<i>Vitex negundo (Niragundi)</i>	Anti-inflammatory
<i>Zingiber officinalis (Sunthi)</i>	Antiemetic

Some of the indigenous plants that are harvested and currently in demand as a source of active ingredients for export purposes, indicating what part of the plant is harvested for extraction of active ingredients in Table – IV.

Table – IV

Names of Plants	Parts Exported	Active Ingredients
<i>Acorus calamus</i>	Rhizome	Asarone
<i>Anhatoda vesica</i>	Whole plant	Vasicine
<i>Cassia angustifolia</i>	Leaf and pod	Aloe emodin, Rhein
<i>Hedychium spicatum</i>	Rhizome	Oleoresin
<i>Punica grantum</i>	Root, bark, flower	Pelletierine
<i>Rauwolfia serpentina</i>	Roots	Resperine
<i>Swertia chirata</i>	Whole plant	Chiratin

CONCLUSION

Meghalaya, one of the richest and interesting 'Botanical Province', of the Indian subcontinent, has a diverse flora. With diverse climatic conditions Meghalaya is endowed with vast resources of medicinal and aromatic plants. These plants have been used over the millennia for human welfare in the promotion of health and as drugs and for their value addition. Meghalaya is suitable for cultivation of these medicinal plants. In Meghalaya, as in other places, traditional herbal medicines are produced using age old methods by the herbal doctor himself who is able to identify the required plant species. These traditional methods involve production of decoction, powder, formulation of powder into pastes with water, oil or honey, etc. traditional methods used have many disadvantages, which could be corrected by selecting the suitable technologies. Hence the introduction of appropriate, simple and low-cost technologies should be encouraged maintaining as much as possible the labour-intensive nature of such activities. Therefore, there is a need to select proper and appropriate technologies for the industrial production of traditional medicines so that the effectiveness of the preparation is maintained.

With the gradual growing urbanization, the plant resources of Meghalaya are declining and also the traditional knowledge on medicinal plants is eroding. Open access to medicinal plants in the wild is perhaps one of the main reasons for the current unsustainable levels of harvesting. In an age when people have become conscious about the side effects of the synthetic drugs, medical heritage of Meghalaya must be documented, saved and used. Meghalaya has a tremendous potential and advantage in the medicinal plant based industries. In spite of this, Meghalaya is yet to venture in this emerging area in a proper way. The main reason for impeding the development in Meghalaya has been the lack of information; the rural people are not aware of the social and economic benefits that could be derived from industrial utilization of medicinal plants. Except for the use of these plants for local health care needs, not much information has been available on their market potential and trading possibilities. As a result, the real potential of these medicinal plants has not been exploited by the government or entrepreneurs. Further, the export potential of medicinal plants can be increased manifold by value addition. For example, statistical data shows that one tonne of turmeric sells for Rs. 35,000. However, if it is converted to curcumin the value realized is Rs. 1,25,000 for 60 kg. In Meghalaya, large scale production and marketing of Turmeric (*Lakadong* variety) is underway to boost economy of the state. It is to be remembered that the control of the quality of the raw materials, finished products and of processes is and necessity, if one is to compete in international markets.

ENTREPRENEURSHIP AND GUILD SYSTEM IN LINKAGES WITH EDUCATION AMONG THE PEOPLE OF RI KHASI

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ABSTRACT

Entrepreneurship and guild system have been defined with regard to the character, which perhaps indicates that entrepreneurship in the historical circumstances had emerged first before giving birth to other corporate economic organization. Experience, however, has taught us to understand that co-operatives in the present situation have shown mixed results of success and failure in which a lot of endeavor is needed to improve co-operative functional roles especially the weaker bodies. A brief historical narrative has been given to the race's genius in originating and developing wet rice cultivation, their past relations with the oriental lands and the circumstances which led to their trade and territorial expansion in the North East. In the ages prior to the advent of the British, agriculture, iron-smelting and metallurgy appeared to have been their prolific and conspicuous undertaking which led to trade explosions at the given periods during the mediaeval and pre-British times. Dwindling of trade and loss of bulk of their territories happened after the British made its arrival here. The present treatise is based on some sources available.

Education in its vast and variegated field in our hills has shown its impact in creating an elite versed in varied field as well as the batch of practical economists and economic regenerators. Education, according to our experience is linked up in a vital and inseparable inter-disciplinary approach with economy, which have their standing in pivoting the destiny of our race of people. So lot of efforts are necessary to recover the enormous losses we have incurred in the recent past. We have to make special efforts to overcome the problem of poverty, explore employment avenue, tackle the lack of social and civic discipline and encourage creativity in its overall sense.

INTRODUCTION

We will try to find out what entrepreneurship and guild connote- that is in accordance with our genius. A prolific trade system based on entrepreneurship and guild system, however, existed and functioned among our predecessor that was for ages together until the British advent took place into region. This had come to be because of the resources which our land abounded, and because the growing economic necessities had laid the impetus to cause a varied kind of entrepreneurship to stay.

The character of a trade system may also be briefly assessed, that entrepreneurship in the past perspective ranked with some extraordinary acts of adventurous character, performed by great heroes in establishing or sitting a regular course of trade to start with. Pioneer of trade as such have earned an immortal reputation in their capacities as founders of markets, builders of roads and bridges and some prepared an infrastructure for the growth and expansion of Statehood.

Entrepreneurship in modern sense connotes the all-round competence possessed by an individual in running a trade or factory or a smithy. Entrepreneurship implies the individual genius in running the enterprises, which are strictly commercial and industrial. The entrepreneur is at the helm of affairs, he is confined to all undertakings, which seek to sustain themselves and make trade lucrative enough. The Khasi Cultural Society Journal (Ka Imlang bad Ka Trei Ka Ktah) Seventh Series 1992 defines. "Entrepreneurship exposes one's skill and ingenuity in revealing the all round competence in coping and managing with the different outcomes of work experience which should contribute to yield the quicker or gradual returns within the fixed time limit and which should not fail." A successful entrepreneurship, thus leads to building a feasible system of production and circulation, besides which it helps to establish trade concerns or agencies as new entrants into a scenario, and helps to open more avenues for employment. This concept of entrepreneurship shared universally – also applied to the past Khasis, in view of their varied activities.

Guild system among our forefathers was primarily based on the role of families and also the co-operation of villages, free trade which ran on the bases of ethnic Inter-State allegiances and covenants agreed to, between the powerful states, in the past, also flourished.

About the growth of guild, even when formal education had not existed yet, we find mention as follows-

“ We have come to gather that certain ties linking the society and family have been immutable. A saying “ban iar ka kur ka kynja – ban iar ka kamai ka kajih – ban biang ka ja ka dohkha” is an instance that the prospective sphere of the society and the economy have been adhered to. It means “to give extension in number of members” to the clan and the tribe, “to provide sufficient earning and get a requisite provision of meals”....”hence families formed the powerful guilds and held monopoly in the transaction of the different items of merchandise. Clan structure must have had strengthened the corporate character of trade and industry. Guild under the direction of clan held the monopoly in the manufacture of certain allotted articles: other villages were involved in the movement of goods. Trade guilds sometimes were set up under the auspices of great Kingdoms. Community spirit, in a situation had all the time, been vitalized. Enforcement of a community spirit could, therefore, be of help in providing assistance to the poorer or weaker members of the household.” [1]

Market had, therefore, sprung since time immemorial in the interior of the land and along the borders, which connect with the Brahmaputra, Surma and Barak valleys. Trade connectivity with the more distant lands was also maintained.

NEW GLIMPSES ON PRODUCTIVITY AND PAST TRADE CHARACTER

Trade genius, on their own appeared to have made a considerable impact. It could be possible that their forefathers were connected with the origin of wet-rice cultivation based on the following account-

Economic strength may be viewed that the Mon-Klmer speaking people could have been the originators of rice irrigated culture (swamp or wet rice) differentiated from dry-rice (jhum or slash and burn) started long time ago since, in the delta of S.E. Asia around the mouth of rivers Menam, Irrawadi and Mekong. Population explosion led one distinct group of them – the Khasi to move out from their ancient abode to Yunnan in China, where they halted and where, probably they introduced wet-rice culture, “then escaping westwards” from its cold high plateau “followed the Red River to its source south of Tali, made their way across Northern Burma to Khasi in the plains of East Assam where they established a new center”. [2] Wet-rice culture in this light must have moved along with a large horde of migration from Laos and Cambodia in SE Asiatic delta to Upper Assam.

Glimpses to Khasi relations with China have also been noticed, Allan Wilson preserving the account as follows -

“ In ancient time the Khasi were much more powerful people than they have been since the British has any connection with India. There is some reason to believe that they sent an embassy to China sometime in the 16th century, for it is on record that an embassy came to Peking headed by a man named *U Ai* which is essentially a Khasi name and some twelve years ago, a small metal-slab was obtained in Nowgong which adjoins the north side of the Khasi Hills which is a Chinese credential of some sort. It is made of copper thickly plaited with gold in the shape of a knife-board about five inches long, two and a half wide and one inch thick.” [3]

Exchange of embassies on friendly or reciprocal grounds, appeared to have had their frequencies time and again.

It is mentioned that Khasi language according to a record in Serampore College, "is spoken by a small nation to the East of Sylhet, who inhabit the mountain extending from Sylhet nearly to the border of China." [4]

In 1774 Lindsay recalling his experience of contacting Khasi southern traders at Pandua towards Sylhet remarked, - "during the few days of my residence at Pandua, I had the uncommon gratification of witnessing a caravansary arrive from the interior of the mountains bringing on their shoulders of the hill goods consisting of a coarse silk from China, fruits of various kinds but the great staple was the iron of excellent quality. The burthens were carried by women in the baskets supported by a belt across the forehead, men walking by their side protecting them. The young girls are handsome, not being allowed the use of betel-nut until after their marriage. I asked one of the girls to lift her burthen of iron, from its weight I could not accomplish it. This I need not say occasioned a laughter in the line of march to my prejudice." [5]

Trade adventures undertaken by individuals or groups into the nearby and distance lands, have been spoken of highly, that was with the view to establish trade intercourse on the perpetual footing.

THE POPULOUS RACE OF PEOPLE AND TERRITORIAL JURISDICTIONS

It appeared that the explosive character of their population remained constant until the British advent, that was in the wake of the vast trade and territorial jurisdiction they held once in the North East. To quote from a relevant.

"From the Western boundary of Gowalpara to Gowahatty, there are ten pergannahs under the hills (nine Dowars and one Desh) over all which sometimes ago Khasi Chief were feudal lords, paying merely a tribute to the Rajahs of Assam, the greater parts of those Districts are still held by descendants of the khasis of whom the principal are the Rajah of Sokee Dowar, the Rajah of Desh Ranee and the Rajah of Nongkhlaw in the charge of Bor Dowar." [6]

In 1834 the khasis who lived in Assam were described thus: "the inhabitants of the Dooars are with a few exceptions of Khasi origin and more Khasi in their manner than Hindoos" [7] Also "the Ryuuts are mostly of Khasi origin and some of the Khasi Rajahs in the plain are Rajahs of independent communities in the hills or are relatives of the independent hill chieftains." [8] The Rajaj of Sokee Dowar and the Rajah of Desh Ranee in course of time became Hindoos. "The two former Chiefs are now Hindoos, the first holding no hill jurisdiction, but the second is still acknowledged the Rajah of a large tract of hill country, extending over a part of the Upper hills.

The third Chief is still Khasi as to his religion, and resides commonly at Nongkhlaw an independent Raja as regards his hill territories on the upper ranges, but holding also tracts of low hills, which we consider within jurisdiction.

The other Khasi chiefs holding fiscal charges on the plains are men of small note, but all possessing portions of hill country besides their Dowars, for which we receive no revenue, but over which we exercise occasional criminal jurisdiction."

Kamrup its position and trade with Khasis

"Kamrup on the South Bank is bounded by the Khasi Hills which are under the British administration represented by Colonel Lister, the Agent to the Governor General. "The Hill Khasis carry on a large trade with the Khasis and other races of the Plains, frequenting the hauts on the borders."

"The Khasis are very important traders with Assam, they frequent all the hauts along the frontier, as far as the middle of Nowgong Division, bringing down with them chiefly iron implements, especially hoes, which are used almost throughout Assam.

In exchange they take away cattle, goats, rice, salt, tobacco, cloths. We found them for many years perfectly quiet and very industrious and have very seldom to complain of any offence whatever committed by the Khasis on the plains." "For the encouragement of trade, haunts or weekly markets are held in every Dowar, which are resorted to in large numbers of people from the hills and also by those of the plains. The chief articles of trade brought down by the Khasis are iron implements, such as koduls and cotton, honey, red chillies and potatoes, which they barter for cattle, rice, clothers and dried fish. The trade is carried on without any restrictions, and greatest good feeling exists between the parties who resort to the haunts." [9]

It is noted, "on the northern frontier of Jynteah in Nowgong, there are again Rajahs of Khasi race, but we claim no authority on the hills. Further east still to the Kopili, the boundary of the Khasi country, the small Perganahs close under the hills are held by Sulung Rajahs, not now connected with the Khasi though perhaps of Khasi extraction" [9]. They opined that Khasi "connexion with us as traders however is of very importance." Yet, "there are many person of half Khasi origin holding fiscal charges in the Dowars."

The size of the Khasi population in the plains appeared to have fast dwindled, after a few rulers perhaps embraced Hinduism, or else many persons had adopted the Assamese way of life.

Friendship between the Khasi and the Assamese people, however, remained throughout, in the course of long ages past.

Iron-Smelting and industry provided a solitary instance of the undertaking which probably was rare in the neighbourhood of the hills. Pig-iron of a crude form (after the first process of smelting) was in the shape of balls or lumps. Pig-iron (*nar-iew*) is a contrast of *nar-shit* (hot iron) and *nar-kti* (clumps), which emerged from the process of smelting. Pig-iron stored in the smelting house was 'sold in a basket of tolerably fixed size and shape, seven of which contain about three maunds of the ore. It is carried, often for many miles to the villages where the smelting furnaces are situated. In most cases the crude iron as it comes from the smelting furnaces is again brought to other villages where it is manufactured." [10] The manufacturing forges discerned from the smelting forges produced a host of ironwares, articles and goods transacted daily outside. Some kind of artillery and firearms were also produced. Oldham mentions that "a Khasi smith unlike an English mechanic never swings his hammer, however, heavy but simply lifts it vertically and the force of the blow depends in the weight, and impetus of the hammer itself as it fall rather than on the muscular power of the person who wields it." The iron industry was a prolific one, but it went out to extinction, shortly after the British advent into the hills, had taken place.

In addition, we may comment that the excavation and export of grades of lime processed out from the local limestones, has taken place incessantly a long time since. Bulk of the iron smelted before the British arrival was turned into the metal bars, some of processed iron was used for boat building at a few centers in Surma valley. There was near exhaustion of some common metals and iron pyrites before the modern age took its place.

Regarding trade connectivity, there would been a considerable distance to traverse through for attending trade as far as Nowgong, modern Bangladesh, and bulk of the adjoining hill tracts and other distance plains.

Approach into the past perspective could be helpful to focus the attributes on the enterprising character of the people, their adventurous and inventive potentiality as well. The past was demonstrating the landmarks of its genius in view of the prolific character of the economy, strength of the manpower, use of appropriate techniques, size of population and consideration also other factors

EDUCATIONAL ORIENTATION

A social transformation however intervened with the coming of the British Administration. The impact of modern education in causing an economic transformation in whatever sense also needs a brief mention. It appeared before the British came, a very negligible batch of the local princes or nobles representing the varied States were literate who could read or write the letters of the neighbouring people – Assamese, Bengali, Arabic for the purpose of keeping the revenue and land records and accounts. The first two ever students in a formal sense were u Ram Sing Rani and Bee (Bi) Tham who went to prosecute study in Serampore College, Bengal [11] when that college was just started in 1819. They probably underwent a seven years precribe course which imparted instructions in languages, various arts, science and general knowledge, at a time the Bible translations into different languages were going on: (Initiated by Serampore Baptist Mission).

E. W. Dkhar, [12] however notices that the Shella School was started as early during the British entry, or earlier which had become transformed to the Shella Proceeding High School as late as 1861.

Shella School had produced renowned students such as Jeebon Roy Mairom the First Assistant Commissioner and in late years other such as Rev. J. J. Nichols Roy one of the greatest politicians and statesmen, Professor, R. R. Thomas the first Premchand Roy Scholarship holder from Assam and many others of their rank, status and ability.

Education has its impact in creating an elite versed in varied field. Education is our more recent experiences is correlated in an inter-disciplinary approach with the economy. The strength of the economy is upheld as one of the core sectors. Mondon Bareh, however, upheld that education, "is a living seed; and whatever changes the economic or social fabric might undergo, education will always be at the helm of affairs to guide mankind towards their destiny" (Ref. Progress of Education in Meghalaya 1996).

We find here that some of our educationists pivoted also the growth of entrepreneurship corporate activities. Now specific roles of the stalwart personages may briefly be assessed. Entry of personages who participated in the task of social reconstruction had occurred, during a transformation, which was affected by factors such as loss of bulk of territories in the plains, change of trade patterns, extinction of some kind of old-age, metals and minerals, introductions of new necessities and others, in our sense "social reconstruction work covers various areas, namely economic and cultural, educational and civic." A student's speech at the English Inter-School Debate on "Lack of social discipline and creativity has infringed the purpose of social re-construction work in our state" held by the Khasi Cultural Society on 3rd April 1991.

EDUCATIONISTS' ROLE IN TRADE AND PRODUCTIVITY

Babu Jeebon Roy

Thus Jeebon Roy, on his own resources, started in 1875-76 the first ever High School in the hills name Shillong Zillah High School which maintained its continuity for almost one decade and a half until the Government took over this school which was renamed Shillong Boys Govt. High School in 1888 to 1891. Jeebon Roy undertook this work against various impediments, as neither the first Christian Mission nor Government was ready to open the first high School, as Shillong during the years was plunged into chaos, by a ravaging plague which had taken away several lives of its victims. Owing to the adverse circumstance, inauguration of Zillah High School, therefore, was held uptill 1878 which registered an enrolment of 50 students. The first entrance passed from the school was U Sib Charan in 1800. He sat for the examination at Sylhet center under the University arrangement. Thereafter the second passed Entrance candidate was U Hari Charan Roy in 1801. Entrance passed candidates probably came out until Shillong Zillah H. S. became transformed into Shillong Government Boys H.S. by 1888 to 1891. Government High School had also

produced some local brilliant boys who passed with distinction at the examination of Calcutta University until almost the Independence.

By virtue of his contribution, Jeebon Roy became the Founder of Secondary Education in Meghalaya. By the close probably of the last century, Jeebon Roy opened a second school at Mawkhar, Shillong, which offered Bengali as one of the subject, after he had invested initially Rs. 3,000, which lasted perhaps until almost the advent of the Second World War. He became Founder of three school thus viz. the Zillah High School, Govt. Boys High School and Mawkhar School. A souvenir "100 years of Shillong Govt. High School" acknowledges Jeebon as the prime Founder of Shillong Govt. Boys High School. He had thus inducted the methods ranging from primary to secondary education. He was seeking to provide techniques to secure students' proficiency quicker as they should prove themselves to be excellent students.

Babu Jeebon ranks as the first horticulturist: - he introduced new models of fruit farming here in the city and along her suburbs: He introduced coffee cultivation at Majai. This crop shortly after, was adopted widely a part of the precipitous southern region. We are rich, however, in a traditional variety of fruits, which suit both to the hill and sub-tropical climate in our land. He introduced a few temperate species while probably imparting skills as well to farmers at grafting, manuring and such techniques. He had set a precedent because 25 years after his passing away, Rev. J.J.M. Nichols Roy set up the United Fruit Company which was renowned for supply of standard juices all over the country until it met its collapse about 1968. [13]

Babu Jeebon sought to raise the level of incomes by other means, raised mostly on self-help basis, based probably from experiences that he had reaped, when presenting a master plan for upgrading Shillong into a Headquarter of its status. He started business enterprises by leasing a limestone quarry at Mynteng Nongjri: he encouraged people in the domestication of cattle and sheep on advanced lines. He was championing the cause of his ancestral culture while launching these projects. It was Babu Jeebon Roy who first introduced and imparted the art of printing. These efforts he pioneered had benefited the families and had opened avenues of employment to several persons in the field of farming, mining and printing. Jeebon Roy had influenced his student, Konjro to rise to the stature of eminent scientist and engineer, who had laid down his wonderful creations in the field of construction as also physical, mechanical and electrical engineering. Ri Khasi Press, which Babu Jeebon Roy founded with further innovation made from time to time, has become till today one of the best printing presses in the region.

Rev. J.J.M. Nichols Roy

Nichols Roy later on in boosting regenerative standards, introduced private Bus services along the district roads (Shillong – Mawphlang and Shillong – Sohra). He set up later the "Shillong Printing Works."

Later on the Mercantile Bank came into existence, which in 1927 returned a divided of 20% profit to each of shareholders of the Company, which had raised it. [14]

The Bank was converted into a Public Institution, which was allowed to have an authorised capital of Rs. 1,00,000 but after it crossed to accumulate Rs. 50,000, no fresh shareholder would be admitted. Thus Babu Jeebon Roy mooted out the first principles of economic regeneration on the lines he had chosen. But Babu Jeebon's contributions in education were more numerous as Nichols had more of his contribution in the field of Political identity and Constitutional Government. He was one of the influential Cabinet Ministers in the Assam Province on frequent occasions during the Pre-Independence and Post-Independence years.

In the corporate set up, the United Fruit Company that Nichols Roy instituted had enlisted a number of share-holders in which the General meeting discussed the accounts and business items annually: Statement of Account along with the Balance Sheet was returned annually to each of share-holders from far and near and a copy was sent to the Provincial Government as well. Dividends were also given to share-

holders at the rate of interest of 7% annually, 8% for two years and 6% to share-holders who had completed six months' duration accumulating from sale proceeds of pure orange squash sold at Rs. 1 per bottle and orange and lemon mixed fixed at Rs. 1 and annas 10 per bottle. His activities attracted a large number of depositors for investment and opened up employment avenues the decades through, for the welfare of his own people first and foremost.

Ka Mavis Dunn Lyngdoh

The only Lady minister in the whole of India from 1939-1946, Cabinet Minister in the Saddulah Coalition Ministry, Assam Province, she addressed the Assam Legislature- "I would recommend here a radical change in the system of education and would advocate a system of suitable education – cultural, vocational, sanitary to make us good assets in the country." She was the protagonist of women education and patronized the spread of learning in general through the services of varied institutions in the whole of the region that was before Independence. She had served initially as Minister in charge of Co-operative Department, Industries and Registration and later on solely in charge of Medical and Health Portfolio. The upgraded patterns of medical and engineering education since initiated and implemented, have been a great boon- in promoting skills in vocational and professional lines, opening large venues of employment also, not only for the benefit of the people of Meghalaya, but also of the whole North East Region. There were out-reaches of Hospitals or Health Centers so constructed towards the eastern most extremities of India in the abnormal-second world war situation along with amelioration in the methods of health care. Implementation of the scheme for construction of Assam Medical College was taken up. School Inspectorate started to be improved by adding the Women Wing of Inspectorate for the Province. A start was made to enlist women's service in civil and other cadres. Thus she had a great share in upgrading the system of medical science and nursing although she ruled out the establishment of Sylhet Medical College, as the Assam Provincial Government was intending to abolish Licentiate Medical Schools or else raise them to the University standard. She said "the question of having two medical colleges in a Province just now is a very difficult question for me to give any assurance and I would request the Hon'ble members to withdraw the cut motion." The modalities for starting the first Assam Medical College at Dibrugarh, however, were chalked out.

In the capacity of industries and Co-operation minister, on failures of co-operative the points raised by members, she addressed the legislature: [15] "The start of Co-operative department in Assam has caused much anxiety to the well wishers of the movement. From all sections in the House there have been agitations that Government should come forward to do something to save the movement if possible. As a consequence of such agitation, a Conference was held, I think by the end of 1940, and the conference made several recommendations one of which was urging the Government to increase the staff which would exercise, have not been able to manager their own financial affairs and therefore, it has been found necessary to exercise a good deal of official control, supervision and advice."

Not only lack of education, I think, but lack of entrepreneurial leadership, has led to several short comings to come up in the performance of the co-operative. Not only in the sphere of medical science and nursing, but also in upgrading girls' college to come up with boys' college, she deserves to be mentioned. She was proficient in the area of providing nurses' training and helping primary school teachers as well. Educational expansion and upgradation of medical curriculum had since become the asset as well for the growth and expansion of the economy.

Prof. Bransley Marpna Pugh

Educational influences are seen to have their importance in giving impetus to a system of socio-economic reconstruction. Another outstanding figure was Prof. B.M. Pugh, Prof. and Head of Department of Agronomy from 1928 and later on Principal of Agricultural College, Allahabad. He ranks as one of the pioneers of Agricultural Science in the whole country besides which his books "Crop Production in India," "Genetics and Plant Breeding" and "Soil Science and Climatology" have served the purpose of furthering

knowledge of advanced models of agriculture, and serving as veritable text books used by Agriculture College. Indirectly he gave impetus to students of our region in the field of agricultural science. He had been acquainted also with agriculture statistic and techniques.

Agricultural advance techniques have their immense role in accelerating the scales of productivity.

He assisted earlier in editing a magazine titled 'Allahabad Farmers:' he was later a member of U.P. Commission on Agriculture: prepared M.Sc Agri. Course on 'Plant Breeding' and Genetics Allahabad College. After retirement undertook the survey of Agriculture in NEFA: then was enlisted as Principal of Union Christian College Umiam from 1952 to 1957 and Principal of Synod College, Shillong some years thereafter.

Role of Prof. Bransley M. Pugh [16], a competent agricultural scientist particularly in the field of agronomy, soil science, botany, genetics plant breeding is thus focused.

Prof. B.M Pugh wrote – “ from this experience I was able, after some years, to write a book on the subject which was used as a text book in many Agricultural College in this country. In writing of this book, my emphasis was naturally on the physical properties of soil rather than on the chemical, geological or biological characteristics”.

He was a brilliant student where at his home village Laitkynsew he prosecuted study in a primary school, then continued his study in Shillong where he passed Matriculation examination in 1916 and later on qualified for B.Sc. degree in 1920 with Physic, Mathematics and Chemistry from Calcutta Science University completing his study at Scottish College. Later on qualified for B.Sc. in Agricultural Science in which Agronomy and Botany were his favorite subjects. He was scholarship holder throughout as a student. After retirement when stationed at Shillong, he served as Principal of two Christian College as mentioned above.

U Kynjro K̄bar Ngapkynta

A born scientist - Kynjro Ngapkynta exposed first his genius in the field of goldsmithery, architecture, iron and steel fabrication and manufacturing, cartridging, ceramics and metallurgy; he was an expert in moulding a host of gold and silver wares and ornaments which finds mention in F.G. Henniker I.C.S's Account 'the Gold and Silver wares and of Assam 1905.' He transformed copper (mong-lieh) and steel (nar-lieh) into silver in the original shapes. (U Khasi Mynta August. 1901). He left his undertakings in the legacy of pottery and ceramics in which a host of wares, pots, hangers and spoons were produced from his factory Khasi Hills Engineering Works: brought out a number of agricultural and constructional tools and implements: he was mentioned in Thackers Indian Dictionary 1919 as expert in brass, copper and iron: smelted iron from a few pyrites still available and turned it into pure steel. His engineering caliber in constructions of buildings had also earned him reputation.

He was quick in detecting the inherent drawbacks that lay hidden in the characteristic and operative parts of the scientific machinery or apparatus. And with rapidity he succeeded in equipping power to the deal machines and restoring them to their functional state with double force. He used his power with lightning speed to get acquainted with proficiency in many trades. Some of his feats are mentioned below.

He remodeled the traditional system of carpentry, masonry and construction: transformed and joined the different forms of metals without losing their original proportions of weightage: introduced gas welding in Assam (1914): restored the treading machine in Ri Khasi Press which since had become defunctional: welded engine parts of a steamer stuck into the surface of river Brahmaputra at Dhubri which was set to motion in 1926 whereas other engineers had failed: replaced a wheel of Sohra ropeway and set it right to a movement: made a host of pruning knives used at tea gardens on the original English model which were largely circulated: originated the stone crusher which was imitated by other companies in England and circulated to India: managed to enhance the power of compression of many engines: moved all over Assam

to renovate the mills: retouched a silencer of oil engine at Pasteur Institute and managed it to run continuously: made a few spraying machines on his own ingenuity: made a power tiller and accomplished success in crockery and mirror making through use of sillimanite: in a later report as appeared at Thackers Directory he gained reputation of an outstanding Mechanical Engineer. He showed a remarkable ingenuity in repair of motor cars imported from England and successfully replaced the parts by his own making. He made a feat in installing (especially for the first time) the Hydro-Electric generator at the premier Roberts' Hospital at Jaiaw, Shillong and made a feat still in the X-Ray apparatus in that hospital and that too, long before the service of the hydro-power, was even introduced in the town, on any wide scale. He was adept in fitting electric power and was the site surveyor in the first efforts made to install any hydro-electric power here, in which measurement of the volume of water (river Wah Umkhrah) was founded by F.G Mears (Electric Adviser to Government of India) almost to tally in degree with calculation made earlier by Konjro [17]. The base of Bishop's Fall (Wah Sona Fall) of Wah Umkhrah would thus serve the purpose of generating power in which Konjro would build the Wei-Kain lane (being a small diversion of water from the main source) to facilitate smooth flow to the power house at the base of the fall. Then he drew up a master hydro plan to generate power into the town. But the "Khasi Hydro-Electric Company" including great personages – Nichols Roy, Rai Bahadur. D. Ropmay and others decided to abandon this project. Hence its implementation passed to the "Shillong Hydro-Electric Company" with B.C. Roy from Calcutta but when the work was started, the matter to regulating the flow of water was halted.

So Kynjro on being invited came to their rescue by building the said Wei-Kain dam, enabling the water to flow along a small lane which runs to Bishop's Fall base. The company thus came into the glare of discharging services in supply of power for few decades until finally, it wound up business in Meghalaya.

His genius in the field of science is thus demonstrated.

He believed in the efficacy of the utilitarian character of education in the way of the principles and policy, which Jeebon Roy set up and operated.

U Kendro Mohon Diengdoh

The Mondon Bareh Memorial Momento delivered on Late Kendro Mohon Diengdoh who passed away in 1995 acknowledges that he was the champion of a vibrant and vigorous form of economy who turned up coal mining into a viable trade who in late years earned the title of 'coal king' along with the massive an excavation and movement of limestone. He was a capable and seasoned entrepreneur and his entrepreneurial caliber had led to the establishment of the Mawmluh Cherra Cement Ltd. in a private sector of productivity many years ago. This Momento, is delivered in recognition of his distinct services in the field of economic productivity, not only for his own benefit, but also for the benefit of many others. [18]

The Sohra-Bhologanj ropeway was demolished decades ago in which coal trade was hit severely towards finding outlets for export. This occasioned him to convince the Assam Government and trading community alike that Sohra coal is of superior quality and possesses its highly utilitarian character, especially after samples were tested and affirmed at Dhanbad, in which tea gardens and steamers' personnel also agreed. Upsurges of trade in coal, coke and limestone had arisen which led to volumes of exports to grow and expand all over the country and some major items channelised to East Pakistan which found multifarious use in steamers, factories, boilers and the like. He was keen that the Cement Factory- Mawmluh Cement Factory benefited bulk of local depositors. Effective actions thus benefited the people engaged in transport and a host of labour and other factory benefittal work patterns.

There is no denying the fact that our entrepreneurs- place in different grades of economic enterprises, hospital and educational management and other have opened some avenues for employment.

PRESENT TRENDS STRATEGIES IN VOCATIONAL EDUCATION AND PRODUCTION

In a fresh look we may reiterate as follows :

Impetus to bring up entrepreneurial talents to proper heights has its considerable importance, and that too in keeping with our tradition to foster individual' or even household activities. That is in furtherance of profitable trade for sustaining the proper means of livelihood (especially for poverty ridden persons).

The State of Co-operatives with their different grades at certain places is not satisfactory, which have not attained their level of advancement uniformly: we have to intensify proper steps (from long experiences obtained at the pattern of their working) to restructure the growth and expansion of prospective co-operatives at areas where such organizations fail, and where services do not yield proportionate profits. Propagation works to bring all the co-operatives to success, therefore, are most essential.

In addition, the self-reliant processes of economic productivity and transaction have to be given impetus constantly. By virtue of our educationalists' roles, the modern trends have come in the growth of Higher Education, co-operatives, medical and agricultural sciences, engineering and hydro-electric sciences, agricultural and factory bases products, transport and constructions etc.

Vocational education can play its enormous role in equipping and strengthening the two agencies of economic productivity and trade, which are: (i) Entrepreneurship (ii) Co-operation.

Vocational education has its tremendous importance. Miss S.Swer with long experience, expert in Vocational and Basic education who served earlier in various capacities thus addresses: "Education has yet its vital role to play for preparing the young for life-a system that will link education to life and associate it with a concrete good – a system that will establish close relationship between the society and economy and fits the environment". While favoring for the creation of the elite she has strongly advocated vocationalisation of arts and craft. Useful profession crafts and manufactures " are aimed directly at enabling an individual to live - the system that all education to be meaningful must be productive. The student as he grows up needs to be self-reliant. Although cottage and small industries have existed but people equipped with the improved method and technology were not there enough (till 1980)

Dr. (Mrs.) B.Lyndem felt that education and economic production should go hand in hand. Technical and Vocational education is linked up with creating products like a team of trained experts and professional skills s habituated in running trade and business. Trade schools thus exert a considerable impact.[19]

Dr (Mrs.) J.War advocated incorporation of arts and crafts in a school curriculum, in which we need to enhance the scale of productivity in household and private undertakings manufacturing processes in bulk of raw materials availed, for acquiring the items of finished products – goods, articles, objects,(utilitarian or otherwise) has become greatly essential. That is in upgrading grades of economic growth so specified.

Industrial production, in a larger perspective, however, is linked up with the economy and the relative strength and weakness of a particular region. In the preliminary infrastructure, " emphasis should be given on the development of small scale industries, e.g. carpentry, handicraft, bee keeping, hollow block making, handloom and weaving, blacksmith, etc. preferences should be given to products which have a ready market, where labour is cheap and easily available. Encouragement may be made for the development of toy-making, electric goods, bicycle making, rice and wheat processing mills, tea factory and other things". Combination of self-acquired and trained skills in bulk of enterprises seemed to be largely essential till 1992. [20]

HEALTH CARE SYSTEM

Medical sciences have become more and more advanced being devised, in order to tackle with several emerging problems in view of the increasing number of chronic and acute sickness, and in which the number of medical institutions is rising by leaps and bounds. New techniques in handling the equipments in the field of diagnosis and treatment have come to stay. The number of colleges during the fifty years has gradually increased in the region, which brought about increase of resource persons in the different disciplines, which pertains to medical system. We have been particular here in substantiating in brief the essentiality of medical services in upholding the cause of education and of economic growth.

Spread of medicines and apparatus of a varied character, in the wake of the increasing size of population, has brought about the expansion of new related economic needs, has opened fresh employment avenues and enhanced the new emerging lines of medical specialization [21]. The situation has opened up opportunities to brilliant medical personnel to gather experiences at enhancing services at respective civil hospital, dispensaries and such centers, also at a few hospitals instituted by Christian missions, and at those hospitals founded and established by the brilliant and dedicated local personages in the rank of medical personnel. It has led to intensifying medical services on up-to-date lines, in which investigations on more accurate processes have featured themselves.

There had been some local persons-male and female trained who passed out from earliest Medical schools, who thereafter rendered medical services at places they were called for decades ago- that was before the Independence of India came. It was observed around 1930-31 that the "Khasi female graduates are being recruited as mistresses of the High School for girls in the Province and quite a number of our girls are now rendering their services as Nurse and Lady Doctors not only in Assam but also in other parts of India." That time "the rapid progress made by the Khasi girls in education has given our District the foremost position in the Province in the matter of female education." [22]

Quantum of medical services recently have taken their place, owing to the fast advanced scientific techniques and tools which are now current and the feasibility of the University curriculum which prescribes grades of training. Specific and accurate character of medical investigations and health care provisions, in the appropriate disciplines and lines of expertisation, have intervened. They have been specific to fit with the services pertaining to the different categories.

The opening of North-East Indira Gandhi Regional Institute of Medical Science Shillong expected to cater to the increasing needs of the Region. The necessity medical treatment has arisen for healing the ailment of indoor and outdoor patients with more caliber. The cause of equipping proper medical aids and services in the rural areas as much more properly and uniformly has also arisen, in which the more competent approaches – to make the necessary provisions to serve medicines and accord treatment at appointed villages, were to be used.

We consider the essence of Medical Doctors and qualified nurses who have taken up their respective position at different institutions: and also of practitioners qualified in their respective ranks, catering with their services in the official or private positions.

Meghalaya, yet quite recently, has the reputation of producing the resource persons (although a few only), who during their lifetime, had risen to the rank of a Principal and Professor [23] placed in renowned medical colleges. They were largely occupied in their lines of teaching, research and overall supervision, besides taking care of their respective disciplines. Teaching of medical sciences has its very important place in the instructions, also in enriching laboratorial, clinical and surgical experiences.

Dr Erasmus Lyngdoh MBBS, DTM and H, MRCP, FRCP-highly reputed, as one of the most brilliant for his overall competency in the field of medicine in which his higher degree of proficiency was conferred by Royal College of Physicians in UK: Professor of Medicine-Gauhati Medical College (1964-77) in addition to

serving in Deptt. Of Preventive and social Medicine, one of the planners in setting up North East Indira Gandhi Regional Institute of Medical Science, Honorary Physician to President of India (1974): had 16 publications to his credit in the field of medical analysis- 31 years of teaching experience to P.G. level: had extensive administrative and practical experience in service categorized with medical relief, education and Public Health Organisation: acknowledged all over the country as one of leading medical experts.

Both Dr O.Lynhdoh and Dr E. Lyngdoh were known to been brought up in Shillong.

INDIGENOUS HERBAL HEALTH CARE

Indigenous health care had existed since the early times. At many instances, it has given a positive service in curing persons suffering from several diseases. Massage as one genuine feature of health care, when successful complied with, could be helpful in removing muscular sprains and in restoring cohesion of blood vessels. Massage generally is by swaying distorted parts and imposing exercise to the correct parts of the muscles or joints affected. So balms for massaging, healing of wounds and of blood leakage, insects, snakes, and other bites, some which are poisonous, have been there. Medicines in shape of fluids or other ingredients have also been noticed. Some kinds of specific leaf, plants or barks, either crushed and mixed or fresh, have been found helpful to provide relief to some external troubles on the body. There could be some medicines, which are quite helpful to restore normal strength and health to the internal bowels. It is known that these hills are rich in medicinal plants and herbs, some which are of pharmaceutical value. There are local medicine men who are reputed in removing some kinds of sickness and restoring normal health in a very short span of time possible.

There have been recently pharmaceutical and treatment methods based on local herbs of ailments, in which a brief is mention is furnished below-

Dr L. Boss Myrthong Herbal and Complex Ayurvedic Health Center

We may mention in brief that Dr. Myrthong has invented and utilized a host of pharmaceutical ingredients out of the local herbal resources which provide treatment of persons suffering from diarrhoea, dental pains, cancer, anthrax, diabetes and still many others.

Dr K. Marbaniang Ka Synjuk Ki Nongdie Dawai Pharmaceutical Industry

Which demonstrate the necessary components of medicine turned out from the tree barks, roots, fruits, herbs and plants. They are renowned in preparing and circulating mixtures, fluids and other components. They have made sets of medicines to cure blood vomiting, diarrhoea, dysentery, tuber culosis, leprosy, burnt injuries, asthma, bone fracture, snake bites, kidney stones and gall bladder trouble, pus, dyspepsia, gastric trouble, metal diseases, relief against kidney stones and other. Few models of medicines displayed at the Industrial Exhibition held at Nongstoin on 7th – 8th December 1992, consisted of tablets, powders, ointment: 8th Industrial Exhibition Sponsored by West Khasi Hills- District Industries Centre. [24]

Herbal Research Centre

Located at Thangsning, a highly reputed medical center which besides extending miscellaneous assistance provides treatment to indoor patients. It is renowned in some areas of specialization of indigenous herbal medicines and treatment. There are clinical and hospital wards attached to a few Research and Pharmaceutical Industry Centre.

OTHER NOTED EDUCATIONALIST AND THEIR ROLES – A BRIEF DISCOURSE

U Nissor Singh

Nissor Singh was a capable expert in contemporaneous subjects under the instructions particularly Arithmetic, English, and Khasi having written excellent text books in English and Khasi which suited with the then educational needs. He exerted his overall competency as educational administrator, in the capacity of Sub-Inspector of Schools and later Deputy Inspector of Khasi Hills and then Garo Hills District until his passing away, which occurred in 1918. He had as such enunciated suitable educational policies in parts of the Province of Assam.

Nissor acknowledge the strength of Khasi language as he commented: " Because of the importance attached to it" that was Khasi. "For it is recognized as one of the frontier languages and the second language in the examinations of Calcutta University." [25]

Prof. Roy Rowland Thomas M.A.B.L. PRS

Prof. R.R. Thomas [26] had a distinct brilliant career as student: he was in particular the only recipient of PRS Degree (Premchand Roy Scholar) through long decades from the whole of North East India (which Calcutta University conferred on him in 1920). He served as Lecturer of Philosophy at Scottish College (1914-1916) Calcutta: later placed in Assam Educational Service Cadre, taught this subject at Maurarichand College, Sylhet: afterward shifted his service to the prestigious Cotton College, Gauhati in his official rank of Senior Professor of Logic and Philosophy. He had a chequered career in the capacity of a brilliant academician and gifted educational administrator and organizer.

Prof, Thomas later served as Secretary of Assam Public Service Commission and thereafter the Inspector of School in Assam Province (1943-44) and finally Principal of Cotton College till 1946. He exerted considerably his caliber of a diverse character an illustrious educationist: authored two books pertaining to his discipline entitled- (i) Students Logic containing 417 pages (1920) which was prescribed in Calcutta University curriculum which was used for about three decades and (ii) Inductive and General topics which covers more then 500 pages. After retirement he became the principal of D.M. College, Imphal.

We may lay emphasis on some policies which our resource persons enunciated in which U Mondon concerned with the growth of his race put it: (i) "New efforts have to be made and fresh schemes introduced in the field of education with a view to adapting our educational ideals to the new requirements and new re-adjustments which seemed to be demanded by the times. The writer is convinced that the Khasis cannot play the part of mere spectators in the present economic and political struggles. If they want to preserve themselves they are bound to revive and utilize every available resource for their [27] national uplifting." He argued, "in these days of acute struggle for existence, avenues should, therefore, be opened for the widening of the mental vision and the proper direction of the imaginative faculties of our children. For what is the real function of education? It is no other than to help people to help themselves, to co-operate among themselves, to organize and carry on their business, and generally to manage their own affairs."

Mavis D. Lyngdoh who recommended for the development of different educational sectors, yet focused on properly bringing up pupils and that education provides the necessary steps to promote the development of the physical, mental and moral welfare of pupils. Prof. Rowland Thomas also agreed with Babu Jeebon, and all our educationalist alike that the methods have to be consistently framed that the utilitarian and comprehensive system of education should apply more uniformly in producing batches of brilliant students and good characters in large number. Jeebon must have been mentally engaged in dispelling a cloud with brought about perplexed doubts among his countrymen with regards to the successful outcome of his regenerative endeavour. He would have agreed with Thomas that a concrete frame of mind is a key to upgrade its practical bents as would enable us to tackle with problems with a positive drive as

Thomas has emphasized on such a direction in this book entitled "Students 'Logic Deductive and Inductive" 1920, [28].

Mondon further stresses on building the positive techniques for faster absorption and exposition of right knowledge and systematically: that is in building a feasible and utilitarian type of intelligence. [29]. It was reported earlier that in 1929-27, a Joint Conference of a representative nature was held. "In this conference a scheme was laid for a more extensive campaign in connection with the organization of a model school and effective inspection. The following points were noticed by this Conference on defects, which hindered the process of education which were-

"(i). Defective enrolment and wastages: (ii). Slow methods of teaching: (iii). Inadequate number of inspecting officers: (iv). Low moral of teachers and (v). Poor staffing of primary schools."

To remove the above defects, the following remedies were offered –

1. Improvement of the teaching staff by securing a larger number of teachers under training.
2. The use of more rapid methods of teaching.
3. Holding a refresher course, once or twice a year.
4. Attempts to be made for securing the selection of schools every year, for special improvement.
5. Attempts to be made for securing the sympathy and support of villagers by holding frequent meetings with them."

Regarding pupils' weakness in prosecuting study of their subjects Mondon said that "the cloud of weakness previously gathered itself around one subject, Arithmetic: - it has shifted its center to the new correlated subjects, viz., History and Geography."

Methods were to be reinforced " that no geographical name or term be passed without having it located by the pupils on the map, teaching of History should take the shape of narration using exercise books to help the memory by way of catch-notes of facts and events." For Geography "use of maps was always insisted upon to promote intelligent direction of memory" and memorizing should be "based on the visual representation of the subject framed by pupils themselves through map drawing exercises."

The conference appeared to have decided, "that much more tidy and artistic map drawing can be made possible."

At last a move was made in proper direction to teach the subject and "the examination results for the last two years indicated an improvement in the two subjects." Improvement in Arithmetic made earlier was at the cost of History and Geography and efforts made in improving the latter subjects reacted on the subject of English."

It was felt that: 'Khasi women are allotted, a greater share of responsibility in deciding the future fate of a race of people than allotted to women of other countries.'" However Khasi men wield their undisputed authority as well in the art of governance, clan, village, social and trade leadership as well. We may enunciate a few further points placed below:-

Education has shown its impact in creating an elite versed in a varied field – was well as a batch of practical economists and economic regenerators. Our educators have enunciated some policies further which are aimed at promoting a character of vocationalisation, professionalism and an intelligential of its own.

In view of the present social hindrances which still persist – We are bound yet to overcome the problem of poverty, dearth of employment avenues and lack of social discipline, which blocks us towards achieving progress in respect of raising the right way social reconstruction, right means of livelihood and helping if possible, the impoverished ones.

The essence of social discipline cannot be discarded – as it should play more of its role to cause a right pattern of trade intelligence to stay and secure better means of an improved economic system.

Social discipline (acquired by means of education and other factors) has its essence on its being intensified – as it should be pursued on lines of governance, public administration as well as social and other kinds of reconstruction.

Factors of the present population growth may be assessed as the Khasi people till 150 years ago were a populous race (in the consideration of large fallow land, the varied natural resources, teams of personnel which our Ri Khasi now abounds). We have sometimes to see that population and economic growth goes together in point of place, time and the consistent forces, which work simultaneously.

Because of this, our youth will have ample means to build a feasible and sound system of economy very soon if they are fully determined enough.

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11. William Carey, authored by S. Pearce Carey & A Constable Ltd. Printers Edinburgh 1925, Pg. 332. Kynpham Singh, Ka Jingim U Babu Jebon Roy 1972 P.3-4.
12. *Primary Education in the Khasi and Jaintia Hills*, p.46-47.
(Seven Huts Enterprises, 1993) – Bengali was the medium of instruction at the start but English was adopted later
on side by side.

13. Mention is found to a few local entrepreneurs who conducted a tonga (horse coach) services in Shillong–Gauhati road besides U Kormuni S. Giri who owned and ran a dispensary at Sohra for sometime. (S. Welding Jyrwa, U Kynjro U Engineer Khasi ba pawnam) K.S Giri's dispensary must have been one of the first ever dispensaries existing and functioning, U Donrai & Company also constructed a trolley track along the Majai river to facilitate carrying of limestone to Theria, Bholaganj and Chuttaok. Sib Charan Roy and Hari Charan Roy were the first Khasis who passed Entrance in 1880–1881.
14. Based on a monthly '*Ka Jingshai Ka Gospel*' consulted contemporaneously as late from 1926 onwards. He said Bank appeared to have discontinued some years thereafter.
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19. Hamlet "*the Economy of Meghalaya*," Pg. 389-390 also Hamlet "*U Kynjri Ksiar bad Ka Jingtei Thymmai*", "Conspectus and Souvenir". Khasi Cultural Society Journal 1998.
20. Ibid Pg.406 student's speech at the English Inter School Debate at Sohra on 20th Oct. 1992.
21. It could have been admitted earlier that prolonged cases of treatment in the intricate cases of sickness served as important assets for the reinforcement of some auspicious medical inventions, although at times, it becomes intricate as should be applicable to the varied contents in the composition of human bodies.
22. Hamlet "*Progress of Education in Meghalaya*," p.278 Cosdmo Publication 1996.
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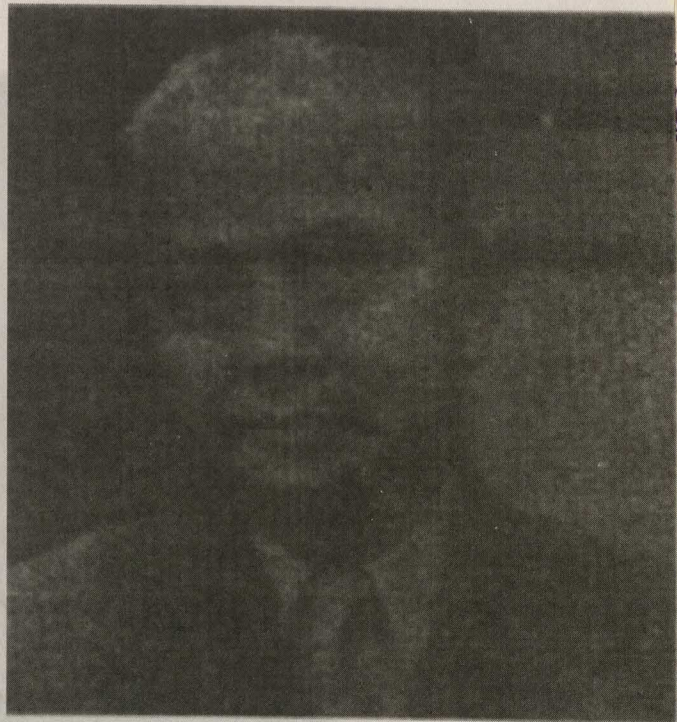
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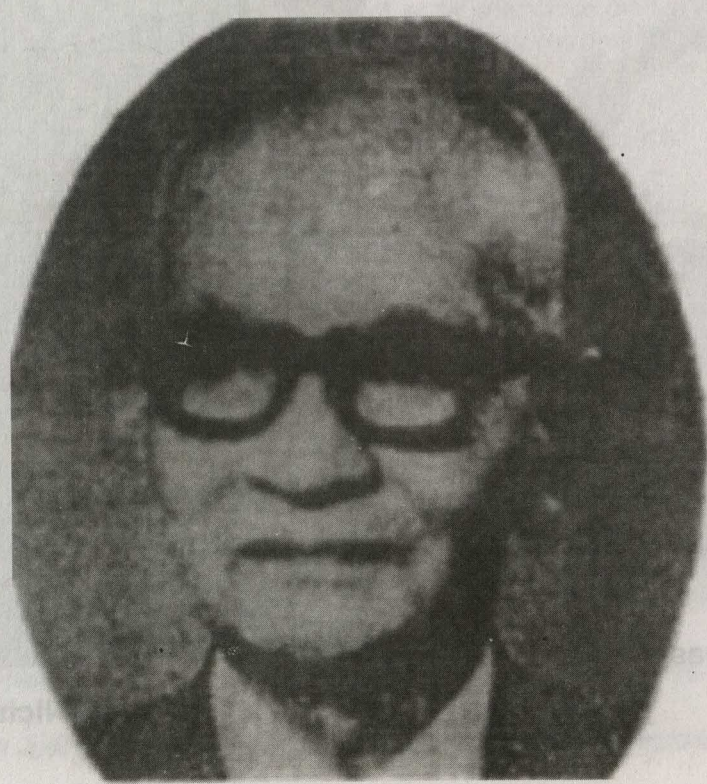
Stanley M. Pugh



Dr. Orlando Lyngdoh



Dr. Erasmus Lyngdoh

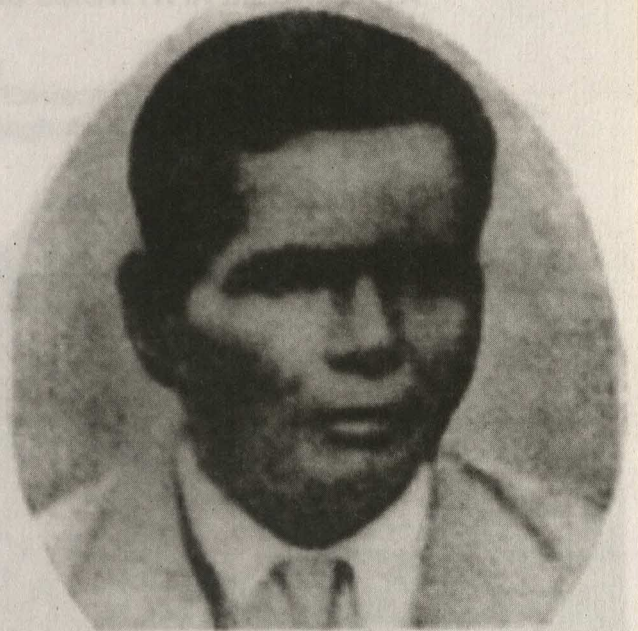


Bransley M. Pugh

PUBLIC EXPENDITURE AND ECONOMIC GROWTH IN MIZORAM



Mavis Durr Mawlong



Mondon Bareh



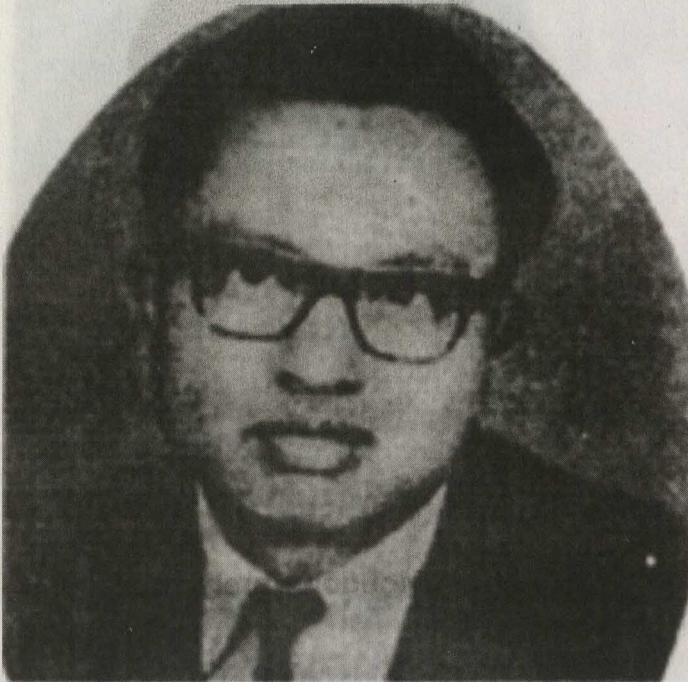
Nissor Singh

INTRODUCTION

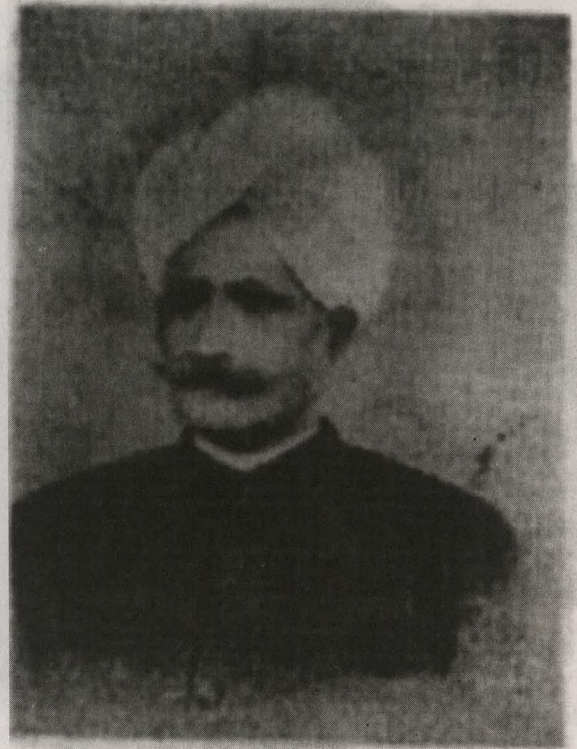
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Mondon Bareh

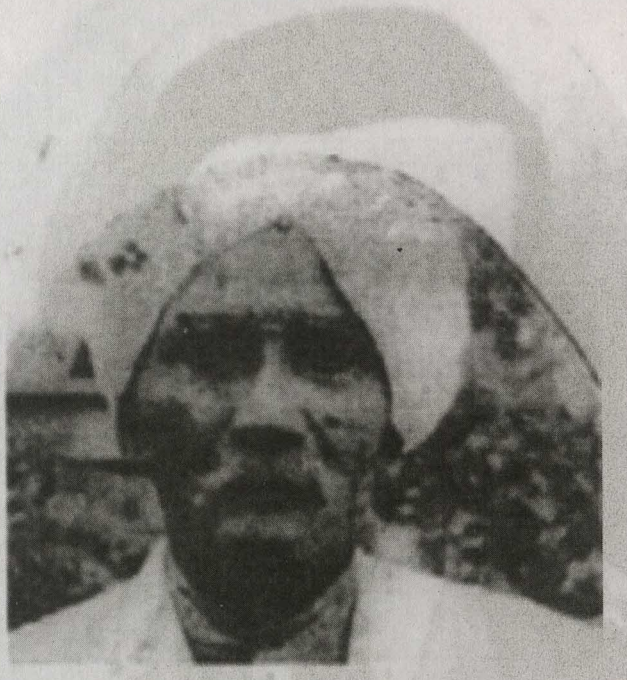
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Hamlet Bareh



Jeebon Roy



Konjro Khar Ngapkynta

PUBLIC EXPENDITURE AND ECONOMIC GROWTH IN MEGHALAYA

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ABSTRACT

In recent years the government activities vis-à-vis public expenditure have grown both relatively and absolutely in all the states of the Indian federation. This particular observation no doubt serves as a starting point for any systematic treatment of the intricacies of public expenditure growth vis-à-vis the pace of economic growth. This growth of governmental activities lies in the heart of continued controversy over the increasing importance of the public expenditure in the process of economic development. This controversy is particularly rampant in an underdeveloped state where the rate of growth of public expenditure surpasses the growth of state domestic product. Therefore, in the interest of economic and social progress, the use of public expenditure must emphasize efficiency and equity so as to achieve the end objective of rapid economic development.

Such involvement of the government, no doubt, raises the quality and sustainability of development programmes and helps to inject a greater degree of purchasing power by way of a greater impetus not to the gross state domestic product but also to the per capita income. As a result, the question of economic development reminds us of a logical offshoot of the public economic policies of expenditure on social, economic and general services, which comprises the aggregate public outlays to the various sectors. The question arises as to what extent economic policies of public expenditure affect the scale of economic development remain elusive.

It is against this background that we attempt to shed some further empirical light on the issue of Public Expenditure's ability to promote economic growth by focusing on the experience of underdeveloped economy of Indian federation namely one of Meghalaya. Meghalaya is comparatively a backward state, where agriculture is the predominant sector providing means of livelihood to more than 65% of the population.

INTRODUCTION

In recent years the government activities vis-à-vis public expenditure have grown both relatively and absolutely in all the states of the Indian federation. This particular observation no doubt serves as a starting point for any systematic treatment of the intricacies of public expenditure growth vis-à-vis the pace of economic growth. Therefore, in the interest of economic and social progress, the use of public expenditure must emphasize efficiency and equity so as to achieve the end objective of rapid economic development. Such involvement of the government, no doubt, raises the quality and sustainability of development programmes and helps to inject a greater degree of purchasing power by way of a greater impetus not to the gross state domestic product but also to the per capita income. As a result, the question of economic development remains as a logical offshoot of the public economic policies of expenditure on social, economic and general services, which comprises the aggregate public outlays to the various sectors. Further, in such type of economic environment, where public sector is rated high due to avowed objectives of the state so as to achieve a desirable rate of economic growth, there will be continuously difficult choices in selecting an appropriate composition of government expenditure and in choosing among alternatives government programmes that are intended to accomplish social goals

The additional spending undertaken by Meghalaya government was partly financed through taxation, which is relatively low, and the major part is through grants-in-aid from the central government of India and through increased government borrowing. This trend has resulted in a recorded significant increase in state government's budget deficit, fiscal deficit and public debt (in terms of percentage in GDP). The fiscal deficit as a percentage of GDP, which stood at near about 1 percent in 1981-82 rose up to 7.48 percent in the year 2002-03. Similarly, the public debt as a percentage of GDP has jumped from 1.35 percent in 1981-82 to 6.37percent in the year 2002-2003. All these facts no doubt corroborate the nature of the extra government spending that the state government has carried out over the years. A major chunk of the total public expenditure is being devoted to higher personnel wages. Simultaneously, Public debt has been on increase

over the years. As a result, the total quantum of public expenditure on servicing of public debt (i.e. interest payment) has been mounting up over the years.

It is against this background an attempt is made in this study to look into the intricacies of the growth of public expenditure vis-à-vis the rate of economic development in Meghalaya. Meghalaya is comparatively a backward state, where agriculture is the predominant sector providing means of livelihood to more than 65 percent of the population. Although certain significant developments have taken place in some spheres in the state since its attainment of Statehood, the access to opportunities for a 'reasonably minimum' standard of living is one of the lowest in the country. The developmental efforts of the state have resulted in a paradoxical growth, where the exponential growth of the state income stays at 12.61 percent level and that of public expenditure at 14.68 percent. This particular trends indicate that high exponential growth rate of public expenditure has not provided enough stimuli to the state income to grow at a steady desired level. This, we believe might have been due to the failure of the public expenditure programmes to address themselves to the right set of objectives that fiscal policy accords. Thus, it is observed that phenomenal growth of public expenditure in the state of Meghalaya without a corresponding growth in State income has brought about an explosive growth of public expenditure in the state. A closer scrutiny of Meghalaya's fiscal scenario exhibits a rising trends of public expenditure on the service sector followed by the primary and manufacturing sectors. The resultant pattern of public expenditure has brought about a lop- sided allocation of scarce resources. The neglect of the manufacturing sector over the years has resulted in backwardness manifested in the form of social tension and unrests. Further, an unabated growth of revenue expenditure in relation to capital expenditure in the state exhibits the fact that the state could not build up all these years the capital base considered necessary for maximizing long term growth and development objectives.

TRENDS OF PUBLIC EXPENDITURE OF MEGHALAYA:

In recent years there has been an enormous growth of public expenditure in Meghalaya. To understand better, it is proper to analyze the trend in which it moved as shown in Table - I

TABLE - I

YEAR	State total Expenditure in (crores)	Net State Domestic Product (Crs.)	Per capita expenditure (in Rs.)	Col 2 as a% of Co13
1972-73	33.25	105.09	319.71	31.64
1982-83	124.71	227.10	892.70	54.91
1992-93	588.60	978.54	3130.85	60.15
2000-01	1601.89	2806.20	6503.82	57.08
2001-02	1785.15	3267.36	7064.31	54.64

Sources: Budget in brief, Government of Meghalaya

It may be noted from the above table that the public expenditure have increased tremendously over the years from 33.25 crs. in 1972-73 to Rs. 1785.15 crs. in 2001-02 recording an annual rate of increase of 175.63 percent.

Column 3 shows the growth of Net State Domestic Product from Rs. 105.09 crs. in 1972-73 to Rs. 3267.36 crs. in 2001-02 maintaining an average annual rate of increase of 100.30 percent

Column 4 shows the growth of per capita public expenditure from Rs. 319.71 in 1972-73 to Rs. 7064.31 in 2001-02. In terms of the average annual rate of increase, per capita public expenditure records 70.32 percent

Therefore it may be inferred that the average annual rate of increase of total public expenditure is the highest compared to the average annual rate of increase in the net state domestic product or the increase in per capita expenditure. Thus we find that Government Expenditure has grown at a faster rate than the state income

The growth in public expenditure as seen above may be explained by the intensive development effort made by the government. The factors responsible for expanding public sector activities in the state economy can be explained through two distinct approaches. The first approach relates to the increasing pressure on the demand for public service due to increasing level of money income and population growth, and its subsequent impact on the density of population and urbanization. The growth of population has augmented the problem of providing educational, health and other basic minimum need services. At the same time, due to the existence of pre dominant subsistence agriculture sector, the public sector is compelled to make larger investments in infrastructural and other developmental activities in order to reduce the intense pressure on the subsistence sector and provide more employment opportunities elsewhere in the economy. Besides, on account of the steady increase in urbanization process, the responsibility of the government for providing more public utility services has also increased. Many non- exclusive public expenditure programmes, which are also guided by non- externality conditions, come within the domain of the public sector. For example, administrative, maintenance of law and order etc, are some of the areas where the services have continuously been expanded.

The private sector is also not well developed and thus the public sector has to play a double role. On one side, it has to be directly involved in the production process and on the other side it has to involve such programmes, which can help to stimulate the private sector in participating in developmental activities. The massive investment in the social and economic overheads has been made continuously in order to increase the productive capacity of the economy either by increasing their skills, organizational capacity or by increasing the capital stock in the economy - a catalyst for achieving high economic growth rate. Thus, both demand and supply factors have made decisive influence on expanding the public sector size in the economy.

GROWTH OF REVENUE EXPENDITURE

The expenditure on the revenue account is divided into developmental expenditure and non--developmental expenditure. The development expenditure is further sub- divided into expenditure on economic development and expenditure on social and community services. Expenditure on economic development consists of expenditure on agriculture and allied activities, rural development, special areas programme, irrigation and flood control, energy, industry and mineral, transport, science, technology and environment and the general economic services. On the other hand, non- development expenditure consists of expenditure on general services such as organs of the state, administrative services, collection of taxes (fiscal services), debt services, pension and miscellaneous general services.

Table - II

Year	Revenue Expenditure (in Cr.)	Total Expenditure (in Cr.)
1972-73	18.18	33.25
1982-83	85.03	124.71
1992-93	410.29	588.60
2001-02	1354.83	1785.15

Source: Budget at a Glance, Statistical Hand Book, Government of Meghalaya

The trend shows that revenue expenditures, which were Rs. 18.18 crores in 1972-73, rose to 1354.83 crores in 2001-02 thus recording an average annual rate of increase of 245.08 percent. This increase of revenue expenditures of the state government during the same period of time was caused by higher additional expenditures under general services, social and community services which have increased significantly over the years.

Table- III

Year	General Services (in Cr.)	Social Services (in Cr.)	Economic Services (in Cr.)
1972-73	5.01	6.15	7.02
1982-83	28.10	29.07	27.85
1992-93	123.89	145.65	140.75
2001-02	510.48	498.18	346.17

Source: Budget at a glance, Government of Meghalaya

From above table we find that the annual compound rate of growth of revenue expenditure on general services is 15.78 percent (approx), on social services is 15.93 percent and on economic services approximately 13.41 percent. The above analysis indicates that the revenue expenditures on social services account for the maximum rate of growth. This fact reveals that the government of Meghalaya is spending a substantial amount on the social sector such as education and public health, to improve literacy rate and so on.

GROWTH OF CAPITAL EXPENDITURE

Public Expenditure on capital account is important from the point of view of planning for development of the state. This gives us a general idea of the total magnitude of flow of resources can be had.

Table - IV

Year	Capital Expenditure
1972-73	15.07 crs.
2001-02	430.32 crs.

Source: Budget at a glance, Government of Meghalaya

We notice that there is a phenomenal increase in capital expenditure from 15.07 crs. in 1972-73 to 430.32 in 2001-02 recording an annual rate of increase of 91.85 percent. Though capital expenditure follow the same pattern as revenue expenditure but not at a fast rate as the latter. The capital expenditure

constitutes 30 percent of the total expenditure. This proves that the state has not been able to pursue public expenditure policies in consonance with the achievement of long term goals and objectives such as self reliance, industrialization for intensive and extensive use of the rich resources available within the state thus generating more employment and increasing the per capita income of the people of the state.

CONCLUSION

We find that public expenditure is increasing at a faster rate as compared to the economic growth of the state. As a state we have a long way to go and to see Meghalaya as a develop state. There is a rise in population (23,06,069), the literacy rate is still just 63.31percent, most of the people are still dependent on agriculture and the industrial sector has a long way to go. The per capita income is just Rs. 17697 (2001-02), which is much less as compared to the national per capita income; the unemployment crisis is on the rise.

The economic policies adopted so far have not helped much to the state. Even if by now the correct policies are adopted and pursued the state will be in better position to improve the economy.

EDUCATION, EMPLOYMENT AND EQUALITY: THE AXIS OF SOCIO-ECONOMIC DEVELOPMENT

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ABSTRACT

Literacy rate, civic amenities infrastructure, civic sense, wealth, income distribution, gender equality, human rights, poverty, social administration and the like are the parameters against which socio-economic development is measured. The more they are achieved and complied with; the better will be the socio-economic situation of any country.

It is to be noted that socio-economic development covers politics as well. In a country like India, politics shape and mould socio-economic development and its betterment. Education should be stepping-stone, should mould and make human resource a contributing force to economic growth. The educated should be employable in the modern-dynamic national mainstream-the-pre-requisite for eradicating poverty and above all social equality should prevail meaning equality of opportunity, justice, opportunity for growth, development and better life. We can have socio-economic development by concentrating on education, employment and equality.

INTRODUCTION

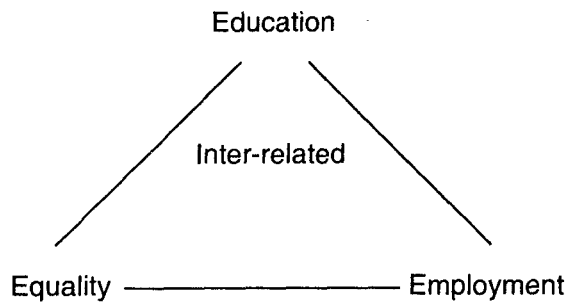
Socio-economic development is a measure of the progress made by an economy. Socio-economic development can be viewed in terms of "the development of the society from the economic point of view". A society or community can be considered as developed if and only if it contributes to the country as a whole from the economic point of view, and for that to happen the society should be economically strong.

Development from the economic aspect does not only mean monetary gains or progress. Contrary to common belief, economic development covers both monetary and non-monetary aspects. Monetary factors like wealth, wealth distribution, income, income distribution, financial assets, infrastructure, etc and non-monetary aspects like psychology, mentality, vision, goals, positive thoughts, attitude, civic sense are very much inter-related and inter-dependent and can be taken as one feature under a common phrase "economic development".

People, Policies, Participation and Patience are required for socio-economic development. These four components of socio-economic development are to work together to achieve the desired results. People play a very important role in socio-economic development. The development of any country has to do more with the qualifications of the people rather than the assets available. The resources become useless and unproductive if the people are unqualified to perform up to the required level and quality of the assets.

OBJECTIVE

The objective of the paper is to establish the relation between education, employment and equality. These three factors are inter-related and support each other. We cannot have one factor as achieved, without the other being given importance as well. If there is a need for socio-economic development then all the three factors namely education, employment and equality should move together, at the same time.



EDUCATION, EMPLOYMENT AND EQUALITY

There is no doubt that the progress and development of any country depends upon the educated population who can contribute in economic terms. The formula for the development of our country seems to be simple that being “stress on educating the total population”. However, under current situations the said formula will not work for education system of the country should not produce only the educated, but unemployable youths who will fit in the modern-national-job market.

Education should not viewed as simply being able to read and write but having the ability to do something useful and productive, which will contribute towards the development of the country. The main problems of education in our country is that the education system is oriented towards preparation for White-collar urban jobs, it is not skill based, lack of opportunities for the poor, poor standard of primary and elementary education, the education system acts to increase rather than to decrease income inequalities.

In a country like India where the Government has lost its capacity to create jobs and the problem of unemployment is chronic rather than cyclical there is a strong case for encouraging business, trade, commerce and most importantly entrepreneurship. The youth of this generation are the future of a super-power India. India can develop and grow at a faster rate if and only if a private project prospers. The youth of today should be educated in such a way that they are taught to create jobs rather than look for jobs. Moreover, it should be understood that even if one is not educated he could be employed provided if the person has an idea about his trade or activity, a very good example being a farmer. Thus employment is not only about being educated but being able to contribute towards the country inspite of not being educated.

The third factor being “equality” can be considered as the most important of the three. Equality of education and employment opportunity is very important for socio-economic development. Education should be available for all without any problem and should have the right to be employed provided the qualification is met. Moreover, the discrimination of caste, creed, religion, sex, belief, faith has to be done away with from our way of thinking. However, equality will be practiced only if there is ample opportunities, if there is lack of opportunities equality cannot be practiced, rather inequality is bound to prevail. In our country the financial assets and income-earning opportunities are highly inequally distributed, as such the concept of equality, justice and truth cannot prevail. The Government has to create opportunities for the population to take advantage of and for this political will and commitment is required.

SOCIO-ECONOMIC DEVELOPMENT

Growth of the economy or socio-economic development does not mean military strength nuclear power or region based development but it is broad concept, which requires the participation of each and every section of the society. It goes without saying that the quality of human capital is the most important

measure of socio-economic advancement. Investment on human resource development should gain utmost importance. Natural resource, assets capital, etc will be if no use if the quality of human resource is poor or unqualified.

Some of the measure that could be taken for socio-economic development is as follows: -

Education System: Education should produce employable personalities with proper knowledge and skill of the job at hand. It should be job oriented and encourage entrepreneurship. Able citizens should be produce who can contribute towards the national income of the country through private projects.

Rural-Urban Migration: The movement of the rural population to cities and towns has become a nightmare for the Government. The misconception that urban life is better and has more opportunities has to end. Importance should be given to the rural areas and their upliftment. The village population should be encouraged to turn their village into towns through their activities, agricultural or industrial.

Stopping Brain Drain: People with the necessary qualification should be discouraged to leave the country for overseas opportunities. They should be adequately and properly absorbed domestically so that they can contribute towards the growth of the country.

Relation with Neighboring Countries: Friendly relations with countries like Pakistan, Afghanistan, Nepal, China, Myanmar will help in the development of the border states. In this world of globalization boundaries are just drawing lines, which can and should be erased for inter-country investments and business.

Some of the other steps that can be taken are revamping the school curricula in relation to rural needs, proper targeting of education subsidies to the poor and needy, encouraging health practices, integrating the economy in terms of cast, creed and religion, reducing the infant mortality rate, controlling population, improving law and order, solving the insurgency problem, instill a sense of national pride amongst the population, etc.

CONCLUSION

If we consider India to be urban alone then India is socio-economically decent but India is more of rural and less of urban population. In such a situation the picture of socio-economic development is a dismal one. As said before socio-economic development can be achieved only through mass participation and patience of the people, and in all of this Government has to play a leading role.

Private and public participation and channelising funds to the right areas and in a proper and transparent way is the key for progress. India has to come up as a country as one-together and not in parts and region as is the case right now.

IMPACT OF GLOBALIZATION ON THE TEA INDUSTRY OF ASSAM

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ABSTRACT

Tea industry being the largest agro-based industry of Assam, it plays a dominant role in its economy. It is the largest income generating sector in the state which contributes a large share in the state income. Further, Assam tea earns substantial foreign exchange through its exports. The state produces more than half of the tea production of India. The total area under tea cultivation was 269 hectares during 2001, accounting for more than half of the total area of 510 hectares of the country as a whole in the year 2000. Out of 1,11,996 tea estates in India 39,139 tea estates were located in Assam. The state produces highest quantity of tea, which varies from 420 to 450 million Kgs.

The process of Globalization led to uneven development in Indian economy - this process initiated in India slowly in 1985 and then vigorously since 1991 and in an accelerated manner since 1995. The income earned from the tea industry of Assam has been gradually decreasing in the last few years. The industry has faced stiff competition in the international market. The cost of production is the highest in the world due to high labor costs and low factor productivity. The export market have shrunk. In this paper an attempt has been made to examine the reasons behind such problems. The paper also focusses on how far globalization is responsible for downward trend of tea industry in Assam.

INTRODUCTION

Tea industry being the largest – Agro based Industry of Assam plays a dominant role in the economy of Assam. It is the largest income generating sector in the state. Further Assam tea earns substantial foreign exchange through its export. The state produces more than half of the tea production of India. The total area under tea cultivation was 269 thousand hectores during 2001 accounting from more than half of the total area of 510 thousand hectares of the country as a whole. In the year 2000 out of 1,11,996 tea estates in India, 39,139 tea estates (including all small tea growers) were located in Assam. The state production of tea varies from 420 to 450 million kgs.

Tea industry of India had faced serious setback during 1965. Since then the Govt. has taken various measures for the development of this industry. Reserve Bank of India and other commercial bank have advanced a huge amount of loan for the development of this industry. As a result total production of tea is increased from 423 million Kgs in 1970-71 to 827 million Kgs in 1997-98. Similarly the Indian Tea Association in collaboration with 66 leading large and medium companies has draw up a 10 years prospective plan to substantially increase the production of tea in the country to the extent of 1079 million Kgs by the year 2006.

- ❖ To highlight the present state of tea industry of Assam.
- ❖ To analyse the factor responsible for growing crisis in tea industry.
- ❖ To study the impact of globalization.
- ❖ To provide suggestive measures.

In Assam, tea is grown both in the Brahmaputra and Barak Plains. Today Assam has about 25000 small tea growers. They are cultivating tea on a total area of about 24156 hectares and producing about 195 million Kgs of green leaf annually. Apart from this, they are providing employment to nearly 1.5 lakh labours and about 4000 clerical stuff. The Tea Industry provide direct employment about 8 lakhs people and support another 10 lakhs people indirectly. [7]

For better marketing of the tea, a tea auction center was established in 1970 at Guwahati. The Government of Assam under the waste and settlement rules has encouraged the growth of tea industry by supplying sufficient land for tea plantation under very liberal terms. Tea garden labours were also offered comparatively higher wages including other facilities like concessional rice, free primary education, health, free fuel and grazing land and a plot of land for private cultivation. The Govt. of Assam has come forward to help the financially sick tea gardens of Assam Tea Corporation. Govt. of Assam has sanctioned Rs. 215 Crores for development works of garden as well as labour. (Amar Asom, 18-04-05)

Although the tea industry of Assam is a leading sector but its role in the economy of the state is very limited. It also helped very little in the growth of managerial quality and entrepreneurship in the state as very few people of the locality were given the superior managerial posts in these tea garden, Table – I shows the composition of labour employed in tea industry of Assam.

Table – I

Year	Average Daily Number of employed			
	Male	Female	Adolescent	Total
1997	281171	258315	40317	579803
1998	288287	263036	37391	588714
1999	292323	266714	37906	596943
INDIA, 1999	563352	579705	45758	118815

* Source : Statistical Hand Book, Assam, 2003

From the table – I it is seen that tea industry provides more employment to women than the men.

The estimated production of tea in Assam was 450 million Kgs. in 2001 (53 percent of the country).the average yield per hectare was 1675 Kg. in Assam as against 1672 Kgs. per hectare in the country as a whole. The volume of tea sold through "The Tea Auction Center" at Guwahati was 131.4 million Kgs. in 2002 as against 133.8 Kgs. in 2001. The average price fetched per Kg. of CTC (both leaf and dust) and Orthodox tea (both leaf and dust) were Rs. 60.25 and Rs. 42.88 respectively in above mentioned times. Although Assam produces more than 50 percent of the country's total teas, the income earn from this sector has been gradually decreasing in the last few years due to stiff competition being faced by the Indian tea in the International Market. Table –II exhibits a dismal picture of quantity produced and average price of tea in Assam.

Table – II

QUANTITY AND AVERAGE PRICE OF TEA SOLD IN GUWAHATI TEA AUCTION CENTRE

Year	Leaf (Lakh Kgs.)				Dust (Lakh Kgs.)			
	CTC		Orthodox		CTC		Orthodox	
	Quantity	Average Price (Rs.)	Quantity	Average Price (Rs.)	Quantity	Average Price (Rs.)	Quantity	Average Price (Rs.)
1998	924	79.70	8.0	74.08	467	77.12	3.0	56.25
1999	1023	81.55	4.0	74.18	470	78.58	0.4	48.22
2000	974	72.51	8.0	67.56	432	70.90	1.0	39.97
2001	943	70.58	6.0	59.22	427	64.68	0.7	38.32
2002	908	63.06	7.8	56.06	398	57.44	0.2	29.69
2003 (Upto June 03)	311	60.48	1.7	54.55	120	57.65	0.007	35.00

*Source Guwahati Tea Auction Centre Assam

The growth of tea sales started at Guwahati from 1970 and declined tremendously from 2002-2003. The decrease in the quantity of offering of teas at GTAC is primarily for the increase in private tea sales. Another trend has emerged and that is Assam teas offers at Kolkata auction more in the year 2002-2003 and 2003-2004. Tea producers have argued due to infrastructure bottle necks in Assam teas cannot be reach to its destinations on time. Most of the private sales are done through the system of stock transfer. The teas are then sold on private arrangement to buyers based at various locations across the country. The main drawback of the system is that it lacks transparency and the state of Assam where the teas are produced does not get any taxes on its sales, which may be to the tune of Rs. 50 Crores. Table – III shows revenue collection by Assam from tea.

Table – III

REVENUE COLLECTION BY ASSAM FROM TEA (Rs. in Crores)

Head	1998	1999	2000	2001	2002
Assam Agriculture Income Tax	103.26	75.85	40.70	15.50	4.35
Assam Taxation on specified land (Cess)	60.25	62.93	56.00	60.93	52.93
Assam Sales Tax (mainly thru GTAC)	24.00	25.50	30.11	25.21	23.00
Assam Total Revenue from Tea	187.51	164.28	126.80	101.64	80.28

*Sixth Annual Conference of North Eastern Economic Association. 2004

The best of Assam teas which have a ready market overseas are exported through the Inland container Depot at Amingaon, Guwahati. The main exporters of teas are Williamson Tea Assam Ltd. Everyday Industrie's Ltd, Assam Company Ltd. Warren Tea Ltd, Tata Tea Ltd. The decline in the industry has started since 1999 and continues unabated. The position further deteriorated in 2003 and sold teas below their cost of production. Several Tea Estate have closed down. The Tata Tea and Hindustan Lever have already decided to sale their gardens. The decline in prices could be attributed o supply of plain variety of CTC teas, uncertainty on export slowdown in domestic consumption.

Impact of Globalization : The Tea Industry of India is the worst affected by globalization. The crisis is not because of cyclical changes in price list. Globalization has exposed the weakness and disabilities of the plantation sector. These have arisen because of treating Agro Plantation as industries. Because of the Industry label all industrial wages, labour, welfare and social security legislation were to plantations on par with the Industrial labours under the plantation Labour Act. These have increase labour cost by 70 percent. In addition plantation income is assessed to agricultural income tax at rates varying from 50 % to 65 % on company plantations.

A parallel fast growing low cost industry has developed in the form of Mushrooming bought tea leaf factories not only in Southern, but in the North also, buying and processing small grower leaf. This sector now accounts for over 200 million Kgs., which meets 30 % of the domestic consumption. These are mostly low cost cheaper teas. As a result the demand for plantation factory teas is weaker and they are not able to get a price commensurate with their qualities and cost of production. The small tea growers adversely affected the organized plantation like Kenya, Sri Lanka, Indonesia and Vietnam's teas.

Growth of completion : Countries like Sri Lanka, Indonesia, China, Vietnam and Kenya achieved remarkable export growth after 1995. Kenya Vietnam have a fundamental advantage because of their younger bush profile, higher productivity and greater cost controls. India increased its exports by 10 million Kgs during the year with exports touching 183 million Kgs in 2001. Table – IV shows export trends of Indian teas. This was valued at Rs. 1674 Crores against Rs. 1,590 Crores in 2003. Kenya has sold 326 million Kgs globally in 2004 which China exports till October/2004 stood at 228 million Kgs and Sri Lanka exported 194 million Kgs between January and August/2004. It shows that India's Supremacy is over. [3]

Table – IV

INDIAN TEA SCENARIO

Heads	2000	2001	2002	2003 (Projected) Million Kgs
Production	846	854	826	864
Imports	14	17	22	12
Total availability	860	871	848	876
Exports	207	183	198	186
Consumption	653	673	685	697
Total absorption	860	856	883	883

Source Survey of Indian Industry, 2004

Tea imports touched 30 million Kgs in 2004, Vietnam had increased its exports of tea from one million to 17 million Kgs during the year Kenya, Nepal, Indonesia and Sri Lanka also increased their exports to India. Tea was moved from the restricted list to the general list of Imports in 2000.

Challenges of Globalization : Considering the problems faced by Tea Industry under the era of Globalization at present it is necessary to find out ways that India should adopt in future. It is no use now in criticizing globalization as it is a matter of reality and expected to stay for a long time to come.

DISCUSSION

1. Mechanisation is one of the ways to industrialize, plantation for increasing productivity at reducing cost so that tea become globally competitive. Employment levels have to be reduced to 30 Percent of present levels. Obviously this solution will give us jobless growth, but the same time 'growth less job' is meaning less.

2. In the context of globalization some garden in the state suffered and going to be closed. They suffered from serious financial crisis with over burden of debts. In the case, the stakeholders should have the freedom to put their lands to alternative use including cultivation of Non plantation crops. The area under age old tea to be diverted for other more economical crops including medicinal and aromatic plants. They may also think about garden tourism like, farm tourism.

3. For safeguarding employment and environment, plantation wages will have to remain closer to agricultural wages than wages in Industry. Further wages fixation whether by negotiated settlement, or statutory minimum wage fixation should be linked to productivity on the pattern of India's competitors.

4. Plantation Commodities, being essential and mass consumption goods of daily use, should be brought within the tax slab of 4 percent under VAT.

5. There is a need to interlink the demand and supply. In India various incentive schemes were provided to enhance production. Many producers raised production at the cost of quality. This was coupled with large scale conversion from Orthodox to CTC teas. The export market shrank. In the international areas of production of tea increase tremendously but consumption is growing at very slow pace.

6. It is now a well known fact that tea is a rich source of antioxidants which help the body to ward off diseases, just like fruits and vegetables. Tea is a healthy drink unlike soft drinks, which have negative health connotations. So a promoting campaign with an appeal to the youth segment should be started.

CONCLUSION

It can be said that Tea Industry is the only employer of women among organized sector. It is useful equally to women empowerment as well as environment protection. So, State Govt. should take proper steps to solve the problem of industry.

Assam is mostly depended on tea industry to absorb her increase unemployed. So, all necessary steps should be taken by all concerned bodies to up lift the industry. Therefore emphasis should be given on quality control. The quality tea always has a good demand and fetches remunerative prices under all market situations. Boosting of exports will be main thrust of the industry in coming years. It requires efficient management.

The development of GTAC is also needed. It will help the process of concentration a part of the tea trade in Guwahati and accordingly passing a portion of benefits of tea industry to the people of Assam. The Socio-political situation should also be favourable so that the opportunity is not missed in future. Some countries like US, Germany, UK, and Russia have recently renewed their demand for tea. This may lead to excess demand of tea in the near future. So, tea estates should make constant efforts to improve their conditions.

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INFRASTRUCTURAL FACILITIES FOR TOURISM DEVELOPMENT IN NE REGION WITH SPECAIL REFERENCE TO BALUKPUNG-BOMDILA-DIRANG-TAWANG

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ABSTRACT

The Balukpung-Bomdila-Dirang-Tawang tourist circuit has become an important destination for both international and domestic tourist because of its scenic beauty, climate and the unspoiled Buddhist culture. However, due to lack of proper highways facilities in this circuit, the tourist has to face a lot of hardships while traveling in these areas. Tourism development in general is a multidimensional activity covering many areas of development. One such area is the provision of infrastructure and social amenities. For tourist to enjoy their stay and journey in the areas of attractions, adequate facilities are also necessary. Though the State government of Arunachal Pradesh has developed some infrastructural facilities (mostly in towns) but these have to improved by way of extension to the rural areas and highways where most of the tourist attractions are located. In discussing facilities or social amenities, we could also mention the sanitary condition in our towns, villages and the motels in the highways, which need to be improved.

INTRODUCTION

Infrastructure is perhaps the single most important challenge to travel and tourism in reaching its potential for wealth creation and employment generation. Many regions in the world are not in a position to reap the benefit of tourism simply because of lack of infrastructure facilities. In fact, if we look at the countries and regions within the country the one's having adequate infrastructure is the greatest beneficiaries from tourism activities.

Development of road transport is one of the major factors, which was largely responsible for and continues to be so far the great spurt in modern tourism. Transport is the necessary precondition of travel. As a broad generalization it can be said that holiday makers traveling away from home spent the major portion of their money on transport and travel.

Transportation services and facilities are an integral component of tourism and play a vital role for its development. In fact the success of practically all form of travel depends on adequate transportation. Transportation services and facilities are the arteries through which the life blood of travel industry flows. In order to make Arunachal Pradesh a tourist paradise, first of all the condition of roads and its various facilities in the state should be properly developed.

IMPORTANCE OF ROAD TRANSPORT IN NORTH EAST REGION

The Northeastern region of India covering total areas of 255,037 Sq. Km, bordering China, Myanmar, Bhutan and Bangladesh is a post-colonial region. Until the advent of the British, Northeast was not there as a concept. The geo-political contour of a Northeast frontier first emerged by the turn of the last century, during the eastward sweep of the British leading to the subjugation of the territories between Bengal and erstwhile Burma.

Due to strategic reasons and the fact that economic development plays a significant role in reducing societal unrest, development of the North-Eastern states continues to be a top priority of the central government. It is found in many areas that the infrastructure endowment of the region is actually better than that in the rest of the country. For example, the density of national highway in the region is higher than the

national average in term of road kilometer per unit area. Most villages in the region are now connected with the link road despite the hilly terrain. However, barring a few places the conditions and facilities of the road in the entire hilly areas of the region are in pathetic state, the results of which is that various tourist spots are not visited by the tourists, both the foreign and the domestic. In northeast region, except the Brahamaputra valley, roadways are the only means of transport for movement of goods and services. Hence proper development of roadways is a sine-quo-non-for the overall development of this region.

THE STUDY AREA

This circuit is located in the two districts of West Kameng and Tawang in Arunachal Pradesh. The West Kameng district is located in the western part of Arunachal Pradesh covering an area of 7422 sq. Km accounts for 8.86% of the total areas of the state. It main land extends between 91°30' to 92°40'E longitudes and 26°54' to 28°1'N latitudes. The district is surrounded by East Kameng district in the east. Its northern boundary passes through the high peaks of the Himalayas that form the boundary between India and China (Tibet). The western boundary of the district demarcates Bhutan from India. Tawang district lies in the north-west of the district while the southern boundary extends to Sonitpur district of Assam. The name of the district is derived from Kameng River, a tributary of the Brahmaputra that flows through the district.

Tawang district is a thinly populated mountainous tracks lying roughly between the latitude 27°45'N and 90°15'E on the northwest extremity of Arunachal Pradesh. The district is surrounded by Tibet in the northeast, Bhutan in the southwest and West Kameng District in the southeast.

The entire study area (tourist circuits) is mountainous region with hardly any plains land and the mountain peak varies between 500 to 14,00 ft, making it one of the most elevated inhabited region. In contrast to rugged and harsh environment of the mountain ranges, the river valley presents more hospitable and habitable environment.

In spite of possessing a variety of tourist attraction such as wildlife, scenic beauty, pilgrimage centers, exotic traditional crafts and festivals, hospitality of the region and a varied healthy and tasteful cuisine, the State has not been able to accelerate the pace of tourism potentials in comparison to other states. A combination of factors such as lack of effective policies, inadequate infrastructure, ineffective marketing and lack of decent facilities for tourists are believed to have led to this state of affairs.

THE BHALUKPUNG-BOMDILA-DIRANG-TAWANG TOURIST CIRCUITS

This circuits starts from Tezpur in the plains of Assam and takes you up to the 17th century old Tawang Monastery built on a jutting spur overlooking the wide Tawang valley at an altitude of 10,000 ft above sea level.

Balukpung (56 kilometers from Tezpur): An orchidarium at Tipi (5 km from Balukpung) is a botanical paradise of the state. About 300 species can be seen in the flora-glass house, some of them are rare and endangered species.

An orchid sanctuary at Sessa (40 km from Bhalukpung on the way to Bomdila) spread over an area of 10 sq km. Over 2600 orchids representing 80 species have been cultivated in natural surroundings. Scenic beauty, high waterfalls and the bank river Kameng surrounded by evergreen forests are photographers delight. The meandering Kameng River provides excellent opportunity for white water rafting and has been an angler's paradise for long.

Bomdila (165 km from Tezpur): At a height of 8500 ft, Bomdila the headquarter of West Kameng District, is the land of Monpa, Sherdukpen, Aka (hrusso), Miji and Bogun (Khwas) tribes, places of interest: Craft

Centre, Sales Emporium, Monasteries, Ethnographic Museum and the shopping center are the places worth visiting. Bomdila also offers a bird's eye view of Kante and Gorichen peak (highest peak in the state) amidst the Himalayan landscape and snow clad ranges.

Dirang: Monasteries and Hot Spring where people take bath for curing of skin ailments, Apple and Kiwi Orchards, National Yak Research and Breeding Center at Nigmadung, Sheep Breeding Farm and Sangi valley where Siberian Black Neck Storks visit during winter (9 kilometers, from Dirang) are the places worth visiting.

Sella Pass: It lies on the way to Tawang, the world's second highest motorable road pass at 14,000 ft. height, which runs through a small ridge and along the paradise lake.

Jaswant Gar (14 km. from Sella pass): It is a war memorial to pay homage to Shri Jaswant Singh Mahaveer Chakra Awardees (Posthumous) of the 4th battalion Gharwal Rifles is a place where patriotic emotions of all Indians find a natural expression.

Tawang: It is the district headquarter and located at a towering height of 10,000 ft. It is bordered by Tibet in the north, Bhutan in the south and west and sella range of west Kameng District in the east and is renowned for its 400 years old Tawang Monastery. Tawang is predominantly a Buddhist center that appears as the last link with the civilization with its modern sloped house, a thriving bazaar, satellite communication and all other amenities of modern life. Beyond it lays the forbidden land of Tibet to the north, connected by Bum La and Tulung La Passes.

In Tawang lies the famous Tawang Monastery, the second largest in Asia. It was built in 17th century A.D. it is located atop a hillock at a height of 10,000 ft. The 400 years old Monastery is the largest of its kind in the country and controls 17 Gompas in the region. It is the fountainhead of spiritual life of the followers of Gelugpa section of the Mahayana school of Buddhism. Other important places to see in and around Tawang are PT. Tso Lake, Sangester Lake, Gorsham Chorten (about 700 years old), Nuranang Falls, Singsar Ani Gompa (a nunnery still being used by nuns), craft center.

TRANSPORT FACILITIES IN THIS TOURIST CIRCUIT

Among the several constraints and limitation to the growth of tourism, lack of proper transport facilities is one of the main constraints. In this circuit, roadway is the only mode of transport. Hence proper development of road along with its various other facilities and utilities hold the key to the development of tourism. It is therefore necessary that before developing this circuit as tourist destination, proper emphasis on transport facilities should also be given so that development of tourist center and transportation facilities may go hand in hand.

Due to nature of terrain and fragile Ecosystem other means of transport other than roadways seem unviable, hence roadway is the only means of transport available till now. However, the present state of road transport is far from satisfactory and over the time the quality of the road is also deteriorating due to lack of proper maintenance work from time to time.

PROBLEMS OR SHORTCOMING OF ROAD TRANSPORTATION IN THIS CIRCUIT

Tourist faced a number of problems and difficulties while undertaking their journey in this route. Major problems and difficulties faced by them are:

Difficult Terrain: The terrain in this circuit poses the greatest challenge for the construction of roadways in a proper manner. From Bhalukpung itself the hilly areas start and as one move towards the mountains the human habitation also become sparse due to rugged topography.

Landslides: It is another feature of the entire hilly region. However, due to heavy downpour during monsoon season, landslides cause the greatest problem for the movement of traffic. As most of the domestic tourist go to the hill station in order to get rid of the stifling heat in the plains, but due to heavy downpour during May and June the road remains cut off through out the monsoon season causing problems for the tourist. Due to lack of accommodation in between Bhalukpung and Bomdila and Tawang the tourist have to experience much hardship in the journey. Even the newer section is unable to withstand the extreme rainfall here and rockslides regularly cut the road.

Lack of Accommodation and Other Facilities in this Route: Though accommodation facilities are available in Bomdila and Tawang, but in between these two important places there is lack of accommodation facilities where the tourist, if desire, cannot stay. There is also a shortage of good restaurants and wherever it is available, the services and food facilities are very low standard. There is hardly any decent place for a cup of tea where tourist can take a break from their journey. Hence, most of the tourist prefers to carry their own eatables while traveling in this circuit.

Lack of Maintenance Service Facilities for Motor Vehicles: This is another area, which need attention from the policy makers of the state. Due to deteriorating condition of the roads, the wear and tear of vehicles become very frequent in this circuit. However, due to lack of proper maintenance services facilities for motor vehicles in between Bomdila and Tawang, sometimes the commuter has to face lots of hardship if their vehicle broke down on the way.

Poor Communication Network: As one of the world's largest and most pervasive industries, the travel and tourism sector is as exposed as any other to the forces of change that are being brought about by ongoing developments in the Information and Communication Technologies. Due to lack of communication faculties in this circuit, the travellers remain cutoff if there happen to be road blocked due to landslides or if the vehicle broke down on the way.

CONCLUSION

It is obvious from the preceding presentation that there are various impediments and obstacles to the development of tourism in this circuit. One of the most pressing problems is the lack of proper highway services facilities in these circuits. Due to lack of services facilities, if any tourist got disappointed than all its breathtaking and romance as portrayed will not help in further arrival of the same tourist. Satisfied tourist is our true brand ambassador. If tourism development programme is to succeed, it is necessary to provide life support through a number of infrastructural facilities and services. Therefore small improvement at tourist sites will radically alter the picture. Incremental investment will upgrade the tourist spots and make them more appealing. A large number of travellers prefer road journey. Because of large geographical expanse of the State, these journeys tend to be quite long and boring. There is a need for creating necessary facilities like hotels, restaurants, picnic spots, water parks etc. along the highways at suitable intervals for the highway travelers to relax. In fact, travelers can be induced to follow certain traffic routes if such facilities are better developed. Highway facilities and wayside amenities are so well developed in some states that this had become the mainstay of tourism. Therefore, the state shall also encourage private investors to create such facilities on highway.

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PROBLEM AND OPPORTUNITIES FOR ECONOMIC DEVELOPMENT OF MEGHALAYA

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ABSTRACT

Meghalaya even after 33 years of statehood has not reached the stage of development as expected. In spite of all the resources it has, Meghalaya is still experiencing numerous socio-economic problems with unemployment and insurgency hitting the list. The question is: if the status quo of Meghalaya continues for long, where will it stand at the all India level? Taking this as a background, the paper focuses on the root causes of political, economic and social problems. To make the study complete, suggestion and remedies are proposed to hastening economic development in the State. More importantly, the paper stresses on learning from past successful experiences. In this connection the paper mentions the Self Help Group Model, the Sohra Science Society Model and the Mowkaiaw Model as effective tools of development in the nook and corner of the State. The paper concludes by cherishing some hopeful thoughts and ideas for a bright future of a beautiful state of Meghalaya.

INTRODUCTION

The state of Meghalaya even after thirty-three years of achieving statehood has not reach the stage of development as desired or expected. The beautiful state of Meghalaya is blessed with numerous and variety of natural resources but still today we see low level of development. Meghalaya is lagging behind in agricultural, manufacturing and even in tertiary sector and thereby it has to confront many socio-economic problems with unemployment and militancy hitting the list.

PROBLEMS

The educational system in India is based on British system of education. The British have reformed their educational system for years now, but unfortunately, we are still following the pattern introduced by them without much change. This has turned to be the root cause of the increasing rate of drop-outs in the State. The majority of these drop-outs became alcoholics or drug addicts and in course of time out of desperation turned to militancy as a solution. Moreover, the state suffers from technical and vocational education that would prevent students of the rural areas from coming to towns for education. Militancy in Meghalaya and even in the other states of North East is in one way or the other linked up to this educational problem.

The agricultural sector though being the main source of livelihood has not been able to create enough employment facilities. The reason accounts for this are the practice of Jhum Cultivation without much change. Modern techniques of cultivation have been introduced only in certain pockets of the State and therefore production cannot be enhanced. Even the industrial sector has witnessed slow progress. This is mainly because the environment is not congenial to attract foreign investor to invest in the state. It is a sorry state of affair that most of the newly setup industries are located at Byrnihat which pose difficulties for local people. Business Process Outsourcing (BPO) sector is flourishing in India but not even one of such sector is in our state though, we have the potential for it. This has caused our young boys and girls to shift to metropolitans and other cities to get recruited in call centers at their disadvantaged because of a very high cost of living.

The Government sponsored schemes and other schemes floated by the financial institutions and other departments are un-utilized or not properly utilized. Ignorance and lack of awareness is the main reason accounted for this. The bankers are too busy with their everyday transactions and have no time to facilitate such schemes. In many cases the bank could not reach their targets. In addition to this,

Meghalaya is a matrilineal society and so most of the male members are not having title to property and other assets. This acts an obstacle to availing of loans from the banks.

SUGGESTIONS

Vocational and Technical schools have to be set up and in rural areas on a priority bases. This is the need of the hour. It is worth mentioning that the curriculum and course-study of such school should be properly designed to cater to the local needs of the people. Owing to the increasing rate of drop-outs, special training centers for them have to established covering both counseling and entrepreneurship courses.

Modernization of Jhum Cultivation is of utmost importance to step up agricultural production both in quality and quantity. In the manufacturing sector, NGOs, Societies and Self-Help Groups (SHGs) have a vital role to play. Such groups have to come forward in starting industrial and business units in the State as the Government has failed in many respects in the past years. It would be better for such industrial units to concentrate in the production of exporting items to augment the State's revenue. However, healthy environment for investment has to be created. An effort has to be made by the Government as well as the private agencies to set up call centers in the state. This will help to reduce the number of educational employed youths to a great extent.

For an effective utilization of Government sponsored schemes and to step up rural credit, separate cells looking after micro-finance have to be introduced in the banks. In this connection the government department and the Blocks have to take the matter seriously in creating awareness and promoting such schemes.

The attitude of the people has to changed. Our young boys and girls have to be motivated and trained to be sincere, honest, responsible and accountable citizens. In this respect parents and teachers have a very important role to play. In the present day parents are pampering their children, which may turn to be a hindrance for their future career. It is also a necessity that to build the State, we have to build the morality of our younger generation.

For Meghalaya to shine learning from past successful experience is important. In this connection let us to the People's Bank Model, a model which has proved effective in raising the financial position of the people.

The People's Bank is a scheme for the poor and for all those who are interested in economic activities. It is a bank by the people and for the people. It operates under the Micro Enterprises Development Programme (MEDP) of Sohra Science Society, Cherrapunjee. The scheme is funded by the Society for Micro Enterprises Development Activities (SOFMEDA) Shillong. The main objectives of the bank are promoting the standard of living of the people and the society as a whole; increasing the financial position of the people; developing the habit of thrift as well as helping people in maintaining records with regards to income, expenditure and socio-economic activities; giving moral and financial support to those who are interested in business activities; and development the spirit of co-operation among the people. The center for Community Development (CENCOD) Cherrapunjee, is the implementing agency of the scheme. The people's bank has two main types of facilities, the Micro Saving and the Micro Credit, which are operate by the Micro Saving Group (MSG) and Micro-Credit Group (MCG) respectively. Each group has 5 to 10 clients and the members of the group meet once a week or once a month. The administrative setup consists of the Sohra Science Society, the CENCOD, the governing body, the executive director, the programme officer, the group leader and the members. The modes of operation of the Bank are daily savings within the group, weekly deposited to CENCOD and monthly transfer to groups' fund. The accounts maintained with a recognized bank are members' individual bank account (RD), group bank accounts (SA), and CENCOD (SA).

The bank accepts deposits from the public and the credit advanced is for 5 phases and each phase is of 10 months. The amount of loan given is Rs. 2000 for the 1st phase, Rs. 4000 for the 2nd phase, Rs. 6000 for the 3rd phase, Rs. 8000 for the 4th phase, and Rs. 10,000 for the 5th phase. The rate of interest is 12% for each phase i.e. for 10 months. Unlike other government's schemes, the recovery of the loan is 100%. This is because of the daily recovery of loan of Rs. 10. At the end of the 1st phase the bank could collect Rs. 3000, of which the loan is equal Rs. 2000 and the interest is equal to Rs. 240. The balance amount of Rs. 760 goes to the saving of the borrowers. In the second phase when the loan increase to Rs. 4000, the daily recovery is Rs. 20 per day. Hence at the end of the 2nd phase, the total savings of the borrower amounted to Rs. 1, 520. The total savings at the end of the last phase aggregated Rs. 11, 400. This is the only scheme, which offers a client an opportunity to borrow and save at the same time. After the completion of the phases, the borrower can go for another loan once again or can borrow from his own account.

As on 31st March 2005, the scheme could cover six villages and many groups have already been formed. The beneficiaries of the scheme are roadside pan-shops, herbal medicine, milk supply, tea and rice stall, vegetable sale, fish and others. Even though, the Bank is at its infant stage it has contributed a lot to uplift the welfare of the people, especially those living below poverty line (BPL). Proudly, it can be said that after being introduced to the scheme, the lives of the beneficiaries are much better off today than before. It is worth mentioning that the bank could prevent migration of rural population to urban areas.

CONCLUSION

In today's world, where corruption is rampant and employment has reached its saturated point and where impoverishment prevails, more People's Banks have to be set up not only in rural areas but also in urban areas. This is a challenge place before the Government, NGOs, Societies, academicians and social activists to free the society from poverty.

ROLE OF NABARD IN SOCIO-ECONOMIC DEVELOPMENT OF INDIA WITH SPECIAL REFERENCE TO NORTH EASTERN REGION

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ABSTRACT

National Bank for Agriculture and Rural Development (NABARD) was established on 12th July 1982 by an Act of Parliament. The agriculture credit function of the Reserve Bank of India (RBI) and refinance functions of the then Agriculture Refinance and Development Corporation (ARDC) were transferred to NABARD on its formation. The North Eastern Region being a land-based economy in which nearly 80% of its population depends upon agriculture for their sustenance. However, agriculture in the entire region continued to remain backward and under-developed. There is a need to solve the myriad problem of agriculture in the region and to usher in the required changes in it for social and economic development. In this content, the paper will attempt to highlight the development – oriented activities of NABARD with special reference to the NER for promoting sustainable agriculture and rural prosperity through its various activities.

INTRODUCTION

NABARD is set up by the Government of India (GoI) as a development bank with the mandate for facilitating credit flow for promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts. It also has the mandate to support all other allied economic activities in rural areas, promote integrated and sustainable rural development and secure prosperity of rural areas, as also for matters connected therewith and incidental thereto.

Management

The Management of NABARD vests with the Board of Director. The Board of Directors of NABARD comprises the Chairperson, Managing Director, representatives of RBI, GoI, State Governments and Directors nominated by the GoI.

Structure

NABARD operates through its Head Office at Mumbai, 28 Regional Offices located in the State Capitals, a Sub Office at Port Blair and 360 District Offices. NABARD has on its roll around 2968 professionals supported adequately by a number of other staff.

Share Capital

The share capital of NABARD is Rs. 2000 crores, subscribed by the GoI (Rs. 550 Crore) and the RBI (Rs. 1450 Crore).

FUNCTIONS IN BRIEF

Credit

Credit Planning

- ❖ Preparation of district-wise credit plans annually that indicate exploitable potential available for development through bank credit under agriculture, allied activities, Rural Non-Farm Sector etc.
- ❖ Preparation of State Focus Paper based on district credit plans.
- ❖ Monitoring the flow of ground level credit.
- ❖ Issuing policy and operational guidelines to rural financial institutions (RFIs).

Financial Services

- ❖ Refinancing RFIs for providing loans for investment and production purpose in rural areas.
- ❖ Loans to State Government for strengthening of cooperatives and also developing physical and social infrastructure in rural areas.
- ❖ Support for micro-credit innovations of Non-Government Organisations (NGOs) and other non-formal agencies.
- ❖ Monitoring and Evaluation of financed projects.

MORE ABOUT THE FUNCTIONS

National Level Planning

- ❖ NABARD facilitates policy decision by Gol and RBI in the areas of credit flow to agriculture and rural development.

State Level Planning

- ❖ NABARD prepares a State Focus Paper for every State. This presents a comprehensive picture of potentials available in the State for development of agriculture and allied sectors. It also provides a road map of the opportunities available for further investment in these sectors. It can be used by bankers and other agencies for preparing their action plans for making these investments.
- ❖ State Credit Seminars are convened by NABARD annually where all agencies concerned viz., the State Government, banks, NGOs, etc, participate and discuss and operational measures required to be taken for tackling constraints in development of potentials available in agriculture and allied sectors in the State.

District Level Planning

- ❖ NABARD prepares Potential Linked Credit Plans (PLPs) for all the district of the country. It maps the potentials available for development in agriculture and rural sector in the district and projects credit requirements, taking into account long-term physical potential, availability of infrastructure, extension services and marketing support and the strengths and weaknesses of the RFIs in the district.

FINANCIAL SERVICES

Short Term Credit

- ❖ Seasonal Agriculture Operations (SAO) to co-op Banks and RRBs.
- ❖ Marketing of Crops to Co-op Banks and RRBs.
- ❖ Marketing and distribution of inputs like seeds, fertilizers, etc. to Co-op Banks.
- ❖ Production and marketing activities of cottage, village and small-scale industrial cooperative societies to Co-op Banks.
- ❖ Production, procurement and marketing activities of primary/apex weaver societies and State Handloom Development Corporations (SHDCs) to State Cooperative Banks (SCDs) and Commercial Banks (CBs)
- ❖ Production, procurement and marketing activities of State Handicraft Development Corporations (ShnDcs) to SCBs and CBs.
- ❖ Working capital requirements of pisciculture activities to Co-op Banks and RRBs.
- ❖ Any other activity connected with rural/agricultural sector to Co-op banks and RRBs.

Medium Term (MT) Credit

- ❖ MT Conversion Loans (on account of crop loss due to natural calamities) to Co-op Banks and RRBs.
- ❖ MT (Non Schematic) loans for agriculture and allied activities to Co-op Banks and RRBs.

Investment Credit

- ❖ Refinance to State Co-operative Agriculture and Rural Development Banks (SCARDSs), SCBs, Scheduled Banks such as CBs and RRBs for :
 - Agriculture and allied activities.
 - Financing artisans/Khadi Village Industries (KVIC)/Rural Non Farm Sector, etc.
 - Rural housing.

Direct Credit

- ❖ Loans to State Government for share capital contribution to cooperative credit institutions.
- ❖ Loans under Rural Infrastructure Development Fund (RIDF) for rural infrastructure projects to State Govts. Panchayati Raj institutions, SHGs and NGOs, etc.
- ❖ Co-financing of hi-tech/export oriented agriculture projects involving large outlays/sunrise technology etc. with CBs.
- ❖ Bulk lending for micro finance activities and promotional projects to NGOs.

CREDIT PRODUCTS AND CLIENTS

Short Terms (ST) Credit

❖ Seasonal Agriculture Operation (SAO)

In order to ensure availability of timely credit to farmers, banks follow production-oriented system of lending. The system has features like assessment of credit needs based on area under cultivation and crop wise scales of finance, extending credit for purchase of agricultural inputs, etc.

Refinance is provided for production purposes at concessional rates of interest to SCBs and RRBs by way of sanction of credit limits. Each drawal against the sanctioned credit limit is repayable within 12 months.

❖ Marketing of Crops

Refinance facility is extended to Coop Banks and RRBs for meeting the marketing credit requirement of farmers with a view to reducing incidences of distress sale and enhancing their holding capacity. Each drawal against the sanctioned credit limit is repayable within a maximum period of 12 months.

❖ Distribution of Agriculture Inputs

In order to ensure timely supply of agricultural inputs a line of credit is made available to Coop Banks and RRBs for financing Apex/Primary Societies for stocking and distribution of agriculture inputs by way of sanction of yearly limits. Each drawal is repayable within a period of 120 days.

❖ Financing Industrial Societies

Refinance is provided to Coop Banks for financing production and marketing activities of industrial cooperation societies engaged in one or more of the 22 approved broad groups of cottage and SSIs.

❖ Weavers' Finance

Given the importance of handloom sector in rural employment generation, refinance is extended to meet the working capital requirements of primary weavers' societies and procurement, stocking, distribution and marketing activities of Apex Weavers' Societies and SHDCs.

❖ Financing Handicrafts Sector

Rural craftsmen are provided support by financing SHnDCs through SCBs and CBs for production, procurement and marketing of handicraft goods.

❖ Pisciculture

Refinance is extended to Coop Banks and RRBs for meeting working capital requirement of fishermen engaged in Inland and Marine fishery activities.

❖ New Line Of Credit For ST Agricultural/Allied And Marketing Activities

A new line of credit is extended to Coop Banks for financing agricultural/allied and marketing activities against security of gold/security other than charge on crops.

MEDIUM TERM CREDIT

❖ Medium Term (Conversion) Loans

When crop loss on account of natural calamities is substantial, affecting the farmers' ability to repay production credit dues to banks, refinance by way of medium term loans is granted to Coop Banks and RRBs to enable them to convert the ST loans of farmers into medium term loans. The repayment period of the converted loan is three years, which may go upto a maximum of 7 years in case of recurring calamities.

❖ Medium Term (Non – Schematic) Loans

Refinance is provided to SCBs and RRBs for financing farmers to acquire productive assets for certain approved agricultural investment purposes.

INVESTMENT CREDIT

Investment credit leads to capital formation through assets creation. It induces upgrading of technology resulting in increased production, productivity and incremental income to farmers and entrepreneurs.

❖ Eligible Institutions

NABARD provides refinance support to SCARDBs/ SCBs/ RRBs/ CBs/ Scheduled Primary Urban Cooperative Banks/ North East Developmental Finance Corporation Ltd. (NEDFI) etc. against their Investment Credit in the Rural Sector.

❖ Eligible Purposes

Major purposes covered are Farm Mechanisation, Minor Irrigation, Plantation/Horticulture, Animal Husbandry, Storage/Market Yards, Fisheries, Post Harvest Management, Food/Agro Processing, Non Farm Sector including rural industries, micro Finance, purchase of land (for Small/Marginal Farmers, share croppers etc.), Rural Housing and disbursements under Poverty Alleviation programmer like SGSY and SC/St Action Plan, etc. Hi-tech projects and Agri Export Zones have been identified as thrust areas and NABARD assists in techno-financial appraisal of such projects besides providing refinance.

During 2003-04 refinance support has been extended to new activities like financing of Diesel Generator Sets in Madhya Pradesh and LPG kits to rural areas all over the country.

❖ Criteria

The necessary conditions to be satisfied for sanctioning investment credit include technical feasibility and financial viability of the project as also its capacity to generate incremental income to the ultimate borrowers thereby enabling them to have a reasonable surplus after repayment of loan installments. The period of loan ranges between 3 and 15 years depending on the purpose for which it is provided.

DIRECT CREDIT

Loans to State Governments

❖ Supporting Cooperatives

In order to strengthen the owned funds position of cooperative credit institution NABARD provides loans to State Governments to contribute to the share capital of these institutions.

❖ **Rural Infrastructure Development**

With the objective of assisting State Governments in the completion of ongoing rural infrastructure projects and taking up new projects, the Rural Infrastructure Development Fund (RIDF) was set up in NABARD in 1995-96 with contributions by way of deposits received from CBs. The shortfall in agri/priority sector lending deposited by CBs with NABARD forms the corpus of RIDF. The total corpus of RIDF, covering RIDF (1995-96) to IX (2003-04), is Rs. 34000 crores. Sanctions under all tranches of RIDF as on 31st March 2004 were Rs. 34678.07 crores and disbursements Rs. 21067.17 crore.

Co-Financing

To ensure substantial credit flow to agriculture and rural sector and to instill confidence in banks for financing hi-tech/export oriented agriculture projects involving large financial outlays/sunrise technologies, etc., NABARD has entered into agreement for co-financing with 12 CBs on a risk-sharing basis.

During 2003-04, 7 projects were sanctioned under this agreement in areas such as floriculture, organic farming, milk processing, ethanol production, infrastructure development and forestry, involving total financial outlay of Rs. 118.90 crore and NABARD's support of Rs. 35.97 crore.

Bulk Lending / Revolving Fund Assistance

NABARD provides Bulk lending facilities to NGOs. As on 31st March 2004, 32 agencies have been sanctioned assistance of Rs. 27.32 crore against, which Rs 15.20 crore has been disbursed.

THRUST AREAS

Kisan Credit Card

As a pioneering credit delivery innovation, KCC Scheme aims at provision of adequate and timely support from the banking system to the farmer for their cultivation needs including purchase of inputs in a flexible and cost effective manner. As on 31st March 2004, cumulatively 413.79 lakh cards were issued to the farmers by Coop Banks, CBs and RRBs. A Personal Accident Insurance Scheme is available to KCC holders to cover them against accidental death/permanent disability.

Non Farm Sector

Rural Non Farm Sector (RNFS) is a thrust area of NABARD because of its employment generation potential in rural areas. NABARD provides refinance as well as promotional support for development of the sector.

❖ **Credit Support**

The refinance products of NABARD cover manufacturing, processing and service activities in the Small Scale Industries (SSI) sector with focus on cottage, village and tiny industries, rural artisans and rural crafts as also rural housing finance. Refinance for Rural Housing is extended for financing new constructions and renovating existing constructions in rural areas. Refinance is also extended to government sponsored programmes like Swarnjayanti Gram Swarajgar Yojana (Industry, Service and Business component) and Prime Minister's Rozgar Yojana.

❖ **Promotional Support**

Promotion of RNFS has been recognised as an important and necessary adjunct to the refinancing function. The objective of promotional programmes is to establish replicable models for generating/enhancing opportunities for employment and income generation in rural areas in a sustainable, demonstrative and cost effective manner by providing grant/revolving fund assistance etc., to NGOs, Voluntary Associations (VAs), Trusts and other Promotional Organisations.

❖ **Rural Promotion Corpus Fund (RPCF)**

RPCF has been established in NABARD with the objective of supporting innovative promotional activities in a flexible manner leading to promotion of viable enterprises, sustainable employment opportunities and improved credits flow to rural enterprises. Promotional activities supported include –

❖ **Rural Entrepreneurship Development Programmes (REDP)**

NABARD extend grant assistance to agencies with professional competence for conducting entrepreneurship development programmes for unemployment rural youth. A comprehensive strategy was adopted to cover one lakh potential entrepreneurs under REDP over a period of 5 years (1999-2000 to 2003-04) through institutionalisation of REDP. NABARD has supported more than 5465 REDPs since inception and trained around 1,51,000 rural youth with grant assistance of Rs. 11.91 crore.

❖ **District Rural Industries Project (DRIP)**

The project was launched by NABARD in 1993-94 in 5 select district with the object of generating sustainable employment opportunities through enhanced credit flow to rural non farm sector together with promotional measures in a coordinated manner. Under the project, a common action plan is prepared and implemented in coordination with all government and non-government agencies involved in promotion of rural industrialization in the district. In view of the success of the programme, it was decided to extend the project to 100 more districts in 5 years commencing from the year 2001-02. During 2003-04, 16 districts were covered bringing the total districts covered to 80. The programme has facilitated setting up more than 4 lakh units and generating employment opportunities for over 9 lakh persons as on March 2003.

❖ **Cluster Programme for Rural Industries**

NABARD is actively associated with the National Programme for Rural Industrialisation (NPRI) launched by GoI for development of rural clusters and has identified 65 clusters in select districts with the involvement of Vas. Promotional programmes have been launched in 55 clusters so far. Different aspects such as skill and technology upgradation, design diversification, timely and adequate supply of quality raw materials, marketing, etc. are taken care of after conducting diagnostic studies and preparing action plans within the time frame with active involvement of all government and development agencies, banks, NGOs and artisans. The programme is estimated to benefit 16,000 artisans and small entrepreneurs. NABARD has sanctioned Rs. 155 lakh to the implementing agencies for carrying out promotional interventions in NABARD clusters.

❖ **Skill Upgradation and Design Development for Handloom Weavers (SUDHA)**

The scheme was introduced in 2002-03 with a view to upgrading skills of traditional handloom weavers and supporting development of new design for handloom products for improving their marketability both within and outside the country. Under the scheme, grant assistance is given to Apex handloom Co-

operative Societies and NGOs involved in promotion of handloom sectors for market surveys, design development, skill upgradation training, engaging design consultants and marketing efforts. During the year 4 programmes with grant assistance of Rs. 10.71 lakh were sanctioned.

❖ **Swarozgar Credit Card (SCC) Scheme**

The SCC Scheme formulated by NABARD in consultation with RBI and Gol envisages adequate and timely credit, both working capital and block capital, to small artisans, handloom weavers, service providers, fishermen, self-employed person, rikshaw owners and other micro entrepreneurs, in rural and urban areas in a flexible, hassle free and cost effective manner from the banking system. The facility also includes a reasonable component for consumption needs. As on 31st March 2004, 28,925 cards were issued by CBs, Coop Banks and RRBs involving credit limit of Rs. 64.26 crore.

MICRO FINANCE INITIATIVES

The SHG Bank Linkage Programme started as a pilot project in 1992-93 for linking 500 Self Help Groups (SHGs) with banks with the objective of extending formal banking services to the unreached rural poor by evolving a supplementary credit delivery strategy in a cost effective manner. Today, it covers 10.79 lakh SHGs, making it the largest micro finance programme in the world in terms of sustainability and outreach.

Partners

The social intermediation for forming and nurturing SHGs is handle by a large number of NGOs and several community based organization like Farmers' Clubs, Local Bodies, field level workers of government agencies and bank staff. The major partners are banks (504 nos.), NGOs and the other agencies (2800 nos.).

Achievement as on 31st March 2004

Physical

- 3,61,731 new SHGs financed by banks during the year 2003-04. 1,71,669 existing SHGs provided with repeat finance.
- 1.67 crore poor families i.e. approximately 8.09 crore people estimated to have been assisted through bank credit upto 31st March 2004.
- Approximately 90% of SHGs are exclusively women groups.

Financial

- Bank loan of Rs. 1855.53 crore disbursed during the year 2003-04 to new SHGs and Rs. 697.79 crore to existing SHGs.
- Cumulatively Rs. 3904.20 crore bank loan disbursed to SHGs
- Average bank loan per SHG works out to Rs. 36.180.
- Over 95% on-time repayment of loans.

SUPPORT FROM NABARD

Financial support

- Rs. 705.94 crore provided as refinance support during 2003-04 taking the cumulative refinance to Rs. 2124.74 crore.
- Direct Loan Fund Support by NABARD to NGOs, Micro Finance Institutions (mFIs), SHG Federations and other agencies was Rs. 8.74 crore taking the cumulative Loan Fund support to Rs. 27.32 crore up to March 2004.
- Grant assistance amounting to Rs. 4.73 crore was sanctioned to 221 NGOs for promotion and linkage of 37268 SHGs. Cumulatively, grant amount of Rs. 15.12 crore was sanctioned to 785 NGOs as on 31st March 2004 for promotion and linkage of 115,279 SHGs.
- Grant support of Rs. 116.03 lakh was extended to 28 DCCBs for promoting and linking 14750 SHGs. Cumulatively, grant amount of Rs. 124.03 lakh was extended to 29 DCCBs on 31st March 2004 for promoting and linking 15550 SHGs.
- Grant support of Rs. 64.89 lakh was extended to 23 RRBs functioning as SHPI for promoting and linking 7895 SHGs. Cumulatively, grant support of Rs. 275.76 lakh was extended to 90 RRBs as on 31st March 2004 for promoting and linking 35,045 SHGs respectively.
- Grant support of Rs. 2.43 lakh was extended to 119 Farmers' Clubs for promoting and linking SHGs. Cumulatively, grant amount of RS. 24.95 lakh was extended to 612 clubs as on 31st March 2004 for promoting 6994 and linking 4281 SHGs.
- Grant support of Rs. 7.65 lakh was extended to DCCBs and RRBs for promoting and linking 600 SHGs through Individual Rural Volunteers (IRVs). Cumulatively, grant support stood at Rs. 24.90 lakh for associating 185 ITVs for financing and linking 1850 SHGs. Against this 652 SHGs have been formed and 274 credit linked.

❖ Capacity Building Support

During the year 2003-04, training programmes covering 2,44,007 participants were organized in association with identified training partners. There include

- 4635 awareness creation and capacity building programmes. Training Programmes organized for 1,59,082 SHG members to inculcate skills for managing thrift and credit.
- In addition programmes also conducted for 26,273 bankers, 7362 functionaries of NGOs, 5958 government officers, 312 faculty members of training institutions, 1303 elected members of Panchayati Raj Institutions.
- Exposure visits to banks and institutions pioneering micro finance initiative.

Other innovations related to SHG

- A pilot project aimed at building synergy between the Grain Bank approach with the SHG Bank Linkage Programme is being implemented in the tribal areas of Kalahandi District of Orissa state in association with an NGO and RRB with financial assistance of Rs. 3.78 lakh.

- A pilot project for expanding outreach in a sustainable manner and improving quality of services of rural banks using Information Technology (IT) enabled services has been initiated in 2002-03 in Andhra Pradesh. The second phase of the project envisages IT integration with micro finance.
- A pilot project on alternate modes of book keeping supported with computerized system for SHGs is being implemented in Jharkhand and Orissa to facilitate cross-checking and generation of information useful to the different stakeholders of the SHG Bank Linkage Programme. A financial assistance of Rs. 6.10 lakh as grant support is being given by NABARD.
- A pilot project for streamlining credit flow to mid-segment clients using Joint Liability Groups aimed at identifying collateral substitute like peer pressure/social collateral even for lendings of a higher order has been conceived by NABARD. NABARD would be supporting the project both by means of grant assistance and refinance.
- A pilot project for SHG Post Office Linkage in select district of Tamil Nadu is being implemented by NABARD with the objective of using the vast network of post offices in rural areas for disbursement of credit to the rural poor on an agency basis. A Revolving Fund assistance of Rs. 34 lakh and grant assistance of Rs. 50000 have been sanctioned to the Department of Posts.

Micro Finance Development Fund (MFDF)

MFDF was constituted in NABARD with a corpus of Rs. 100 crore – Rs. 40 crore each by NABARD and RBI and Rs. 20 crore from 11 CBs identified by RBI – for scaling up various mF initiatives with special focus on capacity building under the SHG – bank linkage programme. NABARD replenishes the entire expenditure from MFDF during the year from its profiles, thereby enabling the opening balance of the fund to be retained Rs. 100 crore each year. During the year, a sum of Rs. 7.05 crore was utilized from the fund for various initiatives taken by NABARD in this area.

WATERSHED DEVELOPMENT PROGRAMMES

Watershed development is a comprehensive approach to enhance productivity under rainfall agriculture. The programme is effective in conserving soil, rainwater and vegetation and enables harvesting of the surplus water to create water resources in addition to ground water recharge. NABARD has been actively supporting Watershed Development Programmes.

❖ Indo-German Watershed Development Programme (IGWDP)

This is an integrated programme for watershed development and regeneration of natural resources. It is being implemented since 1992 in Maharashtra through NGOs and village level community based organizations.

Objectives

Development of micro watersheds in an integrated and comprehensive manner, for achieving sustainable production system, through peoples' participation.

Programme Phases

The programme has two phases :

1. First Phase is Capacity Building Phase (CBP) where a small part of the watershed is taken up for treatment to develop capacity among the farmers and conviction. It is implemented through Watershed Organization Trust (WOTR), Ahmednagar and funded by GTZ, Germany.
2. Second Phase is Full Implementation Phase (FIP) funded by KfW, Germany and implemented through NABARD. FIP is taken up only after successful completion of CBP.

Status Of The Programme

- ❖ 118 project covering about 1 lakh ha. In 190 village spread through 24 district taken up through 65 NGOs of which 64 projects have been completed.
- ❖ The average cost of watershed development in completed projects is around Rs. 5860 per ha.
- ❖ The implementation of the programme has commenced in Andhra Pradesh and 5 projects have been sanctioned so far. Further, the extension of programme to Rajasthan is in the pipeline.

Watershed Development Fund

The Gol, set up the Watershed Development Fund (WDF) in NABARD in 1999-2000 with a corpus of Rs. 200 crore contribute equally by Gol (Ministry of Agriculture) and NABARD.

Objectives

To spread the message of participatory watershed development throughout the country.

Coverage

It is proposed to cover 100 districts under WDF across the country. So far,

- 285 watersheds in 103 districts spanning 10 states have been identified for implementation of the programme.
- Of the above, 274 watershed project were sanctioned grant assistance of Rs. 13.12 crore under CBP.
- 37 project have entered FIP stage.

WOMEN DEVELOPMENT

Women constitute almost half the population and make up one third of the labour force in India. Various schemes for financing farm and non-farm sector activities through banking system are available both to men and women. In order to give focus to women on various development activities and to increase their access to institutional credit, NABARD has formulated various programmes –

❖ Gender Sensitisation Programmes

With the objectives of facilitating internalisation of gender concerns in credit as also to improve the outreach of the banks in respect of women clients, NABARD has been conducting gender sensitization meets/ workshops for various levels bankers at the district and state level. 330 such programmes covering over 6000 bank personnel have been conducted till 31st March 2004.

❖ **Women Development Cell (WDC)**

With a view to strengthening institutional capabilities for addressing gender issues in credit and support services and accelerating credit flow to women through 'relationship banking', NABARD has extended grant support for setting up of Women Development Cells in RRBs and Co-op Banks. NABARD has so far supported 100 such cells in Co-op Banks and RRBs. The credit flow to women through these banks is Rs. 3595.79 crore covering 27.94 lakhs women since inception of WDCs. Based on a review of their performance a modified incentive based scheme was formulated under which 8-banks have been sanctioned assistance.

❖ **Assistance To Rural Women In Rural Non - Farm Development (ARWIND)**

ARWIND, is a single window scheme comprising credit as well as promotional components, has been formulated with the objective of entrepreneurial development among rural women. Under the scheme, assistance is available for activities like Escort Services (help in actual setting up of units), Common Facility Centre/Service Centres, setting up a Mother Units, Product Design, Quality Control, Organising Women etc. NABARD provides 100% refinance to banks under the Scheme. As on 31st March 2004, Rs. 3 crore has been sanctioned for 128 projects covering 9813 rural women in 22 states.

❖ **Assistance For Marketing Of Non - Farm Products Of Rural Women (MAHIMA)**

Recognising the importance of marketing as a crucial link for women entrepreneurs the scheme 'MAHIMA' was introduced. It aims at supporting various initiatives for promoting marketing of items produced by rural women such as market survey, capacity building, technology upgradation, branding, labeling, packaging, publicity, setting up of showroom/sale outlets, etc. NABARD provides 100% refinance to banks under the scheme. As on 31st March 2004, 26 projects in 11 states were supported with assistance of Rs. 59 lakhs.

❖ **Development Of Women Through Area Programme (DEWTA)**

Responding to the need for an integrated and holistic approach to development of women entrepreneurs, this scheme is being implemented in three RRBs on a pilot basis. Under the programme the WDCs of select banks will identify the skill upgradation, capacity building, and credit needs of women and fulfill the same over a period of three years. A grant of Rs. 32 lakh has been sanctioned to the WDCs.

SUPPORT TO WEAKER SECTIONS

NABARD, has designed special programmes for upliftment of weaker sections of society, viz. the small and marginal farmers, Scheduled Caste and Scheduled Tribes (SCs/STs) and people living below the poverty line (BPL)

❖ **Supports To Small And Marginal Farmers (SF and MF)**

As per NABARD's refinance policy for production credit, the banks are required to earmark a certain percentage of their lending to small and marginal farmers.

❖ **Special Line Of Credit For Tribals**

In consonance with the policy to step up credit to tribal population, a separate line of credit on liberal terms known as Development of Tribal Population is being extended in predominantly tribal areas.

Short Term credit limits are also sanctioned to co-operatives for financing collection and marketing of various types of minor forest produce.

❖ **SC/ST Action Plan**

Investment credit is made available to the SC/ST population by identifying investment potential and preparing a banking plan with allocation of credit to banks. NABARD provides 100% refinance under the plan.

In addition, NABARD has established a special "Tribal Development Fund" with a corpus of Rs. 50 crore to replicate successful sustainable models in Tribal Areas.

❖ **Comprehensive Tribal Development Programme (Wadi Project)**

'Wadi' (orchard) project is being implemented for upliftment of tribals in Gujarat and Maharashtra with grant support from KfW, Germany.

Two NGOs viz., DHRUVA and MITTRA, promoted by BAIF, Pune act as the principal implementing agencies in Gujarat and Maharashtra respectively. Through sustainable horticulture production and social sector interventions, the project is expected to rehabilitate 24,000 families and 2,000 landless women.

❖ **Transfer Of Technology For Sustainable Development (CEC – BAIF Project)**

The projects assisted by Commission of European Community (CEC) and implemented by BAIF aims at achieving sustainable development through family oriented approach for poverty alleviation by adopting simple but appropriate technologies. The project is being implemented in 11 districts of five states. The major activities covered are orchard development, cattle development, sericulture and sustainable off farm activities

The participant families are now generating sizable income from the intervention undertaken by them and the project has effectively checked the migration of the rural poor by providing employment opportunities locally.

❖ **Swarnjayanti Gram Swarozgar Yojana (SGSY)**

SGSY has been conceived as a holistic poverty alleviation programme by Gol which aims at bringing every assisted BPL family above the poverty line in three years by providing them with income generating assets through a mix of bank credit and Government subsidy. NABARD provides refinance to the banks under the scheme.

OTHER DEVELOPMENT INITIATIVES

❖ **Development Of North Eastern Region**

In order to accelerate the pace of credit flow to the North Eastern Region (NER), NABARD has taken various initiatives :

- Concessional interest is charged on refinance to the banks in NER as compared to interest charged in other parts of the country.
- Relaxations in eligibility criteria are made while sanctioning Credit Limits for SAO and for drawing unrestricted refinance from NABARD under schematic lending.
- Refinance is made available to all financing agencies (including CBs) at 100% of their ground level credit for Non-Farm Sector as against 90% applicable to the rest of the country.

- North-Easter Development Finance Corporation Ltd. (NEDFi), Guwahati has now been made eligible for NABARD refinance health to the co-operatives and comparatively limited finance provided by the CBs in the NER.

❖ **Environment Promotional Assistance**

Sustained development can be ensured by preservation of natural resources and eco-system. NABARD has spread awareness through demonstrations and promotion of environment-friendly alternatives and technologies. It assists NGOs and other research organizations for this purpose. It supports promotion of commercial ventures like vermicompost, biodynamic fertilizers, bio-pesticides etc. with credit linkage.

❖ **Vikas Volunteer Vahini (VVV)**

The VVV programme was conceptualized as an experiment in social engineering reflecting NABARD's concern for educating the mounting overdues at ground level. The programme propagates the five principles of development through credit. It instills better credit discipline among rural clientele through a group of successful rural borrowers who join together to form farmers; clubs/VVV Clubs. Financial support is provided by NABARD for opening and maintenance of clubs and for organizing various training programmes under the aegis of farmers's clubs. As an innovative measure, NABARD has initiatives formation of VVV clubs responsible for transfer of rural technology in association with Krishi Vigyan Kendras (KVKs)/ Agricultural Universities. It has also envisaged formation of Economic Development Oriented Clubs in association with voluntary organizations/NGOs on a project basis. As on 31st March 2004, 10015 clubs have been formed, including 239 Technology Transfer Clubs and 288 Socio-Economic Development Clubs (SEDCs).

❖ **Promotion Of Cultivation Of Medicinal And Aromatic Plants (MAP)**

NABARD along with its partner agencies is promoting cultivation of MAPs. In addition to financing traditional medicinal and aromatic plants, the Patchouli scheme in Karnataka and Bixa (Annato) in Maharashtra with buy back arrangements are new innovative bankable schemes sanctioned during the year. NABARD has assessed an annual credit potential of Rs. 500 crore in this sector and has initiate the process of fixing the scale of finance/ unit cost of MAPs in all states.

❖ **Promotion Of Bamboo Farming, Technology And Trade**

In consonance with the action plan prepared by the National Mission on Bamboo Technology and Trade Development, NABARD would be providing credit and promotional support for pre-harvest, planting and post-harvest stages of bamboo cultivation. A perspective plan to finance a nursery network involving investment outlay of Rs. 1000 crore during the X plan period in the potential states was prepared.

PARTICIPATION IN NEW VENTURES

❖ **Prince Stabllisation Fund Scheme (PSFS)**

The objective of PSFS is to provide relief to the growers of Tea, Coffee, Rubber and Tobacco when their prices fall below a threshold level. The scheme commenced on 1st April 2003 and would be in operation for a period of 10 years subject to a review after 5 years. A corpus of Rs. 500 crore is to be created through a one-time contribution from Gol and entrance fee of Rs. 500 from grower farmers. Financial support would be provided from the income of the corpus fund. Growers who have operational holding of less than 4 hectares are eligible. A trust has since been created and Gol has contributed Rs. 200 crore. The operation of the fund is entrusted to the High Power Committee of the Trust.

❖ **Agriculture Insurance Company Of India Ltd. (AICI)**

In pursuance of the announcement in the Union Budget 2002-03, the Agriculture Insurance Company of India Ltd. (AICI) was established and registered on 20th December 2002 under the Companies Act, 1956 with the authorized and paid up capital of Rs. 1500 crore and Rs. 200 crore, respectively. NABARD's contribution in the equity is 30 per cent, while the contribution from General Insurance Corporation (GIC) is 35 per cent and its four Insurance Subsidiaries is Rs. 8.75 per cent each.

❖ **National Commodity And Derivatives Exchange Ltd. (NCDEX)**

To meet the need for a national institution for facilitating trading in Multi Commodities, NCDEX was set up with equity participation from NABARD on 20th April 2003. The basis objective of setting up NCDEX is to provide a platform for price hedging for agricultural commodities and to enable price discovering for various agricultural commodities through trading in futures. NABARD has contributed to the equity of NCDEX and also participates in its management.

❖ **Agri-Export Zones (AEZs)**

48 AEZs covering 193 districts were notified by APEDS for promotion of 20 identified crops. A scheme for financing farmers by CBs/Coop Banks/RRBs in AEZs was introduced by NABARD for enabling increased production of commercial crops and creating marketing avenues for farmers. Cumulative refinance support of Rs. 343 crore was disbursed by NABARD.

OTHER INITIATIVES

NABARD has been taking initiatives for designing formulating and supporting appropriate schemes in keeping with the requirement of agriculture and rural sector. These include :

- ❖ Scheme for setting up of Agri-clinics and Agri-business centers by agricultural graduates with financial assistance from banks to augment extension services for agriculture.
- ❖ Scheme for purchase of land for agricultural purposes for making small and marginal farmers' holdings economically viable.
- ❖ Popularising Central Sector Capital Subsidy scheme for Investment Promotion for developing non-forest waste lands.
- ❖ Tribal Area Pilot project for integrated Development of Backward Blocks in 10 backward blocks of 5 states (Gujarat, Karnataka, Tamil Nadu, Andhra Pradesh and Maharashtra) on a pilot basis.
- ❖ Scheme for supporting Farmers Service Centres (FSCs) set up in collaboration with Mahindra Shublabh Services Limited (MSSL). 44 FSCs have been set up by MSSL in 9 states with tie-up arrangement with banks for providing an integrated package of services of the farmers.
- ❖ Grant assistance to ITC for a project called "Diagnostics for e-choupal" aimed at bringing out an IT based Practical Handbook and diagnostic tools for production and protection of major crops in Madhya Pradesh in collaboration with experts from Agricultural Universities.
- ❖ Funding of action research in the area of rural credit, dissemination of findings and establishment of University Chairs.

INSTITUTIONAL DEVELOPMENT

Credit is a critical factor in the development of agriculture and rural sector as it facilitates capital formation and technological upgradation. Hence strengthening of RFIs, which deliver credit to the sector, has been identified by NABARD as a thrust area. Various initiatives have been taken to strengthen the Co-operative credit structure and the RRBs by NABARD, so that adequate and timely credit is made available to the needy.

❖ Development Action Plans (DAPs)

With a view to ensuring that the co-operation and RRBs function as viable units on a sustainable basis and to enable them to professionalise their operations and compete effectively with other RFIs, NABARD assists these institutions in the preparation of DAPs. The plans analyse parameters impacting the viability of the banks with focus on critical factors, identify constraints and formulate time bound specific course of action.

❖ Memorandum of Understanding (MoU)

In order to facilitate successful implementation of the DAPs Memoranda of Understanding are entered into with State government and Co-op Banks; RRBs and sponsor bank, specifying their respective obligations to improve the affairs of the banks in a stipulated time frame.

NABARD monitors implementation of DAPs of banks and fulfillment of obligations under MOUs.

❖ Support For Revitalization Of RFIs

NABARD provides assistance in implementing the recapitalisation plan of the GoI for RRBs. 187 RRBs out of 196 RRBs have so far received recapitalisation support of Rs. 2188.44 crore as on 31st March 2004.

The GoI has released a token amount of Rs. 100 crore to NABARD towards its share for revitalization of Coop credit structure.

❖ Cooperative Development Fund (CDF)

CDF has been constituted for supporting various developmental activities like infrastructure development for Primary Agricultural Credit Societies (PACS), computerisation, purchase of vehicles for recovery work, human resource development, publicity of KCC etc. As on 31st March 2004, disbursements from the fund aggregated to Rs. 50.87 crore.

❖ Institutional Development And SDC

NABARD is implementing a project in collaboration with Swiss Agency for Development and Cooperation (SDC) aimed at human and institutional development in NABARD as well as in RFIs. Institutional development with Organisaion Development Initiatives (ODI) is an important component of this intervention. Other project activities include providing computer support with peripherals, training and capacity building of the staff and trainers of the RFIs, exposure visits for RFI and NGO staff for studying the best practices and organizing workshops and seminars to sensitise the CEOs of RFIs to meet the new challenge. The basic aim of Human and Institutional Development (HID) intervention in this project is to create confidence, competence and commitment building of the client banks' staff. As on 31st Mrach 2004, all the 196 RRBs and 50 Co-op Banks (SCBs and DCCBs) have been covered under the Project.

OTHER INSTITUTIONAL DEVELOPMENT INITIATIVES

- ❖ Providing financial assistance to Co-op Banks and RRBs for establishment of Technical, Monitoring and Evaluation (TME)cells.
- ❖ Conducting ODI Programmes to build ownership and commitment among staff of banks.
- ❖ Providing financial support to training institutes of Co-op Banks and RRBs.
- ❖ Instituting Annual Best Performance Award to motivate cooperative institution for better performance.

SUPERVISION

Apart from the role of development bank, NABARD undertaking certain supervisory functions in respect of Co-op Banks and RRBs under the Banking Regulation Acts the objective of NABARD's supervision is to assess financial and operational soundness and managerial efficiency of these banks and their compliance with banking regulations.

NABARD has constituted a Board of Supervision as an Advisory Committee to the Board of Director of NABARD, which gives directions and guidance in respect of policies and no matter relating to supervision and inspection.

NABARD undertakes on-site inspection of RRBs, SCBs and DCCBs on a two-year cycle basis.

Inspection of SCARDSs and apex non-credit co-operatives are undertaken on a voluntary basis.

Off-site surveillance of Co-op Banks and RRBs are also undertaken on an on-going basis.

NABARD CONSULTANCY SERVICES Pvt. Ltd. (NABCONS)

NABCONS was set up on 17th November 2003 with an authorized capital of Rs. 25 crore of which Rs. 5 crore has been fully subscribed by NABARD. It provides consultancy services in agriculture, agro - processing and infrastructure projects, institutional development, micro Finance, watershed development, non-farm enterprises, training, potential identification and related areas. In 2003-04, NABCONS had contracted business to the tune of Rs. 10.26 crore. The clients of NABCONS include Gol, State Governments, Banks, International Bodies, Corporate entities and individuals.

SOURCES AND USES OF FUND

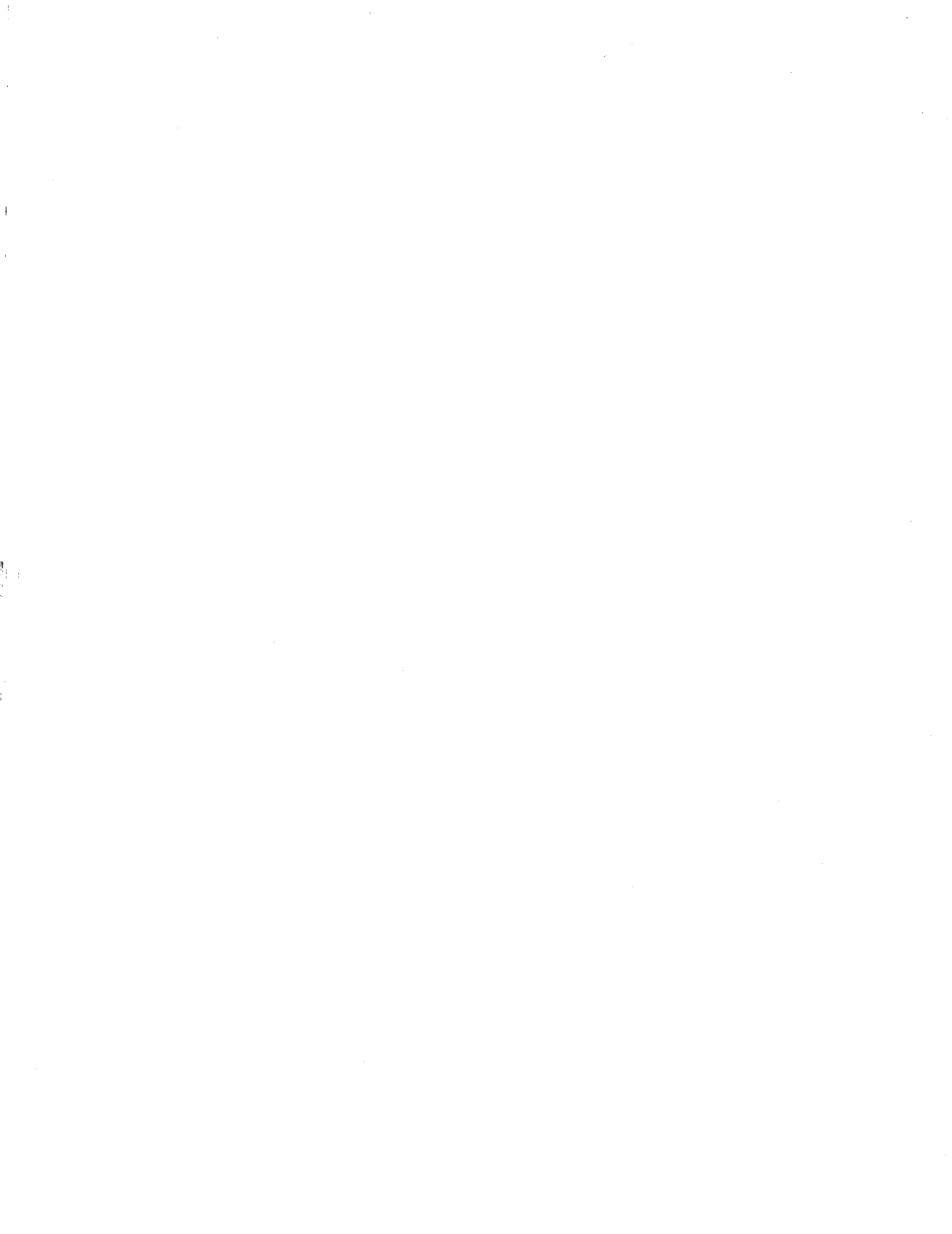
The total assets of NABARD as on 31st March 2004, is shown in Table – I, were Rs. 55888 crore and the owned funds were Rs. 21861 crore. Schematic refinance was Rs. 28079 crore which was 10.48% higher than the previous year. During the year RIDF loans outstanding increased by 7.21%, RIDF Deposit decreased by 0.58%, market borrowing increased by 36.55% and Foreign Currency Loans decreased by 1.7%. The operating surplus was Rs. 1460 crore, most of which (after payment of tax) was ploughed back into different development funds maintained by NABARD.

Table I

NABARD AT A GLANCE

Sourced of Funds	As at the end of 31 March		Utilisation of Funds	As at the end of 31 March	
	2004	2003		2004	2003
Capital	2000	2000	Investment in Government Securities/ADFC/SIDBI/AIC/AFC	2412	1355
Reserve & Surplus	5291	4319	Refinance outstanding (Medium Term & Long Term)	28079	25416
NRC (LTO) Fund	13070	12945	Production & Marketing Credit (GLC)	5598	6053
NRC (Stabilisation) Fund	1500	1474	MT Loans from NRC (LTO) Fund	5	9
RIDF Deposits	12089	12159	Conversion Loans from NRC (Stab.) Fund	633	370
Borrowing from Gol (Including IDA/IBRD Assistance)	563	589	Loans to State Governments	460	441
Borrowing from RBI (GLC)	4194	5792	Others Loans	11	10
Open Market Borrowings	11883	8702	Loans out of RIDF	14004	13062
Foreign Currency Loan (KfW Germany)	297	302	Others	4687	3355
Corporate Borrowings	2500	0			
Others	2502	1789			
Total	55889	50071	Total	55889	50071

TECHNICAL SESSION – III
AGRICULTURE & ECONOMICS



SPACE TECHNOLOGY FOR A VILLAGE-CENTRIC ECONOMIC DEVELOPMENT OF THE NE REGION

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ABSTRACT

The NE Region with 13 million people below poverty line is one of the poorest in the country. The state of economic base of the region is well reflected in the low growth trend of per capita income and high poverty level. The economy of the Region is predominantly agricultural, but with a low productivity. Unemployment and insurgency have formed a vicious cycle of underdevelopment. The vast natural resources of the region have not been utilized properly for economic development, due to lack of basic infrastructure such as transport network, dependable power supply, communication connectivity, lack of entrepreneurial training, and lack of up-to-date knowledge of technology and market information.

For the vast majority of 70 million people in rural India, there has been hardly any improvement in employment, health care, drinking water, sanitation and education over the years. Government investment in health and education have been virtually ignored. The late realization has been that the 6,00,000 villages of the country have to be converted to engines of development by a village-centric strategy, empowering the rural people with knowledge which has economic value, by providing communication connectivity for access to knowledge, information and social entitlements.

The role of information and communication technology (ICT) in bringing prosperity to rural India is very critical. Several states have already taken the first step by going to e-governance and village information centers. In NER, the Community Information Centres (CIC) installed by MCIT is one such bold step. Department of Space has also undertaken a plan to help the NER States in establishing Village Resource Centres (VRC) to facilitate the development of the rural economy using space technology. Satellite based telemedicine connectivity has been already provided to several hospitals of the region. Under EDUSAT Project, the schools and colleges of NER will have VSAT connectivity for quality education through sharing of resource.

Transparency of administration, and participation of all sections of Society in such knowledge empowerment will be the key factors in the rapid economic development of the Region.

INTRODUCTION

The average growth rate of GDP of our country has remained around 6% over the last few decades. According to the census 2001, the rural India constitutes 72% of the country's population, where agriculture is the main source of livelihood. But in most parts of the country, the yield per hectare of major crops is very low compared to other countries. Nearly 70 % of the country's work force is engaged in agriculture. But today unemployment is rampant in the rural sector. Food security has become a major concern in rural India. According to an estimate of FAO for 1999-2001, nearly 213.7 million Indians (one fifth of country's population) still suffer from chronic hunger. In spite of bumper harvest of rice and wheat, the absorption of food grain to the population, particularly to the weaker section, has been poor. At any time, the availability of food grain to the people (for absorption) is given by the net output plus the import if any minus the net addition to the public store. The paradox seems to be the increase in the stored quantity of food grain in FCI godowns, while there are suicides committed by farmers in many parts of the country, unable to come out of the debt trap compounded by drought and hungry.

Due to factors like deflationary policies of the Government, and trade liberalization, there has been an unprecedented decline in the purchasing power in the rural areas. This has in turn led to a massive decline in food grain absorption in 2003, compared to 1998, as shown in the table.

Table - I

Annual per capita Food Grain Output and Availability

Three year period Ending in	Average Population	Net output of food grain	Net availability per head	Grammes per head
1991-92	850.70	178.77	177.0	485
1994-95	901.02	181.59	174.3	478
1997-98	953.07	176.81	174.2	472
2000-01	1008.14	177.71	163.2	447
2002-03	1056.33	164.59	157.7	432
Individual years				
2000-01	1027.03	167.43	151.06	414
2001-02	1046.44	177.01	158.37	434
2002-03	1066.22	150.09	156.55	427

* 2 years average Source: Economic Survey 1999-2000 to 2002-2003, RBI report on Currency and Finance 2003.

Reasons Cited For Falling Availability

According to the RBI Economic Survey 2001-02, the reasons for this falling availability in food gram are:

- Problem of plenty
- All segments of population diversifying diet voluntarily to have high value food (Engel's law wrongly cited)
- Minimum support price too high resulting in over production and procurement.

But during the same period, it is to be noted that:

- Per capita food grain production has fallen
- Rural unemployment has sharply increased
- Food diversity is limited to urban elite (1/6th of population)
- Effective demand falling when physical supply of food grain existing.

Reasons for fall in effective demands in rural sector are not difficult to identify. They are:

- Rural development expenditure at 14.5% (average) of GDP in 1985-90 reduced to 8% in early 90's, to 6% from 1996 (World Bank advice)
- Falling prices of export crops
- Bank credit for agriculture made costlier
- Reduction of input subsidies.
- Higher power tariffs
- Foreign countries raising agriculture subsidies

- Income drop from agriculture
- Rural employment growth below 0.6% since 1993 – 94
- Service sector flourishing at the cost of materials production sector (urban centric)
- Income distribution shifted to urban elite
- Farmers exposed to unfair trade due to removal of quantitative restrictions under pressure from WTO

EFFECTS IN ECONOMY

Against India's per capita food absorption less than 200 kg, China has 325 kg, Mexico 375 kg, Europe 650 kg, and US850 kg. There are several adverse effects in the economy.

- Decline in rural purchasing power contributes to industrial recession through demand linkage
- Total food absorption - direct and indirect, should rise with rising income of consumer

The state of national economy has several discouraging trends.

- Industrial trend shifting from manufacturing sector to service sector.
- In Karnataka IT industry flourishing and created more than 2 lakh jobs in 2004, but since 1991, 3 lakh workers lost jobs due to liberalization.
- In Maharastra, 2.5 lakh textile mill workers of 1981 reduced to 20,000 in 2002.
- By end of 2003, more than 3000 indebted farmers of Andhra Pradesh committed suicide.

In fact, a jobless growth of economy is in the making. According to National Sample Survey, employment increased by 76 lakh between Jan 1,2000 and Oct 1,2002. But more analysis shows that during the period:

- No. of women workers in the country declined by 15 lakh, of which 10 lakh in rural area
- Urban area constituting 23% of workforce accounted for 40% increase in employment.

Table - II

SECTOR-WISE % GROWTH RATES IN SOME COUNTRIES

Economy Sector	Year	India	China	S. Korea	USA
Growth in GDP	1980 - 90	5.7	10.3	8.9	3.5
	1990 - 02	5.8	9.7	5.6	3.3
Agriculture	1980 - 90	3.1	5.9	3.0	3.2
	1990 - 02	2.7	3.9	1.8	3.8
Manufacturing	1980 - 90	7.4	10.8	12.1	-
	1990 - 02	6.6	11.9	7.6	3.9
Service	1980 - 90	6.9	13.5	8.4	3.3
	1990 - 02	7.9	8.8	5.6	3.7

Growth Sustainability Of Manufacturing Sector

The manufacturing sector of economy has inherent sustainability due to:

- Forward & backward linkages enable growth in employment at all levels.
- Infrastructure development is imperative.
- Potential to generate employment through ripple effect to other sectors.

Growth Of Sits Sector

The Software and IT enabled service sector (SITS) growth has its own characteristics:

- Growth since 1990's due to enormous demands from US and other developed countries.
- Client-server, internet and www, wireless communications revolution, ERP, Y2K
- Skilled and cheap work force in the country.
- Individual efforts (Infosys, Wipro, TCS.....).
- Outsourcing by developed countries.
- Imported development tools, computers, DBMS, operating systems.
- Jobs may shift to some other country tomorrow (say China).
- Employment limited to urban elite, many are over-qualified.
- 8 lakh jobs created in 2003-04, in a national work force of 4700 lakh.
- Confined to a few cities, not expanding to other parts of the country.

GROWTH SUSTAINABILITY OF SITES SECTOR

The SITS sector being export oriented has only forward linkage through satellite link to foreign countries. The backward linkage is insignificant - only in building construction, cable network connection etc. Hence it has insignificant influence in infrastructure development, and does not contribute to intellectual capital formation.

ECONOMY OF NE REGION

The economy of NE region has been lagging behind when compared with the national economy.

Annual growth rate in per capita income	: < 1%
Per capita electricity consumption	: Less than 100 kwh
Grain production	: Most NER states deficit
Road density per 1000 sq lan area	: 365 km
Average growth in agriculture sector	: 3%
Population below poverty line	: 33%
Status of industry / manufacturing sector	: Poor

Even though economy of the region is predominantly agricultural, the investment priority of the North Eastern Council has been insignificant in this sector.

Table - III

DEVELOPMENT FUNDING BY NEC DURING 1972-2004

Sector	Rs. in crore	Percentage
Agriculture and allied programmes	126.12	2.05
Water and power	2806.40	45.42
Industry and mining	70.13	1.14
Transport and communication	2517.50	40.92
Manpower development	332.09	5.40
General services	71.98	1.17
Externally aided projects	35.16	0.57
Total	6151.62	100.00

The investment in infrastructure buildup has not been able to trigger development of the region.

It is interesting to look at the development potentials of the NE Region, along with the handicaps.

STRENGTH

- 38 % of country's hydro power potential.
- 190 billion cum natural gas reserve.
- 909 m tonne coal reserve.
- 513 m tonne oil reserve.
- 493 m tonne lime stone reserve.
- 25% of country's forest area.
- High literacy rate (>65%)

WEAKNESSES

- Isolated geographically from mainland India - manufacturing industry not viable
- Flood, landslide, high seismic activity
- Internal conflicts – insurgency
- Primitive agriculture with low productivity

- ❑ Under-developed infrastructures - road, power, hospitals, education facilities, cold storage, warehouse
- ❑ Lack of entrepreneurial skill
- ❑ Poor flow of bank credit
- ❑ Lack of transparency in governance

OPPORTUNITIES

- ❑ Trade with SE Asian countries
- ❑ Internal market in NER itself for consumer industry
- ❑ Agriculture surplus generation through double cropping
- ❑ Tourism.

THREATS

- ❑ Illegal immigrants - demographic pressure on limited resources
- ❑ Most unskilled / semi skilled jobs held by labour from outside
- ❑ Rampant unemployment - drug addiction, insurgency
- ❑ Outflow of natural resources - forest products, hydro power
- ❑ Neighbouring countries overtaking SE Asian market.

EMPLOYMENT GENERATION: AGRICULTURES SECTORS

Employment generation in the rural sector is the key to the economic development of NE Region. This can be achieved by revamping the agriculture and encouraging small-scale industry sector. An integrated approach is required with the following :

- Increased production through subsidies in inputs such as power, water, and fertilizer
- Increased minimum support price
- Needed building of new capital assets in irrigation, power and rural infrastructure
- Protection from vagaries of monsoon and flood
- More reliable monsoon prediction and strategies to face deficient rainfall

IMPROVED AGRICULTURE, HORTICULTURE, FLORICULTURE AND ALLIED SECTORS

- ❑ Organic farming, precision farming
- ❑ Medicinal plants
- ❑ Agro-based industries
- ❑ Warehouse, food processing
- ❑ Poor marketing strategy
- ❑ Timely supply of inputs

EMPLOYMENT GENERATION: SSI

The 3rd All India census of small scale industries (Jan 2004) reveals that

- ❑ SSIs provide employment to over 27 million people in the country, whereas the private sector only 8.4 million, and public sector 18 million

- ❑ Distributed over a wide area
- ❑ 60% SSIs are rural based
- ❑ No investment policy for SSI in post liberalization era

EMPLOYMENT GENERATION: MANUFACTURING SECTOR

- ❑ Manufacturing industries to cater to NE market and SE Asia market.
- ❑ Better infrastructure requirement- power, road, transportation.
- ❑ Skilled labour to be locally available

VILLAGE RESOURCE CENTRE

It is in the context of the above that the development of the rural economy is very essential for economic development of the NER states. The Village Resource Centres (VRC) proposed by Indian Space Research Organization is an information highway to the rural areas providing stimulus to economic development. The village has to become the hub of such development. The salient features of the Village Resource Centre are:

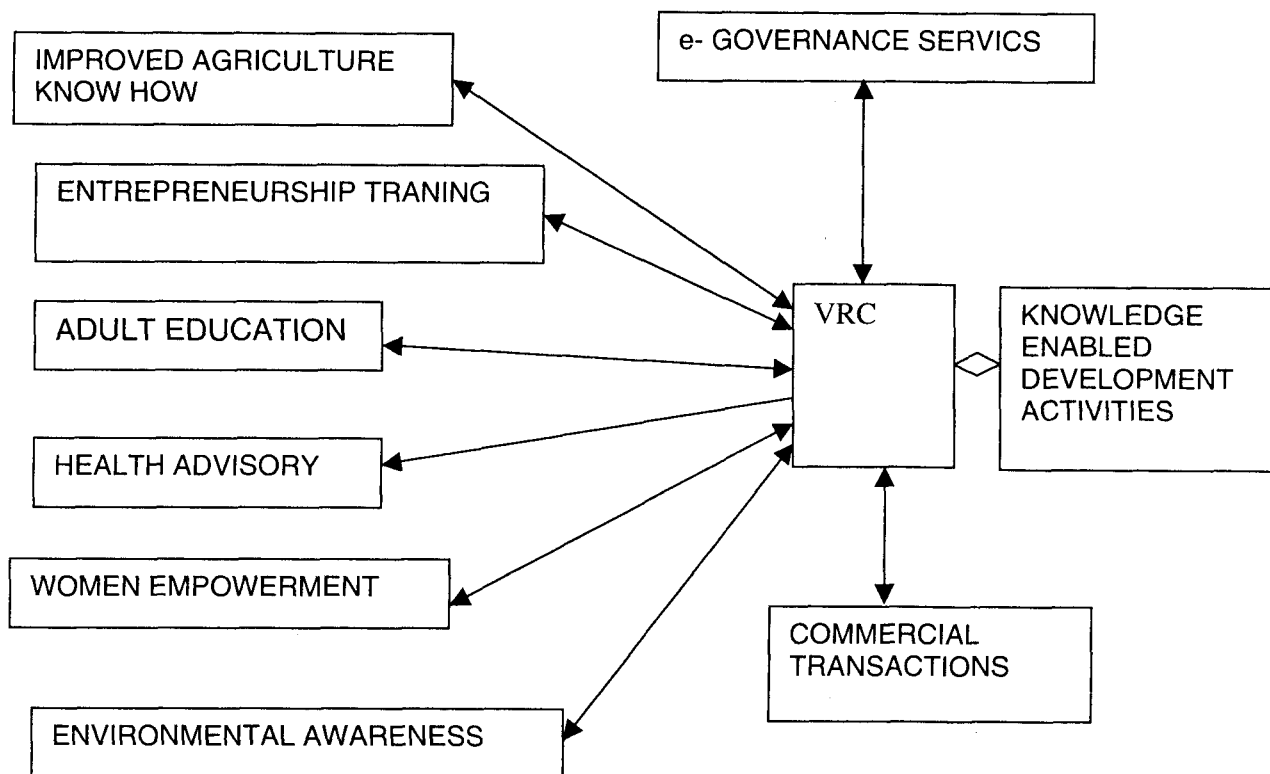
- Exploiting space and information technology to trigger village centric development.
- Providing information access to rural community.
- Information that can usher in economic development and self employment.
- Local specific information on natural resources.
- e-Governance services.
- Tele-Health & Tele-education etc.

The proposed VRC will form a network of resource centres connected by VSA T to various expert centres providing advisory on all aspects of rural economy. They are to be managed on a public private-partnership model with various government agencies as facilitators.

CONCLUSION

- ❑ Rural employment generation key to socio-economic development.
- ❑ NER States have to develop local economies.
- ❑ Agriculture, agro industries have large potential.
- ❑ IT -enabled services have limited rural employment generation capacity.
- ❑ Space technology to provide information access for knowledge based economic development through Village Resource Centres.

Figure - 1



Role of Village Resource Centre in the Development of Rural Economy.



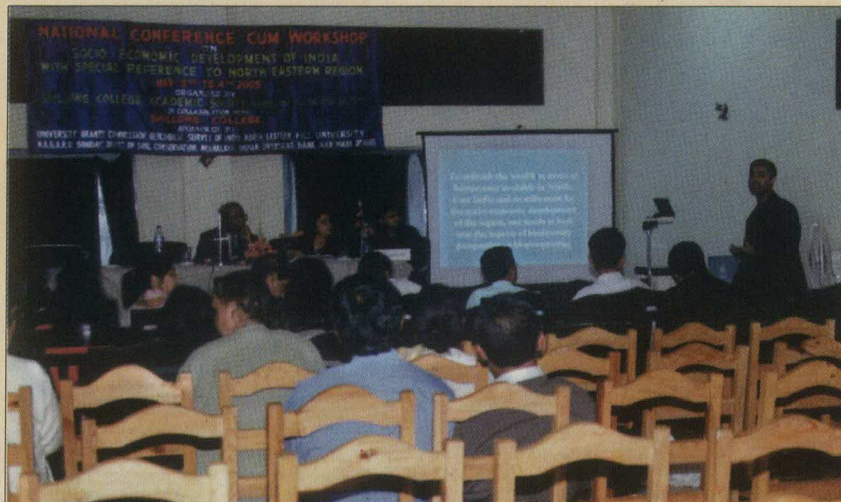
Chairperson, Dr. (Mrs.) M.P.R. Lyngdoh and Vice-Principal, Shri D. Mukherjee and Jt. Convener Dr. S.K. Gupta welcoming Dr. Mukul Sangma, Deputy Chief Minister Govt of Meghalaya



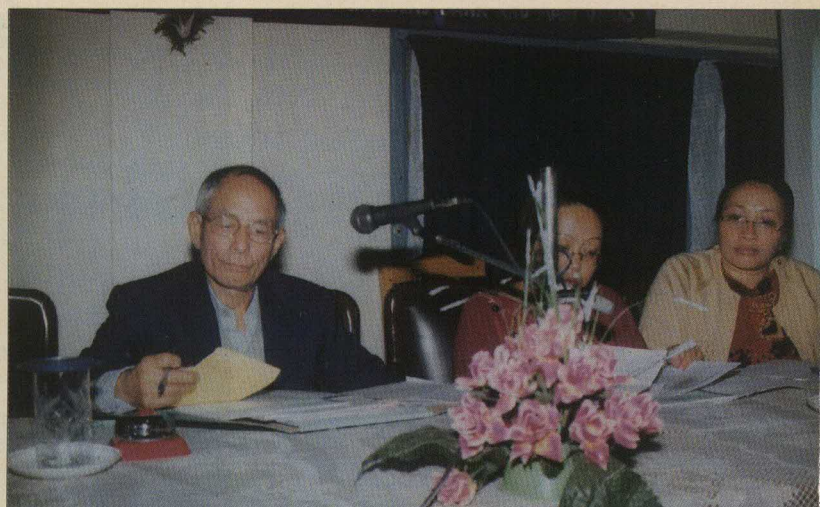
Shri D. Mukherjee, Vice-Principal, delivering the Welcome Address during the Valedictory Session



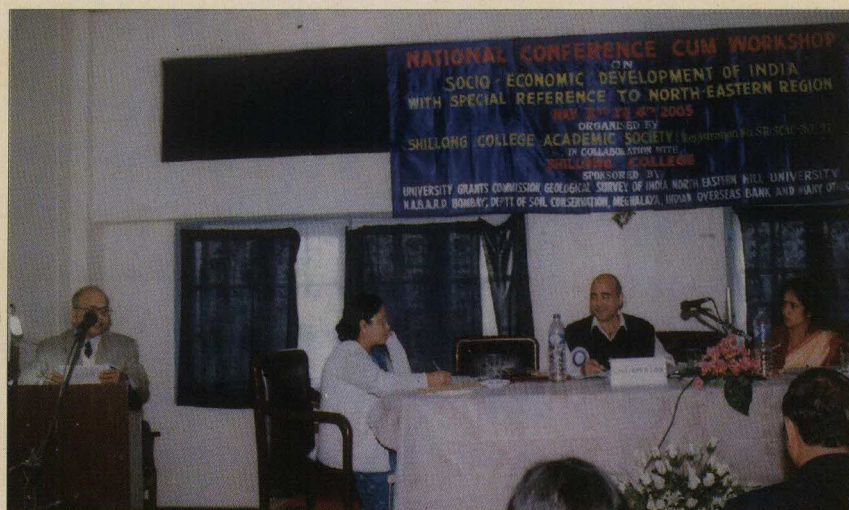
Shri H.W.T. Syiem, former Secretary North Eastern Council and ex. Chief Secretary, Govt. of Meghalaya, delivering the Valedictory Address



Dr. S.R. Joshi, Lecturer, North Eastern Hill University delivering lecture on his paper during Technical Session – I



Prof. P.M. Passah, Vice-President, North Eastern Economic Association presiding over the Technical Session – II, along with the Rapporteurs – Dr. (Mrs.) E. Kharkonger and Smti V. Solomon



Prof. R.K. Bhattacharyya, Head, Deptt. of Horticulture, Assam Agricultural University presiding over the Technical Session – III, along with the Rapporteurs – Dr. (Mrs.) A.A. Ahmed and Dr. (Mrs.) Jayanti Paul



Chief Guest, Dr. Mukul Sangma, Deputy Chief Minister of Meghalaya Addressing the August House during the Valedictory Session



A view of the Guests on the Dias during the Valedictory Session



Chairperson Dr. (Mrs.) M.P.R. Lyngdoh delivering the Chairpersons' Remark during the Valedictory Session



Dr. S.K. Gupta, Jt. Convener, delivering the Convener's Remark during the Valedictory Session



Dr. M. Dey, Secretary, Shillong College Academic Society delivering the Vote of Thanks during the Valedictory Session



Dr. Mukul Sangma, Deputy Chief Minister of Meghalaya along with Chairperson Dr. (Mrs.) M.P.R. Lyngdoh, Shri H.W.T. Syiem, former Secretary, North Eastern Council, Shri Bikash Roy and others during a Tea Session



ROLE OF WATERSHED IN AGRICULTURAL DEVELOPMENT IN MEGHALAYA – SOCIO-ECONOMIC ISSUES*

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ABSTRACT

Sluggish economic development of NEH Region is a major concern since decades, which can be attributed to several factors, like, typical geographical terrain, poor infrastructure, and absence of roads hampering market linkages for farmers. The irony of development is that, in one side the region is endowed with enormous natural resource base, such as, fertile soil, plenty of water resources and vegetation with huge diversity but simultaneously the region is housing 32 per cent of its population below poverty line (1999-2000). More than 80 per cent of total population is dependent on agriculture and contributing nearly one-fourth of state GDP, whereas at national level the same level contribution (22 per cent, precisely) is coming from a population of 54 per cent only. This clearly indicates that the human resource employed in agriculture in this region is operating at sub-optimal level, which can be improved through technological intervention. Development of watershed areas has been identified as the key for agricultural development in these states. While implementing the watershed projects some economic issues should be considered, first; whether the benefits of the projects is being distributed equally to the farmers, second; how the different components of watershed project contributes to income inequality in hilly region, and finally; what are the components to be prioritized so that the income distribution will be optimum within the available resources. The present paper has been attempted to evaluate the watershed with reference to above socio-economic issues.

INTRODUCTION

District-wise analysis of Gross Domestic Product (GDP) was carried out to examine the agricultural development status in Meghalaya during the period of 1994-95 to 2003-04. Secondary data from different published sources, Meghalaya District Gross Domestic Product 1993-94 to 1999-2000, Directorate of Economics and Statistics, Shillong and Directorate of Agriculture were used for the present investigation. Tabular and simple correlation coefficient analysis was used for the present study.

Agricultural Development and GDP

Contribution of agriculture in GDP of Primary sector (which includes agriculture, forestry & logging, fishing and mining & quarrying) were shown in Table 1. The change in share clearly indicates that Ri-bhoi district achieved highest increment (10 per cent) in agricultural contribution to primary sector's GDP followed by South Garo (more than 6 per cent) and East Garo (nearly 6 per cent). In contrast, West Khasi showed the negative change in agricultural share. This indicates that agricultural contribution to district's GDP of primary sector is quite encouraging for Ri-bhoi district as well as West Garo and East Garo districts. But the reverse is true for West Khasi district indicating that it is not agriculture but other sector like, forestry & logging and fishing is more important activities within primary sector.

This result can be re-confirmed from the analysis shown in Table-I, which shows the similar trend in change in share of agriculture to district's total GDP. Table-I also show that Ri-bhoi is leading in terms of positive change in contribution of agriculture to district's total GDP, followed by East Garo (more than 5 per cent) and South Garo (nearly 4 per cent). But, West Khasi district is showing negative change (- 1.39 per cent) indicating the agriculture's contribution to district's GDP is declining.

Table - I

**CONTRIBUTION OF AGRICULTURE TO GDP OF PRIMARY SECTOR
VIS-À-VIS DISTRICTS' TOTAL GDP**

Districts	Contribution to GDP					
	Share to Primary Sector (%)			Share to District's Total (GDP %)		
	1994-95	1999-2000	Change (%)	1994-95	1999-2000	Change (%)
Jaintia	30.91	32.26	1.35	15.84	16.62	0.78
East Khasi	88.53	92.63	4.10	15.14	14.63	-0.51
West Khasi	75.33	75.44	-0.09	26.33	24.93	-1.39
Ri-bhoi	80.77	90.82	10.05	26.73	33.71	6.97
East Garo	86.30	92.22	5.92	31.61	37.11	5.50
West Garo	91.71	94.79	3.08	34.42	37.01	2.59
South Garo	42.34	48.7	6.36	26.20	30.35	4.14
Meghalaya	67.45	71.21	3.76	22.10	23.70	1.59

Source: Directorate of Economics and Statistics, Govt. of Meghalaya, 2003.

Agricultural Development, GDP and Per Capita Income

Up till the analysis was focused on examining the contribution of agriculture to the total GDP of primary sector as well as to district's total GDP. Further, the change in per capita income over the same period of time (1994-95 to 1999-2000) was analyzed to examine, how far the agricultural development contributes to enhance the income of the people. It is very interesting to note that West Khasi District showed highest improvement in per capita income (more than 49 per cent) followed by East Garo (32 per cent), South Garo (31 per cent), West Garo (30 per cent) and Ri-bhoi district (26 per cent) (Table - I). This result clearly indicates that Ri-bhoi district, in which the agricultural contribution was to district's GDP failed to increase the per capita income, as compared to other districts. Most importantly, the West Khasi district, in which the change in contribution of agriculture to district's GDP was negative, showed highest per capita increase (49 per cent) during the study period. This revealed one of the core issues, the labour force employed in agriculture are either not gainfully employed (may be due to low productivity) or working at sub-optimal level due to technological and geographical backwardness.

But this improvement in income needs further scrutiny because the increase in per capita income has direct bearing with the population growth i.e., we must know, under which population base this improvement (income) has been achieved. To know that district-wise change in population is reported in Table- II). This indicates that Ri-bhoi district having highest population growth (23 per cent) followed by West Khasi (16 per cent) and Jaintia district (15 per cent). It revealed that agriculture in Ri-bhoi district is not only contributing positively to the district's GDP, but also improving the per capita income moderately (26 per cent) carrying a greater population mass with high growth rate (23 per cent).

Meghalaya, being agriculture-based state, engaging more than 80 per cent of its population (irrespective of districts) must be developed through agricultural development. While agriculture is the priority, Ri-bhoi should be taken as the model district for Meghalaya's development and may be replicated to other districts. This view can be refreshed by the statement made by Mukul Sangma, Deputy Chief Minister, Meghalaya; the farmers in all districts other than Ri-bhoi do not get adequate employment opportunity throughout the year except in Monsoon season (speech delivered at valedictory function at "National Workshop cum Conference on Socio-Economic Development of India with special reference to NE Region" on 4th May, 2005). The encouraging agricultural development in Ri-bhoi district can be attributed to several factors, such as, road & market linkages, different schemes including watershed development and most

importantly, may be the presence of ICAR Research Complex this district. Out of these factors, present study was focused only to analyze the role of watershed for this agricultural development.

Table - II

**DISTRICT-WISE CHANGE IN PER CAPITA INCOME
VIS-À-VIS CHANGE POPULATION**

Districts	Contribution to GDP					
	Per Capita Income			Population (000)		
	1994-95	1999-2000	Change (%)	1994-95	1999-2000	Change (%)
Jaintia	10515	13092	24.51	245	283	15.51
East Khasi	10352	13013	25.71	579	642	10.88
West Khasi	4748	7097	49.47	244	283	15.98
Ri-bhoi	6708	8465	26.19	148	182	22.97
East Garo	5567	7354	32.10	208	238	14.42
West Garo	6027	7815	29.67	440	498	13.18
South Garo	10483	13696	30.65	85	96	12.94
Meghalaya	8038	10156	26.35	1949	2222	14.01

Source: Directorate of Economics and Statistics, Govt. of Meghalaya, 2003.

Area Covered Under Different Watershed Projects

Area coverage under different watershed projects as shown in Table -III depicted that overall nearly 30 per cent of the Meghalaya's net sown area (NSA) has been brought under these schemes. Ri-bhoi district was leading in this front (nearly 70 per cent of its NSA) followed by West Khasi (38 per cent), East Khasi (32 per cent) and South Garo district (29 per cent). Most of these watershed projects considered for present study, started during 1994-95 and completed by 2000.

Table - III

DISTRICT - WISE AREA (HA) UNDER WATERSHED PROJECT

Districts	Upto 2000	Net Sown Area (1999-2000) #	Percentage to NSA
Jaintia	6855	33047	20.74
East Khasi	9788	30738	31.84
West Khasi	8400	22108	38.00
Ri-bhoi	14888	21325	69.81
East Garo	7092	28900	24.54
West Garo	13069	63964	20.43
South Garo	5394	18303	29.47
Meghalaya	65486	218385	29.99

Source: K.K. Datta (2004), # : District profile, Meghalaya

Area Under Watershed Projects and Crop Productivity

To investigate the relationship between increase/decrease in productivity of various crops and watershed area, simple correlation co-efficient were worked out. Percentage of watershed area of districts' NSA and change in productivity of crops during 1994-95 to 2003-04 were taken as the variable for correlation of co-efficient. Once the watershed project is completed, the benefit of this project is expected to come over a period of time. Thus, watershed projects which were completed before 2001 (up to 2000) considered for the present study and productivity change was considered during 1994-95 to 2003-04. correlation co-efficient (r) gives a rough measurement of impact of watershed on enhancing crop productivity, because change in productivity may occur due to several factors, like adoption of High Yielding Variety (HYV) seeds, level of input use etc. which were not considered for the presently, is a limitation for the present study.

Productivity of Foodgrains

Results in Table – IV reflects, productivity of rice and maize increased in different magnitude irrespective of districts except East Garo, where maize productivity declined by 2.62 per cent during the study period. Productivity change of rice was observed to be positively and significantly correlated with area (per cent to NSA) under watershed projects. But watershed area was not a significant factor for changing maize productivity. Interestingly, foodgrains (rice, maize, pulses and wheat) productivity as a whole was found to be significantly and positively correlated with area under watershed projects. Perhaps this may be considered most important contribution of watershed projects.

Table – IV

DISTRICT-WISE CHANGE IN PRODUCTIVITY OF FOOD CROPS DURING 1994-95 TO 2003-04

Districts	Rice (%)	Maize (%)	Foodgrains (%)
Jaintia	38.21	11.42	33.96
East Khasi	49.19	4.36	33.18
West Khasi	74.05	50.19	63.30
Ri-bhoi	169.02	31.16	130.24
East Garo	55.03	-2.62	49.50
West Garo	76.73	43.75	64.53
South Garo	18.83	0.60	18.18
Meghalaya	69.35	26.05	58.26
	0.857*	0.279*	0.825*

*Represents Correlation coefficients between % of watershed area of district's NSA and change in productivity

Source: Compiled from secondary information provided by Directorate of Agriculture, Meghalaya

Productivity of Fruit crops

Area under watershed schemes (as per cent to NSA) was not found to be contributing significantly to increase/decrease the productivity of fruit crops in Meghalaya (Table –V). The reason might be, mostly the fruit crops are grown in upland areas, in small scale as homestead farming where watershed projects have less impact. Moreover these are perennial in nature, which require separate detail study to examine the factors affecting its productivity change

Table – V

**DISTRICT – WISE CHANGE IN PRODUCTIVITY OF FRUIT CROPS
DURING 1994-95 TO 2003-04**

Districts	Pineapple (%)	Citrus (%)	Banana (%)	Papaya (%)
Jaintia	-8.54	-8.34	-5.61	-50.00
East Khasi	-27.31	0.15	-9.42	-20.04
West Khasi	6.17	56.06	-21.32	111.21
Ri-bhoi	33.30	-29.23	-5.34	-14.98
East Garo	-0.64	-14.08	3.55	-9.06
West Garo	2.45	82.79	-3.88	-13.82
South Garo	-21.11	13.90	-8.22	-27.71
Meghalaya	7.77	0.95	-6.29	-17.18
	0.676*	-0.397*	-0.194*	0.192*

*Represents Correlation coefficients between % of watershed area of district's NSA and change in productivity

Source: Compiled from secondary information provided by Directorate of Agriculture, Meghalaya

Tuber Crops

Similar to fruit crops, also the productivity change in tuber crops was found to be independent to progress in watershed areas (Table-VI). The co-relation co-efficient between change in productivity of tuber crops with watershed area (per cent to NSA) were observed to be negative or positive but not significant.

Table – VI

**DISTRICT – WISE CHANGE IN PRODUCTIVITY OF TUBER CROPS
DURING 1994-95 TO 2003-04**

Districts	Potato (%)	Sweet Potato (%)	Tapioca (%)
Jaintia	11.08	-0.31	-4.88
East khasi	22.47	12.21	2.20
West Khasi	20.42	14.98	12.80
Ri-bhoi	-40.80	-7.69	-2.50
East Garo	1.64	0.13	-7.89
West Garo	-1.56	0.27	-11.50
South Garo	2.40	-1.09	-2.93
Meghalaya	22.70	3.77	-6.70
	-0.702*	-0.281*	0.328*

*Represents correlation coefficients between % of watershed area of district's NSA and change in productivity

Source: Compiled from secondary information provided by Directorate of Agriculture, Meghalaya

Productivity of Spices

The productivity changes of spices were found to be negatively correlated with the area under watershed projects (per cent to NSA) but the correlation was significant only for turmeric (Table – VII). The spices, ginger, turmeric and chillies considered for the study, are widely cultivated in upland areas following traditional/primitive practices, have least influence of watershed schemes, and might be the possible reason for this relationship. But, this calls attention to re-orientation of the present watershed projects to give more focus on these high value crops.

Table – VII

DISTRICT – WISE CHANGE IN PRODUCTIVITY OF SPICES CROPS DURING 1994-95 TO 2003-04

Districts	Ginger (%)	Turmeric (%)	Chillies (%)
Jaintia	177.07	356.21	16.34
East Khasi	21.64	254.06	13.53
West Khasi	99.71	300.00	18.55
Ri-bhoi	-9.76	63.40	0.85
East Garo	-33.22	308.11	-0.17
West Garo	21.19	257.56	-0.16
South Garo	5.51	273.13	11.62
Meghalaya	-9.80	323.93	4.87
	-0.264*	-0.886*	-0.175*

*Represents correlation coefficients between % of watershed area of district's NSA and change in productivity

Source: Compiled from secondary information provided by Directorate of Agriculture, Meghalaya

Decomposition of Farm Income Inequality: A Case of Umroi Watershed Area

Present decomposition analysis was carried out to examine the impact of different income sources on total income inequality (Gini index). Gini index from total household income was estimated to be 0.204 at Umroi watershed area. Share of agricultural income was calculated to be highest (36 per cent), followed by income from on & off farm employment (30 per cent), business (17 per cent), others (17 per cent) and livestock (6 per cent) (Table - VIII). Results on percent contribution to total inequality shows, agricultural income alone is contributing nearly half of the total income inequality (55 per cent) and also the marginal effect is positive. The positive marginal effect implied that as the agricultural income increases the income inequality will also increase which is not socially desirable as far as social benefit is concerned. Similar is the case for income from business also. But the marginal effect was observed to be negative for other income sources, namely, income from livestock, on & off farm employment and others income. The negative marginal effect suggested that additional income from a particular source (say, livestock) will reduce the total income inequality, which is socially desirable. This re-emphasizes the importance of livestock component in farming system for its double impact, improvement in profitability (desirable from private point of view) as well as reduction of household income inequality (desirable from social point of view), thus, strongly suggest incorporation of this component to make watershed area development in equitable manner.

Table – VIII

DECOMPOSITION OF HOUSEHLD'S EXISTING INCOME (EX-ANTE LEVEL)
INEQUALITY AT LOWER ALTITUDE

Sources of Income	Correlation with Rank of Total Income	Gini of Sources	Income Sources	Sources of Income Inequality	Percent Contribution to Total Inequality	Marginal Effect
Agriculture	0.841	0.375	0.356	0.113	0.554	+0.197
Livestock	0.921	0.183	0.064	0.011	0.054	-0.010
On & Off Farm Employment	0.712	0.163	0.296	0.034	0.167	-0.013
Business	0.933	0.245	0.167	0.038	0.187	+0.020
Others	0.634	0.102	0.116	0.008	0.039	-0.077

Source: Annual Report, 2003-04, ICAR Research Complex for NEH Region, Umroi, Meghalaya

CONCLUSION

Agricultural development of Ri-bhoi district observed to be quite encouraging and this can be taken as a model, to be replicated in other districts of Meghalaya. Ri-bhoi district has shown positive improvement in agriculture front through contributing to its Gross Domestic Product substantially along with supporting a high population base. But the present investigation revealed mixed results as far as impact of change in watershed areas on change in productivity of different crops are concerned. For foodgrains it showed change positive impact but for spices the impact was negative. The productivity under fruit crops were observed not be significantly correlated with the progress of watershed schemes. However, to examine the impact of watershed on change in crop productivity should be analysed into more detail considering other factors such as, use of High Yielding Variety (HYV) seeds, level of inorganic input use, agronomic practices followed, road & market linkages and of course several socio-economic factors.

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BIORESOURCE AND BIOPROSPECTING IN NORTH-EAST INDIA : UNLOCKING THE TREASURE FOR SOCIO-ECONOMIC DEVELOPMENT OF THE REGION

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ABSTRACT

The richness of bioresource in terms of biodiversity in northeast India offers treasures waiting to be discovered. The potential of medicinal plants wealth as a source of new drugs can contribute to the socio economic upliftment of the region. What is needed is the awareness building and an information system to bring to the knowledge of indigenous tribes the prospective benefits through areas like intellectual property rights. The global resurgence of interest in herbal medicines because of being devoid of side effects and significant lower cost compared to the modern counterparts offer scope in bio-prospecting the natural treasure trove of medicinal plants in the north east. The medicinal plant based industry is growing at the rate of 7-15% annually. The value of medicinal plants related trade in India is on the tune of about Rs. 5,000 crores per annum. It is accepted that India's traditional medicine systems have the potential to capture the world drug and pharmaceutical markets, provided one strives to bring in substantial improvement and value addition to the existing traditional knowledge base through scientific, technological and policy support. The bioresource of north east and its bioprospecting keeping in mind the growing global concern and tilt to herbal medicine can be a springboard for socio economic development of the region will accrue from royalty of sales, sales of plants and employment in case of indigenous manufacture.

INTRODUCTION

Economics of many countries have been propelled in the past by discoveries of the precious bounties of nature. The prime example of such a natural bounty is, of course, oil. Many a time, we may be unaware of the full potential of our natural endowment and there may be treasures waiting to be discovered. The "green gold" hidden among the plant wealth of our country is such an example. The treasure has an added importance to North Eastern Region of India as it constitutes one of the 25 hot spot regions of the world and one of the two hotspot zones of India. The invaluable role of plant wealth as a source of energy, food and shelter is well known. But what is less known is its potential for generating far bigger treasures through discovery of wonderful new drugs. It is estimated that the annual trade in pharmaceuticals is of the order of US \$ 400 billion. Sales of plant based drugs in US alone amounted to \$ 15.5 billion in 1990. UNDP estimated that medicinal plants and microbials from the developing countries contribute at least \$3 billion a year to the pharmaceutical industry

NORTH-EAST INDIA SCENARIO

The Northeast being rich in biodiversity and ethnic communities relying on the traditional use of plants for their health care is a treasure store of indigenous knowledge. It is both the knowledge and the variety of medicinal plants that offer huge potential towards drug development. There are nearly 250 plants of this region including herbs, shrubs and trees reported to have been used as drugs or medicaments. These plants have been used as medicines for the treatment of asthma, arthritis, diabetes, diarrhoea, cancer, dysentery, hypertension, malaria, leucoderma, rheumatism, skin disease, jaundice, spondylolysis, tuberculosis etc. The scenario on herbal medicine is looking up, pegged at US \$ 62 million; the trade activity is going up by more than 10% growth.

The richness of biodiversity, folklore and traditional knowledge offers scope in North- East India to harness the ideas and innovations available in human resources complemented by natural resources for socio-economic development of the region. Like the prospecting of gold and oil in the earlier periods of

history, perhaps time is now ripe for bio-prospecting in this biodiversity rich zone. Surviving life forms, especially plants endowed with innate quality as source of medicine can contribute greatly to development of unique drugs, which, otherwise, may not be possible to conceptualize. North- East India is fortunate to be home to an incredible number of plant and animal species, some of which are waiting to be properly assessed. There is a need for building upon the Indigenous Knowledge System (IKS) available in the form of traditional knowledge, through the application of modern scientific techniques. The task includes development of standardized herbal formulations and establishment of scientific evidence base for traditional medicines, through understanding the mechanism of their action and toxicology studies. However, there are dangers also of the valuable traditional knowledge being misused and exploited by unscrupulous persons. Protection of these fragile knowledge systems through documentation and implementation of Intellectual Property Right policies is equally important

People in all parts of the world are struggling against national and international forces that impose and maintain harmful policies and practices. At the national and regional level, information and education campaigns on 'economic alternatives' or 'development literacy' can help grass root people learn why they or their fellow citizens are impoverished. Through information campaigns, conference policies and projects can be made popular and alternatives considered that are in the interests of the indigenous community. It must be ensured that the indigenous knowledge and resources are not eroded or lost without due economic rewards. The bioresource potential of NE India and the knowledge based medicine can be made a platform for economic upliftment. The aspects of patenting can be explored on the strength of data of the traditional medicine on a few patients or experimental animal models. What is needed is the information and awareness building mechanism to focus, that in case the medicaments have been developed and practiced by the local tribes, the benefit of royalty will go to them and the benefits of the sale of flora to the population growing them. In addition, new molecules or their derivatives may be discovered which if becomes a drugs can bring economic security to the region through suitable royalty agreements with the patentees and or drug houses.

Global market for medicinal herbs and herbal products is estimated to touch US \$ 5 trillion by 2050. According to a study conducted by Centre for Research Planning and Action (CERPA), the estimated demand for 1999- 2000 for medicinal plants was 198054.91 tonnes at the value of Rs. 1099.18 crores. The demand projected for most commonly used 162 species in 2004- OS was estimated to be 272617.8 tonnes at the value of Rs. 14328.1lakhs. According to an estimate of the Task Force constituted by Planning Commission on Conservation and Sustainable use of Medicinal plants an amount of Rs. 1000 crores will be needed over a period of five years for comprehensive development of Medicinal Plants sector. The sector has potential to generate additional employment to 100 million people in the process of cultivation, regeneration, collection, drying, grading and processing of medicinal plants. Though the medicinal plants sector is growing in India, care has to be taken to have a sustained growth and get due position in the international market and a due appreciation of rich biodiversity in India in general and NE region in particular.

To unleash the wealth in terms of bio resource available in North-East India and its utilization for the socio economic development of the region, one needs to look into the aspects of biodiversity prospecting or bio prospecting. Today, it connotes more of a targeted search of bio-resource for a specific use. In contrast to timber harvesting, mining and other conventional uses of natural resources, research focused on bio prospecting generates better value for the bio resource. It aims at exploring, plants, animals and various microorganisms for their distinctiveness, which may be of commercial value. These distinct characteristics could be a particular chemical entity, a particular gene or a particular property of the bio resource. Recent progress in biotechnology and tools in other related sciences have generated interest in the search for compounds from biological origin, which could be promising new drugs.

Medicinal plant resources in North- East India can be a source of revenue from extractable products. Greater attention needs to be paid to bioprospecting that links biodiversity and industry. Government agencies should give high priority and funding to medicinal plant research with focus on selected species. Cultivation of medicinal plants by the farmers must be promoted for economic betterment. The consortium for collection of raw materials, processing, marketing and exports would speed up the process of

commercialization. The NER is characterized by sparse population, undulating terrain, far-flung small villages difficult to approach, tiny and scattered land holding more so on slopes with unstable soils, agro-pastoral economy, scanty irrigation, little use of modern technology and inputs, low productivity etc. These difficulties coupled with almost no industrial development and thereby low employment potential, stimulate local young men to seek employment away from their homes. The problem of youth moving to cities gets aggravated in the areas where an inhospitable climate combines with continuous neglect of their native land and people's well being by their governments. The National Medicinal Plants Board (NMPB) was set up under India's Union Health Family Welfare Minister in November 2003. The main objective of establishing the Board is to have an agency, which would be responsible to co-ordinate all matters relating to medicinal plants. Such Boards can vitalize the scope of medicinal plants as an option for ensuring livelihood in the North-Eastern region endowed with rich natural wealth in terms of bioresource, specifically the medicinal plants, and traditional knowledge

The viability of medicinal plants can be stressed on this region if one looks at the scenario of around 40% of industrialized nations still utilizing traditional systems of health care. Indian medicinal plant related trade is worth Rs. 500 crore and Rs. 900 crore worth of herbal medicines are produced annually. A country like Nepal's export on medicinal plant is to the tune of \$22-71 million, this activity being the 3rd largest export article of this small country.

The traditional knowledge base of Indian ethnic and local communities particularly in NE India is perhaps the richest in the world. North- East's tribal and folklore traditions, particularly the traditional medicine systems are rich and unique. The tribal community has for long been the custodian of her biodiversity, having perfected the art of sustainable exploitation as well. The global resurgence of interest in herbal medicine stems in part from the belief that plant based medicines are devoid of serious side effects. Traditional herbal remedies are also popular because they cost significantly less than heir modern counterparts. The need for affordable medicine for the poorest countries in the world, that face critical disease challenges, is real and indeed urgent. Traditional medicine is often a more widely available and more affordable source of Healthcare. Moreover, cultivation of medicinal plants by local communities can lead to wealth creation. A case in point of such profit sharing model of the traditional knowledge, uses and its propagation for economic benefit is the Aarogyapacha plant and Kani tribes of Kerela. This plant has innate medicinal property. *Jeevani*, a scientifically validated, standardized herbal formulation was formulated with this plant. The special property of the plant was unknown to the modern science until told by the Kanis. The transfer of knowledge of the tribes on a commercial scale struck a deal to percolate the benefits to the Kani tribe too. The nomadic Kani tribals formed a trust and the amount due to the Kani tribal from sales proceeds of *Jeevani* is transferred to the trust and the money is used for welfare activities of the Kanis. The *jeevani* story is not just path breaking news, it is an eye opener- a pointer to what may be achieved if modern science chooses to walk the selfless path for the welfare of all mankind.

CONCLUSION

The incomparable and incalculable wealth of nature and traditional knowledge system associated with the conservation and sustainable use of biological resources in NE India can be utilizes profitably to generate Intellectual Property Rights covered high value products and economic benefits as it will also ensure sustainable use of biogenetic resources. This biogenetic resource can be harnessed to foster socio-economic growth, develop natural indigenous technological capacity, generate export opportunities and attract foreign investments.

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TOWARDS SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH MODERN AGRICULTURAL METHODS

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ABSTRACT

Nature has taught us some of its profound lessons and this is true as we look into every aspect of life. With agriculture as the main occupation of the people in North Eastern Region, the need for improving soil health, use of mineral fertilizers, improved varieties of plants, irrigation etc becomes all the more important. Fertilizers, in many cases, the chemical fertilizers are known to affect the soil and hence the production. The approach to the economic development through modern agricultural methods is based on the need to the use of bio-fertilizers, which are not only economic but environment-friendly. It is therefore necessary to work hard to evolve methods, which are not only sustainable, affordable, ecofriendly but also increase productivity.

INTRODUCTION

The socio-economic development of any region depends mainly on their land resources and also on the proper utilization of technology to harness them. Agriculture being the main occupation of the people of North Eastern Region, therefore, the economic growth and development of the region will be based on enhancing and maintaining of land and its resources. Since the people of the North Eastern Region depends mostly on agriculture, soil is considered to be one of the important natural resources which is also the center of all activities controlling agricultural products. The presence of natural resources alone does not necessarily mean that the region is economically developed. Economic exploitation of resources becomes utilizable only with the development. of proper technology which is closely related with scientific knowledge and technical skill of the people. In the past, the North Eastern states were lagging behind not because they lack in resources but due to lack of proper technology to harness them but in the present times, there is much improvement with the application of the modern methods of agriculture, which comes under discussion of this paper.

Agriculture And Population In India

In India agriculture has maintained a traditional method of farming for the last four to five decades, which is ecofriendly that preserves not only soil health and its fertility but also protect the crop. But due to uncontrolled population growth, which is expected to increase to 150 millions by 2025 A.D, India will need to produce about 325 million tonnes of food grain. Due to the increased rate of population land scarcity is on the rise resulting in less cultivable land. With the ever increasing rate of population the increasing demands for food and food products also rises up. To cope with this problem, more emphasis is given to agricultural products.

Impact Of Chemicals On Agricultural Production And The Alternative Solution

The use of chemicals for plant growth and protection was undertaken to ensure the risk of losing not only the crop but increase production. Different kinds of chemicals have been adopted to increase agricultural production. But it has been analysed that the use of chemical fertilizers and pesticides have caused a serious problem since it has an adverse effect on the soil health and on the environment. Chemicals have also been considered to be one of the main cause of environmental pollution which also causes health hazard.

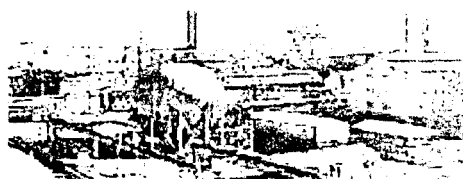
It has been proved that chemicals have had a great impact on the production and most of these are non-biodegradable and have a detrimental effect on the environment. This in turn affects human beings and animal lives as well so there is always a constant fear in the mind of the people that their food products are being contaminated. It has been analyzed that the average dietary intake of pesticide resources in India is 362.5 mg per day per person for vegetarian and 356.3 mg per day per person for non-vegetarian. The average intake of pesticides for an Indian is around 48 times higher than an average American. To overcome this detrimental effect of chemicals like chemical fertilizers and pesticides on the environment, soil health and human beings, there is a need to find an alternative form of suitable agricultural technological method which is not only affordable but also sustainable, ecofriendly, biodegradable chemicals but which will also enhance productivity and plant protection. This will not only boost the country's economy but will also lead to self sufficiency in years to come. Though the use of chemical fertilizers and pesticides have led to increase in crop production but this has proved to be a costly affair in the long run.

Agriculture at the present stage has been equipped with modern technology which has helped in solving the problems of the usage of agricultural chemicals and in turn reduces the use of chemical fertilizers and pesticides by the use of nutrients which are rich in organic sources such as bio-fertilizers and pesticides, vermin compost and green manures etc. This has helped in protecting and conserving the natural resources of farming without polluting and degrading the environment, but their use has been limited only to a fraction of their huge potentials. The use of bio-fertilizers as a component of integrated nutrient management is one of the strategies, which suits both the environment and economics.

Overview Of The Significance Of Bio-Fertilizers In Agriculture

Fertilizer is a key input for increasing agricultural production. The consumption of chemical fertilizers during 1998-99 is estimated to be 16.7 million tonnes compared to 16.18 million tonnes in 1997-98. The Government of India is implementing a Centrally-sponsored scheme on balanced and integrated use of fertilisers to popularise the use of organic sources of nutrients through the use of compost, green manures and bio-fertilizers, etc. Under this scheme during the Eighth Plan assistance was given for strengthening of 147 input testing laboratories, viz., fertilizers, seed, soil and bio-fertilizers. Funds amounting to Rs. 17.28 crore were released during the Eighth Plan to various State governments for implementation during the Ninth Plan with budget allocation of 46.11 crore. The scheme envisages setting up of compost plants for converting city waste / garbage into manure. The Government has so far financed 54 bio-fertiliser production units with the central financial assistance and thus created 7,075 tonnes annual bio-fertilizers production capacity in the country. During the Ninth Plan, the scheme being implemented with a total out lay of Rs. 19.30 crore.

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**HINDUSTAN FERTILISER
CORPORATION LTD.**

One of the bio-fertilizer used and adopted is natural peat moss, which is considered one of the best quality organic fertilizer. It helps to provide all nutrients required by the plants and also increase the quality of the soil with natural microorganism environment.

Bio-Fertilizers As Supplementary To Chemical Fertilizers In North East Region

Bio-fertilizers were introduced in the North Eastern region and witnessed a wide adaptability among the farmers for the last ten years but their use is only a fraction of the huge potentials. Though bio-fertilizer cannot replace the chemical fertilizer at present yet it can be a supplementary nutrient source to chemical fertilizer. Bio-fertilizers that occurs in nature are *Azolla*, *Blue-Green Algae* and Nitrogen fixing bacteria. Among them *Azolla* is ecofriendly and most suitable as a Nitrogen-fixing water fern in paddy fields. *Azolla* could be raised most economically at a very low cost under the agro-climatic conditions of North East Region. *Azolla* is found in abundance in North East region, *Azolla pinnata* is a local isolate found almost in all the districts of Assam and other states of North East. Apart from the above, many companies are now coming up in production of commercial form of biofertiliser and are available under different trade name in the market namely *BioPlus*, *Bio Gold*, *Biozyme*, *Vermin-comp*, *Neem Shield*, *Ekta* etc.

The use of modern methods of biotechnology enables us to meet the requirement of food production for the present generation, without degrading the environment. The application of these modern methods of agriculture in organic farming comprising of crop rotation, animal manure, vermin compost, green manures, bio-fertilisers and pesticides, off-farm organic waste etc will bring benefits to the state not only in terms of immense economic, environment, health but even social and cultural.

One of the essential plant nutrients on which successful agriculture depends to a great extent is nitrogen. Soil with lots of organic matter remain loose and airy, hold more moisture and nutrients, faster growth of soil organism and promote healthier plant root development. But when inorganic chemicals are added the soil gradually loses its organic matter and microbiotic activity. As organic matter is used up, the soil structure deteriorates becoming compact, hard, lifeless and less able to hold water and nutrients. This results in increased amount of chemical fertilisers needed to feed plants. The use of bio-organic fertiliser greatly increases soil humus content and improve its ability to sustain and nurture healthy and more plants.

Anderson Biotech Pvt. Ltd., Shillong has recently set up a Plant or factory producing Bio Plus. It is a unique Soil Enricher, which is made from biodegradable organic substances, mainly of plant origin through microbial conversion or composting process. The factory has been set up as a joint Venture Project with the Government of Meghalaya in technical consultation with Excel Industries Ltd.



SIDE VIEW OF FACTORY
AT MAWLAI MYRTEN

The state of Meghalaya is now not far behind the other states for total bio-fertiliser consumption. A sizeable number of bio-fertiliser production unit have been set up in the region. These units are engaged in producing various microbial bio-fertiliser cultures.

The agricultural soil of the state is acidic in nature which thus needs to be treated in order to enhance productivity. Bio Plus is a key component in conditioning the soil, enriches the soil fertility and also enhances the productivity. Moreover, there are large scale areas which are barren and not available for cultivation and yet can be brought back into productive use through the soil management.

BioPlus improves the structural properties like porosity and hence loosens the soil which allows better root entry and root elongation which means better nutrition, better yield and quality. Due to the constant use of chemical fertilisers, the organic matter is often washed or depleted, Bio Plus has the property to absorb storage of the nutrients to make them available to plants. It may be noted here as mentioned earlier that bio-fertiliser cannot replace chemical fertiliser at present yet it can be a

supplementary nutrient source to chemical fertiliser due to this property to absorb storage of nutrients. The table below indicates the amount of biological and chemical contents present in BioPlus.

BIOLOGICAL AND CHEMICAL CONTENTS

1. Biological contents

Total Bacteria Count	10^{10}
Actinomycetes/g	10^4
Fungi/g	10^6
Azotobactor/g	10^6
Root Nodule Bacteria/g	10^4
Phosphates Solubilizers	10^6
Nitrobactor/g	10^2

2. Chemical contents

pH	7.0-8.2
Organic Carbon (%)	1.6-2
Nitrogen (%)	1.5-1.8
Phosphorus (%)	1.25
Total Phosphorus	2.5
Potassium (%)	1.05
Calcium (%)	1-2
Magnesium	0.70
Sulphate (%)	0.60
Iron (%)	0.60
Zinc (ppm)	705
Copper (ppm)	375



**GINGER DEMONSTRATION
WITH BIOPLUS**

Soil microorganism plays an important role not only in improving soil health and fertility but also due to their capacity of fixing atmospheric nitrogen and solubilize insoluble phosphate. It is important to note here that the other property of bio-fertilisers like BioPlus is that it aids nitrification or nitrogen fixing. Bio Plus contains free living nitrogen fixers such as Azotobacter, Azospirillum and hence makes nitrogen and phosphorus available to the plants.

CONCLUSION

The authors wish to list out some suggestions and comments to conclude the paper, these are:

- ❖ Awareness programmes are to be adopted in order to reach out to farmers for proper understanding of the utility and advantages of using bio-fertilisers and better methods over the present methods used
- ❖ By the application of bio-fertilisers farmers may achieve more productivity and simultaneously the use of chemical fertilizers will also be somewhat reduced.
- ❖ It is important to put all the available land to proper utility without compromising with the environmental implication.
- ❖ The use of biotechnology like bio-fertilisers and pesticides is indeed one of the strategies to suit both the environment, favours sustainable agricultural development and improve economy.

ENTREPRENEURIAL EDUCATION – CHALLENGES OF DEVELOPMENT IN THE NORTH EASTERN REGION

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ABSTRACT

The North Eastern Region is endowed with a rich natural resources base, high market potential, and exports opportunities and others. Yet it has virtually remained industrially backward and under-developed. In the changing era of liberalization and globalization there is an urgent need to extract the rich resource potentials of the region through efficient manpower and highly motivated entrepreneurs. In the context, the paper will attempt to highlight the significance of entrepreneurial education amongst the youth of the North Eastern Region to usher in the process of rapid industrialization and economic development.

INTRODUCTION

Education is a powerful instrument for shaping and developing skills, values, attitudes as well as creating the necessary motivation in people to increase their productive efficiency and to move in professions and vocations with confidence. According to John Dewey, "Education is the development of all those capacities in the individual which will enable him to control his environment and fulfill his possibilities." Obviously, education and development are interdependent and the impact of education on the development process is inevitable. The fact is that the mere availability of resources would not lead to economic development but upon their effective utilization. The effective utilization of the rich resource potential of any country depends upon its human resources and their capabilities. Herein lies the challenges of education in the development of our country in general and the North Eastern Region in particular which are burdened with high population pressure, rampant unemployment etc.

EMPLOYMENT SCENARIO

The provision of adequate employment opportunities had always occupied a central place in the planning process in India. But even after more than five decades of planning this objective still seems to be a distant reality. Facts and figures indicate that unemployment continue to remain an unwelcome and pervasive problem in the Indian economy. The Report of the 55 Round of the National Sample Survey Organization (NSSO) 1999-2000, have revealed that the absolute numbers of the unemployed in India have increased from 20 million in 1993-94 to 27 million in 1999-2000. A serious dimension of the unemployment problem is that the rates of educated unemployment have alarmingly increased over the years. As per figures available from the 958 Employment Exchanges in the country is that, as on February 2004; the number of job seekers registered was of the order of 4.11 crores out which about 70 percent of them are educated. These figures clearly reflect that employment opportunities are rapidly declining in the public as well as in the private sectors.

The pervasive problem of unemployment is also a major issue of concern in the North Eastern Region. These states in the region are the most densely administered states in the country. Uncontrolled and unproductive employment in the government sector has adversely affected the development process in the region. In the present day changing economic scenario of liberalization, privatization, downsizing of the public sectors etc: the number of employment seekers is increasing while the Government sector can no longer meets the aspirations of the masses. The problem has become more acute especially amongst the educated youths resulting in disillusionment, frustration, growing social tension and insurgency which have

added up to the complexities of socio and economic development in the Region. These are the challenge that exists in the NER and have to be addressed with proper perspective.

SIGNIFICANCE OF ENTREPRENEURSHIP EDUCATION OR WHY ENTREPRENEURSHIP EDUCATION

The present day scenario have witnessed an explosion of knowledge and the application of new technologies the world over. Communication and information technology have revolutionized the attitudes, thoughts and living styles of the younger generation motivating them to find new opportunities to plan and re-plan their careers in order to raise their standard of living. The world has become a 'global village' and no country or region can ignore these developments. It is human intelligence, creativity, talent and knowledge i.e. 'human capital' which have assumed greater importance and is the driving force of an economy. It becomes imperative therefore that individual citizens need to improve their capacity to cope in an increasingly competitive, uncertain and complex environment, which involves higher rates of innovation and changes. All these signify the importance of the educational system in the process of socio and economic development.

There has been a growing debate in the country about the efficacy of our educational system in its mode of preparing the students for adulthood and enterprise in particular. No doubt the concept of enterprise denote a wide combination of educational initiatives, which include industry awareness, business management, new venture creation and the development of personal and social skills. At the same time there is growing awareness of entrepreneurship as a distinct educational challenge and this has to be addressed. The myth that, "entrepreneurship are born not made," is no longer valid in the present day context. Peter Ducker (1985) had observed that, "entrepreneurial mystique is not magic nor mysterious. It has nothing to do with genes. It is a discipline and like any other discipline it can be taught. Clearly, entrepreneurship or certain facets of it can be taught within the educational system itself. These challenges in developing entrepreneurship behavior may be possible within the context of standard curriculum subject like language and literature, social science, mathematics, history and others. It can also be addressed more specifically within business education context where the learning process will be substantially related to processes of starting new ventures and its associated tasks. The learning process should create the required circumstance to reinforce enterprising behavior i.e. creating an awareness and an interest in an entrepreneurship career amongst the taught. Further the interest must be sustained to make them desire to seek opportunities to become "job creators" and not job seekers." Therefore entrepreneurship education is an educational challenge that would create entrepreneurial qualities and competencies in the students for undertaking self-employment or an entrepreneurial career.

OPPORTUNITIES

Immense opportunities exist for entrepreneurial activities in the North Eastern Region in traditional and non-traditional areas. Moreover, greater emphasis has been laid on the vital role of small scale industries in the process of industrialization and economic development. These industries provide the opportunities as entry points for budding entrepreneurs who can start small and then expand. Alternatively, these industries being labour intensive can provide the much needed employment avenues and bring about a balanced regional development in the North East. Further the strength of the North Eastern Region lies in her rich bio-diversity: the diverse land and agricultural resources, mineral resources, water resources, tourism potential and her proximity to the ASEAN markets. The North East is abundant in its development potential but it is ironic to state that it has remained underdeveloped in almost every aspect in comparison with the rest of the country. Clearly the abundance of resources cannot be enough for development but upon their effective utilization, which can be achieved only through the presence of highly motivated entrepreneurs. The much needed dynamism of entrepreneurship should be incorporate amongst the people of the North Eastern Region motivating them to take up the diverse opportunities and challenges that lie in the path of economic development. This would transform the otherwise isolated and underdeveloped economy into a vibrant and progressive economy.

Obviously, the challenges of development in the region lie in entrepreneurship development. This vital development can be brought about through entrepreneurship education, which can be an important part of our formal education system. Such an education would create enterprising students who would dare not only to dream but to convert their dream into reality. These entrepreneurs would have a vision and the courage to explore the opportunities and possibilities for effective utilization of the existing resources and fulfill the goals of economic development and at the same time creating employment opportunities.

DEVELOPMENT OF ENTREPRENEURSHIP EDUCATION IN THE NORTH EASTERN REGION

The importances of entrepreneurship education for human resource development have been recognized not only in the entire country but in the North Eastern Region as well. Significant developments have taken place in the introduction of entrepreneurship education in this region. In 1999, the UGC advised universities to introduce entrepreneurship education in their vocational streams. The outcome was that Dibrugarh University took the initiative and introduce it in its vocational stream. This was followed by Guwahati University, Manipur University, Tezpur University and Assam University. At present entrepreneurship as a course is being taught in most of the technical institutions namely engineering colleges, polytechnics and industrial training institutes. It also being taught in higher secondary classes of the schools following the CBSE course, Bcom, Mcom, MBA course etc. The North Eastern Hill University (NEHU) has plans to introduce a one year Post Graduate Diploma Course (PGDC) for entrepreneurship from June 2005 for which the university has already taken the necessary action. The objectives of the course are :

- ❖ To create an entrepreneurial culture among the graduates and post graduates.
- ❖ To provide necessary stimulatory and managerial inputs to make them self-employed, and
- ❖ To transform them from job seekers to job creators.

The NEHU will be the first university in the North East to start such a course and the impact of this course will be closely observed. These developments highlight the concern of the educational system to bring about a concerted effort to develop human resource potential in the Region.

CONCLUSION

Knowledge has become the frontrunner in contemporary life the world over and the progress of nations is gauged on its level of competencies, skills development and knowledge acquisition on a continuing basis. In the present context of a highly competitive and complex environment there is the need for a reorientation of our educational system to correspond with changing requirements of the economy. An educated, trained and enterprising human capital will constitute one of the most productive assets, which will transform the otherwise stagnant and underdeveloped economy of the North Eastern Region into a dynamic and vibrant one.

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A WINDOW OF CHANGE – ROLE OF AN N.G.O. (KLKSK) IN PROCESSES OF CHANGE IN RURAL MEGHALAYA

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ABSTRACT

This is more of a descriptive paper which attempts to highlight the role of Ka Lympung ki Seng Kynthei, a premier women's organization in Shillong, in bringing about change in rural Meghalaya.

Ka Lympung ki Seng Kynthei is an a political, voluntary organization, which is a co-ordinated body of 26 affiliated women organizations of different localities of Shillong and its suburbs since 1992. Its objectives are to empower and mobilize women under one banner on common issues. Its activities have extended from the urban to the rural areas in recent years. The thrust of this paper is on these rural programmes, in partnership with and financial assistance from State sponsored agencies and departments. Identifying community needs through group responses and participation is an evolving strategy. Addressing relevant community needs through awareness programmes and training, facilitating Self Help Groups, capacity building and networking are part of the ongoing activities of the KLKSK.

The message that is reaffirmed in this brief narrative is that socioeconomic processes of change do not take place in isolation. State intervention and community participation are vital ingredients in rural development. What is increasingly apparent is that N.G.O's in their networking capacity and in their function as facilitators also play a very significant role in these micro-dialogues of change. They help to open more windows that will link rural communities to larger processes of change and development. And although it is a slow and ongoing process, the achievement and response have been positive and rewarding.

INTRODUCTION

In the broader narratives of Development and Change, we need to consider the smaller dialogues of transformation between traditional village communities and State intervention, as well as other agencies that act as negotiators, and transmitters of change. That is what this paper is all about. We limit ourselves to examining the smaller processes of development, identifying community needs and community participation as they respond and find solutions to those needs. We will also reflect on how new perspectives and ideas can change a limited worldview and broaden boundaries of interactions between the village communities and the larger Community through a premier women's organization (Ka Lympung ki Seng Kynthei) in some of the villages of the Khasi Jaintia Hills.

Ka Lympung ki Seng Kynthei (KLKSK) is a voluntary and non- political organization, a coordinated body of 26 affiliated women organizations of different localities of Shillong and its suburbs. Its main objectives are (a) to mobilize women closer together under one banner on common issues (ranging from consumer protection to health, to education and other social issues.) (b) to work together for the upliftment and empowerment of women, youth, the community and society as a whole. With these broad objectives in view, the KLKSK started its activities in 1992 concentrating mostly on issues relating to urban Shillong at first, and later diversifying and expanding its activities to several rural areas in Khasi-Jaintia Hills – villages such as Mawpdang, Thadan, Rangthong, Nangbah, Pynursla, Mawmaram, Mawlumneng, Larnai, Weilyngkut, some Ri Bhoi areas, and in March 2005 at Amlarem and Rong Sahop. There was a programme at Baghmara, Garo Hills also undertaken in May 2004.

The KLKSK has been able to organize programmes in various villages mainly because of financial and technical assistance of various State agencies prominently the State Institute of Rural Development (SIRD), State Planning Department, the State Council of Science Technology and Environment, State Social

Welfare Advisory Board and the Indian Council of Social Science Research (ICSSR). The KLKSK has been networking with centrally sponsored agencies. It is important to note here that most voluntary organisations have a paucity of funds and unless State and other funding agencies intervene, there would be no significant socio-economic activities undertaken especially in the villages. Development of any sort can only be equated with time, money and effort by committed parties whether of the State or a group of individuals or the community

In the urban areas, the KLKSK held awareness programmes, seminars and workshops on various urban issues such as consumer protection, waste management and drainage, transport and traffic congestion and other environmental problems, as well as programmes on HIV / Aids and health related issues. It addresses women issues, gender sensitization and women empowerment. It also conducts programmes on legal awareness and rights of women. In this connection it has pursued cases of domestic violence, rape and other kinds of abuse against women. It is among the first women organization that have placed a memorandum for the Women's Commission in the State of Meghalaya. Its focus on the youth has mostly been on education and organizing workshops on self-employment, encouraging traditional skills and crafts for commercial purposes.

Again we limit ourselves in this paper to the organization's pilot efforts in the rural areas only. Since KLKSK's activities in the rural areas have only been for the last four years, and the area of its interest geographically and socially is extensive, it had not fully developed a methodology to function systematically in these areas. There was no definite strategy to specifically locate villages for some planned programmes. The villages were selected at random based on association and reference, and often by invitation from the residents themselves. The main point of entry were through the local women, youth or other existing social organizations like the Ri Bhoi Area Welfare Association, as well as individual social workers, and always with the permission of the local Durbar. This happens as the reputation of the organization and its activities increase. When people identify a source or sources whereby they can undertake their own socio-economic transformation, the response and participation is obvious. In the process of development, it is important that people are first of all conscious of their needs. It is equally significant that they can locate certain resources out of their social context be it the State or other agencies whereby they can receive assistance of various kinds. In those areas where the village communities are still locked in their little tradition of continuity with very little motivation for change, the task of the KLKSK is to make initial contact and build up a relationship of trust. At the same time to initiate people-friendly awareness programmes regarding health care and sanitation, environment etc. As we have mentioned, at first the KLKSK had not developed a specific methodology to address the needs of these communities. They depended on the traditional classroom lecture principle. On evaluation, they realized that it did not reach too many people especially those barely literate or not educated at all. Its later programmes involved more of people's participation. The method that was later adopted was people's group discussions based on a similar PRA model. In the rural areas the role of the KLKSK has mostly been that of a facilitator and a networking link between the village communities and Government agencies and other organizations. The organization in collaboration with Government sponsored agencies and departments have acted as facilitators for establishing Self Help Groups (SHG), creating awareness on various issues and providing training opportunities especially for youth. It has been able to generate more of community interest and community participation in their own socio-economic development. Most of the training programmes have been on capacity building, providing basic technological skills in the field of agriculture (and use of organic manure), safe drinking water (homemade filters), household requirements (including smokeless chulas), sanitation (latrines) and low cost production of certain commodities from indigenous resources. The State Council of Science and Technology and Environment is the main resource for these kinds of programmes. There are also programmes on watershed and forest management and tree plantation, with the necessary skills and resources provided by the forest department. The State institute for Rural Development (SIRD) in its Off-Campus programmes has been instrumental in providing Government support and training skills as well as setting up Self Help Groups in some of the communities the KLKSK had established a connection. We observe as elsewhere in India that the extension of many Government development activities has been more successful through networking with N.G.O.'s, in this case the KLKSK. Establishing and building a relationship of trust and co-operation with village

communities and motivating a desire and openness to change (without being suspicious of government interference or losing their autonomy) can be attributed to the role the women organization play in these micro dialogues of change. Often Government programmes have not fulfilled the expectation of rural people. N.G.O.'s are more approachable and provide a human element to development and capacity building. We can say that the N.G.O. acts as an agent to mobilize rural development schemes through these various awareness programmes. For the KLKSK, it has been an experimental joint venture with Government agencies.

DISCUSSION

Most of these rural programmes are community-based programmes. In many cases, participants come on foot from outlying areas. In some of the villages, the team of women from KLKSK had to walk to get to the arranged places. In most cases these are school buildings and villages halls. The responses to these programmes were not only from women but also from the youth, and there would always be representatives from the village durbars, either the headmen or the village elders. This is a key element in the factor of change in most tribal societies, i.e. the role of the local durbars or village councils. They are the key decision makers who influence the direction and pace of change more often than is realized. Sometimes the benefits of change stop at this level. However, if there is more active involvement from the people themselves through their own local women and youth organizations and self help groups, the benefits of change, be it in a monetary form or capacity building percolates to the grassroot level. The dynamics of village politics, the level of education or lack of it, and the extent of poverty people face, are but some of the key considerations in understanding the processes of rural change and development.

The level of women leadership and participation is low. The customary domain of women in decision - making even in this matrilineal society does not extend beyond the family and the kinship group. Usually men decide the developmental schemes and programmes to be adopted by the community while the women are directed to comply. But if women are vocal enough and have their own organized group, they can influence decisions to be taken for the welfare of the 'Shnong' (village community). We need to mention here that for the last few years there have been regular programmes on women empowerment. The men, knowing they have to depend on the co-operation of the women and youth are beginning to consider their suggestions and advice more seriously. One of the role of the KLKSK is to motivate the local women to organize themselves into women's groups and associate themselves and network with the larger women body i.e. Ka Lympung ki Seng Kynthei in Shillong, the capital of Meghalaya where the organization functions from. Many have been encouraged to do so and have participated in some of the functions and exhibitions held at Shillong. This has fostered a feeling of unity among the women bringing them out of their traditional boundaries of interactions and smaller village concerns into the larger arena, which addresses more universal concerns.

In the programmes organized in the different villages, the local participants, (often more than 50) break into discussion groups and identify their own problems in their own areas and try to suggest ways whereby they can effect a change in their environment and social situation. They are the participant-observers, 'thinking out of their box' and enjoying the experience of feeling somewhat in control of situations they had long accepted and taken for granted. In giving them a tool to direct their action they empower themselves to think and act in a different and more collective way. They develop a more positive attitude towards change.

The more common problems highlighted in the various group discussions in all the rural communities relate to poverty and general neglect. The apathy is evident in the lack of proper roads, lack of health care centers and sanitation, and basic facilities like safe drinking water electricity, primary schools, even proper housing and clothing. Broadly lack of all basic facilities that make life more meaningful. Most people in the rural areas depend on cultivation, basically at the subsistence level. Even for those who depend on

cultivation of commercial crops like betel-nut and betel-leaf or brooms, or eke out a living from traditional crafts (pottery, iron smithy), barely has surplus. Landlessness and debt are also part of the rural picture. Many government schemes are merely paper schemes or only partly implemented. The villages that have the patronage of the local politician seem to fare a little better. On the whole, the rural areas of the Khasi-Jaintia hills where some of the field work has been done expose the appalling slow pace of development of any sort. In terms of facilities and financial dependence, we can safely say that rural poverty is a general feature of the State.

Although compared to the urban areas, a sizeable number of rural people do own the dwellings where they live. But the state of some of these houses can only be called dilapidated and barely sufficient shelter, and inadequate for the fairly large households accommodated there. Malnutrition marks the bodies of the little children and of the pregnant and lactating mothers. The participants report of high mortality rate of both mothers and infants. Pre- and post-natal care of mothers is almost unheard of in many villages. Regarding food, in some villages, families depend on wild vegetables, yams and other forest products and that too not always consistently. Although exact statistics of families who barely have enough to eat, let alone have nutritious food, are not available, field observation as well as reports from rural people supports this fact. Another basic requirement for living is safe drinking water. Participants report that in many of the villages, water is a problem. In many cases the villagers have to walk a long distance to get to the community source. In the dry season some sources dry up. According to a report, only about 20.1 % household in the State of Meghalaya, water is available from within the premises, 50.8% it is collected from a nearby premise and 30% of the population in the State from distant sources. In the rural areas the village communities usually identify and take care of the sources. It is usually taken for granted that these sources are safe so much so that the majority of people do not boil their water. Clearly in the villages closest to the urban areas, this can be a matter of concern because of the likelihood of their being unprotected and contaminated. There is a need to bring awareness in this area, and it is here that the State Council of Science and Technology demonstrates the use of homemade water filters. Further, concepts of water management and afforestation are a vital element in these awareness programmes

Government reports indicate that about 60% of the rural populations do not have proper toilet facilities, and almost as many households do not have access to electricity. Lack of toilet facilities is not only inconvenient for the population but it can be a potential source of danger to health in case of epidemics, even for animals. It is important to note that toilets, disposal of waste, drainage and sanitation are a reflection not only of the quality of life but a mark of civilized living, and with which we equate socio-economic development. Hygiene and cleanliness are part of the package of social progress and with the scarcity of readily available water; this becomes a problem that has far reaching repercussions on society.

Illiteracy is another major problem in the rural areas that retards the development process in more ways than one. There are no strong 'push' and 'pull' factors. Children are more often not encouraged to attend school because they are required to help in the field or to look after their younger siblings. There is on the other no strong 'pull' factor to motivate children to go to school. Many villages do not have a primary school. Children have to walk a very long distance to get to school in the nearest village. Even if the schools exist, the buildings are in a bad state. There are often no water and toilet facilities or electricity in these poorly maintained schools. Often the schools act as shelters for animals especially during the rainy seasons. There is usually one teacher for the whole school who is most often not adequately paid, and the rest get discouraged because the salary is often not even paid for months. The lack of proper health care centers and doctors is another area of need the participants point out. The nearest hospital or even care center is so far away that often people die before they get there.

When we examine development, we assume it takes as its first consideration the basic requirements for living are met to a level where other kinds of development are built on it. Basic needs of food, clothing, shelter and the minimum requirements also include health care and sanitation, and education at the primary level. Development is both a natural internal process of change by which we mean communities evolve

according to their own needs and ingenuity. The more specific kind of development however is caused by external factors of change and the community response to these changes. There is an interaction between the two. The extent and impact of external factors like transport and communication, including the needed telephone, (participants complain of this lack), health care centers and so on, determine the rate and extent of change in these rural communities. Lack of proper roads and adequate means of communication affect the level of education, health and health awareness as well as development of markets. When rural areas remain largely inaccessible, they are prey to all the problems of isolation including the unwillingness and fear of change and ignorance and resistance to new ideas. Also, a pre-requisite of development always involves the development of the human potential that occurs in all social interactions and change in social living, producing options and choices for people. When people discover their latent potentials they can mobilize themselves to achieve the desired societal goals. There can be no real development unless the community itself identifies certain goals and objectives, which are linked with the larger processes of socio-economic change. Interacting and networking with the local educated leadership and the traditional durbars, and motivating people to participate in their own socio-economic transformation by providing them with the necessary training and tools, is an empowering and enabling process to help them achieve societal goals. There can be no positive change if there is no change in attitudes, and change in values. If the positive values of education and health, if tools and skills and financial assistance where needed, are not given and not received at the grass-root level, then ignorance and poverty will prevail still in the rural areas of the State. Further, if the rural population remains almost stagnant and do not develop at a reasonable rate there will be a lag as urban areas progress more rapidly. As long as one large section of the population falls behind the development process, it will slow down the socio-economic development of the State as a whole.

It is apparent that N.G.O.'s have the maximum potential to open windows of change in the rural areas collaborating and networking with both Government sponsored agencies and departments as well as local organizations, individuals and more important the local village Durbars. And although in the case of the KLKSL, it has been a slow and ongoing process, the achievement and response has been positive and rewarding. However, N.G.O.'s function with certain limitations. Since they are voluntary they cannot fully commit themselves in terms of time, energy or money. For sustained developmental activities and capacity building and human development, there is a need for sustained interactions and efforts. One option to meet this need is to have more full-time salaried workers who will function more as social workers rather than Government employees. There is also a need both for N.G.O.'s and Government agencies to (a) survey and identify villages least developed within a specific target area. (b) develop a strategy of identifying community strengths and assessing problem areas. (c) make available, resources and trainings for acquiring relevant skills and capacity building as well as making use of locally available resources. (d) building up institutional patterns for community participation and (e) consistent networking with other like-minded N.G.O.'s, groups and individuals with similar objectives.

Establishing healthy relationships and partnerships with neighboring village communities (interlinking villages) in developmental endeavors of any kind is a vital ingredient in the all round development process in the rural areas. In any kind of activity, follow-up programmes are also essential to sustain an on-going development process. Proper documentation of activities, feedbacks from the communities, success and/or failures of methodologies experimented in the field, as well as other needed observations ensures a more systematic and more effective approach to the whole socio-economic development process especially in the rural areas. Lastly we have to underline the fact that positive changes can come about, not only through State intervention but also through the community's participation and response. The N.G.O's can serve as a very vital element in the dialogue of change between the two. They act as negotiators and often as pressure groups, and by their very involvement they activate the motivation and desire for change that is a pre-requisite for social transformation in the rural communities. These are some of the observations and submissions of Ka Lympung ki Seng Kynthei within the limitations of this paper

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FACTORS INFLUENCING PROFITABILITY OF PUBLIC SECTOR BANKS – AN EMPIRICAL DIAGNOSIS

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ABSTRACT

Profitability of banking sector in general and public sector banks (PSBs) in particular had come under severe pressure due to increased costs and to comparatively lower earnings. Available literature on profitability analysis evidenced the continuous declining trend in profitability of PSBs. In the post reform regime, PSBs have failed to achieve the higher level of profitability, than that of its competitor's private and foreign banks. This requires a detailed analysis especially to address the strength and weakness in respect of earning higher degree of profits. The present paper has attempted to identify empirically the determinants of profitability of PSBs during the post reform era. The exogenous, spread, burden, C/D ratio and ratio of fixed deposit to current deposit are considered as independent variables has been tested with the help of multi-regression model. The diagnosis found that the higher degree of establishment expenses, more exposure of banks towards leading activities and management of time and demand deposits are major deterrent of profitability of Public Sector Banks.

INTRODUCTION

1. Profitability : The Conceptual Frame Work

Profit, "invisible hand," [1], ensures the prosperity of an organization. It is the fundamental objective of every business as well as motivating force behind the running of a firm. Opinions differ sharply with regard to the definition of profit. But in general it is the difference between total revenue and total cost of a period of time, [2]. There is mostly universal agreement with the definition that profit is primarily a residue or surplus of prices over expenses of production or leaving above costs, [3].

Profit may be accounting profit, economic profit and social profit. Accounting profit, [4] is calculated by taking explicit costs whole economic profit, [5] is derived at after taking both explicit and implicit costs into consideration, [6]. Social profit is the difference between social benefit and social cost. It is yet difficult to find out social profit due to absence of an accurate measuring concept. Profitability is the ability of a given investment, to earn return from its use. It is otherwise known as earning power of concern investments, it is only through profitability that he performance and efficiency of a firm industry is judged. Higher degree of profit earning capacity will entail prosperity of the concern. Profitability is the relative term. Its measurement can only be achieved by profit. On the other hand, its relation with other subjects is compared by profit too. Like profit, there are accounting profitability, [7] relative change is measured by measuring the out put as proportion of the input and comparing with the result of the similar firm while value added profitability is measured by the excess of turnover plus income from services over the cost of bought in-goods or services, [8].

2. Profitability in Banks

Profitability in banks is measured by relating profit to working fund/total assets/income/deposit etc, [9]. Banks are being commercial organization and like any such organization, all of their activities should be directed towards earning profit. Essentially, bank must give a fair return on capital after providing adequately for business risks. In addition they should generate sufficient funds for survival and to perform their socio

economic activities entrusted on them, bank should also earn profit for this reason. Banks are highly sensitive institution open to public security and as such, they must continuously ensure their profitability, which essential for their growth and viability as also for infusing public confident. The profitability is the most important indicator of overall financial performance. The level of efficiency, productivity, cost effectiveness is reflected through the bank's profit figure. In short, the profit of a bank can be consider as a composite index of the bank's performance in its various areas of operation, [10]. Therefore, banks in India, at the present juncture have to ensure a better balance between social banking and profitability and earned a fair to justify their existence.

Since nationalization, banks acted over enthusiastically in observing norms much to the margin of their profit and profitability, [11]. But it was realized that adequate profits were an essential requirement of survival and healthy operation of the banking system. It is, in the context, PEP Committee (1977), [12] observed that the profitability of the banking system had come under severe pressure due to increased costs and comparatively lower earning. The Narasimham Committee (1991), [13] also indicated erosion in the profitability of banking sector. The committee further observed that the directed credit programmes and directed investments strained the operational flexibility of banks leading to dwindling in their income earning. Rangarajan (1992), [14] articulated continuous declining trend in profitability of public sector banks. Using the Risk-Return Approach (RRA), Anagol and Das (1997), [15] observed that PSBs are lagging behind in the context of performance of foreign bank during 1992-1995. Under this situation particularly where the PSBs are struggling hard for achieving higher degree of performance, an attempt has been made to analyses the performance of PSBs in terms of profitability in the context of national banking scenario.

3. Profitability Performance of Public Sector Banks

A bank group wise income, expenditure and profits of all banks and the average annual growth (agr) is presented in table – I. It is found that during pre banking sector reform (1980 to 1990-91), there was a 11.3 times increase in the income of foreign banks recording an agr of 31.2 pc, while PSBs recorded 6.3 fold (agr = 22.4) and Pvt. banks,

Table - I

INCOME, EXPENDITURE AND PROFITS OF PSBs VIS-À-VIS-OTHER BANKS (1980-2001)

Year	Income (In crores)					Expenditure (In crores)					Profits (In crores)				
	Public Sector			Pvt. Bank	Foreign Bank	Public Sector			Pvt. Bank	Foreign Bank	Public Sector			Pvt. Bank	Foreign Bank
	SBI	NB	Total			SBI	NB	Total			SBI	NB	Total		
1980	1323	2512	3835	137	127	1310	2469	3779	135	121	13	43	46	2	6
1981	1704	3125	4829	171	152	1688	3075	4763	169	140	16	48	64	2	12
1982	2023	3676	5699	204	177	2010	3619	5629	201	165	13	57	70	3	12
1983	2278	4232	6510	247	210	2252	4172	6424	243	193	26	60	86	3	16
1984	2783	5304	8087	307	259	2757	5247	8004	303	238	26	57	83	4	21
1985	3280	6312	9592	369	303	3245	6229	9474	363	278	35	83	118	5	24
1986	3792	7457	11249	436	384	3750	7308	11056	428	343	42	151	193	8	41
1987	4518	8792	13310	521	482	4463	8585	13048	510	443	55	207	262	10	40
1988	7066	13459	20525	785	799	6955	13205	20160	769	723	111	254	365	16	76
1989-90	7074	13660	20734	767	988	6957	13475	20402	749	876	117	185	302	18	112
1990-91	8302	15927	24229	908	1473	8152	15706	23857	877	1324	150	221	371	31	149
Agr	23.6	21.8	22.4	23.8	31.2	22.6	21.7	23.8	23.4	30.2	31.8	30.0	33.6	39.1	52.3
1991-92	13429	21018	34447	1342	2469	13183	20458	33641	1270	2038	245	560	.805	72	430
1992-93	13963	22126	36088	1879	4009	13683	25774	39457	1879	4857	280	-648	-368	60	-842
1993-94	13909	34686	37311	2353	4085	13553	29111	41660	2203	3511	357	-589	-232	153	1092
1994-95	15948	27000	43657	2173	4666	15101	26730	42541	1863	3969	846	269	1115	310	697
1995-96	20566	33074	53641	5331	6084	19773	34235	54008	4774	5335	793	-160	-367	558	749
1996-97	23277	37983	61260	7356	7608	21569	36538	58108	6670	6942	1707	1445	3152	686	666
1997-98	24871	42831	67702	9449	8697	22411	40263	62674	8607	8067	2459	2567	5027	842	629
1998-99	29349	99500	78850	11492	9719	27883	47712	75596	10784	9191	1465	1788	3253	709	527
1999-00	34014	56896	90911	13689	10329	31335	54459	85794	12528	9361	2679	2437	5116	1161	967
2000-01	39372	64126	103498	16595	11983	37150	62031	99181	15433	11.38	22221	2095	4316	1162	944
Agr	14.0	12.8	11.4	23.3	17.8	8.6	9.8	14.6	20.6	17.6	24.6	15.2	18.6	33.8	10.4

SBI = State Bank of India and its Associates, NBs = Nationalized banks

Pvt. = Pvt. Banks includes both new and old private banks.

Sources : *Financial Analysis of Banks, Vol - I & II, Indian Bank's Association, Bombay.*

Report on Trend and Progress of banking in India - 94-95 pp-24, 2000-20001, Pp - 34,35.

6.6 fold (agr = 23.8) increase in income. The table discerns that during pre banking sector reform era, the growth of expenditure of foreign banks (agr = 30.2 pc) was higher than that of PSBs (23.4 pc and Pvt. Banks (28.8). in case of PSBs, the volume of income swelled from Rs. 3835 crores in 1980 to Rs. 24229

crores in 1990-91 in contrast to the expenditure increased from Rs. 3779 crores to Rs. 23857 crores during the same period. The profit margin of PSBs was lowest among other bank groups. The average annual growth of profits of PSBs was 33.6 pc while 39.1 pc in private banks and foreign banks (52.3 pc) are at the top of the list.

The performance of banks during post reform period 1991-92 to 2000-01, has also assessed by the average annual growth (agr) of expenditure, income and profits. PSBs recorded 2.93 fold (agr = 11.4), Pvt. bank 3.05 fold (agr = 23.3) and foreign banks 6.9 fold (agr = 17.8) increase for the period under consideration. The growth of expenditure in PSBs is higher than income which is lower in case of foreign and Pvt. banks. In respect of growth of profits, the superiority of Pvt. banks (agr = 33.8) in the post reform has been a worth nothing fact. It is clear from the above analysis that in the post reform era, PSBs in particular, have failed to achieve higher level of profitability, than that of its competitors Pvt. and foreign sector banks. This may be due to the introduction of prudential norms on income recognition and provisioning norms since 1992-93. This requires a detailed analysis specially to address the strength and weakness in respect of earning higher degree of profits.

4. Factors Influencing the Profitability of Public Sector Banks

The foregoing discussion discerned that the profitability of the banking system had come under severe pressure due to increased costs and comparatively lower earnings. In this respect an attempt has been made to identify the factors influencing the profitability of PSBs. Thus both exogenous and endogenous factors are affecting the profitability of the PSBs. They include, priority sector lending, pre-emption of deposits in the form of CRR and SLR, establishment costs, spread of commercial banking in rural areas, composition of bank deposits viz, ratio of fixed deposit and current deposit, spread, burden and so on. The accompanying table – II exhibits the position of aforesaid variable during 1991-2001.

Table – II

DATA RELATING TO THE DETERMINANTS OF PROFITABILITY OF PSBs.

Year	Profit (crores)	Priority Sector Lending (crores)	Estab.expenses (crores)	Burden (crores)	Spread (crores)	Credit Deposit Ratio	Ratio of fixed deposit to current Deposit
1991-92	805	43033	7882	4191	5103	53.75	3.73
1992-93	-3352	44741	8908	4930	7998	53.58	3.61
1993-94	-6232	45517	10041	5196	10360	45.52	3.59
1994-95	1115	52403	12427	6621	12581	48.55	3.58
1995-96	-367	61809	15144	8036	15572	50.85	4.25
1996-97	3152	68925	16034	8674	17562	47.25	4.21
1997-98	5027	79131	17273	8638	18908	51.56	4.65
1998-99	3253	91319	20450	11018	21578	43.02	3.99
1999-00	5116	107200	22494	10975	24084	46.08	4.83
2000-01	4316	127801	28013	15498	19292	45.91	4.82

Source : Self computed based on earlier tables

To assess the interdependency among the factors we have used following multi-regression model.

$$\pi = b_0 + b_1 PSL_t + b_2(C/D)_t + b_3 (FD/CD)_t + b_4 S_t + b_5 S_t + b_6 B_t + U_t$$

where,

- π = Profit
- PSL = Priority Sector Advances
- C/D = Credit-Deposit ratio
- FD/CD = Ratio of fixed deposit to current deposits
- E = Establishment expenses
- S = Spread
- B = Burden and
- b_0 = Intercept
- and b_1 = (i = 1,2,3,6) = Co-efficient of regression parameters.

$$\frac{d\pi_t}{d PSL_t} < 0$$

$$\frac{d\pi_t}{d(C/D)_t} > 0$$

$$\frac{d\pi_t}{d(FD/CD)_t} < 0$$

$$\frac{d E_t}{d\pi_t} > 0$$

$$\text{and } \frac{d S_t}{dB_t} < 0$$

The following regression equation is obtained

$$Y(\pi) = 12617.815 + 1621E-02 PSL - 0.702E + 9.207E-03B + 0.658S - 136.615 C/D - 839.724 FD/CD$$

SE [20715.578] [0.116] [1.486] [0.036] [1.409] [581.389] [6681.763]

The ANOVA of dependent variable is shown below –

ANOVA ; PROFITABILITY OF PBSs :

	d.f	SS	MSS	F	Sig
Regression	6	13443688	2240614.648		
Residual	3	22087111	7362370.205	0.304	0.900 ^a
Total	9	35530798	-		

Note : SS = Sums of Squares
MSS = Mean Sum Squares

The other estimation obtained as under :

Regression Co-efficients.

Factor	β value	't' value	Sig	R ²	Adjusted R ²	SE.
1. β_0 (intercept)	-	0.609	0.585			
2. Priority Sector lending (PSL)	0.236	0.139	0.898			
3. Establishment expenses (E)	-21.239	-0.473	0.669			
4. Burden (B)	0.150	0.253	0.817	0.378	-0.865	2713.36879
5. Spread (S)	21.035	0.467	0.672			
6. Credit deposit ratio (C/D)	-0.252	-0.235	0.829			
7. Fixed deposit/current deposit (FD/CD)	-0.214	-0.126	0.908			

The analysis discerns that F ratio (0.304) found to be statistically not significant at 5 pc level of significance. This indicates the entire regression is not significant. In other wards there are certain other variables having greater influence on the profitability of PBSs that have not been considered in this model.

In order o assess the influence of individual factors on profitability we have conducted 't' test on individual regression co-efficient (β). The analysis shows that none of the co-efficient is significant at 5 pc level of significance. However negative regression coefficient (β) of establishment expenses (-21.239), C/D ratio (-0.252) and ratio of fixed deposit and current deposit (-0.214) implies that the higher degree of establishment expenses, more exposure of banks towards lending activities and management of time and demand deposit are major deterrent of profitability of banks.

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5. Accounting Profit = $(E_A + E_S) - (I_C + O_C)$.
Where E_A = Earning from assets, E_S = Earning from other services.
 I_C = Interest cost, O_C = Operating cost.
6. Economic Profit = $(E_A + E_S) - (I_C + O_C) + S_C + K_C$
where S_C = Solvency Cost,
 K_C = Opportunity cost of capital and reserve.
7. Accounting Profitability = $\frac{\text{Operating profit}}{\text{Capital employed}} \times 100$
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