Meghalaya is one of the smallest States in India and the third biggest State in the North-Eastern Region. It is predominantly a tribal State. According to 2001 Census the State had a population of 23.06 lakhs, which was about 6.0 percent of the total population of the Region and 0.2 percent of the population of the country. It had a population density of 103 persons per sq. km., a sex ratio of 975 and a literacy rate of 63.3%. About 19.6% of the population lived in urban areas. Although the State has predominantly an agricultural economy and nearly 63 percent of her work force engaged in agriculture, its contribution to SDP was only 33% as against 55% by the tertiary sector. The extent of industrialization had been very low and slow in the State. There were about 200-registered small scale Industrial Units. The growth of per capita net SDP in the last decade was quite low and it stood at Rs. 9003/- in 2000 at 1993-94 (constant) prices when 34% of people were below poverty line.

The State in comparison to all India situations performed better in respect of female and urban literacy, reduction of urban poverty, rural infant mortality, gender disparity and human development but lagged in per capita SDP, rural and male literacy, rural poverty and urban infant mortality. Relative rank of Meghalaya among the States/U.T. over time improved in respects of urban literacy and urban Human Development Index (HDI) but deteriorated in per capita SDP and per capita consumption expenditure, poverty, rural literacy, infant mortality and rural HDI. HDI improved both in rural and urban areas during 1981-91 but not quite significantly as compared to other States in India. Though rural-urban and male-female gap declined during the period it could not be contained satisfactorily. The State was biased in favor of urban areas and females.

There was also widespread variation across all the seven districts within the State of Meghalaya in various socio economic indicators such as literacy, infant mortality, income, expenditure, poverty, infrastructure, human development, etc. The State had inadequate health facilities. The growth of per capita net District Domestic Product in the State was quite low. Amenities like pucca house, sanitation, safe
drinking water, electricity, medical facilities, etc were inadequate and most of amenities were far away from the households. Per capita monthly income and consumption expenditure were as low as Rs. 650/- and Rs. 498/- respectively. There were mainly three sources of income, such as agriculture, service and daily wages. About 36 percent of the total income came from agriculture, 35 percent from service, 15 percent from wages and the rest 14 percent from various other sources including business, handloom and handicrafts, etc. People devoted about 62 percent of their expenditure on food items. The literacy index was as high as 0.683 and infant mortality index was as low as 0.012 in the State. Income and expenditure indices were as low as 0.480 and 0.313 respectively. HDI was as low as 0.406.