

Factors Affecting Development: a Study in a State of North Eastern India

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Abstract

After two decades of gaining statehood, Arunachal Pradesh a state in north eastern India has still a long way to go as far as development is concerned. Since approximately 80 per cent of the people of Arunachal Pradesh are residing in rural areas, this study was carried out to explore the factors responsible for the lack of development in Arunachal Pradesh by knowing people's perception in this regard, so that the discrepancies in the development process are brought into light. This study is a descriptive research based on both primary and secondary data. Some of the important findings that the respondents perceived about lack of development in Arunachal Pradesh were corruption, lack of awareness of the various government schemes and problems related to their implementation. Thus this study could be helpful in understanding the discrepancies in the development process in Arunachal Pradesh, so that some viable socio-economic steps may be carried out to minimize the identified gaps.

Keywords: *rural development; development; implementation; government schemes*

JEL Classification: *O2, O20, O210*

Introduction

Arunachal Pradesh popularly known as the land of rising sun is the largest state among all the north eastern states with a geographical area of 83,743 sq.km, having a total population of 1382611 out of which nearly 80 percent of the total population still living in rural areas with agriculture as their main source of living. Arunachal Pradesh which means 'Land of Dawn' is the abode of some 26 major tribes and 110 sub-tribes and minor tribes. Though the state has enough potential compared to other states, it has so far lagged behind in the field of industrial development due to inherent infrastructure bottleneck, remoteness, transportation and communication problem, lack of proper research and development, lack of entrepreneurship and so on. In Arunachal Pradesh, modernization is a largely post-independence phenomenon. The state plan is largely dependent on central assistance. In the case of Arunachal Pradesh the growth is primarily driven by the sectors where government is playing direct role. Development is very important for any place or country to move forward by taking care of all the sectors of the society. India is classified as a developing country, however, Arunachal Pradesh, though strategically important, cannot be considered as developing in many sectors. It is one of the most backward states in the country. Development is 'to lead long and healthy lives, to be

knowledgeable, to have access to the resources needed for a decent standard of living and to be able to participate in the life of the community¹. At present, the industrial growth in the state is dismal and at a nascent stage despite enormous potential for industrial growth. It can be known from the fact that Arunachal Pradesh had no industrial policy of its own till 1994. It is only the SSI sector which has made the industrial development in the state a little bit appreciable though the figure is still low compared to other states of the country. However, the economy of Arunachal Pradesh is roughly growing at an average rate of around 8 percent which is closer to the National average growth rate. By any dimension it is impressive but the question is which sectors of the economy are driving the escalation. In case of Arunachal Pradesh the development is primarily driven by the sectors where government is playing a direct role². The State plan is mostly dependent on central assistance as the tax base is low due to limited internal mobilization of resources. Therefore, it is high time to find out what are the factors affecting development in Arunachal Pradesh and also which sector/area should be given more importance to bring about development in Arunachal Pradesh.

Literature Review

Development is defined as ‘the act of process of developing or growth within the framework of available resources’³. It also means that all the advances of sciences, technology, democracy, values, ethics, and social organisation fuse into the single humanitarian project of producing a far better world⁴. Development in its simplest meaning and possibly in its widespread usage can be considered as the movement to a state relatively better than what previously existed, which can also be referred to as “good change”⁵. Development is implicitly projected as something positive or desirable. When referring to a society or to a socio-economic system, “development” usually means improvement, either in the general situation of the system, or in some of its constituent elements⁶. However, a minimum understanding of development is that it is basically a change process that has important outcomes to the social structure. Since 80 percent of the people in Arunachal Pradesh reside in rural areas, development here is automatically about rural development. Rural development can be defined as “development that benefits rural populations; where development is understood as the sustained improvement of the population’s standards of living or welfare”⁷. Arunachal Pradesh still today has remained incognito in the lexicon of development thinking⁸. It is required that government of India and the state initiate appropriate administrative reforms, set up highly motivated and dedicated administrative and technical Cadres for north eastern states including Arunachal Pradesh with sufficient initiatives and provide training⁹ to bring in development in true sense. The Annual Plan 2012-13 of

¹ *** Human Development Report Office, United Nations Development Programme, *Human Development Report 2004: Cultural Liberty in Today’s Diverse World*. (2004).

² Chakrabarti, A., *Arunachal Pradesh and the Dilemma of Development*, Dialogue, 11, 1, (2009).

³ Desai, V., *Rural Development*, Bombay: Himalaya Publishing House, vol. 2, (1991)

⁴ Haokip, S. P., *Approaches to Development: A Sociological Examination*, Journal of North East India Studies, 3(2), pp. 48-56, (2013).

⁵ Chambers, R., *Whose Reality Counts? Putting The First Last*, London, ITDG (1997)

⁶ Bellù, L.G., *Development and Development Paradigms - A (Reasoned) Review of Prevailing Visions*, EASYPol, 102, (2011)

⁷ Anríquez, G., Stamoulis, K., The Food and Agriculture Organization of the United Nations, *Rural Development and Poverty Reduction: Is Agriculture Still the Key?*, ESA Working Paper No. 07-02, June 2007

⁸ Chaubey, P. K., *Economy of Arunachal Pradesh: Problems, Performance and Prospects*, Journal of peace studies, 17, 4, (2010)

⁹ Tsering, Y., *Strategic Plan for Certain Issues of Development of Arunachal Pradesh*. Retrieved from <http://www.performance.gov.in/sites/default/files/policypaper/1.%20Strategic%20Plan%20For%20Certa>

Department of Planning, government of Arunachal Pradesh reveals that, the incidence of poverty in Arunachal Pradesh remained more or less static during the last two decades. The state had to build itself virtually from the scratch as there were barely any roads, schools, or hospitals. The state faces severe problems in road development due to various reasons like hilly terrains susceptible to erosion, seismologically active zone, dense forest cover, heavy rainfall, etc.¹⁰. The planned economic development in Arunachal Pradesh (erstwhile NEFA), was started from the First Five Year Plan with a paltry outlay of Rs. 300.00 Lakhs and the investments in the initial period were minimal and the development process started at snail pace. In the real sense, the development efforts gained momentum only from the Sixth Five Year Plan. Arunachal Pradesh is one of the Special Category States and is exclusively dependent on Central Assistance for Plan investment because of low resource base. The state plan investment is largely dependent on central (government) assistance as the scale of internal mobilization of resources is limited in Arunachal Pradesh in view of low tax base. Therefore, the chief mover of the growth of the economy has been the flow of funds from the Centre. The hope of creating an industrial base in the state seems frightening in the light of the ecological and economic particularities of the state¹¹. The involvement of manufacturing sector is negligible and this proves the petite existence of industrial activities. Draft Annual Plan, 2012-13, Department of Planning, Government of Arunachal Pradesh, reports that the response of public financial institutions is not encouraging as the recovery rate in industrial sector is very low. The major weaknesses of the state leading to slow development are: too much dependency on centre assistance for state Plan funding, lack of technical manpower and skilled workers and labour, lack of accountability and corruption, insurgency problems and increasing number of educated unemployment due to lack of industrial growth. Corruption, commonly defined as 'the use of public office for private gains'¹² is widely regarded as a wicked social problem. Societies that are the most corrupt are also the most likely to find it impossible to implement rules to effectively change the relation between those in the government and citizens (of any rank), even if they can change the formal rules¹³. The human resources development of the state is very important and substantial investment has to be made in education, health, poverty alleviation schemes, development of women and children etc. Besides these it is important to re-examine and revitalize the existing system of monitoring and evaluation of the State Plan schemes/projects and to introduce Results-Framework Document (RFD) in all departments. True India lies in rural areas and the state of Arunachal Pradesh is not an exception to it, so it is pointless to mention that development in Arunachal Pradesh means mainly rural development as 80 percent of population reside in rural areas¹⁴. Finally, the insurgency problem in most of the North Eastern States has also acted as key obstruction to have solid connectivity with main land India and its economy. It needs to be seen that grass root level governance with traditional institutions should be in place and linked with development activities. Sheer doling out central assistance will not make the State self-sustainable. Had it been so, all the North Eastern states should be at par with other Indian States. This implies that the money received by these North Eastern states in terms of Grant-in-aid has restricted multiplier outcome and dispersion effect on

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¹⁰ ***Planning Commission, Govt. of India, New Delhi, *Arunachal Pradesh Development Report*, (2009)

¹¹ ***Department of Planning, Arunachal Pradesh. (2010) *Annual Plan 2009-10*. Retrieved from http://arunachalplan.nic.in/html/docs/aop/Annual_Plan_2009_10.pdf

¹² Bardhan, P., *Corruption and Development: A Review of Issues*, Journal of Economic Literature, Vol. XXXV, pp. 1320-1346, (1997).

¹³ Manzetti, L., Blake, C., *Market reform and corruption in Latin America: new means for old ways*, Review of international political economy, 3,4, pp. 662-697, (1996).

¹⁴ Moyong, O., *Employment and prospect of rural entrepreneurship in SSI sector in Arunachal Pradesh: Evidences from third SSI census report*, Asian Journal of Multidimensional Research, 1, 6, pp 111-121, (2012).

the economy. The benefits of development must drip down, otherwise only certain segments of the society are benefited and the rest keep on struggling with their identity and priority.

Objectives of the Study

This study was undertaken with a view to the following *objectives*:

- To find out stakeholder's perception regarding problems confronting development of the state Arunachal Pradesh;
- To find out the five most significant areas/sectors that should be given importance for the development of Arunachal Pradesh.

Research Methodology

It is a descriptive study where both primary as well as secondary data were collected. Primary data was collected using questionnaire and interview, and secondary data was collected through various sources like books, websites, Government Official publications, journals etc.

The sample size of the respondents for this research study was 129. Stratified Random sampling and Judgmental methods were used to select the samples. The respondents were a mix of both permanent and non- permanent (residing at least for 5 years in the state) residents in Arunachal Pradesh who are 18 years and above. Six categories of respondents as depicted in table 1 were chosen, comprising both rural as well as urban population.

Table 1. Sampling of respondents

Category	Papumpare	Lower Subansiri	East Kameng	Total
People's representatives	3	3	3	9
Government Officials	9	9	9	27
Academicsians	8	8	8	24
Entrepreneurs	8	8	8	24
Students	8	8	8	24
Common People	7	7	7	21
Total Respondents	43	43	43	129

Source: made by the authors (2014)

In the above mentioned categories of respondents, People's representatives represent the members of the local self-government or the members of the local bodies who act as representatives to the government on behalf of the common people. The academicsians as well as the students here comprise respondents from higher secondary schools, colleges and University. The common people comprise housewives, unemployed populace, retired people etc.

Three districts of Arunachal Pradesh were selected for the study namely, Lower Subansiri, Papumpare and East Kameng districts of Arunachal Pradesh. These districts were selected based on their human development index status. Papumpare district is relatively more developed followed by Lower Subansiri which is averagely developed and then East Kameng which is the least developed district (Arunachal Pradesh Human Development Report, 2005). Analysis of the data was done using SPSS (Statistical Package for the Social Sciences) 16, software.

Results and Discussion

In order to find out the stakeholders perception, an effort was made to collect data regarding problems confronting the development of the state Arunachal Pradesh.

Table 2. Respondents' view regarding development of Arunachal Pradesh

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No	71	55.0	55.0	55.0
Yes	58	45.0	45.0	100.0
Total	129	100.0	100.0	

Source: made by the authors (2014)

The data from the above table shows that majority of respondents (50 per cent) disagreed about development taking place in Arunachal Pradesh in the last five years.

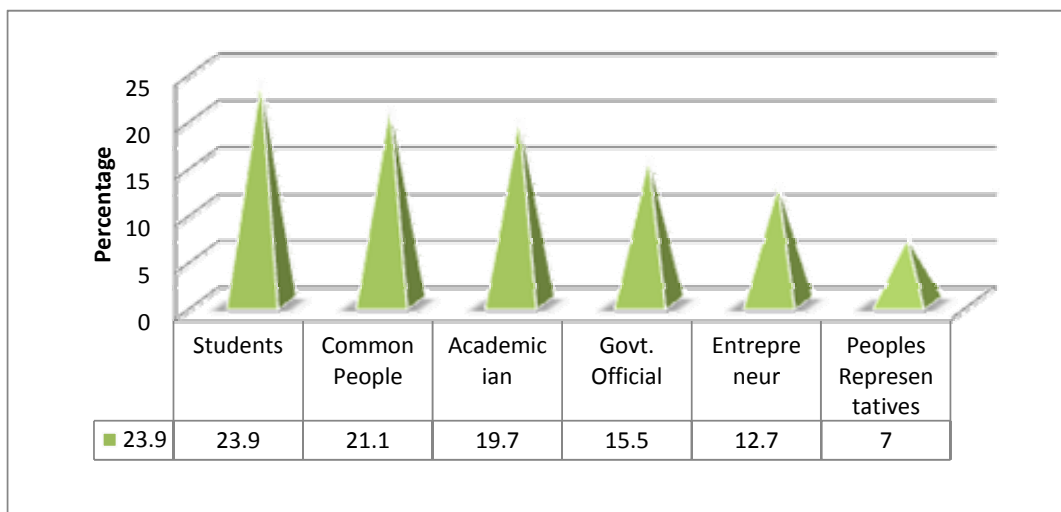


Fig. 1. Category wise presentation of respondents (in percentage) perceiving development not taking place in Arunachal Pradesh in the last five years

Source: made by the authors (2014)

The above table highlights that out of the 55% of respondent who responded that there has been no development in Arunachal Pradesh for the last five years, 23.9% of the respondents were students followed by common people (21.1%), academicians (19.7%), government officials (15.5%), entrepreneurs (12.7%) and people's representatives (7%). Thus the table reveals that even though the people's representatives have the impression that there has been development in the state, the other categories of respondents refute this standpoint, thus pointing out that there is some gap which has to be taken care of.

Table 3. Factors responsible for the lack of development

Factors	Score (Sum)
a) Infrastructure	651
b) Communication and connectivity	532
c) Lack of entrepreneurship	676
d) Corruption	361
e) Insurgency	1026
f) Lack of proper research and development	762
g) Lack of skilled manpower	743
h) Illiteracy	687
i) Inner line permit	1069
j) Lack of awareness about the various Government Schemes	572

Source: made by the authors (2014)

The respondents were asked to rank the various factors from one to ten (where one is highest and ten is the lowest) which were responsible for the lack of development in Arunachal Pradesh. The top five reasons/factors that came to light for the lack of development in Arunachal Pradesh according to the respondents are: corruption scoring 361 followed by communication and connectivity scoring 532, lack of awareness about the various Government schemes scoring 572, lack of infrastructure scored 651 and lack of entrepreneurship with 676 points.

Data regarding the sectors that were lagging behind in the process of development in Arunachal Pradesh were found out by allowing the respondents to rank the selected sectors from one to seven (where one is the highest and seven is the lowest) according to their preference. From table 4 below it can be seen that the top five sectors which are lagging behind in the development process of Arunachal Pradesh according to the respondents are: Industry, Education, Rural development, Health and Tourism scoring 393, 423, 450, 452 and 546 respectively.

Table 4. Sectors which are lagging behind in the process of development in Arunachal Pradesh.

Sector	Sum(Result)
A. Education Sector	423
B. Health	452
C. Industry	393
D. Tourism	546
E. Agriculture and Allied	607
F. Rural Development	450
G. Banking	740

Source: made by the authors (2014)

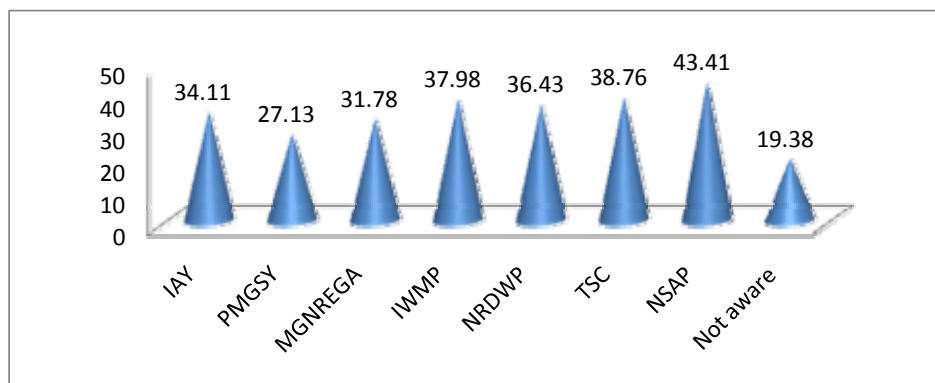


Fig. 2. Percentage of respondents not aware of the rural development schemes

Source: made by the authors (2014)

Data was also collected to find out the awareness level about the various Rural Development schemes. From the results as provided in Fig. 3 we can find that the awareness level of the Rural Development programmes is not very pleasing. The statistics indicates that the programme that people are least aware of is NSAP (National Social Assistance Programme) with an unawareness percentage as high as 43.41% followed by TSC (Total Sanitation Campaign) with 38.76%. The highest level of awareness is of PMGSY (Pradhan Mantri Gram Sadak Yojana) and MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act) as only 27.13% and 31.78% of the respondents are unaware of it respectively. The table also indicates the top five programmes that the respondents perceive as playing an important role in the development of Arunachal Pradesh are PMGSY, MGNREGA, IAY (Indira Awaas Yojana), NRDWP (National Rural Drinking Water Programme) and TSC. 'Not aware' represents the percentage of respondents who are not aware of any of the rural development schemes. If we see the percentage of people who are totally ignorant of all the rural development schemes is 19.38% which is very high for a state where almost 80 percent of the people reside in the rural area.

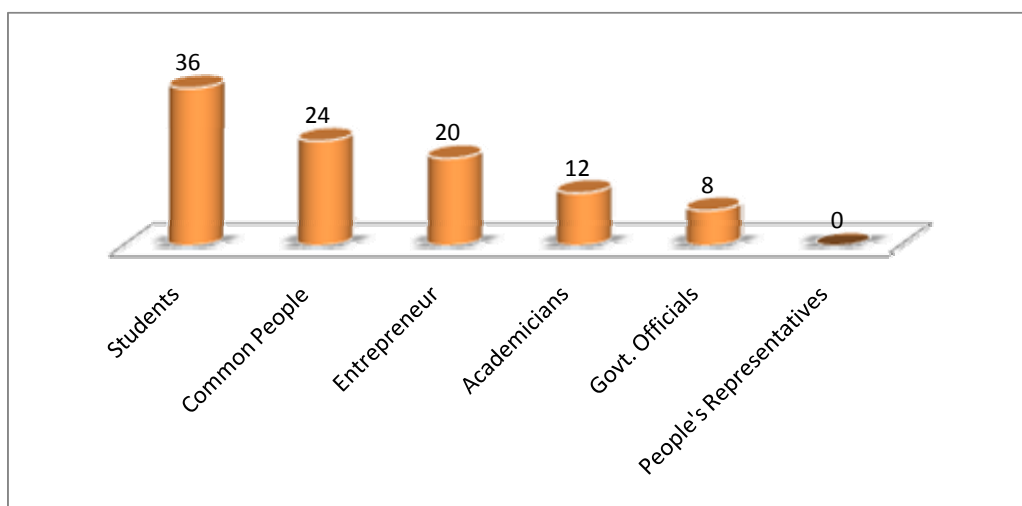


Fig. 3. Category wise presentation of (in percentage) respondents unaware of any of the rural development schemes

Source: made by the authors (2014)

Out of the 19.38% of the respondents, the highest percentage of the respondents who were not aware of any of the rural development schemes comprised students (36%) followed by common

people (24%), entrepreneurs (20%), academicians (12%) and government officials (8%). The table above shows that 100% of the people's representatives responded that they were aware of the Rural Development Programme, which highlights that the actual beneficiaries are unaware of the schemes which are meant for their advantage.

In order to find out the sectors which should be given importance for development in Arunachal Pradesh, data was collected to know which sectors the respondents thought played a significant role in the development of Arunachal Pradesh.

Table 5. Sectors important for development in Arunachal Pradesh.

Sectors	A Rural Develop- ment	B Health sector	C Industry	D Agriculture and Allied	E Education	F Tourism	G Banking
Sum	595	587	543	577	616	567	551

Source: made by the authors (2014)

By using five point Likert Scale to find out the areas which should be given importance for development in Arunachal Pradesh, it was revealed that the top five sectors according to the respondents are education (616), Rural Development (595), Health (587), Agriculture and Allied (577) and Tourism (567) which should be emphasized for development in Arunachal Pradesh.

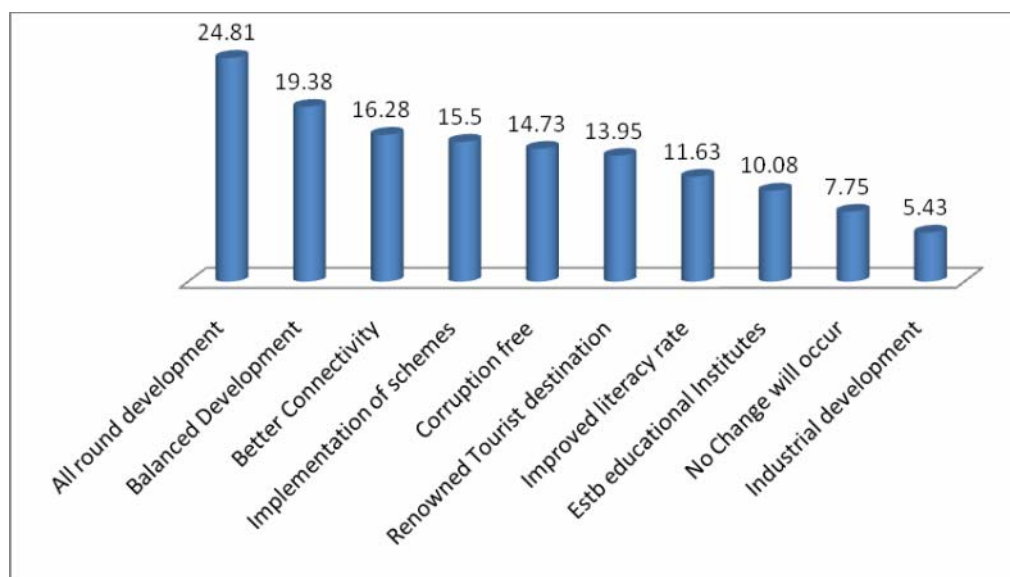


Fig. 4. Respondents' view regarding development of Arunachal Pradesh

Source: made by the authors (2014)

Most of the respondents expressed the opinion that almost all the sectors of Arunachal Pradesh are lagging behind and hence all round development is required to move forward towards the development process. They also felt that there should be proper balance between the development activities taking place in rural and urban areas which would result in the balanced development of the state. After five years the respondents would like to see Arunachal Pradesh with better connectivity with respect to both transportation and communication. Besides these they also want to see that the schemes meant for the improvement of the society should be implemented properly by eradicating the menace of corruption altogether. Tourism is a potential

sector according to the respondents which can be focused upon in order to make Arunachal Pradesh a renowned tourist destination. However, a substantial number of the respondents were sceptical about the progress even after five years as they felt that there will be no change in the scenario of Arunachal Pradesh, and corruption will be ever increasing.

Conclusion

Arunachal Pradesh is profuse in resources but it is disheartening that this potential has never been exploited to its fullest due to problems like lack of connectivity and communication facilities, corruption, dependence on central government, not being self-reliant and self-sufficient, schemes not implemented properly, low literacy rate, lack of skilled manpower, lack of industry, ignorance etc. In addition, it is the people's mentality that there cannot be any positive change in the coming years. Corruption is perceived as one of the prime reasons for the lack of development in Arunachal Pradesh, which if rooted out would automatically usher development. Beside this, it is important that the human capital of the state is to be made aware of the schemes which are there for them, thus eradicating the ignorance notion. As found out from this study, it is necessary that sectors like education and rural development should take front march down the road of development. Proper implementation of the schemes is likely to bring rural development elevating the socio-economic condition of the common masses that is at par with other parts of the country. Thus the results of this study can be used to understand the discrepancies in the development process, prioritize the areas that could be focused upon with a view to achieving the state development.

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