

CHAPTER – I

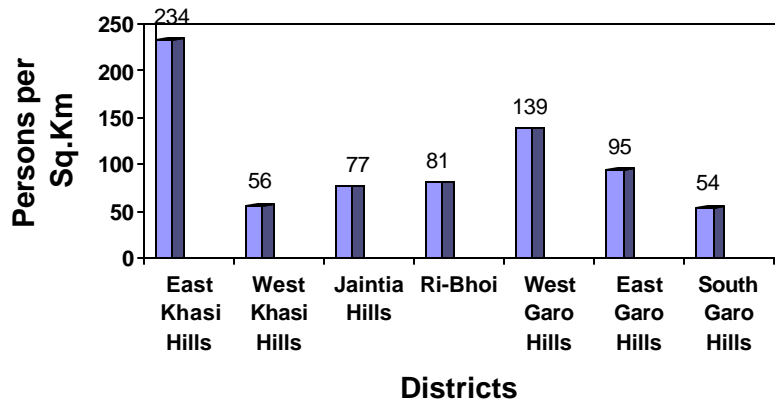
INTRODUCTION

- 1.1. **Area & Location:** Meghalaya was first created as an Autonomous State within the State of Assam on the 2nd April, 1970 with the two erstwhile Districts of Assam, viz: the United Khasi & Jaintia Hills District and the Garo Hills District. The Autonomous State was upgraded into a full fledged State with effect from the 21st January, 1972. The State has a geographical area of 22,429 Sq.Kms approximately and has now 7 Districts viz : (i) the East Khasi Hills District (ii) the West Khasi Hills District (iii) the Jaintia Hills District (iv) the Ri-Bhoi District (v) the West Garo Hills District (vi) the East Garo Hills District and (vii) the South Garo Hills District. At the beginning, the State has 24 C&RD Blocks but the number has increased to 39 by the end of 2000-2001. It is one of the smallest States in India and is strategically located in the North-East between 25° 5” and 26° 10” North Latitudes and between 98° 47” and 97° 47” East Longitudes. It is a strip of land spread along the northern boundary of Bangladesh and it is bounded by that country on the South as well as on the West. The length of the International boundary is about 423 Kms. The State is surrounded on the other sides by Assam which provides the access to it mainly by road. The land surface of the State mostly comprises of hills and table lands with the hills sloping gently towards Assam on the north but rather steeply and abruptly towards Bangladesh on the south. The land surface of Meghalaya is also characterized with small patches of beautiful valley land, fresh streams and rivers and deep gorges.
- 1.2. **Population :** As per 2001 Census, the total population of the State is 23,06,069(P) as against 17,74,778 in 1991 indicating a decadal growth of 29.94 percent.. Nearly 81 percent of the population of the State lives in rural areas. The State’s population is pre-dominantly tribal and constitutes 90.46 percent (E) of the total population. The Scheduled Caste population is barely 0.93 percent (E) and the Others form 8.61 percent (E) of the total population of the State. The number of villages as per 2001 Census is not yet available but the number of villages as per 1991 Census is 5,484 and as per State Government provisional figure the number of villages has increased to 5780 villages in 1998.

The following table shows the district-wise and population of Meghalaya:

Sl. No	District	Headquarter	Area (Provisional Census)	Population (2001) Provisional
1.	East Khasi Hills	Shillong	2,748 Sq. Kms	6,60,994
2.	West Khasi Hills	Nongstoin	5,247 Sq. Kms	2,94,115
3.	Jaintia Hills	Jowai	3,819 Sq. Kms	2,95,692
4.	Ri-Bhoi	Nongpoh	2,448 Sq. Kms	1,92,795
5.	West Garo Hills	Tura	3,714 Sq. Kms	5,15,813
6.	East Garo Hills	Williamnagar	2,603 Sq. Kms	2,47,555
7.	South Garo Hills	Baghmara	1,850 Sq. Kms	99,105
	Total		22,429 Sq.Kms	23,06,069

Density of Population of Meghalaya 2001 (Provisional)



- 1.3 **Natural Resources:** The State is richly endowed with natural resources. The heavy and long monsoon sustains intensive and varied flora. Forests cover a land surface of 9,500 Sq. Kms or 42.35 percent of the total area of the State(1998-99 figure). The area of reserved forests under the control of the State Government, however, is small. The low forest cover has given rise to problems of poor water retention, soil erosion, reduced soil fertility etc. However, the recent restriction imposed by the Hon'ble Supreme Court on exploitation of timber is beginning to improve the greenery scenario of the State.

The total known coal reserves is estimated to be 6301 million tonnes, Limestone reserves are estimated 3000 million tonnes and reserves of Industrial clay about 71 million tonnes. Other commercially exploitable mineral deposits are Kaolin, feldspar, glass sand etc. The State has also rich deposits of Uranium.

Heavy rainfall, big streams and rivers provide abundant hydro power potential in the State. In Meghalaya land belongs to the people.

- 1.4 **Soil and Rainfall :** By and large, the soil in the State is acidic in nature and comparatively in organic matter and nitrogen but poor in phosphorous. Due to heavy rainfall, the soil in the border area tends to be sandy. The Mawsynram, Cherrapunjee, Pynursla belt in Khasi Hills along the southern border records a rainfall varying between 1,000 mms to 15,000 mms per year. There has been a heavy pressure on the forest resources due to large scale indiscriminate felling of trees for shifting cultivation and other purposes has exposed the hills to natural vagaries which have caused large scale erosion of the top soil and huge amount of soil is washed away every year.

- 1.5 **DEVELOPMENT STATUS :**

Meghalaya's economy is primarily agricultural, engaging around 75 per cent of the total population. With the increase in population over the years and the corresponding decrease in availability of land for agricultural purposes, the incidence of landless labour and the resultant poverty has risen substantially. Inter alia, inadequate infrastructural facilities, poor road communication due to hilly terrain and unemployment have been the major constraints of economic growth. Investment for

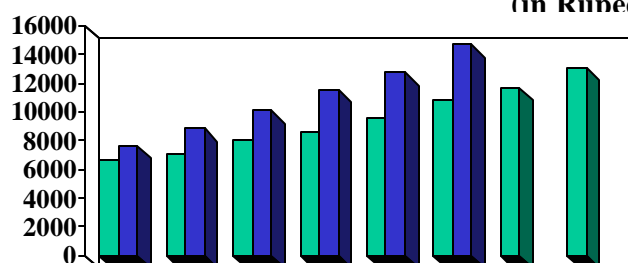
industrial development which may generate income and employment is almost non-existent. Development of local entrepreneurship and evolution of self-employment opportunities continue to stagnate. However, the development strategy adopted so far has been successful in terms of creation and improvement of basic physical and social infrastructure, emergence of a literate population equipped with various skills and a beginning has been made in changing the age old mindset of the people. The Net State Domestic Product of the State at current prices increased from Rs. 2146.38 crores in 1997-98 to Rs. 2806.20 crores (Q) in 1999-2000 and the corresponding per capita income increased from Rs. 9577 in 1997-98 to Rs. 11678 (Q) in 1999-2000. The Net State Domestic Product of the State at constant (1993-94) prices during 1997-98 was Rs. 1649.03 crores which increased to Rs. 1880.51 crores (Q) during 1999-2000. The per capita income (NSDP) during 1997-98 was Rs. 7331 which increased to Rs. 7826 (Q) during 1999-2000.

Per Capita NSDP/NNP

(at current prices)

Meghalaya & India

(in Rupees)



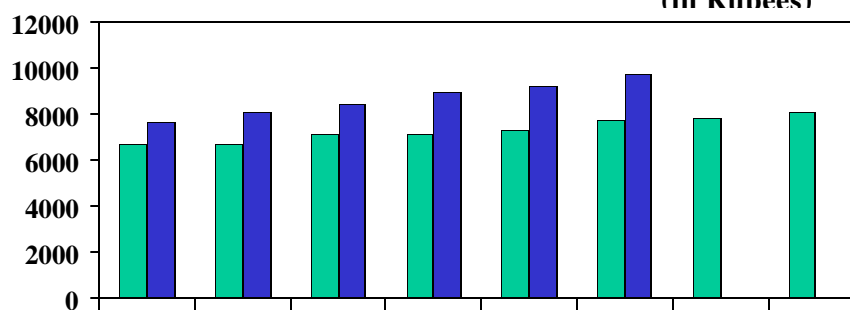
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99(P)	1999-2000(Q)	2000-01(Adv)
■ Meghalaya	6706	7073	8085	8566	9577	10892	11678	13029
■ All India	7698	8845	10103	11554	12729	14682		

Per Capita NSDP/NNP

(at constant prices)

Meghalaya & India

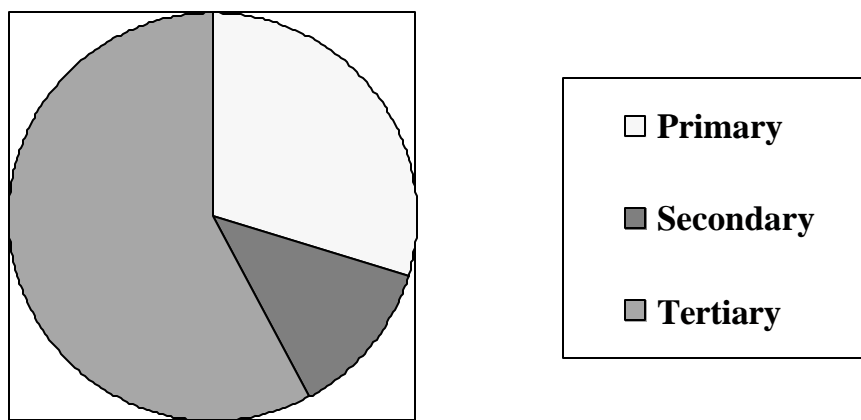
(in Rupees)



	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99(P)	1999-2000(Q)	2000-01(Adv)
■ Meghalaya	6706	6697	7150	7161	7331	7727	7826	8118
■ India	7698	8069	8479	8987	9271	9739		

1.5.1. The estimates of Net Domestic Product of the State by main Sectoral origin reveal the role performed by each sector in the economy. Though the contribution of the Primary Sector did not decrease from one year to another, yet its share to the Net State Domestic Product at current prices is 29.71 % in 2000-01 (Advanced Estimates) as against 33.15 % in 1994-95. The Secondary Sector contributed between 9.98 % to 12.52 % to the Net State Domestic Product at current prices during the period of 1993-94 to 2000-01. The Tertiary Sector becomes the main contributor to the Net State Domestic Product at current prices and the share of this sector in the economy of the State ranges from 55.56 % at the lowest to 59.15 % at the highest during the same period.

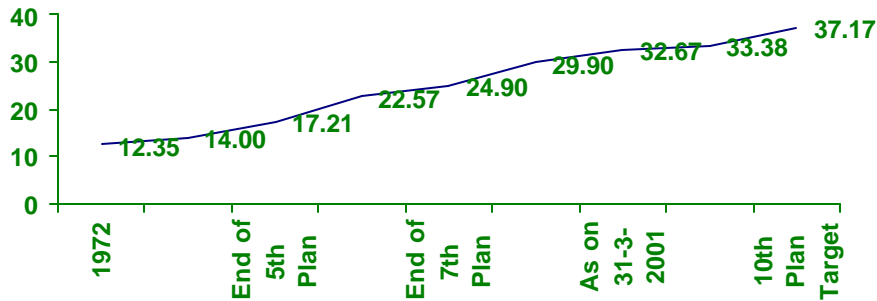
NSDP at current prices –2000-01 (Advanced Estimates)



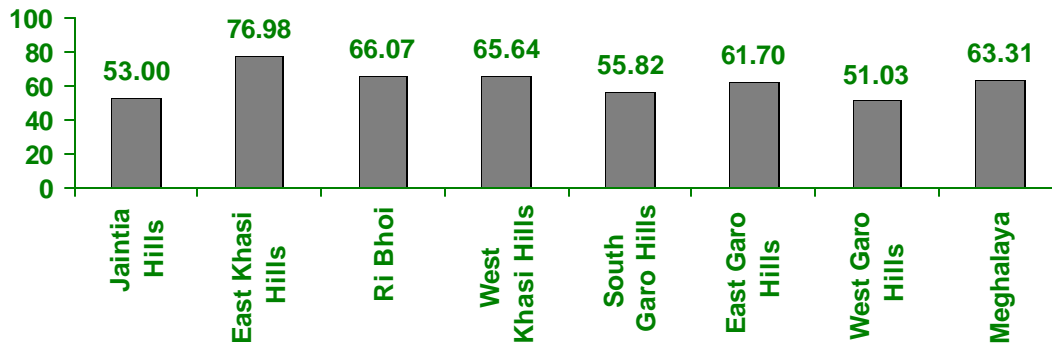
(Source: Directorate of Economics & Statistics, Meghalaya)

1.5.2. The overall position on the infrastructural development of the State has not reached the desired level that could ensure rapid socio-economic growth. The credit-deposit ratio is very low and stood at 20.21 per cent (March, 2001). The literacy rate of 63.31 per cent in 2000-01 is unsatisfactory and well below the national level of 65.38 per cent, as per Census, 2001. The road density of 32.67 km./100 sq. km. (as on March, 2001) is far below the national average of about 60 km/100 sq. km. On average, there is one Primary Health Centre/Health care facility for a population of 21,643, one sub-Centre for 3070 people, one doctor for 5913 people and 109 beds per lakh population. About 95 per cent of the existing villages are provided with potable water. About 50 per cent of the villages are connected with roads which are mostly fair weather roads. The per capita consumption of electricity is only about 175 KWh during 1999-2000 which is among the lowest in the country. The percentage of villages electrified is 46 per cent only.

Road density (per 100 sq. Km)



Literacy Rate



1.5.4. The net sown area constitutes 9.74 per cent of the total area of the State and double cropped areas constitute 20.35 per cent of the net area sown at the second year of the Ninth Plan(i.e. during 1998-99). Only 19 per cent of the total cropped area is under irrigation as per 1993-94 figure.. Foodgrain production was 1.86 lakh tones in 1998-99 and about 2.06 lakh tonnes in 1999-2000 as compared to 1.78 lakh tonnes during the terminal year of the Eighth Plan (i.e.1996-97).

1.5.5 Meghalaya's backwardness is explicit in the manner of exploitation of its natural resources and exportation of the same to markets outside the State mostly in primary form, thus losing the benefits of backward and forward economic linkages. In the three decades of its existence, Meghalaya as a State has witnessed tremendous uneconomic and unscientific exploitation of its natural and mineral resources. The exploitation of timber would have brought the ecology and environment of the State into an alarming situation had it not been for the restriction imposed by the Hon'ble Supreme Court in 1996-97. As at present, coal mining in Jaintia Hills, West Khasi Hills, East Garo Hills and South Garo Hills is going on unabated in an uneconomic and unscientific manner and the environment is adversely affected with future generations to suffer. Limestone is also exploited and exported in primary form except for portion consumed by the State's Cement factories. It is very essential, therefore, to evolve an appropriate approach and strategy for the development of these hills in a proper way by tapping the resources scientifically, economically and optimally without adversely affecting the environment and avoiding the activities which may lead to dooming of the fate of future generations. Every effort is also to be

made to process the tapped resources within the State itself and to export the same in the form of final goods so as to bring about an improvement in the State's economy and to open up employment opportunities for the people.

- 1.5.6 Despite possessing a fairly rich resource endowment which could provide the base for an adequate rate of economic growth, Meghalaya is still an industrially backward State. Though rapid industrialisation is necessary for boosting up the economy of the State, provide employment opportunities and others, Meghalaya has not witnessed the desired level of investment in this area mainly because of the lack of proper basic infrastructure, both physical and financial. The vast natural endowments and human resource capital have remained unproductive and non-performing assets. The development of various skills required for meeting the demands / challenges of the changing socio-economic scenario is very low. Unemployment of the youth, particularly the educated youth is very high.
- 1.5.7 The most notable change in the economic landscape is the rapid development of the road network in the State. Starting with less than 2000 kms. of roads in the early 70's, Meghalaya had 7328 kms. of roads as on 31st March, 2001. The investment on roads has produced a very positive impact on the economy and society in this Hills State. Hitherto, substantial parts of inaccessible areas have been integrated with the market economy. With the improved road network and better access to interior areas, exploitation of forest in the State had seen some acceleration during the last two decades and it had produced mixed result. Mining activities have intensified in recent years causing considerable environmental problems and significant strains on the road system. The development strategy during the past few decades has primarily aimed at significant strengthening of the techno-economic infra- structure and improving the delivery system for social services. The demand for agricultural produce has increased and the price incentive has made a positive impact on the agrarian sectors. The linking of interior areas to Urban centres has enabled the farming community to gain ready access to fertilisers, pesticides and other inputs; it has also made it possible for the farmers to sell their produce in the growing townships within the State and outside. The impact of improved road communication is also discernable in the slow shift in the cropping pattern whereby Cash Crops and Plantation Crops have made a modest appearance on the agricultural scene in Meghalaya. In the coming years, the potential for developing of horticulture and plantation crops could transform the economy radically and provide large scale opportunities for employment and income in the rural sector.
- 1.5.8. The investment made in the past decades in raising the area under irrigation, soil conservation, land reclamation, etc., has also produced encouraging results. The agricultural extension machinery has been strengthened and marketing and storage infrastructure has been augmented. The utilisation of fertilizers, pesticides and other inputs has gone up over the years and rural electrification has also made some headway although at a considerable low pace due to economic reasons. In recent years. While output in respect of foodgrains and other key groups has not shown any dramatic increase over the years, yet, what is unmistakable is the promise of overall enhanced production and productivity inherent in the vastly expanded infrastructure in agriculture, rural development and other sectors created during the last three decades. Now that the State has adequate technical manpower in certain disciplines, the coming years could see a fillip in the output of foodgrains, horticulture produce, etc., if the tempo of investment is stepped up.

- 1.5.9. **Given the hilly terrain and low density of population, administrative overhead costs in Meghalaya are bound to be much higher than those in the rest of the country.** With the emergence of the new State, there have been efforts to bring the administration closer to the people by opening new districts, Sub-Divisions, Development Blocks, etc. All development agencies have by now positioned their technical and administrative manpower. This process had resulted in massive expansion in the number of government employees both in the regulatory and development spheres.
- 1.5.10. The administrative expansion was accompanied by a sustained rise in investments in government buildings, both for residential and office purposes. Building activities have generated employment opportunities for Contractors, masons, carpenters and unskilled workers in a significant manner. The combined effect of the road building construction programmes on demand for labour and materials has been very substantial.
- 1.5.11. Looking at the human development record of Meghalaya, there are many encouraging aspects of which the main element is the improvement in the educational attainments of the population. The number of children in primary schools was estimated to be around 1.48 lakhs in 1972 whereas the number in 1998-99 was 4.12 lakhs. At the high school level, the intake of students has gone up from the base level of about 29,000 in the early 70's to well over 64,000 in 1998-99. The impact is seen from the increase in the State's literacy rate from 29.49 percent in 1971 census, to 34.08 percent in 1981 census, to 49.1 percent in 1991 census and to 63.31 percent in 2001. The increase in the number of students in higher educational institutions has not been accompanied by a matching increase in the number of employment opportunities, in the organised sector of the economy. In spite of the massive expansion in administration, the organised sector has not been able to absorb fully the additions to the literate labour force. Large number of school and college leaving persons are unable to secure regular salaried employment. The potential for self-employment needs to be explored even as private industry and trade. Rising numbers of educated unemployed have created frustration and anger among the youth which has probably contributed to unrest and tension in the region.
- 1.5.12. In the public health sector, accessibility to modern health care facilities has substantially improved and the number of hospitals and primary health centres has increased. From just 9 Primary Health Centres in 1972, Meghalaya has raised the PHCs to 88 by 1999. The number of doctors has gone up from 130 in 1972 to 389 in 1999. There has also been a similar increase in the number of nurses and paramedical personnels. The impact of the investment in public health has been somewhat mixed with infant mortality rates, death rates and total birth rates continuing to be rather high at 56 per 1000, 9.1 per 1000 and 28.7 per 1000 respectively as per provisional figures of 1999. Much of the investment in the health sector has been in strengthening the physical facilities/infrastructure in terms of hospitals, PHCs housing for medical personnel, etc. A programme for mass immunisation and improving rural health and sanitation is being introduced.

	(Regional Rural Banks)	2000	27.27	27.39	113.04	33.33	35.71	20.00	32.08	40.93
14	Birth Rate (per '000)	1999 (P)	28.70	27.00	22.30	18.60	17.00	11.80	17.00	26.10
15	Death Rate (per '000)	1999 (P)	9.10	9.70	6.00	5.40	5.50	2.30	5.70	8.70
16	Infant Mortality Rate (per '000)	1999 (P)	56.00	76.00	43.00	25.00	19.00	N.A.	42.00	70.00
17	Road Density (per '00 Sq. Km)	1997	32.67 (2000-01) PWD Roads only	87.22 All categories of roads	16.83 All categories of roads	49.00 All categories of roads	22.91 All categories of roads	110.71 All categories of roads	140.41 All categories of roads	75.01 All categories of roads