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Regenerating North-east India

Lecture by : Shn B.G. Verghese

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(al/0905/tkd).

HONY ADVISOR: Well, friends I am sorry for rushing, but in view of the fact that these are the last two days of Parliament and there is so much pressure on hon. Members. I think, they will be joining us soon. But we do not want to delay because that would cut "into the time of a very distinguished speaker. So, I will begin hoping that in the meantime more will join us.

It is indeed a great honour for me to welcome you all today, to the Lecture on 'Regenerating North-east India' as part of the Lecture Series being organised by the Bureau of Parliamentary Studies and Training (BPST) of the Lok Sabha Secretariat. It is on the initiative of our hon. Speaker that the Bureau has started the Lecture Series for Members of Parliament in which prominent personalities have addressed Members on subjects of vital concern to all of us. The response of hon. Members for making full use of this Lecture Series in spite of their time constraints has been very encouraging. I am very happy to see an hon. Minister as well in our midst this morning. Hon. Speaker was very keen to be present here today for this Lecture session but due to other function which has been slated for today, he is unable to join us.

We are privileged to have today Shri B.G. Verghese, a renowned columnist and author. A distinguished recipient of Ramon Magsaysay Award for his outstanding contribution in the field of journalism. Shri Verghese has been associated with a number of official and non-official bodies in the fields of education, population control, human rights, environment protection, etc. He is widely acclaimed for his expertise on the north-east region. He brings to us today this rich and strategic part of India for a new recognition of its potential. Be it as a reporter, author or member of the "Transforming the North-east Commission' or as a participant in dialogues on regional cooperation and security, Shri Verghese's endeavour in understanding the problems and complexities of the region making it an area of focal interest, has indeed been commendable. Today, we are privileged

to have him amongst us to share with us his wide range of ideas on the region. I warmly welcome you and Shrimati Verghese to our midst.

The north-east region is a sensitive area crucial in many ways to our nation's future. One of the most ethnically and linguistically diverse regions, each of its eight States has its own distinct socio-cultural identity. Known for its boundless bio-diverse reserves, the north-east is endowed with immense natural resources and beauty. Besides, here lies the abundant wealth of natural gas, hydro/thermal power generation, coal and minerals among others. Equally noteworthy is the strategic importance of the region on account of the fact that nearly 90 per cent of its borders form India's international boundaries. The region is the gateway to the fast growing and vibrant economies of the East and Southeast Asia.

During his long-standing association with the north-eastern region. Shri Verghese has been analysing the complexities and problems of the region with a great insight. It is certainly an opportunity for us to have the benefit of I analysis. Identification and understanding of the strengths and potentials of the region can do wonders in shaping its future as well as of the nation.

With these words, I once again welcome the hon. Members of Parliament, Shri B.G. Verghese and all those present here to this Lecture that is of great concern and value to all of us. I hope more of our friends from the North-east will join us as we go along. I believe, they are in another meeting. I do hope the lecture as well as your questions and discussions after that will be of great benefit to all of us.

Thank you.

SHRI B.G. VERGHESE: Hon. Members of both the Houses of Parliament, Madam Chairperson, Shri Nair and friends, I am greatly honoured to be invited here to be talking here on the subject 'Regenerating North-East India, about its potential and multifarious dimensions'. The hon. Chairperson has already made a reference. In a limited time, I will just tick on one or two isolated themes. So, it is not really interconnected account of anything, but something I thought may be of interest and of some importance. This is the flood-power relationship particularly between Assam and Arunchal Pradesh and also aspects of regional cooperation and work triangle. There are certain other things which I want to touch on, but, I * think, there would not be time for that.

I start with the preposition that we have these eight States. Sikkim is slightly apart. There are eight States or the 'seven sisters' in the North-East of which Assam is the anchor and the dynamic partner because of its sheer size and its numbers. It is the corridor that provides that contiguity and connectivity both within the region and between that and the rest of the country. As the Chairperson has said, it is uniquely positioned, the North-East, in that it has only two per cent of external borders with rest of the India. The remaining 90 per cent are with six other countries of northern and eastern Asia. Yet, Assam lives along and has been so doing over these years because it is crippled by floods. My problem is that Assam cannot move ahead economically and, therefore, politically and socially then the North-East will also be gravely and continually disadvantaged. That is why I start with this proposition that Assam being the dyno and the anchor must be enabled to resuscitate itself. Agriculture at the present time is the single crop, low risk agriculture and not much about subsistence level in many areas. The recurrent flood damage lost many crops, but the infrastructure lives and livelihood goes on. The embankments will no longer serve and, therefore, we need other mechanisms among which would be detention storages for flood to moderate the peaks and mitigate them.

You cannot totally abolish floods. This would give benefits of power, the storage of monsoon surpluses for use during the lean season within the regions and beyond, to improve agriculture, to provide power for groundwater lift for which there is plentiful evidence of, to promote navigation, fisheries, the ecologies, and the possibility of water transfer from the region which accounts for almost 30 per cent of India's total water which is locked up in the Brahmaputra Basin in the North-east. It is a true surplus of water as far as India is concerned, to be able to transfer it elsewhere to Bangladesh and through Bangladesh otherwise to the Indian heartland. It was the imperative need to control floods that led to the constitution of the Brahmaputra Board in the 70s. It prepared a master plan for the mainstream of the Brahmaputra, the main tributaries of the Brahmaputra and other rivers of the Barack and other smaller rivers. These were ready by the end of that period about 1970 and 1982. There were some major dams that were proposed which did not work for a variety of reasons, so they were dropped. They were subsequently in agreement between the Centre, Assam and Arunchal Prade reworked as cascades, series of dams. These reworked cascades and also further investigations of storages in the area and the 50,000 megawatt hydro electric initiatives started during the period of the NDA Government and which is still ongoing seeks to maximise power generation. The work of this now has passed on from the Brahmaputra Board which is a water flood control agency, primarily will deal with power as well to other agencies like the National Hydro Power Corporation which is primarily focussed on energy. (bl/0915/brv)

So, we have got power maximisation but not water optimisation. Flood moderation has been marginalised primarily because of the objection to storage. It is because of the sense of loss in terms of displacement of human population from submergence, loss of infrastructure, bio-diversity and related factors. This creates a major problem. Added to this, starting with a public interest litigation, the forest conservation movement started in Himachal Pradesh in 1995. I have travelled

across the length and breadth of the country, met a number of people from Kerala to Gujarat to Kashmir. Everyone is entreating himself with it with his own forest conservation problems.

The Supreme Court delivered a judgement on the lower Subansri dam which is one of the cascades. The earlier Brahmaputra Board Scheme and the Subansri had been re-worked. It is a 2000 MW dam with a potential with some storage but much smaller than what had been proposed earlier. The Supreme Court order, which was passed in 2003 inspired by considerations of forest conservation, set a very wrong precedent. It has not been challenged. Therefore, its implications are felt. It was a set back to storage and flood moderation. What the order said was that by agreement of the parties concerned - it does not explain which party said what and why - it can be done. There is no judgement as such. It is just simply an order. It says that there shall be no construction of any dam upstream of the Subansri River in future. They allowed the Lower Subansri Dam to go ahead with a number of very burdensome reservations. I am not going into the merits, goodness or badness of the reservations. But there is a very blanket order that there shall be no further dam upstream of the dam. This becomes a law of the land. In accordance with the precedent set by the Supreme Court, everyone will argue that apart from the terminal dams where the river is entering the flood plain, no other dam should be constructed upstream. It really means that apart from the run of the river scheme, any storage is going to be problematic. It is now impossible to do under the Supreme Court order. The order went further.

Under the Lower Subansri Project, 24 families in two villages were to be displaced. It is because of some submergence of the national sanctuary. As per the court order and the expert advice - rather than the whole of the sanctuary area only a part of it was submerged - that should be declared a national sanctuary and protected. Once this is done under the law, no one else can live there. Then, the 5000 people of about 14 villages were need to be removed from the sanctuary and rehabilitated. So, we started with rehabilitation of the 24 families. To protect them,

we are now evicting a very large area and the burden of managing this is there. For ten years, preparing the plan for this was on the NHPC. It was also asked to compensate for the rehabilitation of not only 24 families but all the other numbers, which may go up to 5000. No one knows the exact figure from the protected areas and the 14 villages. The, the management cost thereof is there. So, there is a huge burden put on the power producers which compel them further to maximise power because that earns revenue. Irrigation and flood control do not earn revenue in our system except very marginally. They are in negative terms of saving damage from flood. It is not because of any positive revenue. Therefore, this reinforces the whole thrust towards energy maximisation which is good in its own way because we certainly need energy since we are a power-hungry country. Hydro power is one of our great clean potential resources. But it does not seek a national socio economic optimisation. Therefore, it is very narrowly focussed. What concerns me is the total silence on the part of everyone concerned like Assam, the NEC, the Central Government, the academia, the media, the political influences to take this as given without analysing what its implications could be.

Arunachal is interested in power. It is the power house of India with about 40,000 MW of hydro electric potential which is the largest one in any part of the country. In future, falling water and hydro power for Arunachal would be like what oil is to the UAE or something like that. So, Arunachal prefers the run of the river scheme though, I think, it also senses the loss in losing the storage. Always, the problem is that Arunachal and Assam have to go together on these problems and work these out in collaboration with the Centre, its agencies whether it is the donor Ministry here or the NEC in Shillong. The same problem would affect the other North-Eastern States and also the other States which have hydro electric power in the Himalayan belt in particular.

Arunachal is understandably concerned about submergence. In terms of power generation and water storage, these projects are very large by any standard, certainly by the Indian standard. I think Bhakra would be smaller compared to some other things that we are talking about or could be talking about in the North-East but the benefits are very large. Therefore, it would not follow if we say why does Arunachal not make a sacrifice for the benefit of Assam, the North-East or of India as a whole. We would like it to do that. But the point is that the incidence of submergence and displacement might be small - in this case 24 families or two families or a few villages. But the point is that we have a State with more than 110 tribes in the valleys, in some cases 2000 or it may be a few thousands, the larger one may be of 40,000-60,000. There are a very few that go much beyond that. If you submerge a part of their homeland, then, you are taking away from them a very large chunk of their history, culture, way of life and everything else as also the numbers that are involved. So, I think one has to take into account not merely the size but also the cultural and social impact of these on small communities who have every right, like anyone else, to be protected.

Arunachal gets, like any State, 12 per cent power free but it cannot use that power. The potential is so large that if you exploit all these in a large way, you can use it to illumine the municipal areas and to have pumps, rural electrification, to run the rope-way system and, electric trolley busses and so on. But one cannot be able to utilise too much of this potential. It is a mountainous area. It is very expensive to have transmission lines running up and down the hill. So, you need stand-alone power projects, the micro, hydel, bio-fuel to deal with these problems. In addition to whatever can be served by the Grid, much of the power would go down to Assam, the North-East, then to the North-Eastern Grid and then through inter-linking, to other national Grids. It would flow to the rest of the heartland in a single seamless energy system which is certainly good. But what is it that Arunachal gets out of this? If you look at power merely as a revenue earner, yes, you get some money for it and you sell the rest of the power to whoever wants

to buy it. But if you convert it, as a raw-material, into some products, then you get employment, income generation and a whole multiplier effect. In order to do that, you must develop the infrastructure and capacity building of people.

Here, I would like to cite the example of Bhutan. Bhutan is doing that, [t is a unique example, much smaller in area, population and power potential than the North-East. But it is going ahead unlike Nepal, for instance, which is frozen and has not developed its power assets. Then, how can there-be a trade-off between Assam and Arunachal Pradesh that will keep both of them happy? The flat lands are very important in a mountainous area which have a perpendicular landscape. The flat lands get submerged behind any dam. Where Arunachal ends, the plains begin. (cl/0925/tkd)

And the Tarai areas you have in Nepal etc. which do not exist here. It is mountain there and then suddenly there is Arunachal Pradesh and where the mountain ends, it is Assam and the plain starts. So, Arunchal Pradesh would find flat land very valuable. It wants to develop its enormous power resources and convert it into products, into employment, into income generation, infrastructure development, and capacity building streams which then have their own multiplier effect. Then, it needs a place where it could develop these other than in a small scale in a mountainous area which would also take place and which is certainly necessary. Now, there is a dispute and Assam needs protection from floods which would be transforming for ourselves and for India because it spends several thousand crores of rupees every year, direct and indirect cost including with this problem. It is not worth building anything on value on the north bank which is going to be swept away by the next floods. So, you have this low-risk agriculture and low- risk investment and a depressed economy. Are we to continue in that fashion or what should be the dynamo of the North-East? This is the issue.

Now, when other States were carved out of Assam in the decades earlier like Arunachal Pradesh, Mizoram, Nagaland and Meghalaya, there were boundary disputes between the States because the British had set up a broad and inner line which has to prevent tribal people from going down to the tea garden areas of the Assam Valley and the Barak Valley. Then, they felt that there are good forests on the other side and we need to manage those better or get revenue from them. So, they appropriated reserve forests and then began to go forestlands. Over the years, it became a fudgy notion as to what then was the so-called boundary. It did not matter when it is all one country and one State. Now, we have become separate States. What is to be the administrative division? That is why, these disputes have come about with all these States - Mizoram, Nagaland, Meghalaya and Arunachal Pradesh along the boundary. Between Assam and Arunachal Pradesh, there are about 740 square metres of area which are disputed. These are good forests and they become no man's land because no one can enter. Except under threat from the other party, you cannot develop the area. So, it has become some kind of a haven for it is negated and not exploited. You do not get much revenue from it and it has become a haven for people who want to use that as a safe haven from being hot pursuit by the police or whatever it is. Therefore, this is a problem. Now, suppose the Centre were to say that in collaboration with Assam and Arunachal Pradesh to work out a deal. Why do you not declare these scripts, start with small part of it as a trusteeship zone for a 30 or 50 year period and have tripartite agreement between the Centre and the States concerned whichever they may be - Mizoram, Nagaland and use these flat lands to develop the infrastructure. So, to build these projects, you need to bring the railway, roadbeds, etc. to move equipment etc. upwards.

When you get the power, you need to develop them. You develop these as industrial parks. Because of the dams, you have plenty of water which is a scarce resource for industry. You will have enough power which again is a necessity and which would have developed lands as these industrial parks. You have

improved navigation because of the storages and the work that the national water development agencies etc., are doing. The revival hopefully will be sooner rather than later. We sat on that for 50 years of the Brahmaputra waterways as one of the great Indian waterways of the world flowing to the sea. So, when you get cheap transportation for moving raw materials and cargo up and down, it would be good. Now, here you could have it for food processing. The whole of the North-East is wonderfully agro-climatically suited to a whole range of products. You name it, it is there from tropical to alpine and also electro-chemical industries and energy-intensive industries and so on and so forth are there. For a start, you need cement and steel fabrication to build these things and for building dams etc. You should not fetch cement from 500 miles away and pay the additional cost and add all in the projects. So, you can start this process and make it an attractive place and within the gestation period, you invite people to make bids to set up investments there. Bhutan has started doing it. We were earlier looking for the possibility of setting up aluminium smelters to convert aluminium which requires a lot of power. So, it is cheaper for us to go to Columbia and Ghana and then work out whatever be the reason. Surely, in our own country and in our own backyard, we can do these kinds of things. You would have economies of scale. Employment would go here. We have a rehabilitation policy. Land for land policy which I think is creating enormous problems for India. Where is the land? Land belongs to people. Now, they are trying to restore tribal rights to tribal areas. You took the land from them and now you are trying to restore them. It is hopelessly done and again not enough thought has been given to this over the years. Huge vested interests have been created all over the place by the negative structures that we have built up. Now, we could change that. You can have *in situ* rehabilitation. This links up with the other thing. A dam places us backward particularly in the mountainous areas because they are inaccessible. There is no road. Therefore, there is no administration, no education, no health, and no water supply and there is nothing. You have poverty alleviation programme which is separate. Everyone

has three jeeps and other things. It is all sub-critical. It does not add up. All the money leaks and at the end of the day, there is very little to show for it. Now, once you have to build a road, the moment you build a road, the basic reason for backwardness disappears. It begins to open up the area. You provide administration, electricity, water supply etc., just to construct the thing. You look at any project - large projects - particularly dams, you will find that these facilities which have come up, which were on improvement and they are in State Headquarters because they are modern and they are something that is state-of-the-art. So, do not think of rehabilitation as something apart from poverty alleviation, something apart from development. Poverty rehabilitation is here and rehabilitation is there. They are all parts of the same thing. So, if you construct the dam, there are two projects - to develop the area, not merely the submerged area but the whole upper catchment. So, have an upper catchment authority who will do socio-economic surveys. They will tell this is the State average and this is the national average and within the gestation period, we begin to do things to bring the people up to that level. Where does the money come from? It is from all these sub-critical elements plus against a sort of future's trading. The project once it comes on stream will generate enormous power. Most of these hydro electric projects amortise themselves within four or five or six years, after which the money for production and the cost of power goes down because there are no overheads at all. The raw material cost is zero and the maintenance cost is extremely low. So, you have to structure your financial deals, give very cheap loans and very low of interest. But the time you switch the turbines, two minutes after that you are earning revenue.

Therefore, a ballooning form of high interest is there. You start with low interest and you do not load your projects with all these overhead costs. So, you have an area development programme plus training.- Training for the people who are displaced, not merely to do over the things. You wanted to change land, you start from move, from zoom which is what people do not want to do and which is

not ecologically sound though have a scientific principle at the back. In virtue of abundant zoom for herbiculture, floriculture, mushroom fanning and other things and develop those things, you need training for all of those and then you have links to bring things down, processing, branding, marketing etc., in this area. You have an area development programme there, you have these industrial parks at the bottom and the linkage and with training, you enable these people who are displaced to become potential skilled employers and managers, skilled workers and managers in these industries. It can certainly be done in a generation not when you are grandfather and father, but certainly the younger brother, the son and the daughter. That capability is there. So, it is all about basics - instead of getting V, you get V multiplied by 10. Assam is benefited, the North-East is benefited and India is benefited with additional water, irrigation, fisheries, industrialisation and everything-else. Now, if anybody loses land, make them stakeholders, give them equity in the upper project dimension after experimenting with many things. I do not know what the figure is - half per cent or one per cent of something of the revenue stream from the energy that is stored, is given back as a community development fund to the project area which were a raw deal. (dl/0935/brv)

They can build schools, hospitals, roads or whatever it is that they want. The equivalent of their panchayats, local self-Government bodies deal with these problems. They are very happy with it. You can say that it is all right for the next ten or twenty years that it could take on - whatever the permutations and combinations might be, whatever circumstances might dictate. So, you get poverty alleviation built into your programmes and the larger project becomes the smaller projects to trigger the people's development, area development, poverty alleviation etc. You pump money that may earn from this to develop people who are displaced and to train the people.

I will stop with this one. I think this is an idea. The time has come to think of it. We used to do it. We used to have annual fights about the disputed areas. No development is taking place or some optimal development is taking place to the disadvantage of everyone concerned. Everyone says that we should build the dams because people like to build dams. But there is a dam, for instance, in Tripura, the Gomati Dam which needs to be de-commissioned. Why? The Gomati is a small river in Tripura flowing down into Bangladesh. About 30 years ago, we built the Gomati Dam for some limited irrigation. It is 14 MW capacity hydro power project. It was necessary at that point of time. But the valley that was submerged was a tribal area. Those tribal people, who were put on the hills, do jhooming cultivation. They are unhappy because of several reasons which I will come to. They are unhappy because the Project suffered due to this form of cultivation. The reservoir got silting problems. About 30 per cent or more of its capacity is lost. Power generation is halved. They were trying to improve and resuscitate it; they were using it as a peaking station.

Next, what happened is that the whole insurgency movement in Tripura is between the tribal people and the "outsiders, Bangladesh-settled people from outside." Instead of promoting conflict resolution, the dam accentuated the conflict by making the tribal population victims. They lost all the services like education, health etc. It took time for that to happen. The benefits went to the "others". That perception might be right or wrong but this is the reality with which we have to live.

At that time, there was no power. Now, with the gas finds, we have got a number of gas stations. More such stations are coming up. I think the hon. Prime Minister has inaugurated a 1000 MW plant. Shri Mani Shankar Aiyar will tell us more about that with his experience in his earlier incarnation. But a large amount of power is going to be renewable, cheap and gas-based power which is surplus to Tripura. That being so, why do you need these sub-optimal dams? Why should you spend more money to resuscitate them? So, insurgency could, I think, be

ended if we solve this problem. You have to improve the ecology by re-foresting those areas and introducing settled cultivation. You have to grow more food in the area. There should be reconciliation between the tribal people and the Bangladesh people. I think one whole section of insurgency could be mitigated, if not abandoned, by this. The message must also go forth saying that we are not just dam builders but we are interested in optimisation and doing things which make the people happy. If we want to do all these things, we need to have regional cooperation even with water. About 95 or 98 per cent of the water that goes into Bangladesh is from India. What a frightening scenario! We must understand that. We cannot use our water without coming to terms with them because of the international convention, not law. International law on water is still very weak. The convention or lending term of big money lenders like the World Bank, the ADB and the private money lending is based on equity. Unless this is done, we are not going to get aid, assistance and the technological inputs on the scale required to produce the kind of transformation we need. Therefore, we need to cooperate with Bangladesh as much as with Nepal, Bhutan, Tibet and China.

Coming China and Tibet, we do not take much interest. I have got a wonderful map. Some of you would like to look at it later. The Japanese have done the most elaborate study about the Brahmaputra Basin. This was done 40 years ago. No one in the Government is willing to look at it. Ultimately, they came to Verghese because he is the only man who seems to be interested in it. It is amazing how disinterested we are in our own resources! So, regional cooperation is important.

I will end with this last point. We have just signed the Nathula Agreement. Nathula used to be an international trade centre. After 40 years, we restored it as a border trade centre. Border trade is very good. The Chinese are anxious to go forward with it. The Sikkim Government is anxious to go forward with it. But the Government of India says: "No, we are afraid. We will be swamped by the Chinese." Of course, they are coming in despite all these things. What are we

talking about? They are coming in league with the people who are driven underground. They are doing smuggling, indulging in flesh trade, drugs and arms smuggling and some nefarious activities. It is because there is no legitimate business that they can do. There is no infrastructure. We have neglected those areas enormously. We are interested in drawing the boundary with China and Bangladesh and so on. It is important. We have no border policy. This could be enormously beneficial to us. Calcutta is the nearest port to Lhasa. There is the Chinese port. They are opening up the railway line from the city Golmud to Tibet. We can take our goods there too. The Indian entrepreneurs are good. It should not merely be transit trade. This would help develop infrastructure and the enterprises in these areas. We have built the Imphal-Moreh road. Everyone uses it except the Indians. It is extraordinary! We spent Rs.90 crore to build this. The road ends in Myanmar. We do not use it but everyone else uses it to our disadvantage. We keep repeating the same thing. As I said earlier, there is no border policy. There is no larger vision. It is a big country. We are behaving like a banana republic! So, I think we need to look at all these things and have growth triangles which were very successful in South-East Asia, East Asia and elsewhere. There are various groups which have to cooperate. India, Nepal and Bhutan should cooperate. The Chumbi Valley is there. The Chittagong Hill Tracks are there. The Chittagong Port is there. Such things could be developed.

So, with this, I would stop here. I want to say many other things but time is limited. Some of you may like to see the map after this lecture. Thank you.

(Ends)