

# CHAPTER – I

## INTRODUCTION

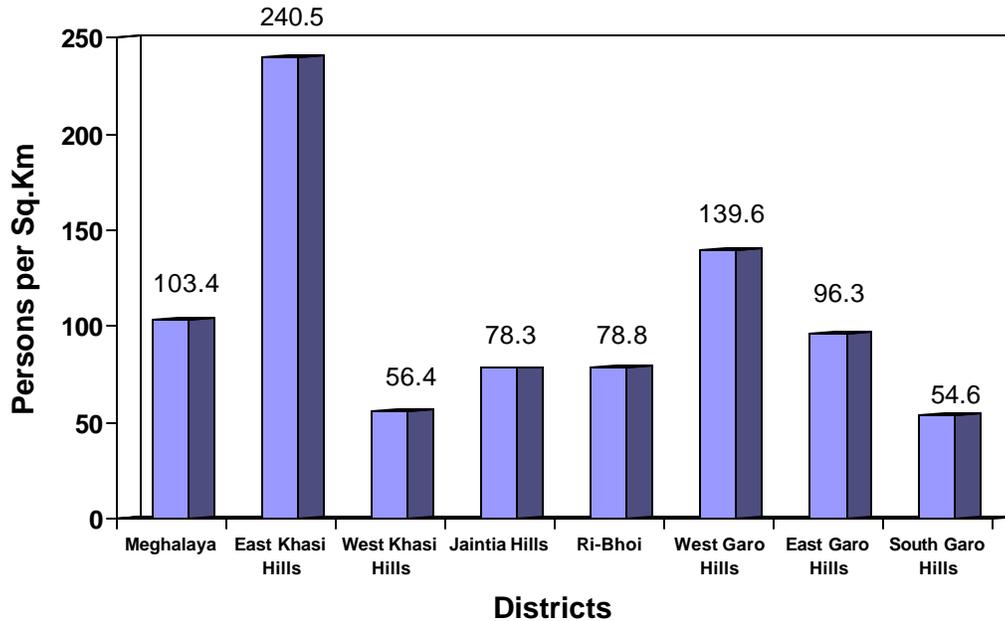
**1.1. Area & Location:** Meghalaya was first created as an Autonomous State within the State of Assam on the 2<sup>nd</sup> April, 1970 with the two erstwhile Districts of Assam, viz: the United Khasi & Jaintia Hills District and the Garo Hills District. The Autonomous State was upgraded into a full fledged State with effect from the 21<sup>st</sup> January, 1972. The State has a geographical area of 22,429 Sq. Kms and has now 7 Districts viz : (i) East Khasi Hills District (ii) West Khasi Hills District (iii) Jaintia Hills District (iv) Ri-Bhoi District (v) West Garo Hills District (vi) East Garo Hills District and (vii) South Garo Hills District. At the beginning, the State had 24 C&RD Blocks but the number had increased to 39 as at the end of 2001-2002. 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 443 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 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 23,18,822 as against 17,74,778 in 1991 indicating a decadal growth of 30.65 percent.. Around 80.4 percent of the population of the State lives in rural areas. The State’s population is pre-dominantly tribal who constitute 85.9 percent of the total population. The Scheduled Caste population is barely 0.5 percent and the others form 13.6 percent of the total population of the State. The number of villages as per 2001 Census is 5,782 as against 5,484 in 1991 Census. As against the State’s sex ratio of 972 in 2001 census, the sex ratio among Scheduled Tribes and Scheduled Castes is 1,000 and 882 respectively. The main workers constitute 32.6 percent while the marginal workers constitute 9.2 percent of the total population.

The following table shows the district-wise population of Meghalaya as per 2001 census :-

District	Headquarter	Area	Population (2001 Census)	Population Density [persons per Sq.Km]
1.East Khasi Hills	Shillong	2,748 Sq. Kms	6,60,923	240.5
2.West Khasi Hills	Nongstoin	5,247 Sq. Kms	2,96,049	56.4
3.Jaintia Hills	Jowai	3,819 Sq. Kms	2,99,108	78.3
4.Ri-Bhoi	Nongpoh	2,448 Sq. Kms	1,92,790	78.8
5.West Garo Hills	Tura	3,714 Sq. Kms	5,18,390	139.6
6.East Garo Hills	Williamnagar	2,603 Sq. Kms	2,50,582	96.3
7.South Garo Hills	Baghmara	1,850 Sq. Kms	1,00,980	54.6
<b>Total</b>		<b>22,429 Sq.Kms</b>	<b>23,18,822</b>	<b>103.4</b>

## Density of Population in Meghalaya 2001 census



**1.3. Natural Resources:** The State is richly endowed with natural resources. The heavy and long monsoon sustains intensive and varied flora. As per the Forest Survey Report of India (SFR 2003), the total area under forest cover in Meghalaya is 15,839 sq. Km., constituting 75.08 of the total geographical area of the State. However, the area of reserved forests under the control of the State Government is small. The total coal reserves have been estimated at 560 million tonnes and the

limestone reserves of 12000 million tonnes. The deposit of industrial clay is about 71 million tonnes. Other commercially exploitable mineral deposits are Kaolin, feldspar, glass sand etc. The State has also rich deposits of Uranium. The hydro- power potential of the State is assessed at around 3,000 MW of which 185.2 MW only has been tapped so far.

**1.4. Soil and Rainfall:** By and large, the soil in the State is acidic in nature and comparatively rich in organic matter and nitrogen but poor in phosphorus. 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. Streams and rivers fed by heavy rainfall and passing down the hilly slopes and cascades provide abundant hydro power potential in the State. On the other hand, deforestation taking place over the years 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. This also led to poor water retention, reduced soil fertility and other problems.

**1.5. Water Management :-** The State does not have any water management programme for storage of rain water which can be used during the lean season. The large amount of rainfall received during the monsoon period flows down to the plains of Assam and Bangladesh causing the State to experience water scarcity during the winter months. This problem became more pronounced during the last two years (2004-06) when the State experienced a near drought-like situation. As such, proper water management has become a necessity and the State Government will give special thrust to this programme during the Eleventh Plan.

**1.6. Environment:** Three decades ago Meghalaya possessed unique natural environment explicit in its bountiful forest rich in flora and fauna, its clear streams and rivers rich in water life, its beautiful grass land and fresh air to breathe every where. However, with the increase in population over the years, there has been corresponding increase in aggregate demand leading to more economic activities and these factors combined with the opening up of road communication paved the way for exploitation of forests, minerals and other resources and this put the serene environment of the State to stress. Felling of trees for timber, shifting cultivation and other purposes during the last three decades or so has caused some damage to the rich flora and fauna of the State. However, restrictions imposed in recent years have begun to show positive results by way of improving the overall greenery scenario of the

State. Of concern also is the unscientific exploitation of coal reserves which not only deprives the State of optimum returns but also causes damage to land, water and air. **The State is in the process of formulating a mining policy.** Though the use of pesticides for control of pests in paddy fields has improved food grain production, it has also robbed the farmers of all eatable species of fish from their fields. There has also been rampant using and mindless throwing of low cost plastic bags both in urban and rural areas which has spoilt the beauty of the landscape in rural areas. Further, the smoke emitted by industrial units in places like Byrnihat and the smoke emitted by the increasing number of vehicles have added more pressure on the environment. Protection of the State's environment from the adverse effect of different economic activities is a great cause of concern which needs to be taken care of properly.

## **1.7. ECONOMIC SITUATION :**

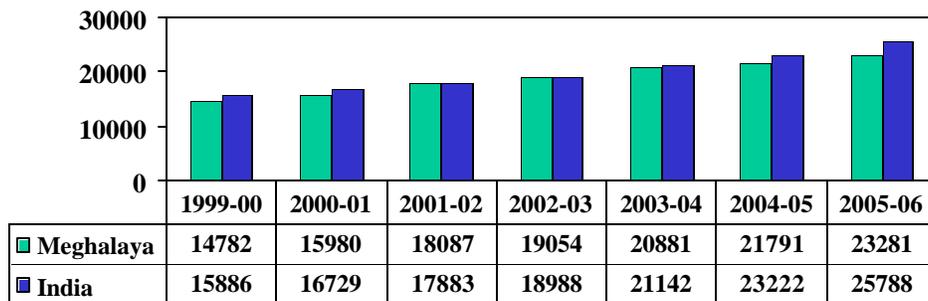
**1.7.1. Dependence on primary products :-** Meghalaya's economy is primarily agricultural engaging around 70 per cent of the population. However, the contribution of agriculture to the State's NSDP is around 22 percent only as against the contribution of around 52 percent by the tertiary sector and 26 percent by the secondary sector. 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. Inadequate infrastructural facilities, poor road communication due to hilly terrain and unemployment have been the major constraints of economic growth. 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. Investment for industrial development for generating income and employment have been encouraged through a number of incentives in pursuance of the State's Industrial Policy, 1997. In recent years, a number of units have come up especially at the EPIP, Byrnihat, the Industrial area near Umiam lake and Khliehriat Sub-station of Jaintia Hills. However, the growth of industries has been constrained by shortage of power. The impact of these industrial investments on the State's economy is yet to be ascertained.

Besides having a low per capita income of Rs. 18074 (Adv.) during 2005-06 at constant 1999-2000 prices against a national per capita income of Rs. 20813 (Adv.), Meghalaya's backwardness is also explicit from 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 value addition. 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. Every effort has to be made to process the tapped resources within the State itself and to export the same in the form of finished goods so as to bring about an improvement in the State's economy and to open up employment opportunities for the people. Across the board, the development of various skills required for meeting the demands and challenges of the changing socio-economic scenario is very low and this is one of the factors leading to unemployment among the youth. However, viewing on the State's economy as a whole, it is seen that the development strategy adopted so far in terms of creation and improvement of basic physical and social infrastructure has been successful.

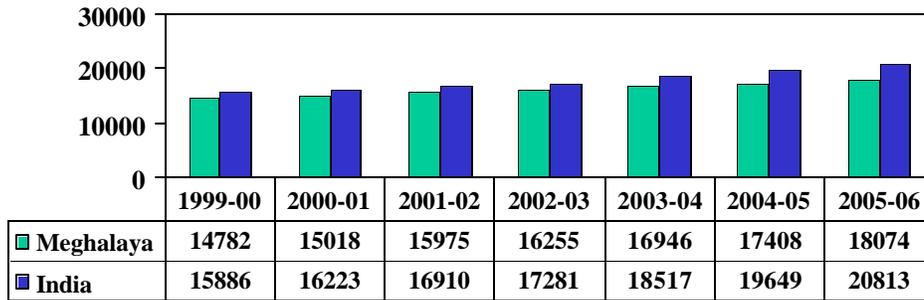
**1.7.2. State Income:** The Net State Domestic Product of the State at current prices increased from Rs. 4509.96 crores in 2002-03 to Rs. 5744.82 crores in 2005-06 and the corresponding per capita income increased from Rs. 19054 in 2002-03 to Rs. 23381 in 2005-06. The Net State Domestic Product of the State at constant (1999-2000) prices was Rs. 3847.57 crores during 2002-03 and increased to Rs. 4440.90 crores during 2005-06. The per capita income (NSDP) at constant (1999-2000) prices during 2002-03 was Rs. 16255 increased to Rs. 18074 during 2005-06.

**Per Capita Income  
(at current prices)**



Rs. Crores

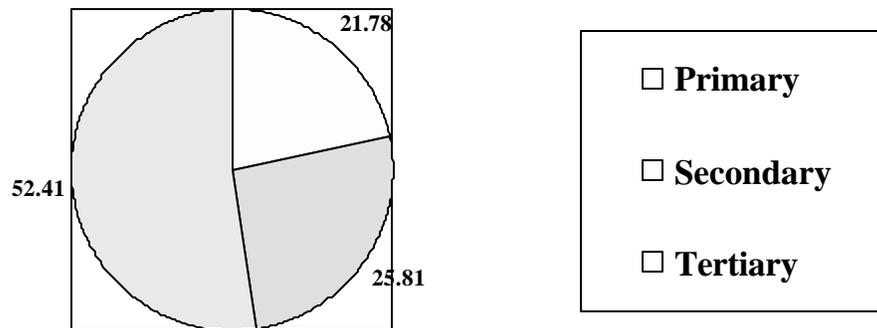
**Per Capita Income**  
**[At constant prices]**



(Rs. Crores)

**1.7.3. Sectoral Income Distribution:** 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 showed a steady increase from year to year, yet its share to the Net State Domestic Product at current prices fluctuated between 24.56 % in 2001-02 to 21.78 % in 2005-06 (Advanced Estimate). The Secondary Sector contributed between 22.77 % to 26.41 % to the Net State Domestic Product at current prices during the period of 1999-200 to 2005-06. The Tertiary Sector which is the main contributor to the Net State Domestic Product has also not shown any significant change as is evident from its contribution of 52.77 percent in 1999-2000 to 52.41 percent in 2005-06.

**NSDP at current prices –2005-06 (Advanced Estimates)**



[Source: Dte. of Economics & Statistics, Govt. of Meghalaya]

## **1.8. DEVELOPMENT STATUS :**

**1.8.1. Growth Rate:** Meghalaya's growth rate during the 10<sup>th</sup> Plan at constant 1993-94 prices has been estimated at 5.86 percent with growth of 3.09 percent, 7.90 percent and 6.15 percent in agriculture, industry and services respectively. The Approach Paper to the Eleventh Five Year Plan as approved by the Planning Commission envisaged to accelerate growth of National GDP from 8 percent to 10 percent and then to maintain at 10 percent during the 12<sup>th</sup> Plan in order to double per capita income by 2016-17. The compound growth rate during 2007-2012 is, however, fixed at 9 percent. The Approach Paper stressed on the need to build on the average growth of 8 percent in the last 4 years of the Tenth Plan so that the country can achieve a growth rate of 10 percent by the end of the Eleventh Plan. With the objective of promoting a widespread structure of growth, the Eleventh Plan aims at doubling agricultural GDP growth to around 4 percent combined with policies to promote rapid growth in non-agricultural employment so as to create 70 million job opportunities in the Eleventh Plan. The growth target of Gross State Domestic Product (GSDP) in the case of Meghalaya is projected at 7.3 percent with Agricultural growth rate at 4.7 percent. The growth rate in respect of Industry and Services are projected at 8.00 percent and 7.9 percent respectively for Meghalaya.

**1.9. Poverty Scenario :** Rural areas in Meghalaya are characterized by limited opportunities, low level of skill development, poor infrastructure, etc. There are wide rural-urban disparities in terms of level of development if viewed from access to amenities and other economic and social indicators of development of the State. According to the estimate of Planning Commission, the population Below Poverty Line (BPL) during 2004-05 is 27.80 percent in the case of India and 18.50 percent in the case of Meghalaya. This is proposed to be brought down to 21.00 percent and 14.30 percent respectively by the end of the 11<sup>th</sup> Plan (2007-2012) by the Planning Commission.. However, a survey conducted by the State Government in 2002 finds that 45.02 percent of the households are BPL families. Much more involvement for livelihoods and poverty alleviation programmes would be required.

## **1.10. Gaps in Infrastructure :-**

(i) Among the States and UTs in the country, Meghalaya ranked **24<sup>th</sup>** in Human Development Index (HDI), **21<sup>st</sup>** in **Index of social and economic infrastructure**, **16<sup>th</sup>** in per capita consumption of electricity, **25<sup>th</sup>** in road density, **30<sup>th</sup>** in per capita utilisation of credit, **19<sup>th</sup>** in per capita income, **13<sup>th</sup>** in Infant Mortality

Rate and 24<sup>th</sup> in Literacy Rate. However, since the State Development Report (SDR) and the HDI are yet to be prepared, the data appearing at various places may not be fully authentic. The State Development Report (SDR) is likely to be finalised soon. The Human Development Index (HDI) Report is also likely to be finalised by June, 2007.

A calculation of the infrastructure Index for all the North Eastern States in a scale of 01 indicate that within the region itself Meghalaya stands at the lower rung of the ladder.

**Infrastructure index and States Ranking**

States	Index Value	Rank
Nagaland	0.39	1
Tripura	0.37	2
Manipur	0.35	3
Mizoram	0.33	4
Assam	0.30	5
Meghalaya	0.23	6
Arunachal Pradesh	0.22	7

*[Source :- Paper prepared by the Directorate of Economics & Statistics, Meghalaya for HDI]*

(ii) There is substantial gap in the infrastructure requirements compared to the national average and the State Government proposes to bridge some of the critical gaps by a moderate level during the 11<sup>th</sup> Five Year Plan to improve the quality of life of the people of the State. Some of the gaps in critical infrastructure are :-

Sl. No.	Development Sectors	Unit of Development	Infrastructure Development Required	Present Status	Infrastructure Gap
(1)	(2)	(3)	(4)	(5)	(6)
1.	Power	Total demand of power (MW)	610	185.20 (30%)	424.80 (70%)
	-Do-	Villages electrified(Nos.)	5782	4217 (73%)	1565 (27%)
	-Do-	Households electrified(Nos.)	365989	135416 (37%)	230573 (63%)
2.	Roads Communication	Road density (Kms./Sq.Kms.)	75/100 (All India)	36/100 (48%)	39/100 (52%)
	-Do-	Village connectivity (Nos.)	5782	2857 (49%)	2925 (51%)
3.	Health & Family Welfare	Sub-Centres (Nos. as per G.O.I. norm)	773	401 (52%)	372 (48%)

<b>Sl. No.</b>	<b>Development Sectors</b>	<b>Unit of Development</b>	<b>Infrastructure Development Required</b>	<b>Present Status</b>	<b>Infrastructure Gap</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
	-Do-	P.H.Cs (Nos. as per G.O.I. norm)	116	102 (88%)	14 (12%)
	-Do-	C.H.Cs (Nos. as per G.O.I. norm)	29	24 (83%)	5 (17%)
4.	Education	Training of teachers (Nos.)	21152	9294 (45%)	11558 (55%)
	-Do-	Literacy rate(%)	100%	62.6%	37.4%
5.	Irrigation	Potential (Lakh hectares)	2.18	0.26 (12%)	1.92 (88%)
7.	Water Supply	Number of habitations	8636	8389 (97%)	247 (3%) + Slipped-back habitations
8.	Infrastructure	CMIE Index of infrastructure (92-93)	100	65 (100)	35
		10 <sup>th</sup> Finance Commission index of Economic & Social Infrastructure	100	70 (100)	30 [Massive investment in infrastructure required]