

# **STUDY ON AREA PLANNING IN ARUNACHAL PRADESH AND NAGALAND**



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**SUBMITTED BY:**

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# EXECUTIVE SUMMARY

## TITLE OF THE STUDY

### STUDY ON AREA PLANNING IN ARUNACHAL PRADESH AND NAGALAND

#### ARUNACHAL PRADESH

The North Eastern region of India comprising of seven states, viz. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura; despite having diverse and abundant resources, is today one of the least developed regions in the country. Underdevelopment of the region has led to under-utilization and alienation of human resources from the overall developmental process. Besides the diversity and abundance of natural resources, the strategic location of the Northeast region provides opportunities for development in the rapidly changing political and economic realities of the world. It has, therefore become important to address the issue of under-development in the Northeast. Both the Central and the State governments have realized the importance of this region and have taken initiatives to mitigate the problem. One such initiative is the identification of 'Growth Centers' in backward areas of the Northeast, the impulse of which would be generated and disseminated over space. However, it has been observed that the progress of setting up and operationalising the growth centers is very slow due to many reasons. It is therefore, important to have a detailed study of the surrounding regions of the proposed location, if the growth centre is to become functional and effective.

#### **Growth Centres: Levels of Success as an Industrial Development Strategy**

The basic objective of setting up the Growth Centers<sup>1</sup> (GC) is to promote industrialization of backward area along with concomitant infrastructure development and thereby bring about a balanced growth in such areas with growth impulse being generated and disseminated over space. The success of such center depends on growth generating and disseminating capacity, which is a function of different factors like location, the activity mix, regional linkages, resource base etc. Each growth centre is usually located in an area of 400-800 hectares of land and is supposed to be provided with necessary industrial and social infrastructure at par with the best available in the country particularly in respect to road network, power, water, telecommunication and banking. The detailed instructions for selection of growth centers were issued from the Department of Industrial Development, Ministry of Industry, GOI, dated December 8, 1988. After detailed consultations with the State Governments and concerned Government Departments, the location of a number of Growth Centers (GC) in several states was announced. **The past experience has shown that industrial growth centers tend to develop as islands of prosperity without benefiting the hinterland. It is, therefore, necessary to develop a strategy that the hinterland is also benefited from the industrial development in the growth center.** Further, the growth centers should help promotion of small scale and medium scale industrial units in the proposed

locations. They should utilize local raw materials to the extent possible and help develop the economy and infrastructure for the region.

### ***Industrial Policy of Arunachal Pradesh State where Growth Centre is located***

Based on the Government of India (GoI) announcement of a New Industrial Policy for the North Eastern region, the "Industrial Development Policy of Arunachal Pradesh 1994" the first policy of its kind was formed for the state of Arunachal Pradesh and remained valid for a period of five years from the date of its announcement subject to modifications and amendments made in between if felt necessary.

Under the policy, top priority had been assigned to the all round development of industrial sector with emphasis on economic and commercial exploitation of the regions/states natural resources. The matter of employment opportunities and gainful self-employment in industrial and allied sectors had been given high priority. **Industries based on plantation, agriculture, horticulture, medicinal plants etc. have been reserved exclusively Tribal entrepreneurs of Arunachal Pradesh.**

The following sectors had been identified as thrust sectors as they have maximum potential for development in the state. To begin with, industrial units in the following sectors are considered as the priority sector industries.

- Agro and horticulture based industries especially plantation based such as tea, coffee, rubber, tissue culture, floriculture, etc.
- Industries based on locally available raw materials, e.g. Industries based on forest produce, mining and mineral based products including cement, etc.
- Industries manufacturing goods which are having local demand and demand in the neighboring states.
- Industrial units devoted to revival and improvement of handloom and handicraft sector either directly or indirectly.
- Electronics and telecommunication industries in view of unpolluted dust free environment.
- Tourism

As per the industrial policy, State Government was required to adopt a liberalized system of licensing policy for all kinds of eco-friendly industries as per the Central Government pattern (except the item restricted by the Government of India and items the State Govt. deems suitable for licensing) for speeding up of the industrialization process in the State. The State has recognized that the exemption and liberalization of licensing policy will be helpful for the upcoming entrepreneurs for quick investment decisions.

For the preparation of an area plan for the growth center near Pasighat district in Arunachal Pradesh, regional resource base approach was adopted. This was important since the growth center has to be functionally integrated with the hinterland in order to be successful as the region has rich resource base. Resource assessment had been undertaken to assess the potential of the local resource base to support the agro industrial activity in the upcoming growth center and also for understanding the sensitivity of the

local environment to the proposed development. The approach was to ensure economic development with minimal disturbance to the environment.

To achieve an effective a functionally viable growth centre, it is important to prepare a detailed Development Plan for the area surrounding growth center. To ensure proper development in the area surrounding growth centre, a well-prepared Master Plan of the area would be required. However, the later part of preparing or evaluating the master plan of the town and the growth centre was not included in the scope of work.

The present report comprises of seven chapters, each dealing with different aspects of the study region. The chapter scheme is as follows:

The present chapter gave introduction to the study and discussed the strategy of growth centers in the North-East as well as their levels of success. It also gave an overview of policies of the State Government for industries, the aim, objectives and study framework of the study.

*Chapter 2* relates to the profile of the study region and its characteristics in terms of location, rainfall and climate, its geology and soils, land use,

vegetative cover, water resources, flora and fauna, etc. The chapter thus gives a glimpse of the resources available in the study region.

*Chapter 3* discusses the social and spatial structure of the study region. The topics discussed are – demographic profile, urbanization and settlement structure.

*Chapter 4* depicts the economic structure of the study region in terms of the occupational structure, details of agriculture - the major economic base of the region, other allied areas such as sericulture, handloom and handicraft, etc. and profile of the industries in the region. The potentiality of each of these sectors has also been discussed.

*Chapter 5* describes the infrastructural status of the region with particular reference to the state of Arunachal Pradesh where the growth centre is located.

*Chapter 6* discusses strategies for development in which; resource based strategies in terms of potentially viable Agro Plantation Projects around the area, potentially viable agro based industries, allied industries required to come up and other area which require attention. The gaps in infrastructure have been assessed and strategies proposed including role of various institutions/departments for realizing the strategies in a time frame based list of actions needed to be taken up by various departments or organizations. All these strategies are aimed at development of the region as well as in facilitating the successful operation and maintenance of the growth centre.

*Chapter 7* proposes an institutional framework for operating and maintaining the proposed growth centre.

## NAGALAND

The North Eastern region of India comprising of seven states, viz. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura; despite having diverse and abundant resources, is today one of the least developed regions in the country. Underdevelopment of the region has led to under-utilization and alienation of human resources from the overall developmental process. Besides the diversity and abundance of natural resources, the strategic location of the Northeast region provides opportunities for development in the rapidly changing political and economic realities of the world. It has, therefore become important to address the issue of under-development in the Northeast. Both the Central and the State governments have realized the importance of this region and have taken initiatives to mitigate the problem. One such initiative is the identification of 'Growth Centers' in backward areas of the Northeast, the impulse of which would be generated and disseminated over space. However, it has been observed that the progress of setting up and operationalising the growth centers is very slow due to many reasons. It is therefore, important to have a detailed study of the surrounding regions of the proposed location, if the growth centre is to become functional and effective.

### *Growth Centers: Levels of Success as an Industrial Development Strategy*

The basic objective of setting up the Growth Centers<sup>1</sup> (GC) is to promote industrialization of backward area along with concomitant infrastructure development and thereby bring about a balanced growth in such areas with growth impulse being generated and disseminated over space. The success of such centers depends on growth generating and disseminating capacity, which is a function of different factors like location, the activity mix, regional linkages, resource base etc. Each growth centre is usually located in an area of 400-800 hectares of land and is supposed to be provided with necessary industrial and social infrastructure at par with the best available in the country particularly in respect to road network, power, water, telecommunication and banking. The detailed instructions for selection of growth centers were issued from the Department of Industrial Development, Ministry of Industry, GOI, dated December 8, 1988. After detailed consultations with the State Governments and concerned Government Departments, the location of a number of Growth Centers (GC) in several states was announced. **The past experience has shown that industrial growth centers tend to develop as islands of prosperity without benefiting the hinterland. It is, therefore, necessary to develop a strategy that the hinterland is also benefited from the industrial development in the growth center.** Further, the growth centers should help promotion of small scale and medium scale industrial units in the proposed locations. They should utilize local raw materials to the extent possible and help develop the economy and infrastructure for the region.

### *Industrial Policy of Nagaland State where Growth Centre is located*

The first State Industrial Policy was declared in 1995 where many assistance/ incentives schemes were projected for rapid industrialization.

The Government of Nagaland has planned to set up industrial zones in Dimapur, Baghty, Tuli and Tizit. It is also trying to develop integrated approach to address basic issues, such as infrastructure development, optimum utilization of available resources, marketing support and efficient administration of matters related to the process of industrialization. Work related to the implementation of growth centre is already under progress for the growth centre in Dimapur district.

Such industrial zones would accommodate large, medium and small units. The State Government plans to provide industrial infrastructure facilities. The policy identifies certain industries as priority sector and offers special incentives to units set up in these zones.

The following would be thrust areas for industrial development:

- Food processing
- Tourism
- Agro-based
- Mineral based
- Handloom and handicrafts
- Sericulture
- Floriculture
- Electronics and IT
- Pharmaceuticals
- Petrochemicals
- Bio-tech industries

The State Government would adopt liberalized system of licensing policy for all kind of eco-friendly industries as per Central Govt. pattern (except the item restricted by the Government of India and items the State Govt. deems suitable for licensing) for speeding up of the industrialization process in the State. The State recognizes that the exemption and liberalization of licensing policy would be helpful for the upcoming entrepreneurs for quick investment decisions.

For the preparation of an area plan for the growth center in Dimapur district in Nagaland, regional resource base approach was adopted. This was important since the growth center has to be functionally integrated with the hinterland in order to be successful as the region has rich resource base. Resource assessment had been undertaken to assess the potential of the local resource base to support the agro industrial activity in the upcoming growth center and also for understanding the sensitivity of the local environment to the proposed development. The approach was to ensure economic development with minimal disturbance to the environment.

To achieve an effective a functionally viable growth centre, it is important to prepare a detailed Development Plan for the area surrounding growth center. To ensure proper development in the area surrounding growth centre, a well-prepared Master Plan of the area would be required. However, the later part of preparing or evaluating the master plan of the town and the growth centre was not included in the scope of work.

In the context of the study objectives, it is essential to study the resource availability including land, water and flora as well as fauna resources; understand the demographic pattern and employment structure in and around the growth centre in terms of agriculture, industry-including home based activities, fisheries, animal husbandry, agro-forestry and other allied activities; assess the development pattern and infrastructure requirement and; study of institutional structure operational at present. The objectives have been further translated into various specific objectives and related information is required for detail study.

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*Chapter 7* proposes an institutional framework for operating and maintaining the proposed growth centre.