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**POLITICAL ECONOMY OF INDIA'S NORTH-EASTERN STATES:
A COMPARATIVE STUDY OF ASSAM AND MANIPUR**

Abstract

Northeast as a region has gone through different cartographic representations in its process of historical evolution. It has been subjected to different policy experimentations over the years in the post-independence period, which have left its imprint on the region's economy. One such policy that became predominant in post 1980s has been popularly termed as the development paradigm. The effort in this period has remained centered around state's proactive role in ushering development to the region to lift the region from its backward status and to integrate it with mainland India. In the subsequent paradigm of Neo-liberalism the region has been located within a new ambit of regionalism where policy attempts has been to break the geographical isolation of the region by using borders as connectors between spaces, and to take advantage of cross broader trade. Through both these paradigms the government has located the region within its development agenda and in this context this study tries to understand how far the developmental discourse has brought about a change in the region up to the year 2015. The study is interested to find out what has been the role of the state, markets and civil society groups in these three decades of development. It builds on the assumption that a political economy approach is required for any critical questioning of development, both in terms of ideas and practices. This study, therefore, uses standard cost benefit analysis and other political and social factors to understand the political economy of the region and answer the question of development in the region.

While a lot has been written on the economics and security of the Northeast, there is insufficient work on the politics of development that evolved in the period since 1980 when the Indian state started to officially look into the problems of these states in a distinctive manner. Many of the festering problems of this region are the result of the complex interplay of the political and economic forces at work that the existing network of institutions is unable to resolve. The protracted problems of poverty, political alienation, insurgency and violence are the natural

corollary of this intermeshing of forces. Politics of development is the chosen analytical category to express this complex interplay of the economic and political forces that cannot be separated for any sustained understanding of the developmental profile. Thus my research seeks to understand development in the region and how it has reflected upon the social and political life of the people in the region. And, in this quest, my research would focus on two states, namely, Assam (the state with largest economy in terms of GDP in Northeast) and Manipur (the state with a encouraging HDI record) in order to understand the role of the state, the market institutions and the civil society in shaping of developmental policies and studying its effects.

The work is based primarily on a critical reading of available literature, official documents and policy papers available in the public domain. Relevant data has been collected from the existing sources like books, memoirs, journals and reports and then analyzed in the light of statistical inputs available from different government reports and surveys. For the study, qualitative methods like interviews have also been used.

The thesis in the process of its study has been divided into four chapters. The first Chapter has been titled *State, markets and civil society and Politics of Development*. This chapter traces the historical evolution of the institution of state, market and civil society in the context of the Northeast. No time frame of study can be completely done in isolation without social continuity. Efforts have been directed to understand how the language of development has penetrated the political economy of the region and featured in the intellectual debate. The second chapter has been titled: *The Developmental Thinking on the North-Eastern States*. The chapter begins with the conceptualization of development and its evolution process and then proceeds to track the policy trajectory of the Indian state to the North-East Region in the post-independence period shifting through different policy paradigms. The chapter ends with an analysis of the development paradigm by trying to understand the Northeast in the past three decades. The last two chapters are based on case studies on Assam and Manipur, respectively, to understand the economic prospect of the region in terms of GDP and HDI indices. It focuses on how institutions of state, market and civil society have responded to the question of development in these respective provinces.

The peripheral existence and lack of any major cultural continuity has always made the Northeast appear on the fringe of national conceptualization. In recent past, growing concerns

over China and matters of deteriorating internal security have acted as major factors in driving attention towards the region. North-East India's journey from being an exotic belt of tribal constellation to a substantial matter of Indian politics has not been a smooth one. Internal constraints like rugged topography, conflicting ethnic cleavages, insurgency, corruption, crony capitalism to external issues like mere physical connectivity, peripheral existence in the national discourse of development and a perceived neglect from national policy makers have thwarted the prospect of development in the region. Adding to this, the geographical confinement of the region had always made the Northeast appear vulnerable to security threats. The complex interplay of these factors has strongly affected the political economy of the Northeast in general and Assam and Manipur in particular.

At the present time under the Act East Policy when the state is trying to re-visualize the region in the language of trade and commerce, the relative underdevelopment of the Northeast appears to be a big hurdle in its path. Years of experimenting with the mainstream versions of the development paradigm including neoliberal policies have essentially not succeeded much in contributing anything substantial that can move the region out of its backwardness and place it on the same competitive plane with rest of India. Hence, this complicates the whole process and derails the North-Eastern states from being a partner to just being a pathway within the paradigm of the present. The whole effort of development in the region appears to be a process throttled from the top. The poor economics of Northeast makes its people more vulnerable and susceptible to economic whims of outsiders, which has every possibility of derailing the peace process within the region and accentuate militarization of its space. And what concerns the most is that within the language of development the ingenuity of the region is somewhere being gradually lost, which within a post-development approach, remains untenable, as it is essentially unconnected to the local ethos and cannot be replenished by material gains.