

55th meeting of National Development Council held on 24th July, 2010

Hon'ble Prime Minister and distinguished members of the National Development Council

I am happy to be here in this august gathering of the 55th National Development Council meeting to consider the Mid-Term Appraisal of the Eleventh Plan and other important issues.

2. The Mid Term Appraisal of the Plan affords an opportunity to reflect upon the achievements of planned development in more than five decades. The dream of transforming India into a developed nation remains a far cry. Despite the avowed goals of equitable growth, the disparities between the haves and have nots have only widened leading to social unrest. Developmental policies have not only failed to benefit the marginalised and deprived sections of the people but also increasingly threaten their sources of livelihood. The State has handed over vast areas of natural resources to the corporate sector to secure industrial and economic growth. The continuing deprivation of the under-privileged raises critical questions about the developmental policies. The most critical of the challenges before the NDC today is addressing issues which are vital for sustenance of the livelihoods of the marginalised sections and their economic well being. Larger involvement of the people in the planning process and distribution of resources has become a necessity.

3. On the one hand we have a vibrant economy in some urban areas, but on the other hand a majority of our population living in the rural areas, is dependent for their subsistence on agriculture and are denied access to some of the basic minimum needs of housing, safe drinking water, health, sanitation and education. A large number of our population is below poverty line. Rising unemployment is reaching alarming proportions.

4. Until and unless the problems of the rural and urban poor are addressed in a sustainable manner, the country cannot claim success of the planned development. Therefore, I call upon this house that the basic approach to our plan should be one of finding lasting solutions to meet the most important challenges of mass poverty, malnutrition, illiteracy, unemployment and widening disparities.

5. Our country still exists in villages. The population living below poverty level with very limited resources need to be empowered economically for their development. Our planned development need not be unduly linked to globalization and liberalization as the country has enough strength and resilience to provide necessary impetus for sustainable growth. It is necessary that the most productive resource – that is land – is properly utilized. Land reforms, as a tool for equitable distribution and productive use of an economic asset, should be given the highest priority with the aim of providing land to the

actual tillers instead of concentration in fewer hands in the name of corporatisation of agriculture. It is only by providing the security of tenure to the actual tillers that proper exploitation of the productive capacity of land can be achieved. This will give higher purchasing capacity to the rural population and consequently deepen and strengthen our internal markets with positive spin off effect of industrialization and generation of employment opportunities.

6. In the context of land reforms, I must point out that it is high time for us to ensure effective protection of rights of the tribal people living in forest areas. As per provision of the Scheduled Tribes and other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006, forest rights by way of pattas have already been vested to 1,16,109 families in Tripura. There is however no specific scheme of assistance for enabling the recipients of pattas to gainfully utilize the land for their economic development. A special programme for land development and livelihoods support should be formulated by the Government of India to support the tribal families vested with rights over the land under the Act so as to realize the spirit of the Act. It may not be out of context to mention here that more than 33000 applicants are there in Tripura, who are non-tribals, but traditional forest dwellers and really poorest of the poor and who have become part of the forest eco-system, but failed to produce three generations documents and therefore deprived of the right of patta. This inconsistency in the Act needs to be removed in order to do justice to the non-tribal, but traditional forest dwellers at the earliest.

7. The present Land Acquisition Act is outdated and needs to be amended to protect the interests of the small land owners and to stop indiscriminate use particularly in the context of large - scale unrest against acquisition of private land for the benefit of Corporate Sector in the name of Special Economic Zones.

8. The failure of the Government to check rising prices particularly in the prices of foodgrain and essential commodities is a matter of grave concern. Prices of cereals, pulses, vegetables and milk continue to rise. The Central Government cannot shirk its responsibility by shifting the blame to the State Governments as the price rise has largely been a product of the policies of the Central Government. The recent decontrol of petroleum products would further push up prices of essential commodities putting a heavy burden on the wage earners and common people further alienating them. The Central Government should revisit and reverse these policies. The State Governments need to be empowered by amendment of the Essential Commodities Act and fuel prices should be regulated so as not to leave the common people to the vagaries of market forces.

9. Instead of weakening the Public Distribution System, it should be further strengthened and universalised. The Government of India must release cereal stocks through the Public Distribution System (PDS) by increasing the rice and wheat quotas for

the States at Public Distribution System issue prices. Further, the Govt. of India should include pulses, edible oils, and other essential commodities through PDS outlets at cheap rates. Futures trading in food articles has largely been speculative and hence, should be banned.

10. The proposed food security Act should be immediately implemented. There should not be any unilateral imposition of a ceiling on number of BPL families by Government of India on the basis of poverty estimates derived from sample surveys, but actual identification of BPL families should be done by respective State governments through a detailed survey on the basis of a national yardstick; APL families should not be excluded. The scale of ration should be 35 kg of rice per month gradually rising to 50 kg per month at a maximum rate of two rupees a kilo, instead of proposed 25 kg.

11. Another area requiring very urgent attention is the removal of regional imbalances. The economy presents a glaring contradiction with few developed States showing impressive growth rates while the geographically disadvantaged North Eastern States continue to be rooted in widespread poverty, unemployment and infrastructural bottlenecks. Imbalance fosters inequality and inequality leads to intractable problems with feeling of isolation and alienation of the people in the affected regions. The North-east in particular has been a victim of such imbalances and this is manifest in the poor development of physical infrastructure of roads, rails, power and telecommunications. The growing sense of injustice and discontent – which at times leads the people, particularly a section of the youth, to the path of violence and anti-national activities – needs to be corrected at the earliest. Massive investments for the NE region are required to be made without further delay. The Union Government will have to take a leading role by providing sufficient public funding. The PPP /BOT models etc. for infrastructure development have not been found to be successful in view of the limitation of the Region. Precious years have already been lost toying with such concepts. It is now time to take a conscious decision and provide the required resources to build up the physical infrastructure in the less developed areas. The rate of capital formation has further deteriorated with the Credit Deposit ratio in the NE region declining abnormally. The stimulus package announced by the Government of India has only helped the corporate sector and the industrially advanced States.

12. The Public Sector Undertakings have been playing a very important and significance role in the economy of our country. The present policy of disinvestment of PSUs will gradually lead to their handing over to the private corporate sector working only for maximizing profits. This will further increase unemployment. The present policy of disinvestment should not be continued.

13. Terrorism and extremism continue to pose a serious challenge. Maoist terrorism has emerged as a serious internal security threat to India. To deal with this menace, there is

need to take a holistic approach. Instead of depending only on the strength and operation of the security forces, there is urgent need to debunk their hollow ideas through ceaseless ideological and political campaign involving masses in a big way throughout the country and at the same time, by stepping up of inclusive development initiatives in the affected and nearby areas.

14. The approved outlay for the 11th Five Year Plan for Tripura was Rs.8852 crores while the approved annual plan outlays for the first three years of the 11th Plan amount to Rs.3930.72 crores. Against the annual plan outlays for the first three years, the achievement was 106%. To achieve the approved outlay of Rs.8852.0 crores, the outlay of Rs. 4656 crores for the remaining two years of the 11th Five Year Plan is required. However after the awards of the 13th Finance Commission, the resource position of the State has worsened and without the support from the Central Government, it will be difficult for the State to achieve the outlay of Rs.8852 crores by the end of the 11th Plan period. The 13th Finance Commission had not accepted the actual expenditure incurred by the State on account of salary and the Non-Plan Revenue Expenditure. NPRE assessed by the Commission constitutes only 61% of the State's forecast. As the committed expenditure on salary and pension has been grossly under assessed, the Non Plan Gap Grant has reduced as compared to the 12th Finance Commission award. The approach of the Finance Commission in making the assessment of committed expenditure on salary and pension is unrealistic and unprecedented. The State Government has ventilated the grievances on the recommendations of the 13th Finance Commission to the Ministry of Finance with request to take corrective measures and provide necessary additional financial assistance to overcome the impending financial crunch.

15. The State Government has been according high priority for agriculture and allied sectors and have drawn up Perspective Plan for self-sufficiency in foodgrains production by 2011-12 and Perspective Plans on Horticulture (2002-03 to 2011-12), Animal Resources (2002-03 to 2011-12), Fisheries (2004-05 to 2010-11) and Forest (2007-08 to 2011-12). The State has achieved self-sufficiency in Certified Seed Production of Rice and Mustard and 33% Seed Replacement Rate in paddy and popularized System of Rice Intensification.

16. The State has already amended the Agriculture Produce Market Committees Act and Recapitalisation of short-term Credit Cooperative Societies has already been completed. The Perspective Plan for self-sufficiency in foodgrains envisages supply of Certified Seed, popularization of Hybrid paddy, increased use of chemical fertilizer along with bio-fertilizer and Micro-nutrients, augmentation of credit through Kisan Credit Card and a more effective extension of the delivery system. However, the State has been facing severe shortage of chemical fertilizers leading to the use of only 41 kg. per hectare, which is far below the all India average. The Government of India should make available the adequate

quantity of fertilizer. The CD ratio should be increased from the present 31% to 50% and credit flow to agriculture sector should be increased by issuing Kisan Credit Cards to all eligible farm households. Tripura has allocated more than 10.9% of the State Plan outlay on an average during the last three years for agriculture and allied activities and it would be difficult to continue to make allocations of this magnitude. The Government of India should devise a mechanism for augmenting allocations under RKVY without insisting the State to maintain such high allocations under the State Plan. Similarly the allocations under Horticulture Technology Mission for North-east should also be substantially augmented.

17. Tripura could harness only 10% of available ground water. In order to exploit the potential, funding under AIBP should be allowed for Deep Tube Well projects. For surface flow in the dry spell, small storage projects need to be encouraged. Funding for these projects should be allowed under AIBP by relaxing cost norms.

18. The Right of Children to Free and Compulsory Education Act, 2009 has come into effect from 1st April, 2010. As mandated under the Act, minimum required buildings and infrastructure for all elementary schools shall have to be provided within three years. Fulfillment of the requirements under the Act involves huge expenditure which is difficult for the State Govt. to provide in view of the present financial constraints of the State Govt. The Govt. of India may consider providing the required fund fully for the North Eastern States so that the basic required infrastructure in the Schools may be provided.

Mention may be made here that the Foreign Educational Institutions Bill will only lead to foreign players opening commercial teaching shops to fleece our students. Therefore, this move should be stopped forthwith.

19. All essential commodities, like food grains, POL products etc. are being brought to the Tripura through Assam. The railway link to Tripura gets disrupted for months during the rainy season. With the onset of monsoons, the movement by National Highway-44 also gets dislocated leading to scarcity of essential commodities in the State. Proper maintenance of rail and road connections has become critical for timely movement of essential commodities to Tripura and to maintain the price line. Steps for expeditious completion of the gauge conversion of Lumding-Agartala Railway line are required. The Govt. of India should take measures to sort out the problems in gauge conversion in some stretches in Assam. Work on the four-laning of NH-44, announced by the Prime Minister five years ago has to be started without further delay as it is the life line for the State.

20. The quality of telecommunication services and the facilities at the Agartala airport also need immediate improvement. Agartala airport is the second busiest airport in the North Eastern Region. Warehousing facilities for cargo handling, cold storage for perishable commodities and proper hanger facilities are required to be developed. The

coverage and the quality of telecommunication and broadband services in the NE region remains far below the national level. It is necessary that the telecommunication and the broadband services are immediately improved and further extended so that the people of the region get benefited.

21. The recent hike in the APM Price of Natural Gas is going to adversely affect the State's economy. More than 90% of power generated in the State is from natural gas. Therefore, the resultant affect of hike in APM Gas price on consumer tariff would be substantially high hitting the consumers hard. Hence, the decision should be rolled back in respect on North Eastern States. The implementation of the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) is constrained by the rigid guidelines for covering the uncovered habitations of more than 100 population only, as several habitations are with less than 100 population and almost all such habitations are tribal habitations. As per the present sanctioned schemes of RGGVY, the total coverage of the partially electrified and totally un-electrified villages/habitations will be to the tune 40% only. In this background, I urge the Govt. of India to relax RGGVY guidelines and sanction required funds to cover habitations below 100 population.

22. The Centrally Sponsored Schemes (CSS) need to be streamlined and multiplicity of such schemes needs to be rationalized to offer flexibility to the State Governments. All the CSS should have a uniform funding pattern of 90:10 for the North Eastern States. Most of the materials such as construction inputs, food, fodder, seeds, fertilizers, etc. are imported from outside the State resulting in higher landed cost of inputs leading to increased unit costs of projects. With well-known communication and economic problems of the North East Region, I request the Union Government to take necessary steps to appropriately revise the unit costs applicable for the various schemes in the North Eastern Region.

23. During the visit of H.E. the Prime Minister of Bangladesh to India in January 2010, a number of agreements were arrived at regarding access to Chittagong Port, Agartala-Akhaura link, operationalisation of Sabroom-Ramgarh LCS and improvement of infrastructure at Land Custom Stations, etc. which are of great interest to the North East in general and Tripura in particular. These agreements need to be operationalised at the earliest. There is an urgent need to establish Air Connectivity between Bangladesh and North-East India. The inland waterways links which existed in the pre-partition days like the Gumti-Meghna river network need to be revived. I strongly believe that these endeavors will further strengthen the bonds of friendship and brotherhood between the people of the two countries and help to improve the trade relations.

24. The Ministry of Development of the North Eastern Region (MoDONER) and the North Eastern Council (NEC) have not lived upto the expectations of the people in the region. Determined efforts would be required to revamp their working to contribute

significantly for the development of the NE States. The Ministry of Development of the North Eastern Region and the North Eastern Council should be provided with adequate technical and managerial manpower and adequate allocations to enable them to address the infrastructural needs of the region. Delays in sanction of projects by DONER and NEC lead to time and cost overruns. Hence, the sanctions should be expeditious and time bound.

25. In today's world, the North Eastern Region cannot be allowed to remain in isolation. The Look East – Policy of the Government of India has not been able to deliver any tangible gains to the North Eastern Region because of the lack of any institutional arrangement to look at the new and developing opportunities and to harness them for the benefit of the people of the area. The South Asia Free Trade Agreement (SAFTA) needs to be utilized to formalize the existing informal trade between the North Eastern States, Myanmar and Bangladesh.

26. I have attempted to put forth some of the main concerns of the country in general and North Eastern States in particular. I hope that the National Development Council will duly take note of these concerns.