

Chapter – XIX

SUMMARY OF RECOMMENDATIONS

A. CORE AREAS FOR IMMEDIATE INTERVENTION IN ORDER OF PRIORITY

1. Food security

- *Universalizing the Public Distribution System at affordable prices. Increasing the amount of grain entitlement. Expanding the PDS network and building ration shops or kiosks in all villages*
- *Ensuring destitute and female headed households, access to the Anna Antyodaya Scheme*
- *Overcoming distribution bottlenecks. FCI should carry stocks to District headquarters from Dimapur constructing godowns in the different districts by relaxing certain FCI norms for construction*
- *Procuring locally from the valley and hill terraces. Raising the MSP announced by the Centre for the Northeast by giving an additional subsidy*

2. Sustainable Natural Resource Management

- *The State must have a well worked out land use policy keeping in mind the ecology, economy and social parameters*
- *Rejuvenating and developing forest resources through social protection of saplings and people's participation in catchment area treatment strategies like afforestation*
- *Giving ownership to community based organizations*
- *Constructing check dams, boulder checks upstream on the small rivulets and streams through watershed planning to prevent soil erosion*
- *Implementing project for treating the Loktak catchment of 10,000 ha and protecting other natural basins in the plains to prevent inundation and flooding; Adhering to a strict land use policy in the valley to retain the natural basins*

3. Infrastructure Development

- *Banning private contractors from construction of infrastructure*
- *Addressing the slow progress of construction resulting in a higher than permissible sanction to allocation ratio by blacklisting and penal action against habitually defaulting contractors, and further relaxation of the norm of 3.5 for genuine cases*
- *Including a defect liability period of 5 years, as is the case in the PMGSY, in all bids invited for infrastructure like road construction by the NHAI to improve maintenance*
- *Increasing (road and telecom) connectivity; Prioritizing all-weather inter-village roads;*
- *Increasing the allocation for maintenance along more realistic lines, Repairing and maintaining existing road network, esp. the 5000 km of roads in severe disrepair*
- *Constructing bridges and alignments and NH 150A to link Jiribam*
- *Taking over of all highways from the PWD by the Border Road Organisation esp. the Churachandpur to Tipaimukh road*
- *Providing power to all and free single point connections to all rural and BPL households; Better utilization of the funds of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)*
- *Utilizing installed capacity; Laying of transmission lines from the Eastern Grid to Manipur through Nagaland; Investing in equipment and damaged lines to reduce T & D losses*
- *Encouraging collective metering at the level of a habitat or village*
- *Investing more in micro and medium hydel projects*
- *Monitoring the use of adulterated bitumen to improve road quality*
- *Providing each village one telecom tower; Reduce restrictions on provision of cellular services in border areas to the extent feasible in order to promote communication through cellular services (a Ministry of Home Affairs order); Extending and improving broadband services in all districts*

Summary Recommendations

- *Building the foundations of the Banking Sector by opening Banks in the unbanked areas of the state (12 development blocks and 2 districts), if required next to army posts or police posts*
- *Creating a special purpose vehicle with the state government as intermediary between the banks and the people to cover those who go to the private moneylender outside the formal banking system due to lack of collateral and increasing credit flows to borrowers*
- *Providing vital infrastructure in agriculture, especially in the hills, through labour intensive technology and employment schemes*
- *Building social infrastructure for education, health and other social services, especially in hilly areas*
- *Setting up well-equipped development and industrial centres in each district headquarter for agro-based and forest-based industries*

4. Employment and social security

- *Extending the National Rural Employment Guarantee Act and the National Food For Work Programme to all the hill districts to provide food security, enable a shift away from unsustainable methods of jhum to redeveloped jhum or other livelihood activities*
- *Improving utilization of funds under CSS by relaxing the requirement of matching grants for at least 10 years.*
- *Developing complementary infrastructure and marketing, credit and entrepreneurial preconditions for the effectiveness of self-employment programmes so that off-farm work in the secondary and tertiary sector takes off.*
- *Raising the amount of assistance under the pension scheme for all over 65 years of age needs to be at least Rs 600 per month. Furthermore, the amount under the Indira Awaas Yojana too is inadequate. The ICDS must be universalized and the teachers regularized.*
- *Aggressive promotion of textiles, sericulture, horticulture, food processing, fisheries, bio-medicine and the IT sectors.*

5. Decentralization and governance

- *Fostering a conducive environment for development by undertaking immediate confidence building measures*
- *Repealing the Armed Forces Special Powers Act as per the Justice Jeevan Reddy Committee recommendation*
- *Extending a more democratic and representative version of the Sixth Schedule to all hill areas*
- *Setting up a Land Commission to evolve a popularly acceptable land policy*
- *Tackling the problems of corruption and extortion on a war footing*
- *Decentralizing development planning, decision-making and implementation by devolving functions, finances and administrative powers to statutory local bodies*
- *Implementing the Right to Information Act for transparency and accountability*

B: SECTORAL/ISSUE BASED INTERVENTIONS IN DETAIL

ENVIRONMENT AND NATURAL RESOURCES

Forests

Illegal timber trade, human pressure and the shortened cycle for jhum cultivation and felling are major causes of forest degradation in the state. At the core of these problems, however, lie questions relating to land ownership, forest rights and control over forestland. While formulating a policy on forest development, it is imperative to keep in mind the interests of the local, tribal and disadvantaged people.

- **Application of Sixth Schedule in Manipur**

The formation of autonomous district and regional councils could help to ensure that local institutions maintain control over natural resources. Amendments to the provisions in the Sixth Schedule should be made in order to ensure independent, democratic and gender just functioning.

- **Policy and Legislation**

The recommendations pertaining to this area are:

- Setting up a State Commission on forests and land management which hold open consultations with the public to resolve pressing matters and propose legal changes and recording of rights on the basis of operational holdings in the hilly tracts.
 - Changing the process of settlement of rights in the hill areas to take into account the customary tenures and practices of forest use. This implies granting the right to protect and manage forests to village councils in line with the broad guidelines set down by the State Government.
 - Increasing the quantum of public spending from the current average of 1 per cent of the total state expenditure: since three-fourth of the land use is forest-based.
 - Decentralizing decision-making over public expenditure.
- **Management of Forests**
 - Implementing the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act 2006
 - Banning 'outsiders' and contractors from harvesting forest produce
 - Utilizing the rich medicinal plant resources of the State sustainably to generate employment opportunities along with market support and networking facilities.
 - Adding value through Non Timber Forest Produce-based industries run by tribal cooperatives
 - Demarcating the 26,700 hectares of land deforested between 1999 and 2001 for natural regeneration for a period of five years under the National Afforestation Programme, with the total cost of approximately Rs. 46 lakhs being met from the IAEP scheme of the National Afforestation and Eco-development Board.
 - Investing Rs. 500 lakhs over a period of 10 years under the National Afforestation Programme, in order to meet the fuel wood and fodder needs of the people. Covering about 11 lakh hectares of degraded forests in artificial regeneration strategies, which would provide employment to more than 2 lakh persons.

Summary Recommendations

- Addressing the problem of siltation of the Loktak Lake by treating 5,000 hectares of jhum cultivation in the catchment area. Wet rice cultivation with fish culture or a mixed plantation with investments in horticultural and medicinal plant rearing and processing outside the catchment area is a suitable remedy.
- Promoting tried and tested silvipastoral methods, besides nurturing multi-purpose species, such as cinnamon, alder, pineapple, brazil nut, jackfruit and acacia katechu.
- Restructuring the contract system of harvesting forest produce: Tribal co-operatives and village councils, which are broadly monitored by the Forest Department, should manage the processes of forest produce harvesting and marketing.
- Guaranteeing local communities more decision-making powers in the Joint Forest Management Programme.

• **Industrial Uses of Forest Produce**

- Initiating a Central-level scheme for processing forest produce in the Northeast in partnership with the North Eastern Industrial Finance Development Corporation.
- Establishing horticultural processing units and cinnamon leaf and essential oils units with financial support from the Directorate of Industrial and Scientific Research, the Technology Mission on Oilseeds and Pulses or the Science and Society Programme of the Department of Science and Technology.
- Diversifying the industrial uses of bamboo and cane and advance of research and development activities focussing on medicinal plants.
- Promoting rural industries in keeping with the availability of raw materials.
- Identifying and upgrading traditional skills and products for local as well as non-local markets.
- Utilizing bamboo resources for employment generation and value addition

• **Jhum Cultivation**

With “jhum control programmes” not proving very successful over the past decades, a renewed strategy combining the approaches of improvement and replacement needs to be put in place. This includes:

- Developing the multi-storey, multi-species cropping system of jhum and increasing the income per capita by introducing high value crops (medicinal, and aromatic plants etc.) into the mix.
- Adopting or adapting traditional skills and practices that increase productivity and check soil erosion.
- Diversifying land use through horticulture, floriculture, plantations, sericulture.
- Stabilising Jhum cultivation into a five-year cycle through a silvi-pastoral strategy entailing an initial investment of approximately Rs. 93.12 lakhs per 5,000 hectares of degraded jhum lands. The redeveloped jhum lands can support small-scale processing units of cinnamon oil and fruits. Tree planting activities can also be undertaken through the ‘Taungya’ system wherein trees and foodgrains are planted in alternate strips.
- Introducing the National Food for Work programme in all Hill Districts and putting an effective PDS in place to guarantee the basic needs of farmers in jhummed areas. Implementing the projects proposed by the Forest Development for bamboo and cane plantations and artificial and natural regeneration.
- Developing a crop land plan through the use of suitable technology and training and the use of appropriate planting material and varieties to promote terracing, conserving soil and water
- Creating and maintaining nurseries with suitable varieties
- Utilizing sanctioned funds. It is unfortunate that an amount of Rs. 951 lakhs was left unspent in the Ninth Plan.

Fisheries

- Promoting fisheries both in the valley and the hills to generate income and employment and meet local consumption requirements.
- Regulating the methods of fishing, especially in the rivers, lakes, ponds, etc, with strict prohibition on the use of toxic and chemical substances.
- Transferring all Registered Government Fisheries under the Revenue Department to the Fishery Department.

Biodiversity

- Stopping rampant exploitation by illegal traders and contractors in order to protect, preserve and enhance the rich bio-diversity.

Minerals

Developing mineral-based industry by:

- Surveying and exploration
- Estimating mineral reserves, such as limestone, lignite, chromites, nickel, copper, asbestos, clay and salt, and their locations - A beginning in this direction could be made by determining ways and means to re-activate the defunct Hundung cement factory in Ukhrul district.
- Establishing serpentinite-based industries for processing tiles, slabs and other building blocks, which would help generate much-needed employment in the state.

ECONOMIC DEVELOPMENT

Infrastructure

Urgent attention needs to be paid to developing roads, air links, telecommunications and other components of connectivity. The state should be allotted adequate funds for operation and maintenance costs for infrastructure.

The 10 per cent allocation from the budgets of various ministries for the Northeast adds up to Rs. 5,000 crores annually. Proper utilisation of resources from the non-lapsable central pool and Border Area Development Programme would help meet most of the infrastructure needs of the state.

Power

- Taking into consideration the social and environmental implications of big projects for hydropower development
- Evolving alternative technology and design, such as construction of a series of medium and small dams to minimise displacement of people, and promotion of “Run of the river” hydroelectric schemes.
- Adopting cost-reducing strategies like:
 - Reducing T&D losses
 - Utilising capacity
- Most of the capacity created in the state is lying idle and remains as a standby to the regional grid. By making the idle plants operational and reactivating the non-functional plants, power can be obtained without investing heavily in further capacity creation. Providing adequate funding to complete ongoing small and medium power projects that are acceptable on eco-sociological grounds to avoid any further cost and time over-runs.

Summary Recommendations

- Constituting a state electricity regulatory commission (SERC) capable of evolving a fine balance between recovering cost and encouraging the use of power. Higher tariffs should not hinder the use of more power for non-domestic applications.
- Assuring quality power on a sustained basis for consumers.
- Laying of transmission lines from the Eastern Grid to Manipur through Nagaland.
- Implementing the approved Micro Hydel Projects quickly.
- Abandoning some of the non-viable diesel power stations in a phased manner once the micro-hydel projects are completed.
- Providing single-point connections to all rural households within 5 years.

Roads

- Prioritising the construction of inter-village and all-weather roads in the hills and other remote regions preferably with labour-intensive technology.
- Activating hill councils for settlement of land rights and working out compensation for the affected persons.
- Establishing a sustainable road maintenance policy, keeping in mind the high wear and tear. Approximately 5,000 km of roads in Manipur are in dire need of repair and maintenance.
- Increasing efficiency of movement of traffic on the national highways: Having comprehensive checks at as few places as possible for the customs, police and army. Extortion by underground outfits, which increases the cost of transportation, too should be checked.
- Handing over all highways to the Border Road Organization with no private contractors. In particular, the BRO should take over the Churachandpur to Tipaimukh road from PWD.
- Including a defect liability period of 5 years when bids are invited for road construction by the NHAI, as is the case in the PMGSY to improve maintenance.
- Constructing alignment, bridges and NH 150A is essential to join Jiribam.
- Addressing the slow progress of construction and works and a higher than permissible sanction to allocation ratio by blacklisting and penal action against habitually defaulting contractors, and relaxing the norm of 3.5.
- Regulating the use of adulterated bitumen to improve road quality.

Telecommunication

- Prioritising inter-district connectivity, particularly in areas that frequently suffer from seasonal loss of road connectivity.
- Providing each village with a tower
- Removing restrictions on provision of cellular services in border areas by The Ministry of Home Affairs.
- Providing improved Broadband services in all districts.

Credit and Banking

- Introducing urgently required incentive packages for investors in the form of interest rate sops, etc.
- Funding adequately the recently established North-East Development Finance Corporation
- Strengthening the cooperative credit system, particularly since land ownership is community-based.
- Energizing the banking network particularly in the hill areas for institutional finance and credit facilities, with currency exchange facilities for trade.

- Building the foundations of the Banking Sector by opening Banks in the unbanked areas of the state (12 development blocks and 2 districts), if required next to army posts or police posts
- Creating a special purpose vehicle with the state government as intermediary between the Banks and the people to cover those who go to the private moneylender outside the formal banking system due to lack of collateral and increasing credit flows to borrowers

Agriculture

- Initiating a state-led, large-scale programme for the development of agricultural activities in the state in mission mode.
 - Accepting community land as collateral for credit, etc.
 - Expanding the electrification network and promotion of lift irrigation schemes
 - Strengthening marketing infrastructure
 - Improving connectivity between the Growth Production Centres and the collection centres through the development of roads in the remote areas.
 - Providing storage and transportation facilities for market oriented farm products.
 - Establishing a dispersed network of food processing industries across the state
 - Stabilising and upgrading Jhum
 - Increasing terrace cultivation
- Setting up a Land Commission to protect the access of women and other weaker sections to productive resources, land and forests; this in response to the increasing individualisation of de facto land ownership resulting from commercialisation and the adoption of income maximising methods of production
- Recognizing food security as a core area for policy intervention.
- Emphasising food security as a part of the poverty alleviation strategy. Procurement and price support activities need to be based on the principle of 'regional procurement for regional distribution'. Raising the MSP announced by the Centre for the Northeast by giving an additional subsidy. Extending FCI procurement operations and strengthening of the PDS network, in order to provide food security and support the increase in rice cultivation in the Imphal valley.

- ***Medicinal Plants***

Tapping the rich variety of medicinal plants in the Hills.

- ***Sericulture***

- Promoting oak tasar in degraded forests in the hill areas, along with mulberry sericulture, as supplementary sources of livelihood for farm families practising jhum.
- Targeting of Loi and other groups in the valley who have traditionally practised sericulture for skill development and income generation programmes.
- Encouraging the use of indigenous silkworm needs as Manipuris have a deep-rooted familiarity with rearing these local varieties on host plants available in abundance in the foothills surrounding the valley.
- Developing and marketing the high-value non-mulberry (eri and tasar) Ahimsa line of products promoted by the Khadi and Village Industries Corporation.

- ***Horticulture***

Utilizing the high potential of the hilly terrain and acidic soils for citrus fruits and other plantation crops like tea and coffee by providing infrastructure as well as creating forward and backward

linkages. (The Trans-Asian Highway linking Southeast Asia with India may open up new markets for fresh fruits and processed foods in the neighbouring countries.)

Irrigation and Water Management

- Implementing watershed management strategies to resolve the problem of deteriorating physical and biological environments of the state particularly the hill areas.
- Expanding of coverage under assured irrigation.
- Increasing people's awareness and active participation in greening the denuded lands and degraded sloping areas.
- Rejuvenating the natural basins in the valley to reduce inundation and flooding
- Imposing strict land use policy in the low-lying areas to prevent water logging

Industrialisation

The following policy measures are recommended:

- Taking on the entire expenditure on growth centres as central assistance, subject to a ceiling of Rs. 15 crores per growth centre
- Changing the funding pattern for the Integrated Infrastructure Development Centres from 2:3 to 4:1 between Government of India and the Small Industries Development Bank of India with GOI funding as a grant
- Extending the transport subsidy scheme for a period of seven years, i.e., up to 31 March 2014
- Providing capital investment subsidy @ 15 per cent in plant and machinery to industries located in growth centres subject to a maximum of Rs. 30 lakhs
- Setting up dedicated branches/counters of commercial banks and NEDFI
- Giving an interest subsidy of 3 per cent on working capital loans
- Providing incentives to piggery, poultry, fishing, small tea gardens, etc. so as to cover all economically viable activities
- Ensuring proper project preparation and monitoring: Assistance could be requested from the Indian Institute of Management, Kolkata.
- Using handloom products for school uniforms: As of now, the requirement for uniforms in schools in Manipur is met by industries in other states.
- Integrating vertically agro-processing: It is cheaper and more profitable to set up processing units in the local growth centres instead of transporting the fruit, etc. outside.
- Augmenting the flow of credit from the banking sector to the industrial sector
- Conducting extensive market research to access the expanding world market: Access to non-traditional markets can be fully capitalised on only when the nature and characteristics of the target market are clearly understood.
- Encouraging Information Technology sector, particularly the I.T. Enabled Services (ITES) sub-sector
- Promoting fruit processing; dehydration plants, oil extraction (ginger, cinnamon, etc.), papain manufacture, bio and herbal medicines, cornflakes, paper mills, cement, etc.
- Increasing employment to promote mass demand-based industries like bakeries, aluminium and steel utensils industry, hosiery, units producing school uniform, re-rolling mill, plastic goods, water containers, water filters, mineral water, bicycle accessories such as tyres and tubes, bus and truck body building, tyre retreading, hair oil, soaps, metal trunks, wooden and plastic furniture, construction, electronic lighting equipment.
- Laying greater emphasis on small and medium industries with a minimum transport cost component.

- Upgrading technology: Measures to upgrade available technology should be implemented efficiently and expeditiously.
- Acquiring land with careful attention to the process, compensation package and purpose. Those displaced should be rehabilitated fully with a better life than before
- Protecting industry for at least another 10 years.
- Reviving sick industries with a little more investment, where feasible.

Urban Development

Reversing the unfortunate tendency to focus too much on developing urban centres in the valley as opposed to dispersed town development across the state.

The focus areas should be as follows:

- Developing the authorized and unauthorized areas in the valley through housing, water and sanitation, home and street lighting, small locality shopping complexes, health centres, bus shelters, roads, etc.
- Providing basic amenities and urban infrastructure in the semi-urban semi-rural areas under the 18 Nagar Panchayats in the valley.
- Establishing/upgrading all existing or upcoming quasi-urban settlements along highways and in areas with tourist potential.
- Establishing towns as service and industrial centres in each hill district for government, industry and trade.

Tourism

- Developing the Indian National Army (Subhash Chandra Bose) museum in Moirang, which was built in memory of soldiers who died during World War II in Manipur.
- Upgrading facilities to promote Loktak Lake as a tourist centre by The Loktak Development Authority and NHPC joining hands.
- Encouraging the development of adventure tourism, such as rafting expeditions on the Barak river and trekking across frozen rivers on way to the Dzukou valley.
- Hosting Manipuri festivals showcasing customs and traditions.
- Promoting local handlooms and handicrafts by setting up centres exclusively for their sale.
- Doing away with the inner line permit
- Providing tourist infrastructure like hotels, transport, etc. by the government in partnership with the local community.

Trade

- By tapping the creative, traditional legacy of Manipur on the lines of countries such as China and Thailand in a range of activities, penetrating international markets and promoting and selling products made from local resources can contribute to economic development. The State must spearhead India's economic links with ASEAN and South-east Asia.
- However, the border should not become a mere transit point and the locals should not become head load workers for the export of goods produced in mainland India and the import of third country manufactures such as synthetics and electronic items. Industrialisation must precede the opening-up of trade through value addition in handicrafts, agro-processing and well-equipped growth centres across the state.
- Trading in simple daily use commodities (in headloads) often through the barter system is beneficial to the local people.

Summary Recommendations

- Manufacturing/processing units for medicines, rubber goods, cycles and cycle parts, pharmaceuticals, edible oils, petroleum products, cement, cotton yarn, etc have a lot of scope.
- Removing commercial barriers arising due to the trade sanctions against Myanmar. For this reason, no letter of credit can be operated in dollars. Trade must take place in Rupees with a letter of credit in Rupees.
- Increasing the number of exchangeable items which should include third country products.
- Permitting business delegates from Myanmar to visit Moreh in Manipur in groups of 30, as they allow our business delegates to visit Tamu.
- Smoothing the circuitous transaction between the Myanmar Central Bank in Rangoon and its office in Kolkata.
- Improving connectivity with the opening up of the transnational highway linking Manipur with Thailand and Myanmar, the expanding railway network, the Northeast Express Highway linking all state capitals in the Northeast.
- Marketing aggressively of local products in Myanmar markets. In addition to trading in finished goods, there is ample scope for a profitable trade in raw materials.

SOCIAL DEVELOPMENT AND GENDER

Health

- Improving the material well being of the people is a necessary condition for achieving good public health.
- Collecting and maintaining health information from districts, sub-divisional headquarters and blocks regularly and meticulously so as to ascertain the health status availability and access to health infrastructure and to undertake necessary measures thereafter.
- Improving natal and post-natal health care to reverse the sharp decline in the gender ratio in almost all the hill districts.
- Checking smuggling of heroin and drug trafficking along the international border to control the widespread drug menace
- Networking between the government and local NGOs and other voluntary and social organisations in the state for effective implementation of the state's AIDS policy.
- Constructing more health infrastructure facilities, such as hospitals, community health centres, dispensaries etc., with basic facilities in all the Blocks and districts, especially in the hills.
- Increasing the number of doctors and paramedical staff in the hill areas.
- Improving the quality of existing health services
- Giving priority to easy accessibility and availability of health facilities.
- Training health personnel, nurses and other paramedics.
- Registering practitioners of traditional systems of medicine and training them in basic healthcare.

Education

- Ensuring universal primary education
- Giving attendance and other incentives to all children at the primary level and throughout to girls and children from socio-economically backward sections.
- Dispersing basic educational infrastructure and strengthening school infrastructure
- Providing adequate qualified teaching staff with the required language skills
- Holdint teacher training camps with the help of experienced NGOs through the SCERT
- Improving working conditions including accommodation in the Hills for teaching staff

Summary Recommendations

- Adopting the mother tongue as the medium of instruction at the primary level, developing books in the mother tongue
- Increasing the state's education budgets
- Dispensing with the requirement of 10 per cent state contribution for SSA for 10 years, up to 2016, on account of the state's precarious finances and its status as a special category state.
- Retaining Roman as the script for Naga and Kuki dialects
- Taking stern action against teachers employing proxies.
- Constructing Hostels for girls and boys for the middle level upwards.
- The following areas have rich potential in Vocational and Technical Education: Dress designing, nursing, paramedics, hotel management, welding, automobile repair, textiles, food processing and leather. etc.

- The Report compliments the high literacy level of the State but also notes that though this is now leading to very high levels of educated unemployed. It is necessary to employ local people to the extent possible in the Hills. The high literacy levels can be turned into an asset if:
 - Tourism was developed.
 - There is a sufficient reservoir of trained and skilled persons who can be utilised for self-employment ventures after adequate infrastructure and marketing.
 - The development of telecommunications, along with good knowledge of English, could then attract investment in IT-enabled sectors.

Gender

The Report notes with concern reports of the erosion of women's traditional systems of shared authority where they existed. While gender indicators of health, longevity, education, etc. are still better (with some exceptions) than the all-India averages, measures nevertheless need to be taken to give women a due share in the emerging community and state institutions.

Politics

- Extending of the law related to one-third reservation of seats for women to the district, block and village councils in all areas.

Education

- Giving special scholarships and other incentives to female students at all levels aiming to increase the percentage of school-going girls.
- Establishing non-formal educational centres to counter the high dropout rates at the secondary levels.
- Organizing adult literacy programmes to generate general awareness of HIV/AIDS, malnutrition, drug abuse, etc.
- Constructing hostels for girls at the middle, secondary and senior levels.

Domestic Sector

Addressing the following issues:

- Rising incidents of domestic violence
- Discrimination on the grounds of not having the right to inherit property. Legal modifications are urgently required to remedy this unjust distinction.

FINANCES, INSTITUTIONS AND GOVERNANCE

Rapid economic development of the region requires a congenial atmosphere. The Report urges all parties concerned to negotiate a long lasting solution for peace. Ethnic tensions compounded by unemployment and backwardness is an impediment to socio-economic development. Already reeling under the impact of a fiscal crisis, the development of the state suffers when there are leakages through corruption and extortions. The enduring solution to this lies in strengthening grassroots democracy. A multi-pronged strategy is required for this:

- Repealing the Armed Forces Special Powers Act Repealing the Armed Forces Special Powers Act as per the Justice Jeevan Reddy Committee recommendation
- Extending and effectively implementing the Sixth Schedule and the Panchayati Raj Act by the devolution of requisite finances and powers, in the hills and the valley, respectively. The decentralisation must be accompanied by a provision for democratically elected local bodies with due representation for women. They should also be capable of independent functioning without excessive interference by the state government.
- Implementing the Right to Information Act and provisions for social audit.

State Finances

Despite belonging to the group of Special Category States, there is a reduction in the allocation of resources to Manipur relative to GSDP. Throughout the 1990s, the Central Government grants to the states have continued to decline relative to GSDP.

The fiscal crisis in Manipur is deeply embedded in several national and central policies that are beyond the control of the state itself. Existing resources are not translated into effective development expenditure due to the civil disturbances and lack of accountable and decentralised governance. The following steps need to be taken:

- As there is limited scope for resource mobilisation from the state's own sources, the most crucial and immediate requirement is to write off all outstanding debt of the State Government. This is also essential in light of the fact that the debt swap scheme has not proved very effective.
- The rate of interest on borrowings from the Centre and against small savings should be reduced and should not exceed 6 per cent.
- The expenditure on assets maintenance needs to be higher to be more realistic.
- As there is no option for the state but to resort to borrowings, the Centre must reduce the interest rates it charges and do away with the limit placed on borrowings by the state.
- The requirement for the matching grants for all centrally-sponsored schemes should be waived for at least 10 years.