Chapter VIII

CONCLUSION

In the preceding chapters, attempts have been made to examine the resources of Meghalaya and her development potentials, the existing conditions of her infra-structure, the structure of the three distinct sectors (Primary, Secondary and Tertiary Sector) and compare her relative level of economic development with other States particularly like States. In the course of examination, the trends of development of the economy during the few years of the existence of the State have been analysed as far as possible and her special features and problems have also been discussed. After doing so, we shall now summarise the findings of the chapters and record our suggestions that emerge therefrom.

Summary of Findings

I

The State of Meghalaya with her own distinct geographic entity and 10 well defined natural regions, is endowed by nature, with copious rainfall, good soil and climatic conditions, rich deposit of minerals, valuable forest resources, abundant water power potentials and scenic beauty spots.

Meghalaya is rich in mineral resources. She has the largest single limestone deposit in India. The Geological Survey of India has recorded an estimated deposits of 943 millions tonnes of limestone in the State and commented that Meghalaya accounts for an unsurpassable deposit of high-grade limestone. On the other hand, the State Directorate of Mineral Resources has estimated an amount
of over 3,100 million tonnes of limestones in various deposits in the State. There are 9 important areas of limestone deposits in different parts of the State. There is a high potentiality of development of industries based on limestone which is suitable for the manufacture of Portland cement, Calcium Carbide and Calcium cyanamide.

The State has a number of major deposits of coal. The inferred workable reserves in the State has been estimated by the G.S.I. at more than 337 million tonnes. There are 13 important areas of coal deposits throughout the State. There are possibilities of setting up of a host of coal-based industries like chemical fertilisers, cement, briquettes making, manufacture of coke and manufacture of coal distillation products. Besides, thermal power generation is easily facilitated through the use of coal resources of the State.

The State is also rich in various types of clay deposits. There are 13 areas of important deposits in various parts of the State. The G.S.I. estimates of those deposits investigated by them come to 42 million tonnes, whereas the D.M.R. has recorded an estimated deposit of 85 million tonnes of clay in the whole State.

Meghalaya has the world's largest deposit of sillimanite. There is a great possibility of development of ceramic refractory industry in the State based on sillimanite. There are a number of other minerals of little or unknown economic importance. Uranium and other atomic minerals are also detected though the extent of their occurrences are yet to be studied.

The various north-flowing and south-flowing rivers of Meghalaya provide immense potential for hydro-electric power generation and for irrigation. The State can be divided into 5
agricultural regions. The soil in the hill slopes are particularly suitable for the growth of horticultural crops. At lower levels food crops like rice grows well. Alluvial soil is found in the northern part of Garo Hills where a good varieties of crops like rice, sugar cane, cotton, bananas, and jute can be grown. The climate of the State in general is salubrious and rainfall is heavy. The State has the wettest place in the world, formerly Cherrapunjee and now Mawsynram. Cherrapunjee recorded an amount of 16,915 mm. of rainfall in 1971.

The area under forests extends to 7,631 sq.kms. or 33.25 per cent of the geographic area of the State, as against the all-India average of 22.7 per cent. Taking into account the area under private forests, the proportion of forest area constitutes about 36.75 per cent of the geographic area of the State and is more than the prescribed national minimum of 33.3 per cent. But Meghalaya has only about 807 sq.kms. of Reserved Forests constituting only 3.59 per cent of the total geographic area of the State. The remaining forest area is subject to wanton destruction due to the wide practice of jhum cultivation. The two important trees of the State are Sal (Shorea Robusta) and Pine (Pinus Kasia). There are many valuable medicinal plants and herbs growing wild in the forests of the State.

The tespat (cinna-momum tamala) grows extensively in the southern part of Khasi Hills and Jaintia Hills. The forests in the State are also the home of various types of animals and birds. Garo Hills is regarded as the natural home of Indian elephants (Elephas maximus). A variety of orchids and rare species of butterflies are also found. There are immense possibilities of establishing many forest-based industries in the State.

II

The total population of the State was about 1.01 million in 1971 distributed in 4982 villages and 6 towns and in an area of 22,489 sq. kms. Meghalaya covers 0.70 per cent of the total area
of the Indian Union but her population is 0.19 per cent only of the
total population of India. Of the total population of the State,
80.84 per cent constitutes the tribal population. Her urban
population has, however, been dominated by non-tribals who form
54.59 per cent of the total urban population. The State had
registered an overall growth rate of 31.50 per cent in the decade
1961-71 as against 24.80 in India as a whole. But the death rate is
frightening with 30.8 per thousand as against the all-India average
of 15.9 per thousand. The death rate in Meghalaya is almost double
of the all-India average. The urban growth of population has
registered a much faster rate up to 1961 with a marked increase of
53.20 per cent in the decade 1941-51 and 100.78 per cent in 1951-61.
The geographic density is very low being 45 persons per sq. km.
However, taking 14 per cent of the area of the State as available
for human habitation and cultivation, the density in the state works
out to 321 persons per sq. km.

Immigration is an important contributing factor towards the
growth of population in the State rather than the natural increase.
There is an acute scarcity of labour in the State. Though there is
an absence of unemployment, the phenomenon of under-employment and
disguised unemployment is very much in existence in view of the
traditionally subsistence-oriented agriculture. About 41.56 per
cent of casual labourers in rural areas and 64.41 per cent in urban
areas were seeking better employment. The problem of unemployment
of the educated has started making its presence felt. Man-power
supply is very critical in that there are extreme shortages of
persons possessing skills essential for the economic development of
the State. The dependence burden is excessive where more than 43
per cent of the total population is under the age of fifteen years
and the arable land is limited. The ratio of rural-urban population
is also very high which works out to 85.5 as against 80.1 in the all-India average.

Unlike in other States in the country, the urbanisation in Meghalaya was more a phenomenon of inter-State migration than internal migration. The rural growth rate of population compares well with the overall growth rate during each of the last 7 decades from 1901-11 to 1961-71 while the urban growth rate always shows a big contrast with the overall growth rate. The overall growth rate of 197.10 per cent and the rural growth rate of 161.26 per cent during the 7 decades are not so wide apart. But the increase in the urban population has shown an abnormal growth rate of 1429.69 per cent as compared to the overall growth rate. Again, the extent of urbanisation is at a very low level. Unlike towns in other States, the towns in Meghalaya are service centres being preponderantly tertiary in function where the high percentage of workers are found occupied in white-collar jobs and other professions since all the towns are also administrative centres. The percentage of the secondary workers to the total non-primary workers is 12.5% only. All the towns are basically consumption centres rather than production centres.

Meghalaya is a cultural and racial confluence of the three matrilineal tribes - the Khasis, the Garos and the Jaintias - who belong to two different branches of the Indo-Chinese Linguistic Family, namely, the Indo-Mongoloids and the Austro-Asiatics. Complete miscegenation among the three can easily take place considering the matrilineal system that they have already adopted. The three tribes although much modern in other facts of life, retain their matrilineal custom of inheritance which has a definite impact on the economic variable in the State. The surviving influence of the matriarchate
is a curious feature of the economy of Meghalaya.

III

In the absence of other systems of transport like railways, waterways and air transport, roadways are the important system of transport and communication in Meghalaya. But the State suffers from a small length of surfaced road length. She had only 2.4 kms. of surfaced roads per sq.km. of an area as against the all-India average of 11.8 kms. So also the total road length per lakh of population in Meghalaya is less than the all-India average in spite of the low population base in the State. Meghalaya has less than half of the all-India average number of vehicles per 100 kms. of road and per 100 sq.kms. of area. Shillong, the capital of Meghalaya is the headquarters of both the North Eastern Telecommunication Circle and the North Eastern Postal Circle and has been brought on the micro-wave map. But the State had the lowest number of telephone exchanges among the five States in N.E. India as on April, 1977. The number of exchanges in the State is less than that in the Union Territory of Arunachal Pradesh. The Shillong radio Station with only a small transmitting range of one kilowatt cannot give greater news coverage and publicity in the State.

Meghalaya is favourably placed with regard to power resources based on water and coal. Her total installed capacity is 65.2 MW. But the per capita consumption of power is only 56 WH in 1972-73 as against the all-India average of 108 WH. Further, only 5.6 per cent of the total number of villages in the State have been electrified while the all-India average is 27 per cent. Meghalaya is lagging behind the all-India average in the provision of banking facilities. In June, 1976, the area per bank office in
the State was 548.5 sq. kms. as against 132.3 sq. kms. in the all-India average. The credit-deposit ratio in Meghalaya was 21.1 per cent only whereas the all-India ratio was 76.8 per cent. Governmental credit has been made available to the industrial sector under the State Aid to Industries Act and through the Meghalaya Industrial Development Corporation while such credit to the agricultural sector are made through the State Cooperative Apex Bank Limited which has since established 9 branches in different parts of the State. Private finance is also available from money lenders, Mahajans, businessmen and others. The Meghalaya Rural Indebtedness Relief Act was passed by the State Legislature in 1976 to provide for relief of rural indebtedness. All indicators have pointed to the relative backwardness of Meghalaya among other States in the country in respect of economic infra-structure development.

The social infra-structure development in the State is also very weak. The literacy rate for the State is 29.48 per cent and is at par with with the all-India average of 29.35 per cent. Meghalaya is ranked 17 among the 21 States and 8 Union Territories of the country. She is still in the middle of the ladder. Moreover, the spread of literacy in the three regions of the State is not uniform. Further, only 10.9 per cent of the High Schools are found in the rural areas of the State while for 25.5 per cent of the total habitations, the primary schools are available only beyond a distance of 2 kilometres. Again, a very large proportion of the population of the State accounting for almost 60 per cent and 80 per cent respectively do not have access to the Middle School and High School educational facilities within a distance of 5 kms. The enrolment in the elementary stage (Classes I to V) in 1974-75 was not so bad being 71.1 per cent as against the all-India average of
62.7 per cent. But as one goes up the ladder, the disparity between the State and the all-India average becomes glaring. In Classes VI to VIII the percentage enrolment was only 16.8 as against 36 in India as a whole. The corresponding percentage in Classes IX and XI in the State and India was 6% and 21.5% respectively. The enrolment at the University level is very poor even in general education. There had been a phenomenally large number of drop-outs at the primary stage. The accumulated incidence of educational wastage which includes both drop-outs and failures in the 5-year stage of primary education in the State during 1971-72 to 1975-76, works out to 76.6 per cent.

The facilities for technical and vocational education are either negligible or absent. There are 14 colleges in the State all of which are imparting general education only in arts, science, commerce and law. There is one Polytechnic with a single course of study in civil engineering. Untrained teachers predominate over the number of trained teachers. Taking all the three stages of education - primary, middle and high school stages - the proportion of untrained teachers works out to 63.4 per cent. Unlike in Nagaland, another tribal State in the same region, in Meghalaya the health facilities are urban biased. With regard to doctor-population ratio, the State with the ratio of 1:8953 in 1975 occupies the last position among the similarly placed States.

IV

Meghalaya is primarily an agricultural State. More than 85 per cent of her population live in the rural areas and depend on agriculture for their livelihood. Again, more than 78 per cent of the total working force constitutes those who are engaged in
agriculture as against the all-India figure of about 70 per cent according to the 1971-Census. Cultivators consist of 69.15 per cent as against the all-India average of 43.34 per cent. The dependence on agriculture has been increasing. An increasingly larger proportion of the State's working population are engaged in agriculture. The percentage of cultivators and agricultural labourers taken together works out to 77.4 in 1961 while in 1971 the percentage increased to 78.9%. Agriculture alone contributed 63 per cent to the total net income of the State in 1973-74.

The diversity of the soil types, variation of altitudes and climatic conditions provide wide scopes for growing a variety of agricultural crops ranging from cereals to fruits - temperate and tropical. But the State suffers from several constraints, the most prominent of which being the wide-scale practice of Jhuming and the traditional land tenure system.

Considering two hectares (5 acres) as the basic economic holding per family, more than 71 per cent of the families in the State have less than an economic holding. It is a fact that agriculture in Meghalaya is subsistence-oriented. Unlike in other States, in Meghalaya there is no holding with the size beyond 20 hectares. Most of the holdings are scattered in small fragments surrounded by lands occupied by others or by fallow or waste lands. Thus unlike in other parts of the country, fragmentation of holdings is not due to population pressure and partition of family holdings but is largely due to the non-availability of suitable cultivable land in large compact blocks. Fragmentation in Khasi Hills and Jaintia Hills does not pose a problem since 44.8 per cent and 55.8 per cent of the holdings in the two regions respectively have no fragments. But in Garo Hills only 3.45 per cent of the holdings have no fragments.
The Meghalaya farmer is the poorest in India, his assets being valued at Rs. 6,017 only. According to the Assam State Socio-Economic Surveys, the rural indebtedness works out to about Rs. 135 per family. The agriculturists in the State usually take loans during the lean months for the purpose of maintaining their families and the repayment is made after the harvest season. Such type of loans forms more than 65 per cent of the total number of loans and accounts for more than 50 per cent of the loan amount. Loans taken for agricultural purpose account for only 24.2 per cent of the total number of loans taken by the agriculturists. The highest proportion of the loan amount accounting for 39.9 per cent is taken from the money lenders followed by that taken from friends, relatives or neighbours which accounts for 38.5 per cent. About 18 per cent of the loan amount was provided by the Government while an insignificant proportion of 3.7 per cent of the loan amount was provided by the cooperative societies. The per capita net annual income of the rural people was Rs. 196 in Khasi Hills which is the highest in the three regions of the State. But this is far below the all-India average of Rs. 247 estimated immediately after Independence.

For wet paddy cultivation, bullocks and human labour are still the sources of power. Bone meal and cowdung were very popularly used. The use of modern fertilizers has also become popular now and increased by more than 46 per cent within one year from 1975-76 to 1976-77. Rice is the most important food crop while potato is the major cash crop in the State. The temperature and soil condition of Meghalaya have provided good cardinal base for the increase of potato production. Under the prevailing conditions, the potato crop can be raised up to 3 to 4 times a year. Such a condition is unparalleled anywhere in the country. The productivity rate in the case of rice and wheat compares favourably well with the
all-India average. The cropping pattern is, however, unbalanced 
due to the predominance of rice. Double cropping pattern is still 
not practised except in the plain portion of Garo Hills. The soil 
and climatic conditions in the State have great potential for the 
growth of horticultural and plantation crops.

The net area sown in the State constitutes only 7.7 per 
cent of the total geographic area of the State. Of the total net 
sown area, 41 per cent is under Jhum system of cultivation. The 
proportion of cultivable waste land including fallow land is very 
high constituting 30.36 per cent of the total geographic area of 
the State. The land tenure system in the State is different from 
that in the rest of the country. There is no cadastral survey of 
lands in the State except for 396 villages in Garo Hills. The 
percentage of the gross irrigated area to gross sown area in the 
State in 1974 was 25.3% as against the all-India average of 26.8%. 
The net area irrigated is only 4.3 per cent of the net sown area.

The evergreen vegetation and the climatic condition of the 
State are favourable for the development of dairy farming and 
industry. But animal husbandry is practised only on a domestic 
scale as a subsidiary occupation. Stall feeding and scientific 
method of rearing livestock are absent. Meghalaya possesses the 
highest number of high-yielding cross-bred stock of dairy cattle in 
India. Pig and goat rearing and poultry farming are popular but 
are practised on a domestic scale only. There is a big gap between 
the production and actual requirement of the three important 
livestock products in the State. At the present level of production, 
the per capita availability is 126 grams of milk per day, 46 grams 
of meat per day and 20 eggs per year while the requirement for a 
balanced diet is 250 grams of milk, 90 grams of meat and one egg 
per head per day.
Fish is one of the popular items in the diet of the people of the State who are very fond of dried fish. But the internal production of fish is not sufficient to cope with the demand. Moreover, fish population in the hill streams and rivers is dwindling alarmingly because of the indiscriminate blasting and poisoning of river waters by poachers.

Forestry contributed Rs. 1 crore to the State income during 1973-74 and the amount constitutes 1.53 per cent of the total net income. The contribution per hectare works out to Rs. 1.27 only against the all-India figure of Rs. 21.50 for 1972. The forestry sector has got great potential in regard to both production and employment. But there is an indiscriminate destruction of the forest resources through the practice of Jhuming and uncontrolled grazing by the Nepali graziers.

The contribution of the primary sector as a whole to the State Domestic Product in 1973-74 at current prices was Rs. 42.59 crores accounting for 65.11 per cent of the net SDP at factor cost. Agriculture alone contributed 62.89 per cent.

Land reform measures have been implemented in a slow and unsatisfactory manner. A sort of socio-economic dualism exists in the agricultural economy of the State. Both Jhuming, the primitive form of shifting cultivation, and settled farming are being practised side by side. So also the control over land is being simultaneously
exercised by the State Government and by the respective District Council authorities. Moreover, the native chiefs and village headmen are still commanding a hold on the land systems. The indigenous land system still continues in most parts of Meghalaya while ryotwary system exists in the plain area of Garo Hills and in parts of Jaintia Hills. There is, thus, no uniform land tenure system in the State.

*Jhuming* is an age-old method of crop husbandry practiced not only in Meghalaya but also by various hill tribes in north east India and some other parts of the country. It has also a global dimension. The system is regarded as the transitional stage from hunting and food gathering to settled cultivation. Yet the system is still being followed in the State. About 42 per cent of the total population of the State depends on *Jhuming* utilising about 41 per cent of the net sown area. There are divergent views about the system. But its evil effects far outweigh the factors in its favour. *Jhuming* can no longer support a growing population as the carrying capacity of the land where it is practiced is quite low even at the most simple subsistence level of living. The system is not capable of maintaining a higher population density over 10 persons per square kilometre. The average yield of paddy is lower in *Jhum* cultivation than that in the wet terrace cultivation. Even if productivity under *Jhuming* compare favourably well with the productivity in the case of paddy under settled farming, yet the defects of *Jhuming* remains in that the *Jhum* field can produce only once in several years depending on the *Jhum* cycle. On the contrary, under settled farming, the same field can be brought under multiple cropping with scientific management under irrigation, producing two or more crops per year. The production can then be raised from one hectare of land to about 70 quintals of paddy per annum whereas
under Jhuming the production can be raised at the most to 12 quintals only per hectare per annum. Jhuming suffers from many defects in respect of the level of production. The level of income is also very low as compared to the prevailing wage rates - the income from Jhuming in Meghalaya being Rs. 2 only per man-day. The present tendency of Jhum cultivators in some areas of the State is to adopt some non-traditional occupations. This had led to the variation in the contribution of Jhuming to the total village income in different villages. The variation is in the range of 57.5 per cent to 17.5 per cent.

v

Industrially, Meghalaya is among the most underdeveloped States in India. Industrial workers constitute 2.90 per cent of the total working force in the State as against 11.20 per cent in India as a whole. Industrial establishments in the State form only 15.2 per cent of the total establishments in the State. And, of the total industrial establishments, factory establishments account for 3 per cent only. The industrial establishments are mostly private concerns constituting almost 98 per cent of the State's total industrial establishments. The Government and quasi-Government industrial establishments form a small proportion of 1.5 per cent while the share of cooperative sector is negligible (0.5 per cent).

The factory enterprises comprised 75 registered factories and 807 unregistered workshops while the household industries were 1524 units in 1971. But by the end of 1976, there were only 52 factories registered under the Factories Act. There might be some industries which had not been registered.
The registered factories employed an average of 31.1 persons per establishment in 1971, while an unregistered workshop employed an average of 3 persons per unit. Most of the unregistered workshops are small-sized units having an average employment strength of 2 persons only per unit. The urban units claim a major portion both in the number of registered and unregistered factories and in the number of workers in the two categories of factories. On the contrary most of the household industries constituting 86.5 per cent and employing 85.6 per cent of the workers were in the rural areas. One-third of all the workers in the registered factories are employed in the largest units employing 300-499 workers per unit. The largest of the unregistered workshops are those units employing 10-19 persons per unit. These units employed 11.4 per cent of all workers in this category of industries. But the size-class of 2-4 persons per unit provided the bulk of employment (44.3 per cent) in this category of factories. It is this size-class in the case of household industries also which provided the highest proportion of employment accounting for 63.3 per cent. The household industries again employed the highest proportion of workers in the State among all categories of industries. They alone employed 3,246 persons accounting for 41 per cent of the total employment in all types of industrial establishments in the State. The unregistered workshops come next sharing a total number of 2,378 workers or 29.8 per cent of the State total. The remaining proportion was employed in the registered factories.

The only company enterprises in the State at the time of her formation in 1970 were the Assam Cement Ltd. (now called Mawmluh-Cherra Cement Company Limited) and the Assam Sillimanite Ltd. which has since been taken over by the Hindustan Steel Limited. The Mawmluh-Cherra Cement Company is a State-owned industry.
The Meghalaya Industrial Development Corporation was created which has been entrusted with the task of development of industries in the State. The Corporation has since promoted 4 companies in the joint sector and invested in two other private companies incorporated in Meghalaya. By now there are about 12 companies working in the State. Of them, the Sillimanite Company has its head office and the refractory Plant in Calcutta while the Meghalaya Potteries Private Ltd. has its head office in Guwahati. An Industrial Area has been established at Burnihat in the outskirt of Guwahati where half of the company enterprises of the State are located. Two Industrial Estates are being established at Shillong and at Mendipathar in the Garo-Assam border.

The Industries Sector was accorded a very low priority under the Fourth and Fifth Five-Year Plans of the State. The percentage share of the Sector was 6.71 per cent in the Fourth Plan which was reduced to 5.59 per cent in the Fifth Plan. During the Fifth Plan, its percentage share was reduced gradually during the four years of the Plan from 7.74 per cent of the total plan outlay in the first year to 3.91 per cent in the fourth year. The income generated in manufacturing industries accounted for 2.60 per cent only of the total State income at current prices for 1973-74.

The number of industries established in Meghalaya during her first 8 years was quite inadequate considering the long list of prospective industries based on various local resources of the State, namely, mineral, forest, horticultural resources, etc. The value of output and value added are not known. These were not reported by the All-India Report on the Census of small-scale industries. We have found that the greatest obstacle hindering industrial development in Meghalaya is the lack of entrepreneurship.
Entrepreneurship is very rare. It is very difficult to come across venture-some and uncertain type of people in the State. Easy profit in trading appears to be more attractive than taking risk in finding new avenues in production. For fuller utilisation of Meghalaya's economic development potentials, she has to depend either on the entrepreneurship coming from outside the State or on State's initiative. Besides the dearth of entrepreneurship, other major obstacles to industrial development in the State relate to organisational weakness. To organise production on cooperative basis would not also help as cooperation has not proved much of a success in the State. Unless organisational and entrepreneurial weaknesses are overcome, rapid industrial and commercial growth and development of the State cannot be expected. A number of medium and minor industries have great potentialities of development in the State. Small enterprises have good scopes in the State. But owing to certain bottle-necks, Meghalaya does not enjoy any comparative advantage so as to be able to attract entrepreneurship from outside the State.

VI

The tertiary sector of the economy of Meghalaya is proportionately small but much larger than the secondary sector. In 1971, the tertiary sector employed 14.4 per cent of the State's total work force as against the all-India figure of 16.75 per cent. There was a decrease of 0.9 per cent in the proportion of workers in this sector in 1971 as compared to their number in 1961 which constituted 15.3 per cent of the total work force in the State. The decrease occurred mainly in the number of workers in "other services" (which include Government services) from 49,983 in 1961
to 47,480 in 1971. The transfer of Assam Government offices from Shillong to Guwahati was the main cause of the decrease.

Transport, storage and communication employed 5,603 persons in 1971 accounting for only 1.2 per cent of the total work force in the State. The number of transport and communication establishments having fixed places of work with regular buildings was 421 employing a total number of 1537 persons employed in this constituent sector.

The Meghalaya Transport Undertaking was formed in June, 1972 and continued until August, 1976 when the combined Assam-Meghalaya State Road Transport Corporation was bifurcated and the Meghalaya State Transport Corporation was formed. The M.S.T.C. has been operating transport services on 19 Routes with irregular services on some other routes. The strength of the fleet of the Corporation was 112 buses and 50 trucks as at the end of 1977. But less than 50 per cent of the fleet was in running condition. The services on the remaining roads in the State have been run by private operators. Of all the routes, the Shillong-Guwahati route is the most important. The inadequate fleet of the Corporation has been concentrated particularly on this route resulting in inefficient services on other routes within the State.

Only 1913 villages out of the total number of 4583 villages in the State had been connected by roads and only 49 of them had been linked with the all-weather road at the end of 1974-75. Excepting the two National Highways within the State, other roads have not been properly maintained. Where there is no road transport system, porters are being employed between the producing areas and the motor head. This had raised the transport cost which amounted to Rs. 11 per maund from Cherrapunjee in the southern part of the State to Guwahati in Assam. In view of the lack of transport
facilities, the Mawaluh-Cherra Cement factory has to provide its own fleet of vehicles which means an increase in its capital cost.

Owing to the closure of the traditional market with East Bengal (now Bangladesh), the prices of many produces of the southern part of the State went down so rapidly. For example, a pineapple which sold at 50 to 75 paise in 1947, was sold at 12 paise by 1958. Again, bananas sold at Rs. 4 to Rs. 6 per score before 1947, in 1958, it was sold at 25 to 37 paise.

In 1970-71, there were 44 licensed wholesalers in the States, 29 of whom were dealing in agricultural products. There were 470 licensed retailers in the State in the same period. The items of exports from the State consist of fruits, forest products and mineral resources like coal, limestone and sillimanite. Cotton and jute are important commercial crops in Garo Hills. Almost all food items and consumer goods are imported from outside the State. Trade and commerce employed 13,323 workers in 1971. There were 5,577 trade and business establishments fixed places of work in regular buildings and employing 11,788 persons. Retail trade establishments claim the largest proportion both in the strength of establishments and in the total employment followed by Restaurants and hotels. The Frontier Chamber of Commerce was formed in Shillong in August, 1966.

The banking facilities in the State are far from being adequate. The credit-deposit ratio as of June, 1975 was 14.6 per cent as against the all-India average of 72.2 per cent. A branch of the Life Insurance Corporation of India has been opened in Shillong with 9 persons in its employment as of 1971. The Corporation has made large investments in the public and cooperative sectors in the State but not in her municipal boards and town committees.
A very important constituent of the tertiary was "other services" which include Government services. The number of workers in "other services" was 47,480 in 1971 constituting 10.6 per cent of the total work force in the State. More than half of the employment (54.8%) was provided in the public administration and defence services. The total number of the State Government employees was 9,585 as on the 31st March, 1972 of which 10.23 per cent constituted female employees. One important aspect of public services is the distribution of employees according to emolument groups and status. The largest proportion of the State Government employees accounting for 65.91 per cent was within the emolument range of Rs. 100-249. The next larger proportion accounting for 27.88 per cent was in the emolument range of Rs. 250-499. Assuming that the employees getting up to Rs. 250 a month can hardly meet the bare necessities of life at the present day cost of living, then 65.91 per cent of the Government employees in Meghalaya would be living below the subsistence level.

The tertiary sector of the economy of the State contributed 27.84 per cent to the State Domestic Product. A sizable share of income was contributed by the Public Administration which accounted for 18.05 per cent. This indicates the weakness of other constituents in the sector.

A modest progress has been made in the development of infra-structure and social services during the first eight years of the new State of Meghalaya. Top priority was given to road construction in her Fourth Plan beginning from the second year (1970-71) of the Plan. There was an increase of 694 kms. in the length of unsurfaced roads and 367 kms. of surfaced roads.
Power development in the State was the responsibility of the composite Assam State Electricity Board until the second year (1975) of the Fifth Plan when the Meghalaya State Electricity Board was set up. Prior to the setting of the M.S.E.B., the State Government was implementing the rural electrification schemes only and 324 villages were electrified during the first eight years of the new State. The M.S.E.B. took over the work in the 60-MW Kyrdemkulai Hydro Electric Project which is under construction. The Shillong Hydro Electric Company Limited was also taken over by the Board. The M.S.E.B. had also energised 126 pump sets. Infrastructure facilities were provided for the development of tourism at various parts of the State.

In the field of education, there was a substantial increase in the number of institutions for general education along with the number of teachers as also in the enrolment during the first eight years of the existence of the State. But the quantitative improvement has not been accompanied by a qualitative improvement. The percentage of trained teachers in the primary stage was 47.3 only as against 78.6 in the all-India average. Again, the percentage of trained teachers in the Secondary stage including the middle schools was 24.4 only as against the all-India average of 78.3. The performance in technical education is very poor. All activities in technical education centred round the Polytechnic in Shillong established by the erstwhile Government of Assam with only one diploma course in Civil Engineering.

With regard to the extension of health services, there had not been much progress judging from the number of medical institutions and facilities during the first 8 years of the State. During the period, plan investment was concentrated on the
improvement of the quality of services of the existing institutions. The State could fulfil the minimum norm for hospital bed-population ratio of 1:1000. She had 1.18 beds per 1000 persons. But as regards the doctor-population ratio, the performance was very poor. The extension of health services to rural areas was also neglected. The percentage share of the health services sector in the total plan outlay of the State was reduced from 4.6 per cent in the Fourth Plan to 2.3 per cent in the Fifth Plan.

VII

The comparative study of the relative level of economic development between Meghalaya and 9 other like States in the country has brought to light the economic backwardness of Meghalaya. The State with 2.4 kms. of surfaced road length per 100 sq.kms. occupies the last but one position among the 10 States, while she occupies the eight position with 53.7 kms. of surfaced road length per lakh of population. As regards the number of motor vehicles per 100 sq.kms. of area and per lakh of population, her position is somewhat better because of her small area base and low population base. But with 63 vehicles per 100 kms. of road, her position is sixth. Her position was seventh in per capita consumption of 16 kWh of electricity. In the case of rural electrification, Meghalaya occupies the last position among the 10 States.

In respect of bank credit-deposit ratio, her position is ninth while in respect of the area per bank office, her position was seventh. With regard to the number of schools per lakh of population, Meghalaya’s position is third but in the literacy rate, her rank is 17 among all the 21 States and 8 Union Territories in India. Again, with regard to doctor-population ratio, her position is eighth. The
State occupies the last but one position both in respect of per capita income and the percentage of scheduled tribe population. On the basis of the overall rank score, Meghalaya occupies the last position among the 10 States and is thus economically the most underdeveloped among the underdeveloped States in the country. Our hypothesis is that the lack of even the minimum infra-structure has led to the economic backwardness of the State. The hypothesis has been found to be fully valid.

Suggestions

On the basis of the findings summarised in the foregoing sections, certain suggestions emerge which are given in the following paragraphs:

(A) As a matter of priority, land use survey should be undertaken and an ideal land use pattern evolved. Such ideal land pattern should then be enforced through a legislation, if necessary. To prevent soil erosion, jhuming has got to be checked and controlled effectively. Besides, the indiscriminate destruction of forests by the graziers should also be controlled through legislation.

To check the indiscriminate and unscientific mining of coal and limestones, the standing laws of the Central Government needs to be extended to the State for the prevention of wastage and for the purpose of conservation of the important minerals. The industrial potentials of the known mineral resources have got to be properly exploited. Policy decision should have to be taken as to the advisability of exporting minerals in a raw form or as a finished or semi-finished product. In this respect, the common suggestion made is that Meghalaya should specialise in the manufacture of Portland cement. This requires setting up of a number of cement factories in the State and the present practice of exporting raw lime to Bangladesh should have to be replaced by the export of
cement to that country. The establishment of a Mineral Development Corporation would go a long way in the systematic and scientific exploration and exploitation of the mineral resources of the State.

As regards the development of forest resources, the new forest policy recommended by the National Commission on Agriculture should be adopted and implemented. A beginning has already been made in the formation of the Meghalaya Forest Development Corporation. The Corporation should be manned not only by those who are experts in the scientific development of forests but also by those who would be capable of giving advice in the development of forest-based industries. The Corporation is to be made responsible for the realisation of these two objectives. The development of social forestry as recommended by the National Commission should be entrusted to the Corporation with a view to adding to the already existing potentiality of the State for tourist attraction.

The immense river water resources of the State should be harnessed mainly for irrigation, hydro-electric power generation and fishery. The State should aim at selling power to other States in the country. The income-earning river water resources should thus be properly tapped to enhance the revenue of the State.

The State is also rich in tourist potential. The Meghalaya Tourist Development Corporation which has already been formed should be revamped and put under efficient administrators who would be capable of converting the tourist potential of the State into an income-earning resource. The preliminary step should be to identify the places of tourist interest throughout the State and to acquire suitable lands in the surrounding areas on which necessary infrastructure for the development of tourism would be built up. The acquisition of such lands should be done before they are encroached
upon and/or occupied by private interests.

(B) Natural resources by themselves cannot initiate or induce development but they need to be exploited and used by the scientific techniques and human efforts. It is, therefore, suggested that the development policy of human resources in the State should be directed towards improving the productive capacity of the people. For this purpose, it is highly essential that proper educational planning should be well-integrated with economic planning and man-power planning. Education should not mean conventional education in the educational institutions. It includes the education of farmers, artisans, and workers in different productive fields. The necessary educational facilities should be developed within the State so that the development works do not suffer for want of personnel of proper qualification and skills. The educational expansion should be selective and should keep in view the needs of the State. The emphasis should be laid on education on business management, geology and mining, forestry, irrigation, etc. for which no facility exists in the State at present.

The present education system in the State, as elsewhere in the country, has led to erosion of leadership in rural areas of the State. The system appears to have created the wrong sense of vanity and prestige in the minds of the people and a preference for urban jobs. This has resulted into the problem of educated unemployment. The wrong sense needs to be removed. The system of education should be such that it provides the society with the leadership in varied fields of life. Education should result in creating in the minds of the people a new sense of appreciation for development and an urge to develop. It should create a strong sense of nationalism,
integrity and the capacity to appreciate progressive changes and development. Thus education in the context of economic development does not mean mere quantitative expansion. This, of course, implies that the nature and content of education has to undergo revolutionary changes. Education being a State subject, necessary changes on a selective and priority basis keeping in view the needs of the State can be introduced.

The development policy on human resources will also have to take into consideration the rate of growth of population. At present, though the birth rate in Meghalaya (39 per thousand) is higher than the all-India average (37 per thousand), yet the high birth rate has been off-set by the high death rate in rural areas of the State. The higher rate of population growth in the State, as we have seen in Chapter II, is mainly due to migrations from outside the State including foreign infiltrations. Such migration needs to be controlled as the bigger States like Andhra Pradesh and West Bengal also are in favour of putting a curb even in the inter-State migration. As regards foreign infiltration, firm action should be taken by way of deportation under the existing law\(^1\) whenever such cases are detected as the State cannot sustain any more increase in the flow of migrants. To combat the high death rate in rural areas of the State, health services will have to be widely spread to the rural areas as done in Nagaland.\(^2\) With the improvement in the health services and facilities, control on fertility rate will have to be taken so that the development of human resources would be


2. For instance, in her Annual Plan for 1970-71, Meghalaya provided more than 33 per cent of the total plan outlay for the health services sector.
effective.

Any development policy of human resources should also strive against such social disabilities as having an adverse effect on the economic variables in the State. The impact of social institutions and traditions on the economic growth has been widely believed to be significant. Very often they become serious obstacles to any new change in the methods of production and exchange. Since the matrilineal structure in Meghalaya and the system of inheritance under it have greatly impeded the growth of the entrepreneurial skill and motivation among the men-folk, it is felt that suitable reforms in the system of inheritance should have to be introduced so as to enable the sons to share in the wealth and property of their parents. A legislation is necessary for making the parents capable of leaving their property, etc. by means of a will in favour of the sons also. By doing so, the existing social system which preclude the sons from getting a share in the wealth and property of their parents would be removed thereby provides a favourable social climate for the creation of the entrepreneurial cadre in the State.

(C) Meghalaya will have to continue to give priority to building of roads and the plan for road development should be well-thought of. The State should have a road which would serve as the life-line in her internal transportation. Such a road can be identified with no other than the Tura-Shillong-Jowai Road passing through Simsangiri and Mungstoi - all the five centres being district headquarters. The road happens to pass along the ridge of the plateau. The Shillong-Tura Road is being developed as a State Tunk Road and the State had moved the Central Government to treat it as a National Highway. The road needs to be re-aligned and widened so as to make
it a thorough bi-lane highway. The re-alignment should be done with a view to cutting short the distance between Tura and Shillong so as to reduce the hours of journey from the farthest district town of Tura to the State capital. To accomplish this objective, the Central Government should take over the road and treat it as a National Highway. But the Central Government had already turned down the State Government's proposal as the road is not an inter-State road. Nevertheless, the road highly deserves to be treated as a National Highway as it can be extended right up to Haflong in the North Cachar Hills district of Assam via Jowai. Such a National Highway that passes across the entire length of the Meghalaya main Plateau joining Tura in the West with Haflong in the east of the Plateau through Shillong and Jowai, is a logical necessity for the rapid economic development of the State and of the North Cachar Hills district of Assam. Passing, as it were, along the ridge of the Plateau, the highway would undoubtedly serve as a "back-bone" supporting an innumerable north-going and south-going roads which would be, in turn, crossed by several lateral roads to serve the interior parts of the State. We are fully convinced that the problem of transport and communication in the State, in the absence of any other forms of transport would be almost completely solved once the development of such a National Highway across the entire length of the Plateau becomes a reality. The question of linking the district headquarters with the State's capital by a good, efficient and fast communication would then be automatically decided. It will not, however, be out of place to say that the rapid economic development of Meghalaya as well as of other States in North East India lies in the improvement of the links of the Brahmaputra valley with the rest of the country.
Meghalaya has the largest number of vehicles per lakh of population among the States in North Eastern region and even when compared with some other States. But what is needed is the qualitative improvement in the transport services. As we have already seen, the State is very poor in the surfaced road length. It needs to be reemphasized that increase in the length of surfaced roads is essential not only to cope with the increasing number of vehicles but also to ensure unfailing communication within the State throughout all seasons of the year.

In the field of power development, it should not be too much to expect that complete rural electrification could be achieved well before 1994-95, the date set for the complete electrification of all villages in India as a whole. The State has undoubtedly a very high per capita generation of electricity. With the completion of the 2x30 MW Kyrdemkulai Hydro Electric Project, the power supply in the State will further increase. By 1981, the agreement between Meghalaya and Assam for the supply of power to the latter will expire and Meghalaya could then be in a position to sell her surplus power to the neighbouring States.

As hydro electricity is a great potential source of income for the State, the Electricity Board should strengthen its investigation wing and take up investigation of all the rivers in the State and map out the perspective for a long term plan of development of hydel projects throughout the State with a view to selling the generated power to other States. Meghalaya would then enhance her resources position for her economic development.

The development of the financial structure in Meghalaya also requires due attention. Without a developed financial structure, economic development in the State cannot be ensured. In
the context of Meghalaya's economy, the main line of development should be the establishment of rural banks. Our feeling is that the headquarters of all the Community Development Blocks, all growth centres already identified under the Lead Bank Scheme, and all bigger villages based on the 1971-Census, should have rural banking facilities by the establishment of either a branch of the State Cooperative Apex Bank or a branch of a nationalised bank. We have, however, pointed out earlier about the low magnitude of the bank credit operation of the nationalised banks in the State due to the peculiar land ownership system. So branches of the State Cooperative Apex Bank will have to be started in the rural areas. Besides, alternative financial institutions to provide necessary finance for the industrial development of the State are also required to be established. Attempts should also be made to remove the weakness in the existing cooperative credit societies. Above all, it needs to be ensured that effective steps are taken to see that the loans are properly utilised and to realise repayment of the loans in due time.

The existence of a well-laid foundation of both the economic and social overheads is an essential pre-condition of economic growth and development. Non-economic constituents of the infra-structure are also important and need to be developed and strengthened.

(D) For the development of agriculture in the State, due stress should be laid on soil testing and on soil and land use survey.
Through proper investigation and research, the applicability and suitability of the right type of crop, seeds, manures and fertilisers have to be found out. We wish to strike a note of caution here. It has been given out that excessive use of certain chemical fertilisers may permanently harm soil condition. This, indeed, calls for proper investigation and research on the use of artificial manures. At the same time, the use of cowdung and other animal dung should be encouraged.

The collection of relevant data for finding out the ideal cropping pattern is also necessary. A considerable diversification accompanied with double or multiple cropping pattern can take place once the provision of irrigation, fertilisers and manures can be made always readily available.

As regards land use survey, we have stressed on the urgent need of having a proper cadastral survey of all lands in the State along with the preparation of records of right and maps. In fact, it is a logical necessity to do so before any strategy of agricultural development for the State can be outlined. Also, unless a farmer has a legal status on the land he owns, it would be difficult for him to avail himself of the bank credit facilities for the improvement and expansion of agriculture. It will be ideal if uniform land reform measures as recommended by the Land Reforms Commission for Khasi Hills are adopted throughout the State through a legislation. The evils of the existing dualism in the socio-economic life and land administration has got to be removed and efforts should be made to secure early integration of the dual society and the manifold system of land administration. The State Government should have the over-riding power over the District Council regulations and the customary power of the native chiefs
and village headmen concerning administration of land and forests.

With regard to the supply of fertilisers and manures to the farmers, we should remember that their timely and sufficient supply would enthuse and energise the farmers while their scarcity or shortage would dampen the spirit of the farmers thereby hampers greatly the agricultural development. To ensure unfailing supply of the agricultural inputs including fertilisers and manures, it would be best that they are distributed through the cooperatives. The private distributors are prone to a corrupt practice of making artificial scarcity in order to exploit the poor farmers through the enhanced price of the inputs. It will be necessary to lay a stress on the development of village cooperatives in order to ensure the active and enthusiastic cooperation of the farmers in the development process because without their active participation and cooperation, the development of rural economy cannot be expected.

For the successful operation of the Government extension services, a stress should be given on its quality and coverage. To ensure quality, extension workers should be given suitable training. The coverage of an individual worker should be such that he can effectively and efficiently perform his job. Workers should identify themselves with the farmers so that the latter can consider the farmers as true friends and guides. Above all, the extension service should not be allowed to be tampered with by the political vested interest. It is also important to consider that development efforts should not be piecemeal. If the resources do not permit, the policy should be to take up selected areas for the intensive development bringing all different aspects of development within an integrated programme. Once the development in an area fully gains grounds, selection of the next area for development would be done. It is only by doing so that real improvement or necessary
breakthrough in the field of agricultural development can be achieved.

The role that horticulture has to play in the context of Meghalaya's economy needs to be stressed. Its development potential should be carefully tapped. After all, as early as 1828, the horticultural gardens in Khasi and Jaintia Hills alone were credited with supplying the whole of Bengal with oranges. The present Government Fruit Preservation centres at Shillong and at Dainadubi, Garo Hills should be properly strengthened and run in a commercial scale. One such Fruit Preservation Centre in Jaintia Hills, preferably at Jarain - 19 kms. from the District headquarters - needs to be set up to take care of the huge supply of fruit products in the War Jaintia Sub-division which lost its traditional market in East Bengal (later East Pakistan and now Bangladesh) since 1947. It is also suggested that a few more large scale factories like the Associated Beverages Private Ltd., Burnihat should be set up by the Meghalaya Industrial Development Corporation in joint collaboration with some firms having the experience and expertise in marketing and organised sale. At least one factory in the border area in each of the three regions should be set up.

The development of animal husbandry which provides wide scopes for dairy farming and industry in the State should be given due emphasis. The good idea of mixed farming should be spread among the farmers and adequate investment should be made in building up necessary infra-structure for the development of the sector. It is all the more important to do so in view of the nutritional requirement of the people of the State who are depending on animal protein. The aim should also be to provide for a minimum requirement of a balanced diet in milk, meat and egg.
For the development of pisciculture, all lakes - natural and artificial - river dams and natural pools in rivers should be reared with fishes that can thrive in the high altitudes. Posting of river guards is very necessary to prevent indiscriminate blasting and poisoning of streams and rivers by poachers. Such criminal destruction of fishes in the State should be sternly checked through proper legislation.

In the context of Meghalaya's economy, agriculture cannot prosper at the cost of forests. The development of the two sectors need very close and proper co-ordination. The conservation and proper management of forests in the hilly areas are very necessary not only for the production of the much-needed forest products but also for the proper development of agriculture. Forests protect the hill sides and the agricultural fields on them, ensure perpetual flow of water in streams and rivers for irrigation and electric power generation, mitigate the rigours of climate and thus help in increasing agricultural production and in maintaining the ecological balance. The farmers have to depend on forest for the supplies of fodder and fuelwood. But the large scale practice of the traditional Jhum cultivation has led to severe soil erosion and deforestation. While efforts to check soil erosion have been made through the Jhum control schemes, the land reclamation work and terracing have been done in a very haphazard manner. In many cases, it has been found that the terraced lands have remained unused for want of water or other facilities. The shifting cultivators rehabilitated in the regrouped villages in Garo Hills are found to be returning to their old method of cultivation due to the lack of many facilities in the reclaimed lands. The correct approach, perhaps, is to train and educate the cultivators themselves in the matter of soil conservation.
and to convince them of its utility. It is only by doing so that they would stick to the reclaimed lands and would also take up soil conservation work themselves with the State's assistance. Further, the shifting cultivators should not be rehabilitated only in sedentary cultivation, horticulture, etc., but also in other occupations like trade and industry. At any rate, deforestation in any form and forest fires which are the main causes of soil erosion, must be checked effectively through legislation. Besides, the indiscriminate destruction of forests by the graziers should also be checked in the same manner.

Both soil conservation measures and forestry operations should be done in the slack season. This would augment the income of the farmers. It would also help solve the problem of underemployment and disguised employment in rural areas. A substantial amount of the earnings from these two operations will enable the farmers to provide different inputs for the development of agriculture thereby help increase agricultural production. It is suggested that the new commercial approach to forestry development recommended by the National Commission on Agriculture should be fully accepted and implemented.

(E) For the growth and development of Industries, it is suggested that the State should have broken new grounds in view of the present organisational and entrepreneurial weaknesses. As a matter of deliberate policy, the Government of India and a number of State Governments are owning and running a number of public undertakings and industries which are vital to economic development. The State Government of Meghalaya should also follow suit. Until now only one State company undertaking is found in Meghalaya, viz., the Mawmluh-Cherra Cement Company Ltd. The industrial progress of
the State depends only on building up of a public sector and establishing industries primarily in the public sector. This is because, as we have already noted, private sector is not in keeping with the tradition of the people of Meghalaya who are following a matrilineal system of society.

The policy of industrial development should create basic overheads and institutions which will facilitate the growth of industries. The formation of the Meghalaya Industrial Development Corporation, it is expected, would pave the way towards this end. Besides, the industrial policy of the State should also be directed towards the construction and management of specific industries in the general interest of economic development and specific interest of the industrial development of the State. As a matter of priority the existing inhibitions to growth in the matters of transportation and financial institutions should be removed as soon as possible.

The industrial policy of the State should also keep in view the type of industries to be encouraged. We will plead for those industries for which local raw materials are available and which can have profitable marketing opportunity. As we have already indicated, for the mineral-based industries, a common suggestion made is that the State should specialise in the manufacture of Portland cement. In view of the present shortages in the supply of cement in the country, the decision to establish two more cement factories, one each in Garo Hills and in Jaintia Hills, is a good step in the right direction. The proposed Cement Plant at Lumshnong in Jaintia Hills would be the most promising as it would have a very wide market open to it consisting of Cachar district of Assam, the States of Manipur and Tripura, the Union Territory of Mizoram and even the foreign countries of Bangladesh and Burma.
The location of Lumshnong is more favourable than Mawmluh-Cherrapunjee where the only cement factory in the State is now located. Lumshnong is nearer to the railhead than Mawmluh - the former is 80 kms. from the nearest railhead of Badarpur in Caobar district while the latter is 159 kms. from the Guwahati railway station. Moreover, Lumshnong is on the National Highway 44. Further, the Mawmluh-Cherrapunjee Cement Ltd. is going to face a stiff competition from the cement factory in Assam located at Bokajan which is a Government of India undertaking.

The manufacture of ceramic products and glass ware are possible on the basis of the locally available clay and sands. One such industry has been established in Garo Hills and one or two more industries may be started in other parts of the State.

A number of industries are possible on the basis of the existing forest wealth of the State. Industries for the production of dairy products also have very good scopes. At present, the good supplies of local hides and skins are not properly utilised. The State should set up a tannery and give encouragement to private enterprise for undertaking the production of standard leather goods. The present production of local cotton grown in Garo Hills do not bring a remunerative price for the growers. It is possible to have a medium textile mill in place of the present cooperative ginning mill to produce mixed products combining local cotton with some other stuff. It is also suggested that industries should be started based on imported raw materials, where the finished products are more bulky entailing higher transportation cost.

As development in one sector of the economy induces development in any other sector, and as we have seen that all the three distinct sectors discussed in the previous chapters are weak
and backward, it can be suggested that the overall development policy should keep in view the inter-relationship of the different sectors. The development policy of agriculture and forestry should keep in view the industrial potential of their produce. This is very necessary not only for the industrial growth, but also for enhancing the income for agriculture and forestry themselves. On the other hand, in the development of industries, the requirements of agriculture and forestry should be kept in view. The development policy of the State should also be directed towards developing local initiative, local enterprise and local skill. The Government efforts should strengthen them. As a matter of policy, we feel that in addition to removing existing bottlenecks, the State should promote certain small enterprises to demonstrate the commercial profitability and prospects of industries in the State. The Government may seek the collaboration of private firms in starting industries where it may be necessary to guarantee a minimum return on investment. The policy of industrial development should also keep in view the difficulties of the existing industries and should take necessary measures to remove them.

The Meghalaya Industrial Development Corporation has since commissioned a few technical and economic feasibility studies on a number of medium and small scale industries and has even obtained licenses and letters of intent in some cases. But these industries have not come to be set up. The Corporation has so far failed to attract private entrepreneurship to locate their plants in the interiors of the State. To solve the problem of underemployment or disguised unemployment, village and cottage industries based on forest and horticultural resources should be promoted.
Besides the development of economic infra-structure, a well-laid foundation of social overheads particularly education and health services is required. Both education and the health of the people determine the quantitative and qualitative use that can be made of the available man-power. It is, therefore, suggested that man-power planning, economic planning and educational planning in the State should be properly drawn and coordinated with one another. A common suggestion often heard of is to vocationalise education. But there are some who are against the wholesale vocationalisation of education as it may harm the very ultimate objective of education in moulding the character and personality of a person. While such a psychological consideration ought not to be imported into our present discussion, we do feel that scarcity of resources may stand in the way of large scale vocationalisation of education in the State. In view of this, any expansion of education in Meghalaya has to be selective and based on a scheme of priorities, taking note of the basic requirements of the State. For instance, the study of science and science-based technology are important for the modernisation of agricultural activities and for the development of industries based on the abundant natural resources of Meghalaya. Therefore, the study of science and mathematics leading to technological knowledge, skills and employment potential is very important for the economic and technological progress in the State. This is also one of the recommendations of the State Education Commission. This would suggest that, as a first step, all school management in the State, from the elementary stage to the High School stage, should be directed to give special care and emphasis on the study of science and mathematics to prepare the students for a Pre-degree course in science before they are sent up for prosecuting their higher studies in geology, and mining, forestry,
veterinary science and animal husbandry, engineering, paper technology, cement technology, engineering, medicine, business management, etc. in various colleges and institutions in the country outside the State as there is no facility for such studies within the State at present. Other courses of study should be introduced in the only Polytechnic in Shillong like electrical, mechanical and chemical engineering to turn out sufficient number of technical and professional men and women required for the planned development of the State. We have mentioned in Chapter VI that introduction of electrical and mechanical courses has already been approved by the Eastern Regional Committee for Technical Education.

The establishment of Junior Technical Schools in the State is very important. One such school in every district headquarters should be set up. We have mentioned in a previous chapter that necessary lands were already acquired at Jowai and Tura before the new State came into being for the establishment of the Junior Technical Schools at the two places. Steps will have to be taken to start the schools at Jowai and Tura and subsequently in other districts. At present one Industrial Training Institute at Shillong and another at Tura have been established. Such institutes should also be set up in the remaining districts. Necessary arrangement should also be made in the only cement factory of the State to train up candidates who will build up a cadre of personnel for manning the proposed new cement factories in the State.

The State should also endeavour to accomplish the requirement of the statutory provision under the Directive Principles of the Constitution for a free, universal and compulsory education of all children until they complete the age of 14 years.
(G) Meghalaya, though a distinct geographic entity, cannot pursue an independent economic policy. The State forms an integral part of India. We cannot think of designing economic goals for her in isolation from the overall national goals. We have to view Meghalaya in the all-India context. Her economic goals must fit in the national scheme of economic development. The plans of her economic development have to be viewed as an integral part in the national programme of balanced regional development which is the declared goal of our national planning. According to the Planning Commission, "The two aims — increase in national income and more balanced development of different parts of the country — are related to one another and, step by step, it becomes possible to create conditions in which resources in terms of natural endowments, skill, and capital in each region are fully utilised. Sometimes the sense of lagging behind in development may be due not so much to a slower rate of overall growth in the region as to inadequate or tardy development in specific fields, such as, agriculture, irrigation, power, or industry or employment. In each region the nature of the problem and the impediments to rapid development in particular fields should be carefully studied and appropriate measures devised for accelerated development. The essential object should be to secure the fullest possible utilisation of the resources of each region, so that, it can contribute its best to the national pool and take its due share from the benefits accruing from national development."³

Thus one of the central problems of regional development is to identify the special problems of the particular region and

the fundamental impediments that stand in the way of development. So on the basis of our own findings in the preceding chapters, we have ventured to make, in our limited capacity, some suggestions in specific fields of development in the foregoing sections. But it is strongly suggested that comprehensive empirical studies of the physical and socio-economic conditions of Meghalaya should be carried out by specialised studies without which successful plans for the economic development of the State cannot be properly drawn or executed by the State planning machinery. In this connection, a highly specialised agency like the National Council of Applied Economic Research should be commissioned to undertake a comprehensive Techno-Economic Survey of the State. Besides, the services of other agencies like the Agro-Economic Research Centre for North East India, Jorhat; the Oil and Natural Gas Commission; the Geological Survey of India; the Central Waters and Power Commission should be availed of for doing special studies on specific fields. The State’s own specialised agencies and the North Eastern Hill University should be sponsored for doing research on specific programmes.

The State planning machinery should have a very strong research wing for continuously and systematically studying the conditions of the economy, identifying the problems as well as the deterrents to growth, finding the means for solution and passing them on to those who are responsible for the formulation and execution of plans and policies. The research wing should naturally take up the task of evaluation of the progress made in different fields.

The constraints of development in the State cannot be quickly removed and may rather continue for a long time to come. A
regional planning for a coordinated development of Meghalaya along with her neighbouring States in North Eastern India is, perhaps, the only design of development which can eliminate the constraints. The formation of the North Eastern Council (N.E.C.) would, therefore, go a long way in achieving the coordinated economic development of the north eastern region as a whole. But the cooperation of the constituent units must be forthcoming to enable the N.E.C. to make a massive and coordinated thrust in those important areas whereby the pace of development and economic integration of the entire region can be accelerated. The N.E.C. will have to identify the areas where a particular State in the region should specialise and other States should avoid competition. Hence a spirit of cooperation and accommodation is highly essential for the success of a regional planning as envisaged in the formation of the W.E.C.

It has to be noted that development is not mere utilisation of resources that are readily available. As Hirschman writes, "Development depends not so much on finding out optimal combinations for given resources and factors of production as on calling forth and listing for development purposes, resources and abilities that are hidden, scattered or badly utilised." According to Hirschman again, investment is a many-sided actor; it serves simultaneously as an 'income-generator', a 'capacity creator' and a 'pace setter' for additional investment. Thus development can be initiated by a well directed investment of a sizable magnitude. This alone can secure necessary momentum which will call forth

5. Ibid., p. 41
additional doses of investment in future. Since the basic aim of investment is economic development and since the latter results from the former, investment must be devised in such a way as to create the conditions for the success of further investment in future. Investment should be so designed as to ensure a regular flow of capital and to break the fundamental socio-economic barriers. In view of the limited means, it would be necessary to draw up a shelf of schemes on priority basis, and investment in different directions have to be so related with one another as to constitute an integrated structure.

On the basis of the suggestions made in the earlier sections, it can safely be concluded that the investment pattern in Meghalaya should have the merit of emphasizing two strategic variables, viz., development of transport and communication and investment in human capital. Tripura which has special problems more or less similar to those in Meghalaya devoted more than 44 per cent and about 39 per cent of her first Plan outlay to the development of transport and communication and social services respectively. So also the investment in Manipur was more or less in the same pattern. But although road development was given top priority in the Fourth Five-Year Plan of Meghalaya (which was the first plan of the State), the percentage share of transport and communication sector in the total plan outlay was only 33.2 per cent while that of social services was 21.7 per cent. In the Fifth Plan of the State, top priority was shifted to agriculture. The share

of Transport and Communication and Social Services was further reduced to 18.9 per cent and 17.4 per cent respectively.  

We now come to the end of our enquiry into some aspects of the economy of the State of Meghalaya - one of the small States in the country. The economic backwardness of the State has been caused by a number of factors. The long isolation of the State from the rest of the country which aggravated with the Partition of 1947 was also responsible for her continued backwardness. The lack of opportunities for an economic self-assertion among the people of the State is another factor.

Now that Meghalaya is a full-fledged State with an elected Legislature and Responsible Government, it is hoped that the people shall get full opportunities of self-assertion and this should be properly directed and utilised for the growth and development of the people of the State. After all, modern economy is growth economy, and the problem of securing growth and development is not only economic, but also political, social, and cultural, so that economists, politicians, statesmen, social reformers and many others must be engaged in solving the problem. Given the sizable magnitude of initial investment on strategic variables under a rational plan, clean administration, changed attitude of the bureaucrats, and higher aspiration of the people, we can reasonably hope that Meghalaya would forge ahead to catch up with the rest of the country with a per capita income equal to the all-India average within a short period of time.

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8. See Table 6.10 of Chapter VI above.