The present study is the first ever attempt at a critical analysis of some aspects of the economy of a new State of the Indian Union. Meghalaya is one of the three new States in North Eastern India which were created simultaneously in January, 1972—the other two being Manipur and Tripura. North Eastern India comprises, in all, five States and two Union Territories. Meghalaya ranks third, in terms of area, among all the seven units, but it is the second largest of the five States. Unlike the other two States established in 1972, which were formerly Union Territories, Meghalaya was carved out into a separate State by detaching two districts of United Khasi-Jaintia Hills and Garo Hills from the then composite State of Assam. Meghalaya was first formed into an autonomous State within the State of Assam in 1970 comprising the said two districts. But within two years of her existence as an autonomous State, it became necessary to give her the status of a full-statehood on 21 January, 1972.

Soon after the birth of the new State of Meghalaya, a new district was formed on 22 February, 1972 by upgrading the Jaintia

1. The three States of Manipur, Meghalaya and Tripura were created by an Act of Parliament, viz., The North-Eastern Areas (Reorganisation) Act, 1971 (Act No. 55 of 1971)

2. The other two States are Assam and Megaland and the two Union Territories are Arunachal Pradesh and Mizoram. For the purpose of this work all the seven units shall be referred to, for the sake of brevity, as States except where they are required to be mentioned as they are. A comparative statement showing their respective area and population is given in Table 1 of Appendix 'A'.

Hills subdivision of the existing district of United Khasi-Jaintia Hills. The formation of the new district of Jaintia Hills has thus raised the number of districts in Meghalaya to three coinciding with the three regions of the State inhabited by the three matrilineal tribes known as the Khasis, the Garos and the Jaintias.

Being a new State with a new separate entity, Meghalaya enjoys an advantage from the development point of view because it has to start on a fresh ground having no previously long-evolved plan of development on its own interest. This will facilitate coordination of the economic policies and programmes of development in the three regions of the State. But this does not imply that the State will have no problem in such coordinated development. Political factors and heterogeneous interests are likely to arise, and may assert themselves in the name of developing certain more backward areas. Hence it may be said that divergent interests exist in the formation of the new State of Meghalaya and may grow with the spread of consciousness among the people of the different regions of the new State. In fact, the State has, as the present study shows, 10 well-defined natural regions. Any proposal for the future formation of new administrative units in the State, would do well to take into consideration these 10 regions for the purpose of making the new units coincide with the regions thereby

4. The Jaintia Hills District was created by the Government of Meghalaya Notification No. HPL.36/71/43 dated the 21st February, 1972.

5. In October, 1976, each of the Districts of Khasi Hills and Garo Hills was divided into two districts - thus making a total of five Districts now in the State. But for the purpose of this work, the State shall be considered as consisting of three regions on the basis of the three original Districts as they stood before October, 1976.
facilitate the application of the concept of regional planning with inter-regional justices.

There is, indeed, a difference in the degree of socio-economic and spread of literacy among the three regions. The percentage of literacy, on the basis of the 1971-Census, is the highest (36.60)\(^6\) in Khasi Hills and the lowest (19.94)\(^7\) in Jaintia Hills; while in Garo Hills the percentage being 23.57.\(^8\) The regions too are at varying stages of development and organisation. According to the Report of the Commission on the Hill Areas of Assam, 1965-66, "Owing to the presence of the State capital in their district and relatively good communications, the Khasis are the most advanced of the hill people, although away from the main roads their life has still much that is primitive. The tribes in Jaintia Hills are less sophisticated. The Garos too have had long contacts and trade relations with Kamrup and Goalpara districts (of Assam) and these have had some influence on their society."\(^9\)

Locationally, the State of Meghalaya has some significance in that it serves as an important link between the Brahmaputra valley and the Barak valley of Assam, the Union Territory of Mizoram and the State of Tripura - a national highway runs through the State from Gauhati to Silchar and Badarpur and on to Aizawl.

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\(^7\) Industrial Potential of Jaintia Hills District, Branch Small Industries Service Institute, Meghalaya, Ministry of Industry and Civil Supplies, Government of India (Shillong, 1976)


the capital of Mizoram, and to Agartala, the capital of Tripura. Further, it has common international borders with Bangladesh (formerly East Pakistan). As a result of the Partition of 1947, there has been a great economic disruption in and along the southern border areas of the State. Here is another region of heterogeneous interest demanding rapid economic rehabilitation to enable itself to catch up with any accelerated development process in the rest of the State and then of the country as a whole.

The plan and the hypothesis of the present work may be briefly stated here. The starting point of the study would be that Meghalaya is constituted into a political unit inside the Indian Union. Therefore, an attempt will be made to discuss the economic problems it confronts treating the new State as a given fact and as a comprehensive entity. In such a context, a comprehensive survey of the region that constitutes the new State of Meghalaya would be desirable.

Secondly, an overall analysis of this kind, treating the State as a comprehensive unit, is useful soon after its formation. Fresh policies would have to be evolved although administration is more important than policy. An attempt will be made in the study to indicate logically the limits on the claims for development in the State. Such an attempt is necessary in order that the feeling of satisfaction at the formation of the new State may not mislead the people and their leaders into an over-ambition incompatible with their own aspiration for growth and development according to their own genius. It may be remembered that politically, the State was constituted on the basis of safeguards and protection.  

10. Protection and preservation of separate entity and culture of the hill people had always formed the basic consideration in the various proposals, evolved from time to time since Independence,
The existence of the different regions of divergent interest will obviously lead to regional pulls on many issues of development. The issues will tend to become difficult calling for careful consideration. This task, it is believed, would be facilitated by an analysis of the type undertaken by this investigation, setting out the present position and assessing the possibilities relevant to development in all key sectors of the economic activities.

Another important purpose of this work is to indicate the development potential of the State in the light of her resources as well as certain social criteria. The main emphasis will be on the need for the urgent and systematic development of the infra-structure - economic and social - and for building up leadership in various sectors.

However, our central hypothesis is that, the lack of even the minimum infra-structure has led to the economic backwardness of the State. This hypothesis has been tested and found to be fully valid. Of course, the influences of other associated economic and social factors will also be duly discussed. Meghalaya, being rich in mineral deposits and forestry with high potential sources of both thermal and hydro-electric power, is poised with great possibility for industrialisation. But yet agriculture must be viewed, for a considerable period of time to come, as the key sector for development. It is here that the problem of jhum cultivation, a shifting and wasting form of agriculture which is widely practised in the State, will be closely

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To grant a larger autonomy to the hill areas of North-East India. For instance, see, Report of the Commission on the Hill Areas of Assam, 1965-66, op.cit., Appendix XIII-D, p. 173
The industrial progress of the State depends mainly on building up of a public sector and establishing industries primarily in the public sector. This is because private sector is not in keeping with the tradition of the people of Meghalaya who are following a matrilineal system of society. The study will, therefore, attempt to indicate the impact of the system of matrilineal inheritance on the economic variables in the State.

The plan of the study has been to focus on some important aspects of the economy of Meghalaya. The work would view the economic development of Meghalaya not as an isolated phenomenon but as an integral part of the economic development of India as a whole.

As regards methodology, the present inquiry will be an attempt to apply the tools of regional economic analysis to the newly formed State of Meghalaya. Although the new State is constituted into a separate political unit on the basis of safeguards, yet the investigation will make an attempt to analyse the economic problems of the State in such a way that her position in relation to the neighbouring States and the country as a whole, will be clearly portrayed.

An attempt has been made to make the present study as analytical as possible. The author's intimate knowledge of the place as a native of the State has facilitated the analysis a good deal. The analysis is based on diverse source materials which consist mainly of books, published reports - Governmental and non-governmental - unpublished records of Government Departments and
also personal investigation.

It is recognised that there are important data gaps. The area of the present State of Meghalaya comprises the former two districts of Assam and as such these districts never had any reason to exhibit planned or consistent tendencies in any sphere, apart from those that constituted a part of the aggregate State policies that may have existed. Further, Jaintia Hills which continued as a Sub-division until 22 February 1972, never had separate published statistical data. The data relating to the erstwhile Sub-division were merged into the district level figures. Thus the model of analysis in this work has been some sort of a macro-system analysis.

However, for some time more the public are likely to be obsessed with the idea that the three regions - in fact, the 'Border Area' constitutes another entity for some time to come - should receive individual treatment in respect of their development. Therefore, region-wise data are also presented where available.

The work has been divided into eight chapters. Chapter I discusses thoroughly the Natural Resources Endowments, with indications of the development potentials provided by the resources found in the State. The next chapter deals with the Man-Power Resources, together with the Social Structure obtaining in the State. It is here that the impact of the matriarchate, especially the system of inheritance, on the economic variables in the State is discussed. Chapter III is devoted to the discussion on the existing infra-structure development in the State. The next three chapters concern the sectoral analysis of the present structure of
the economy of Meghalaya. Chapter IV deals with the Primary sector and has two sections devoting the second section to the detailed study of the economics of Jhumming or shifting system of cultivation which is widely practised in the State. In Chapter V, the Secondary sector of the economy is discussed. The trends of industrial growth during the first few years of the new State indicating the problems and prospects of industrialisation of the State are dealt with. Chapter VI analyses the Tertiary sector and the trends of its development. Chapter VII compares the position in the level of economic development in Meghalaya with those of other States in the country particularly with those States having similar topography and geographical density of population. The concluding chapter outlines the summary of findings in the earlier chapters on the basis of which suggestions are made.

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