



NORTH EAST ECONOMIC ZONE AND PROSPECTS FOR MEGHALAYA

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Meghalaya's economic growth trajectory is not so convincing. The slow and unstable economic growth rate at one hand and small economic and revenue base, on the other hand, has made the economic trajectory of the state unstable, fluctuating and par to a minimum level. On another hand, the trickledown strength of the economy also seems to be a very weak with poor infrastructure in terms of education, health, roads, communication, water, and sanitation, etc, and same is true for other North Eastern states as well. Therefore there is an urgent need of creating a

buffer zone which can unleash the economic potential and diversify the economic growth of the state. In this regard, we believe that the North

East Economic zone will turn out to be the institutional reform measure which can change the course of looking towards these economics within and outside. With such Economic zone we believe Meghalaya will be a prime beneficiary given its deposits of resources such as forests, coal, uranium, sericulture, etc, its geographical location, its topography, culture, potential for agro-based industry, software sector, etc and most importantly its location where its surrounded by international borders and connecting various states of North East. The creation of North East Economic zone will help Meghalaya to unleash its agriculture potential, diversify growth, improve infrastructure such as roads, railways, airports and

most importantly water transport which can explore the links with Southeast Asia. Further, the opportunities for generating employment, production, and income will also increase to a greater extent.

In short, Meghalaya has a win-win situation at every front if such a project is initiated. But, such prosperities are not possible given current of the state with a large number of regulations, laws, restrictions, and policies which could restrict such development in the region. The

main hindrance in creation of such economic zone for the state of Meghalaya might be the undefined property laws, more closed economy, vast tax

exemptions and preferences, unskilled labor, poor technique education, ownership of resources, restriction on movement of labor, peoples attachment to land and most importantly peoples mindset towards development with 19th century mindset, 20th century problems and 21st century demands. Therefore, within such economic, social, cultural and mindset setup it would be impossible for the state of Meghalaya to gain any benefit if such economic zone is introduced. Thus there is an urgent need for humongous economic reforms in the states on all the fronts discussed above not only to unleash the benefit from such project but to improve the economic condition of the masses for the long run.

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