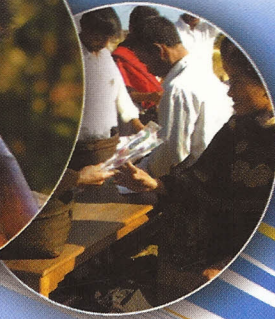


Edited by
Komol Singha
Gautam Patikar



Rural Development
in
North East India

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in
North East India**

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BY THE SAME AUTHOR

- Economy of a Primitive Tribal Village in Manipur
- Rural Development in India : Retrospect and Prospects
- Village Development in North East India: New Approaches



About the Editors

Komol Singha (1972) is a senior faculty in the Department of Economics, Royal University of Bhutan, Gaeddu College of Business Studies, Gedu, Bhutan. He specializes in Development Economics, and at present actively involved in rural development. Earlier, he has taught Development Economics at Don Bosco College, Manipur and St. Joseph's College, Nagaland for two and five years respectively. He has to his credit a book entitled: *Village Development in North East India* (ed. 2009), besides a good number of research papers in the national and the international seminars, journals, and newspapers.

Gautam Patikar (1968) is a senior faculty in the Department of Commerce, Nagaland University, Kohima. He secured First Class First in M.Com. from the North Eastern Hill University, and obtained Ph.D. degree from Nagaland University. He is a life member of Indian Commerce Association. He has participated in several international and national seminars and conferences. He has also contributed a good number of papers in journals of repute and edited volumes.

Rural Development in North East India

Edited by

**Komol Singha
Gautam Patikar**

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Preface

India's North-Eastern Region consists of eight States and is a 'mixed bag' of several ethnic groups. 200 out of 635 tribal groups of the country are found in this region. It covers an area of approximately 2,62,500 sq. km., *i.e.*, 8 per cent of the total area of the country. Its population is about 39 million, *i.e.*, 3.9 per cent of the country's total population. Around three-fourth of the North-East is covered by hilly terrain and majority of the people (around 85 per cent) live in villages, rural areas in poverty, in the midst of abundant resources.

Since independence, many initiatives on rural development have been taken up by the government and other institutions in the region. Still, it remains an illusive goal and became only an introductory speech of the politicians and the leaders in public platforms. So, the development of rural sector has become the need of the hour and requires re-look with different approaches in this region.

This volume contains nineteen (19) articles and most of them are contributed by the scholars at a National Seminar on *Rural Development in India: Prospects and Retrospect*, held on 21-22 November 2008 at St. Joseph's College, Jakhama, Nagaland with financial assistance from UGC (NERO), Guwahati. The volume tries to explore ways and means in remodelling the rural economy of North-Eastern Region. However, it focuses on infrastructure, finance, agriculture, social, political and other aspects of rural development in the region.

We are grateful to S.C. Ray, Deputy Secretary, University Grants Commission, NERO, Guwahati for the financial assistance in organizing this National Seminar. Our special thanks also go to Fr. Isaac Padinjarekuttu, the Principal of St. Joseph's College and the Management and staff of the College for their help in organizing the Seminar. We are also grateful

and give our credit to valuable contributors. Last but not the least, we would like to thank Mr. Ashok Kumar Mittal of Concept Publishing Company Pvt. Ltd., New Delhi for taking keen interest in bringing out this volume.

22 March, 2009

**Komol Singha
Gautam Patikar**

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Keynote Address

S. K. Mishra

I am overwhelmed by the honour given to me by the organizer of this Seminar by reposing their confidence in me and entrusting me with the responsibility of delivering this keynote address for the Seminar. This seminar, as its title unambiguously declares, exhorts all of us to address to the very important problem of Rural Development in India.

India Lives in Villages

We all know that India lives in her villages. At the beginning of the 20th Century, about 90 per cent of her population lived in villages and at the beginning of the 21st Century about 72 per cent of her population still lives in the villages (Table 1). This is so far as the statistics go. But the truth is that most of the small towns in the country are not much different from the rural areas and even in the larger cities a great number of people are closely connected to their rural habitats. Much of India's urbanization is only an urban accretion. India's urbanization is often termed as over-urbanization, pseudo-urbanization. The big cities attained inordinately large population size leading to virtual collapse in the urban services and followed by basic problems in the field of housing, slum, water, infrastructure, quality of life etc. Urbanization is a product of demographic explosion and poverty induced rural-urban migration. Urbanization is occurring not due to urban pull but due to rural push. Globalization, liberalization, privatization are addressing negative process for urbanization in India (Datta, 2006).

But this is only that aspect which is reflected in the sheer number of people. Consider the sociological aspects; a large majority of people in the urban areas are still rural in customs, mores, interpersonal relations, values, etc. They have not been far from their rural roots. Indian villages and villagers only live in town that are only definition-wise urban areas.

Table 1: Growth of Population in India Since 1901

<i>Census Year</i>	<i>No. of Urban Agglomeration Town</i>	<i>Total Population</i>	<i>Urban Population</i>	<i>Rural Population</i>	<i>Rural Population as % to Total/Population</i>
1901	1827	238396327	25851873	212544454	89.16
1911	1825	252093390	25941633	226151757	89.71
1921	1949	251321213	28086167	223235046	88.82
1931	2072	278977238	33455989	245521249	88.01
1941	2250	318660580	44153297	274507283	86.14
1951	2843	361088090	62443709	298644381	82.71
1961	2363	439234771	78936603	360298168	82.03
1971	2590	598159652	109113977	489045675	81.76
1981	3378	683329097	159462547	523866550	76.66
1991	3768	844324222	217177625	627146597	74.28
2001	5161	1027015247	285354954	741660293	72.22

Despite so many concerted efforts, the rural populace remains poor in the midst of abundant resources. The intention of the Government of India to assist the rural compartments cannot do much practically to alleviate the poor. The projects fell short of providing accessibility, infrastructures, electricity, telecommunication, water supply, employment, etc. to the rural areas in spite of the schemes' commendable objectives. Even the most flagship rural development programme of the UPA-led coalition government, NREGA (National Rural Employment Guarantee Act) has turned out to be an elite/urban bias programmes.

Therefore, the question arises: what went wrong in the planning for rural development and what have we undermined and even now continue to do so that rural areas remain underdeveloped and the rural people remain poor? This seminar poses this question in a bold relief.

The Urban-Rural Dualism

India is clearly divided into the dualism of rural and urban enclaves. As Boeke has put it, *"It is possible to characterize a society, in the economic sense, by the social spirit, the organizational forms and the technique dominating it. These three aspects are interdependent and in this connection typify a society, in this way that a prevailing social spirit and the prevailing forms of organization and of technique give a society its style, its appearance, so that in their interrelation they may be called the social system, the social style or the social atmosphere of that society."* Less developed economies, especially with a history of prolonged colonial rule, often exhibit a simultaneous existence of two (or more) enclaves of socio-economic systems, characteristically and conspicuously different from each other, and each dominating a part of the society, the economy and the polity. These enclaves markedly differ in matters of ownership of resources, production relations, the social spirit, institutions, customs, mores and attitudinal structure, socio-economic and political organization, technological know-how and its application and so on. Of course, among these enclaves there exists a gray zone where distinction may not easily be perceived. This gray zone might be the crucible for integration, but it is equally likely that a colloidal admixture of heterogeneous elements persists for long and camouflages integration process. In any case, the rate of integration is extremely slow such that these enclaves persist for long. The said enclaves often resist the functioning of each other. They function not in harmony but in conflict with each other. Frictional losses are significantly large. Such an economy has been nicknamed as a 'dualistic' or 'pluralistic' (depending on the number of enclaves coexisting) economy.

What makes an economist interested in studying such an economy is that explanation of the issues relating to operation, stability, growth and justice in such economies evade an application of a single theoretical framework. As one knows, much in economics, explicitly or tacitly, has been formulated

on the basis of experiences in the Western developed economies. That is why some economists prefer to name such a body of economic theories as the "Establishment Economics." To explain the said issues in a dualistic economy, tools of the Establishment Economics fail. Nor the "economics of primitive societies" succeeds in the said explanation. So, the economics of such economies is in itself dualistic (pluralistic). A hybrid type of economics that one may venture upon to develop the internal contradictions and inconsistencies, and it cannot form a well-integrated body or a system of laws pertaining to the functioning of such an economy. So in the conceptual domain, one finds inconsistencies and in explaining the facts, one performs only poorly. This is the challenge that makes the study of such economies interesting.

The challenge that such an economy makes to the planners and policy makers is still more intriguing. In the absence of an understanding of the laws that govern such economies, planners and policy makers can only poorly succeed in controlling the policy instruments to achieve the desired goals. Cumulative experiences of failing in controlling the socio-economic forces for achieving the targets often induce decision makers to indulge in ad-hocism. Experiences of failure, aspirations of economic agents and ad-hocism in decision-making together invite opportunistic elements to operate that further complicate the management of such economies. The uncertainty and risk that brew in such an environment raise social and private cost of economic operation. Expensive production system limits the growth prospective of such an economy and it is caught in the '*low-level equilibrium*' characterizing poverty, inefficiency, unemployment of manpower together with under-utilization of available economic resources and so on.

The typology of dualism is primarily based on five basic, though often interrelated, criteria, namely, *societal*, *economic*, *political*, *spatial* (geographical) and *anthropological*. Societal criterion comprises value system, inter-familial and intra-familial relations forms of social organization and so on. Economic

criterion covers ownership rules, production relations, forms of economic organization, the spirit of economic activities, etc. Political criterion mainly concerns with the conventions governing formation and functioning of, and changes in, political organizations. Spatial criteria relates to predominance of the socio-economic system as distributed over space. Anthropological criterion relates to cultural and racial attributes of the population.

Difficulties in Pin-Pointing the Factors of Development

What are the factors of development? Are factors of development a multitude of indicators of different facets of development such as measures (indicators) regarding per capita income, different heads or items of consumption, health, literacy, education, housing, space, transportation, recreational facilities, etc.? Or, are factors of development the multitude of determinant variables of development – infrastructure, physical and human capital with specifications, resources of various types, etc.? Development must accompany structural changes. Then are the structural relations the factors of development?

Several studies have been conducted on quantifying levels of economic development and searching for the determinants of levels of development. In the 1960s Irma Adelman and Cynthia Morris (1967) related growth and equity to interactions among changes in economic and social structure – political participation and income distribution. They found that the rate of improvement in human resources, direct government economic activity, socio-economic dualism, the potential for economic development, per capita GNP and the strength of the labour movement determine patterns of income distribution. Later, many studies appeared that measured levels of development using the quantitative approach of Adelman and Morris, but did not try to identify the determinants of development or differentials in the levels of development.

There are important issues related to quantifying relations among factors of development: (1) the issue of availability of data, (2) the issue of modelling the process or interrelation, (3) availability and use of suitable quantitative method(s) and finally, (4) identification and interpretation.

In most cases, data cannot be collected by individuals and therefore, secondary data must be relied upon. Secondary data are usually not cut and dried for the objectives of quantifying interrelations among factors of development. They have originally collected for some other purposes. They have their 'noise' and that may distort the findings. Next, assumptions regarding the relations are important. Whether relations are linear or non-linear, and if non-linear, then what is its specification? A mismatch of assumptions with the true nature of interrelations may seriously distort the findings. Nature of stochasticity and its specifications are important. We cannot always expect normally distributed errors with zero mean and so on. Thirdly, there are only a few methods available to us for doing a quantitative work and most of them are built on a multitude of assumptions.

Underdeveloped economies are often poorly integrated and therefore, factors of development are only poorly related. Moreover, empirical data on such variables contain large errors of observation as well as sizeable variability. Therefore, true relations are often hidden under the 'noise' and difficult to identify. Most statistical methods dealing with multivariate data are based on inter-correlation matrix or variance-covariance matrix. Poor integration among the factors of development makes sparse (statistically speaking) matrices with poor strength to meet the objectives of analysis.

Experiential Relevance of Economic Planning for Rural Development

Now economic Plans of the country do not generate much excitement – It was so with the VIII Plan, then IX Plan as well as the X Plan. Matters may not be very different with the XI

Plan too. If over the years successive plans have stirred less and less passion, the planners are to be blamed.

The II Plan showed comparative advantage in heavy and basic industries – all that begins from there and continued until 1991. The III Plan was multi-sector input-output system. The IV Plan was essentially based on the same logic but with an added consideration for material balances in the intermediate years too. The structure of imports was endogenous. The Fifth Plan recognized that private consumption must be consistent with the development of the economy and income, savings and consumption have a balance. It also had a consideration for resource mobilization. Poverty alleviation programme was added. The VI Plan integrated methodologies of III, IV and V Plans. It was technically much superior to its predecessors. The VII Plan was technically no improvement over the VI Plan, except some more details. So was the VIII Plan.

Before 1991 growth by import substitution was the major thrust, export promotion came much later. Industrialization policy was pro-heavy industries. Reduction in import content rather than domestic resource cost of production was stressed on. Heavy industries required lumpy investment, large capital/output ratio, long gestation lags, and large import of capital goods. Inadequate infrastructure, lack of experience, necessity to learn by doing lengthened the gestation period. Other problems are also due to many of such investments in the public sector.

Then we realized not only allocation, but use of resources too is important. Market mechanism can attain efficiency much better than central planning can do. After 1991, planning is still important. Why? Market may bring about equilibrium between demand and supply, but what about needs and its relations with the supply?

Poverty

The principal goal of development policy is to create sustainable

improvement in the quality of life for all people (World Development Report, 1999-2000). Raising per capita income is only one objective. Others are education, health, participation in public life. Market mechanism may not attain all these if left free. So, Planning is needed.

Redistributive programmes – to lobby for the poor in economic policy making – to ensure that all markets function – to plan public action in areas where externalities create natural monopolies and where cost of public action is less than cost of regulation – to maintain macro-economic stability – Planning and policy analysis must be integrated – Policies must provide signals to the private economic agents. Will all these go in favour of the rural areas wherein the people living? It is a big question.

What Types of Models of Development?

Development models initially were begotten from growth models – the models that formalize how does a competitive economy expands, under what conditions will it best expand with minimal ups and downs and will not be subject to recessional forces. To begin with, therefore, some key variables were important – saving, investment, consumption, output, physical capital/output ratio, and physical capital/labour ratio and so on.

Raising per capita income was, therefore, the meaning of development, its trickle down was presupposed. But soon it was realized that there could be growth without development (Robert Clower, the case of Liberia). Development means structural changes – what is the structure of an economy and what is meant by structural changes? Is trickle down effect guaranteed?

Dudley Seers raised three basic questions: what is happening to poverty and the poor – what is happening with unemployment – what is happening to inequality – they are related to redistribution, resource utilization and welfare. Growth does not ensure welfare, but development does.

The World Development Report 1991 asserted that the challenge of development is to improve the quality of life – for the world's poor countries a better quality of life – beyond income it needs better education, higher standards of health and nutrition, less poverty, a cleaner environment, more equality of opportunities, greater individual freedom and a richer cultural life. Self-esteem and freedom from servitude are basic to development.

The World Development Report 1999-2000 emphasized on a comprehensive approach to development – sustainable development – justice and welfare over generations – enlargement of human capabilities.

Therefore, what was considered exogenous before, now, becomes endogenous in the development model. Health and education are endogenous now – growth of population must be brought inside the model – the objective function has changed – efficiency with justice and welfare. 'Land' is no longer 'the original and indestructible free gift of nature'.

Such a model would require immense wealth of information. Now, therefore, models cannot be expressed in a few equations or inequalities – How to specify the parameters so large in number – adequate information cannot be gathered and processed to make models formal. There is a tendency, therefore, not to build mathematical models of development any more.

Many more issues were raised in the process and factors of development – Myrdal spoke of 'modernization ideals' and their inculcation in the people by a design. David McClelland spoke of 'n-achievement' and its inculcation. Harvey Leibenstein said of creating pressures from above, pressures from below and pressures from sides. One may also think of generating pressure from within – what else 'n-achievement' means? One has to consider allocative efficiency, but one must think on X-efficiency – how market and even the Central Control build up X-efficiencies at different levels and in different sectors.

To begin with, capital and labour are basic ingredient variables of a development model, but capital is considered

malleable and labour simply providing muscle power and possibly a little of what an 'automata' would provide. But when technology comes in, complications arise. The assumption of malleable capital gives rise to putty – clay models; labour is skilled and differentiated vertically and horizontally. Machines of different vintages function together. Knowledge and information come in. These are not exogenous factors in the process of development and must be included in the model.

At a technical level also, development models cannot be single objective function optimization models – multi-criteria decision-making is necessary – Goal programming in a dynamic framework is needed and the resulting solutions are 'satisfying solutions' as visualized by Herbert A. Simon. Uncertainty replaces certainty, especially due to incomplete knowledge or large transaction costs.

Development Strategy in India in Retrospect

The period of 1947 to 1991 characterized protectionism, quota-permit-licence in the industrial policy. Was it a part of India's international politics not to join any bloc (capitalist or socialist) explicitly and wait and watch for some time? Or, as Pranab Bardhan has put it – Indian politics is essentially the interplay of three proprietorial classes, the big business class, rich farmers and a white collar educated middle class and the political leaders, who came in a tacit agreement to reap the fruits of Independence – based on Marx-Olson model – and it shaped the economic policy of India ?

Serious problems of stability and development – ultimately Balance of Payment Crisis in 1991 – the crisis was in making since 1980s – excess domestic expenditure over income – fiscal deficit soared to over 11 per cent – great inflow of foreign borrowings – public debt as a proportion of GNP went up to 60 per cent – foreign currency reserves depleted – 2-digit inflation – international credit rating of India got downgraded – borrowing against the gold reserve – measures such as

devaluation of rupee – partial and then full convertibility of rupee on trade account were taken.

Among many, some important reasons were failure of the public sector to generate investible resources and the explosive growth of governmental current spending leading to deficit – was it due to micro-economic inefficiencies? Inefficiency of public sector enterprise – they dominated the provision of infrastructure and critical intermediates – their inefficiency had a multiplier effect on other industries – restrictive trade policies reduced scale of output, efficiency, bottlenecks – reduced rate of return on investment – revenue could not grow – tax base did not grow – ever-increasing expansion of employment in the public sector was also responsible.

Macro-economic Reforms

Trade policy reforms – import licensing system dismantled – all non-tariff barriers phased out from all tradables except consumer goods – the peak tariff from 55 per cent to 50 per cent – commitment with WTO to liberalize India's trade. Industrial policy reforms – New Industrial Policy – except in 14 select industries related with environmental hazards, national security and social well-being, licensing system abolished – foreign direct investment – disinvestments of public ownership in public sector corporations in steps – Exchange rate reforms – Capital Market reforms – Foreign Institutional Investors welcome – Multinational corporations welcome to joint ventures.

Major Issues

A soft state – what happened to the scams of the financial market? People lost their trust in all financial institutions – how the disinvestment programme is going on? – What was achieved by privatization of banks and such financial institutions? Is foreign direct investment increasing substantially in capital sector? Governance is important. Rationality, not rationalization, is needed.

Taking all these issues and many more into consideration, this seminar has come up with four issues of these for discussion. These are:

1. The role of institutions and people's participation for rural development in India,
2. The role of physical infrastructure and social sector for rural development, which includes Health, Education, Communication etc.,
3. Changing policies, strategies, poverty alleviation and employment generation programmes for rural India, and
4. Trade, industry and other primary sectors which include Agriculture, Forest and Environment, etc.

I am quite optimistic that scholars participating in this seminar will discuss all these matters and many more and finally, come to conclude a feasible solution to the problems of rural development. And finally, grant me to become a little emotional. I have seen the vast fields stretched between my stand and the blue canopy meeting the ground only to limit my farther vision; I have seen the mountainous, tar-black, clouds covering the sky, then pouring mightily on the ground; I have seen the roaring rivers hastily going to meet the unfathomable; and I have seen men tilling the land under the scorching sun and women under the torrents of rain transplanting the seedlings in the fields filled with knee-deep waters. The core economy that I saw is the economy of the majority of population. The greater part of cultivated tracks of land continues to be rain-fed; the wages of labourers in rural India or in the informal sector of urban India continue to be at the subsistence level; more than one-third of the total population – roughly about 370 millions in number – remains below poverty line; in spite of government declaration of primary education as 'compulsory', millions of children go to work than to school and so on. On the other hand, billions are spent overnight on mirth and merriment in the marriage parties of the children of some public figures. In spite of elaborate

planning for development well over a span of fifty years my core economy remains unchanged. This is what I saw when I was an optimistic child; this is what I see when I have become an old and disillusioned man. I also wish that many of you turn emotional to the plight of the people in the rural areas.

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Introduction

Komol Singha and Gautam Patikar

Development economics concerns with poor region, community or sector. It involves growth in income or output along with structural changes. In reality, the question of development arises only when the system/sector misses its basic necessary component(s). Within the State, perfect balance of development initiatives between the regions, the rural and the urban cannot be maintained. Very often the rural sector is missed out or considered as secondary by the planners and leaders. Plethoras of literature, theses and theories on rural development have been studied. A number of projects, schemes for rural development have been initiated in the country as well as in the North Eastern Region (NER). Still, the goal remains an illusive, particularly in the NER. It indicates that the initiatives or attempts have missed out some of the core issues, and this experience invites serious introspection on the part of the policy makers and the planners.

When we talk about North Eastern Region, definitely, it is the land of eight states, *i.e.* Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura. It covers an area of approximately 2,62,500 sq. km., *i.e.*, 8 per cent of the total area of the country. The region has the longest international border among the States stretching over 5000 km. with as many as five foreign countries, namely, Myanmar, Bhutan, China, Nepal, and Bangladesh which comprises 98 per cent of the region's boundary leaving only two per cent being share with the mainland of our country. Its population is about 39 million, *i.e.*, 3.9 per cent of the country's total population. Around three-fourth of the region is covered by hilly terrain,

and majority of the people (around 85 per cent) live in villages, rural areas. Their problems are multiple, which include social, political, and economy, that its leaders hardly register.

For rural development to succeed in a global environment, three things are essential: human capital, physical infrastructure, and adequate financing. Human capital and infrastructure (public capital) are critical components of sustainable rural development and the third element should be social capital. Communities/rural sector that have thriving social networks and institutions and good human capital will have adequate financing as well. Importance of infrastructure in the development of rural economy is accepted by everyone, but the equally important factor which is not noticed by everyone is the human capital. So, the education sector is one of the most important instruments for rural development. But, for the NE region, it is a quite complex phenomenon that whether the chick comes first or the egg. Whether the emphasis of the region needs to be given for human capital or physical infrastructure or institutional networks is the question that arises in front of us. The essays of this volume try to explore the ways and means of the dilemmas mentioned above.

Chapter Scheme

The primary objective of this volume is to provide readers with case studies and empirical insights into the structure of rural economy. This volume is broadly divided into three sections and contains nineteen (19) essays on various aspects of rural development in the North-East India. In his Keynote address by S. K. Mishra, said despite so many concerted efforts, the rural populace remains poor in the midst of abundant resources. The intention of the Government of India to assist the rural compartments cannot do much practically to alleviate the poor. The projects fell short of providing accessibility, infrastructures, electricity, telecommunication, water supply, employment, etc. to the rural areas in spite of the schemes' commendable

objectives. For this, he suggested, Governance is important. Rationality, not rationalization, is needed. The role of institutions and people's participation is very significant. Infrastructure and social sector for rural development are to be made streamlined first.

Section One consists of five essays relating to empowerment and participation of the people in the rural development and the section is named as '*New Approaches, Empowerment and Participation*'. The first essay of the volume is jointly contributed by E. Haridev Singh, K. Muktasana Singh and E. Bijoy Kumar Singh entitled '*Business Linkage in Marketing Rural Industrial Products: A Study of Handicraft in Manipur*'. The essay tries to highlight the importance of handicraft industry as a source of employment for rural Manipur and India. But this industry has a big issue of sustainability in the present competitive market environment. To sustain in the present competitive environment, business linkage has to be adopted as a strategy to make the industry competitive in terms of productivity and help better marketing. The second essay of this volume is contributed jointly by Keisham Suresh Singh and Damodar Nepram entitled '*Taxation of Agricultural Income in Manipur*'. The essay tries to highlight the importance of agricultural income tax in the country as well as in Manipur. How to enhance the proceeds of land revenue in the State and the need for taxing agricultural income are also emphasized. Dani Chobin also, in his paper, '*Herbs in Arunachal Pradesh: An Exploration for Economic Viability and Sustainability*' explores the potentials of medicinal herbs in the State. More than 80 per cent of the world's medicinal flora is found in the Himalayan ranges of India. Arunachal Pradesh is a state which lies within the Himalayan belt. Since the State has remained a generally inaccessible area with scarce means of communication and transport, very little is known about medicinal flora of the State. In his opinion, there is a positive correlation between economic development and deforestation. Further, he raises a question that, can the rich biodiversity of the State continues to be protected, as development comes?

The fourth essay of the volume contributed by Ritu Hazarika entitled '*SHGs and Women Empowerment: A Preliminary Investigation*' tries to highlight the role of women in rural development. In order to understand the role of women in rural development, two SHGs of Telahi Block of Lakhimpur district, Assam have been selected and analysed their activities in detail. The paper is a preliminary enquiry to understand the decision making power of the women forming into SHGs. Similarly, Komol Singha tries to portray the role of community in rural development in Nagaland. The paper entitled '*Communitisation in Nagaland: An Overview*' is the fifth essay of the volume and discusses role of a new community development programme 'Communitisation' which bagged coveted award United Nations Award for Public Services from the Asia and Pacific Region. Community has become a powerful capital for rural development, which we do not realize as a factor in economic development, especially for rural development.

Section Two deals with six essays on infrastructure including financial infrastructure and the section is subtitled as '*Physical Infrastructure and Finance*'. The first essay of this section and sixth of this volume is contributed by P. C. Dutta entitled '*Role of Infrastructure in Rural Development in North Eastern Region of India*'. Infrastructures are the basic essential services that should be put in place to enable development to occur. Socio-economic development of a region, especially the rural sector can be facilitated and accelerated by the presence of social and economic infrastructures. Similar points are also given by three more papers, like the seventh essay of the volume entitled '*Role of Infrastructural Facilities in Rural Development: Problems and Prospects*' contributed by K. H. Nakhro; the eighth essay entitled '*Infrastructure Development in Nagaland: An Overview*' contributed by Pradip Brahmachary, and the eleventh essay of the volume entitled '*Infrastructure Facilities and Economic Development in Nagaland*' jointly contributed by Pranab Baishya and P. K. Deka. All these essays discuss the existing scenario of physical infrastructure of Nagaland. Further, they emphasize

the role of government for basic infrastructural development in the region. Without government's initiatives, further development of the region is a hard task. Coming to financial infrastructure, ninth essay of the volume contributed jointly by Jagadish Nath and Basabi Deb entitled '*Microfinance and Poverty Alleviation: A Study of RGVN-CSP*' tries to discuss the evolution of micro-finance as a tool for eradicating poverty. It also discusses the general model of operations of micro-finance in India with specific reference to Rashtriya Gramin Vikash Nidhi-Credit Savings Programme (RGVN-CSP). There is no denying fact that micro-finance is affecting a significant development in poverty eradication and rural development, especially the North-East India. The tenth paper of the volume entitled '*Indebtedness in Nagaland: A Cursory Look*' is contributed by Subhendu Dutta. It tries to make an attempt to examine the problem of rural indebtedness in Nagaland. It is found that about 32 per cent of the rural households in Kohima district were under debt and showed that on an average a sample household has debt burden of Rs. 12,450.00, but most of the loan amounts are put to non-productive purpose, which lead to accumulation and non-payment of loans.

Section Three covers the issues on institutions and its performance in rural development and this section is named as '*Institutions, Agencies and Performance*'. It contains eight essays based on the theme. The first essay of this section and twelfth of the volume is contributed by Elangbam Nixon Singh. In his essay entitled '*Entrepreneurship in SMEs: A Study of Rural Manipur*' discusses the role of Small and Medium Enterprises to uplift the rural sector of Manipur. Since the State is industrially weak, basically due to the paucity of investment in the big industries and business, the contribution of SMEs is very significant and relevant. Quite similarly, L. Rome Singh also highlights the importance of Small Scale industries in his paper '*Small-Scale Industries: A Boon of Economic Development*'. Apart from having small investment which can be started by any villager, it has also been becoming a means to preserve the inherited skills of our artisans; otherwise it would be frustrated

and disappeared. The fourteen essay of the volume entitled '*People's Participation in Rural Development: Some Issues*' is contributed by Manoj Kumar Singh and tries to portray some modalities of people's participation in rural development.

To evaluate the performance of public policies, the seventeen paper of the volume jointly contributed by Rajmani Singh, Ksh. Ranjan Singh and Th. Surjit Singh entitled '*Performance Evaluation of NREGS in North East India: A Study of Manipur*' analyses the performance of the flagship national programme called National Rural Employment Guarantee Schemes (NREGS) launched in 2006. They suggest that the success of the project lies on the hand of the rural people. Slightly similar to this, the fifteen essay of the volume entitled '*Impact of SGRY on Socio-Economic Development of Rural Community: A Study of Nagaland*' jointly contributed by M. Yangar, K.K. Jha and Anod Sharma also tries to evaluate central government sponsored scheme called Sampoorna Grameen Rozgar Yojana (SGRY) which was launched on 25th September 2001 to provide food security through wage employment and building durable assets and infrastructure for the rural communities. It is also cleared that the success of this scheme requires some other supporting variables in the rural areas. The education, utilization of mass media sources and family size were found useful in influencing the level of impact of SGRY on the selected beneficiaries. The seventeenth essay of this volume entitled '*Rural Development in Nagaland: A Study of KOMUL*' is contributed jointly by Abhijit Chakraborty and Pranay Jyoti Goswami. They also try to explore the potentials of dairy farms in Nagaland and show that the State can be a developed one if it adopts AMUL model cooperative. The State has also initiated a cooperative society, called KOMUL; it is expected to grow faster and helps in rural employment in the State. If not exactly the same, Ram Krishna Mandal also in his essay, eighteen in number of the volume entitled '*Khadi and Village Industries in Arunachal Pradesh: Its Impact on Socio-Economic Development*' tries to explore the potentials of Khadi and Village Industries

in providing income and employment in the rural sector, especially in Arunachal Pradesh. He further exposes the defects of the functionaries of the sector. If the officials and functionaries are sincere, the KVI could become a job creator and provider in rural masses. The last and Nineteenth essay of the volume '*Structure and Scinario of Agriculture in Nagaland*' contributed by Raju Das portrays the glimse of agricultural sector in Nagaland. He also highlights the need of the basic infrastructures in developing agriculture, and predicts bright future of agriculture in the State.

Thus, this volume has touched upon almost all the components needed for the development of rural sector in NER. Though the contributors have given insights and their approaches differently, all of them have highlighted the role of physical infrastructure with institutional support, the people's support or people's involvement in the development process of rural sector with the support of the government. It is also hoped that this volume will contribute positively to plan and execute projects and programmes for the development of North-East Region, especially in the rural sector, one of the resource-rich but underdeveloped region of the country.

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List of the Contributors

- Baishya, Pranab** : Faculty, Department of Economics, S.D. Jain Girls' College, Dimapur, Nagaland
- Brahmachary, Pradip** : Faculty and Head, Department of Economics, S. D. Jain Girls' College, Dimapur, Nagaland
- Chakraborty, Abhijit** : Faculty and Acting Principal, Public College of Commerce, Dimapur, Nagaland
- Chobin, Dani** : Faculty, Department of Economics, D. N. Govt. College, Itanagar, Arunachal Pradesh
- Deb, Basabi** : Faculty, Department of Economics, ICFAI National College, Guwahati, Assam
- Dutta, Subhendu** : Faculty, Department of Economics, Public College of Commerce, Dimapur, Nagaland
- Dutta, P. C.** : Faculty and Head, Department of Statistics, S.S. College, Hailakandi, Assam
- Das, Raju** : Faculty, Department of Commerce, Baptist College, Kohima, Nagaland
- Deka, P. K.** : Faculty and Head, Department of Commerce, Nagaland University, Kohima, Nagaland
- Goswami, Pranay Jyoti** : Faculty, Department of Commerce, Assam University, Silchar, Assam
- Hazarika, Ritu** : Faculty, Department of Home Science, N. L. College, Lakhimpur, Assam
- Jha, K. K.** : Faculty, Department of Rural Development and Planning, Nagaland University, Medziphema, Nagaland
- Mishra, S. K.** : Faculty, Department of Economics, North-Eastern Hill University, Shillong, Meghalaya
- Mandal, Ram Krishna** : Faculty, Department of Economics, DN Govt. College, Itanagar, Arunachal Pradesh
- Nath, Jagadish** : Faculty, Department of Marketing, ICFAI National College, Guwahati, Assam

- Nakhro, K. H.** : Faculty, Department of Rural Development and Planning, Nagaland University, Medziphema, Nagaland
- Nepram, Damodar** : Faculty, Department of Economics, Churachandpur College, Churachandpur, Manipur
- Singh, Elangbam Nixon** : Faculty, Department of Management, Mizoram University, Aizawl, Mizoram
- Singh, Keisham Suresh** : Mezhrur Higher Secondary School, Kohima, Nagaland
- Singh, L. Rome** : Asst. Finance Manager, State Health Mission. Manipur, NRHM, Imphal, Manipur
- Singh, E. Haridev** : Research Scholar, Department of Economics, Manipur University, Imphal, Manipur
- Singh, K. Muktasana** : Research Scholar, Department of Economics, Manipur University, Imphal, Manipur
- Singh, E. Bijoykumar** : Faculty, Department of Economics, Manipur University, Imphal, Manipur
- Singh, Manoj Kumar** : Faculty and Head, Department of Economics, People's College, Mokokchung, Nagaland
- Singh, Rajmani** : Faculty, Department of Commerce, Manipur University, Imphal, Manipur
- Singh, Ksh. Ranjan** : Research Scholar, Department of Commerce, Manipur University, Imphal, Manipur
- Singh, Th. Surjit** : Research Scholar, Department of Commerce, Manipur University, Imphal, Manipur
- Singha, Komol** : Faculty, Department of Economics, Royal University Bhutan, GCBS, Gedu, Bhutan
- Sharma, Amod** : Faculty, School of Agricultural Science and Rural Development, Nagaland University, Medziphema, Nagaland
- Yangar, M.** : State Department of Agriculture, Govt. of Nagaland, Kohima, Nagaland

This compendium of nineteen papers, presented at a national seminar held at St. Joseph's College, Jakhama, attempts to explore the ways and means to remodelling the rural economy of north-east India.

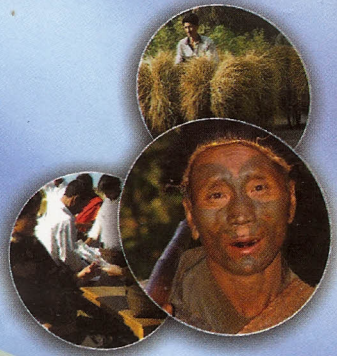
Focusing on the various aspects of rural development in North-East India, the contributors address the key issues concerning empowering and participation of people in rural development, infrastructure, finance, agriculture, and socio-political aspects of rural development. The role and performance of institutions in rural development has also been analyzed.

The Contributors

- ❖ Baishya, Pranab
- ❖ Brahmachary, Pradip
- ❖ Chakraborty, Abhijit
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- ❖ Deka, P. K.
- ❖ Goswami, Pranay Jyoti
- ❖ Hazarika, Ritu
- ❖ Jha, K. K.
- ❖ Mishra, S. K.
- ❖ Mandal, Ram Krishna
- ❖ Nath, Jagadish
- ❖ Nakhro, K. H.
- ❖ Nepram, Damodar
- ❖ Singh, Elangbam Nixon
- ❖ Singh, Keisham Suresh
- ❖ Singh, L. Rome
- ❖ Singh, E. Haridev
- ❖ Singh, K. Muktasana
- ❖ Singh, E. Bijoykumar
- ❖ Singh, Manoj Kumar
- ❖ Singh, Rajmani
- ❖ Singh, Ksh. Ranjan
- ❖ Singh, Th. Surjit
- ❖ Singha, Komol
- ❖ Sharma, Amod
- ❖ Yangar, M.

Komol Singha (1972) is a senior faculty in the Department of Economics, Royal University of Bhutan, Gaeddu College of Business Studies, Gedu, Bhutan. He specializes in Development Economics and at present actively involved in rural development. Earlier, he has taught Development Economics at Don Bosco College, Manipur and St. Joseph's College, Nagaland for two and five years respectively. He has to his credit a book entitled: *Village Development in North East India* (ed. 2009), besides a good number of research papers in the national and the international seminars, journals, and newspapers.

Gautam Patikar (1968) is a senior faculty in the Department of Commerce, Nagaland University, Kohima. He secured First Class First in M.Com. from the North Eastern Hill University, and obtained Ph.D. degree from Nagaland University. He is a life member of Indian Commerce Association. He has participated in several international and national seminars and conferences. He has also contributed a good number of papers in journals of repute and edited volumes.



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