

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

**THESIS SUBMITTED TO JADAVPUR UNIVERSITY
FOR THE AWARD OF THE DEGREE OF
DOCTOR OF PHILOSOPHY (ARTS)
IN
INTERNATIONAL RELATIONS**

2023

**BY
ARUNAVA MONDAL
Reg. No. AOOIR1200716**

**UNDER THE SUPERVISION OF
PROF. (Dr.) SHIBASHIS CHATTERJEE
PROFESSOR, DEPARTMENT OF INTERNATIONAL RELATIONS
JADAVPUR UNIVERSITY
KOLKATA**

CERTIFIED THAT THE THESIS ENTITLED

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

Submitted by me for the award of the Degree of Doctor of Philosophy in Arts at Jadavpur University is based upon my work carried out under the Supervision of

**Professor Dr. Shibashis Chatterjee (Professor, Department of International Relations,
Jadavpur University)**

And that neither this thesis nor any part of it has been submitted before for any degree or diploma anywhere/elsewhere.

Countersigned by the

Supervisor:

Dated:

Candidate:

Dated:

Acknowledgement

I would like to acknowledge and give my warmest thanks to my supervisor Prof. Dr. Shibashis Chatterjee who made this work possible. His guidance and advice carried me through all the stages of writing my thesis. I would also thank my teachers in the Department of International Relations, Jadavpur University and the library staffs, especially Partho Da. I am also very indebted to all my colleagues and staffs of Seth Soorajmull Jalan Girls' College for accommodating and cooperating with me in my course of PhD work.

I am very much thankful to respected academicians, journalist, scholars, youth leaders and ordinary people from Assam and Manipur who have given their valuable time for my interviews and survey. In this regard Prof. Amar Yumnam, Prof. Suraj Langpoklakpam, Mrs. Sristi Pukhrem and Sushanta Talukdar require special mention.

I would like to give a special thanks to my wife Mrs. Amrita Mondal for supporting and standing by me in my endeavor to accomplish the task.

Above all, blessing of my parents Mrs. Sabita Mondal and Mr. Mohan Chandra Mondal have provided me the strength and guidance to overcome every difficulties. My father's persistent and constant faith in me has helped me to lift my spirit when tides appeared too difficult to withstand. The belief and love for me of my parents-in-law Mrs. Mala Bhowmick and Dr. Amal Krishna Bhowmick is worth mentioning.

Lastly, as said I am always very indebted to my supervisor. Without his support this would never have been possible.

ARUNAVA MONDAL

Contents

Preface	i
List of Tables	ii-iv
List of Abbreviations	v-ix
1. Introduction	1-24
2. State, Market and Civil Society and the politics of Development	25-72
3. The Developmental Thinking on the North-Eastern states	73-98
4. Case Study I- Assam	99-154
5. Case Study II- Manipur	155-202
6. Conclusion	203-219
I. Bibliography	220-231
II. Appendix I- Interview Questionnaire	232
III. Appendix II- List of Person Interviewed	233
IV. Appendix III- Survey Questionnaire	234

Preface

The thesis centers around the quest for understanding the political economy of North-East based on the question of development. In this study the role of state, market and civil society has been prioritized to delve into an understanding of development in the region. Two states namely Assam and Manipur have been taken as case study to enquire into different parameters of development and the nature of their economies. The case studies have essentially emphasized on two policy paradigms of the Indian state namely Development paradigm and the Neo-liberal paradigm located within the timeframe of 1980 – 2015. Though, in the first two chapters of the thesis, a study of the colonial and the post colonial period has been taken into account to build a continuum with the past. However, as said the period of enquire in the thesis remains 1980-2015.

The words ‘Northeast’ and ‘North-East’ are used interchangeably throughout the thesis.

List of Tables

Chapter 2

Table 2.1- Survey: Public Perception of NGO's role in Northeast

Table 2.2- Survey: Major hurdle faced by NGO's in the region

Table 2.3- Survey: Financial source of the NGO's in the region

Chapter 3

Table 3.1- Resource Mobilization capacity of North East India

Chapter 4: Case Study 1- Assam

Table 4.1- IEM filed in Assam for Industrial development since 1991

Table 4.2- Transport Subsidy disbursed for Industries (April 2000- March 2015)

Table 4.3- Capital Investment subsidy (April 2000-March 2015)

Table 4.4- Interest on working capital subsidy released during (April 2000-March 2015)

Table 4.5- Survey: Political Condition of the State

Table 4.6- Survey: Is Role of State towards development Satisfactory

Table 4.7- Per Capita NSDP of Assam as percentage of India's NNP per Capita

Table 4.8- Decade wise triennial growth share of different sectors in NSDP in Assam

Table 4.9- CAGRs of Area, production and yield of major crops in Assam and India

Table 4.10- Cropping Intensity in Assam and India

Table 4.11- Area under HYV seeds cultivation in Assam and India

Table 4.11.1: Consumption of Fertilizer per hectare of Gross Cropped Area in Assam and India

Table 4.12- Irrigation Potential Created and Utilized In Assam

Table 4.13- Credit Advanced in Assam and India

Table 4.14- Average Credit obtained per hectare in Assam and India in 2006-07

Table 4.15- Agriculture Infrastructure in Assam

Table 4.16- Decadal Sectoral Contribution to GSDP

Table 4.17- Sub-Sector of Industry growth rate of GSDP at constant

Table 4.18- Contribution of manufacturing to NSDP in Assam

Table 4.19- Progress of Industrial Development in Assam

Table 4.20- Employment in the Industrial Sector in rural and urban region of Assam
Table 4.21- Decadal growth of service sectors contribution to SDP
Table 4.22- Share of Service Sector in total SDP (Comparison between Assam and NER)
Table 4.23- Industry wise distribution of the service sector growth, in contribution to GSDP
Table 4.24- Growth pattern of the sub-sectors to the service sector in SDP of Assam (1991-2011)
Table 4.25- Employment in the service sector in rural and urban region of Assam
Table 4.26- Sub-Sector wise employment distribution in Assam
Table 4.27- Male-Female distribution in the Employment of service sector
Table 4.28- Rate of Increase in Literacy rate in Assam (1991-2011)
Table 4.29- Growth of Educational Institution in Assam
Table 4.30- Birth Rate, Death Rate and Infant Mortality Rate in Assam in comparison to NER & India
Table 4.31- Medical facility in proportion to growth in population
Table 4.32- Bed facilities in Medical centers in proportion to growth in population
Table 4.33- Health Infrastructure gap in Assam
Table 4.34- Selected Social Infrastructure in Rural Areas of Assam
Table 4.35- Survey: Economic Condition of Assam
Table 4.36- Survey: Has market institutions cater to the need of the people
Table 4.37- Survey: Is rate of employment and other economic opportunity satisfactory in the state

Chapter 5: Case Study 2- Manipur

Table 5.1- Revenue Receipts of the Government of Manipur
Table 5.2- Revenue Expenditure of Manipur State Government
Table 5.3- Non-Development Expenditure components
Table 5.4- Survey: Political Condition of the State
Table 5.5- Survey: Is the Role of the state towards development satisfactory
Table 5.6- Triennial averages shares of different sectors in NSDP of Manipur
Table 5.7- Percentage change in important agricultural indicators of Manipur
Table 5.8- Change in operational Holding of Farmers belonging to different farm size
Table 5.9- Change in cropping pattern of Manipur

Table 5.10- Share of the Manufacturing sector in NSDP in North Eastern Region

Table 5.11- Contribution of the secondary sector to the total NSDP of Manipur

Table 5.12- Growth of small scale industrial units, employment, Investment and Production

Table 5.13- Growth in the unorganized manufacturing sector in Manipur

Table 5.14- Structural change of the service sector in Manipur NSDP

Table 5.15- Growth pattern of different components of service sector

Table 5.16- Structural change of different sectors in Manipur NSDP

Table 5.17- Distribution of workers and non-workers in Manipur

Table 5.18- Structural Change of employment in Manipur

Table 5.19- Employment, Output, Productivity and Population of Manipur

Table 5.20- Birth Rate, Death Rate and Infant Mortality rate in Manipur in comparison to NER & India

Table 5.21- Increase in Literacy rate in Manipur

Table 5.22- Number of Educational Institution in the state

Table 5.23- Medical Facilities in Manipur

Table 5.24- Medical staff per 1000 population in Manipur

Table 5.25- Per capita Income at Current Price

Table 5.26- Survey: Economic condition of the state

Table 5.27- Survey: Has market institution cater to the needs of the people

Table 5.28- Survey: Is Employment and Economic Opportunity satisfactory in the state

List of Abbreviations

A

- AAMSU- All Assam Minorities Students' Union
- AAPSU- All Arunachal Pradesh Students' Union
- AASU- All Assam Students' Union
- ABSU- All Bodo Students' Union
- ACF- Adivasi Cobra Force
- ADB- Asian Development Bank
- ADC- Autonomous District Council
- AFSPA- Armed Forces Special Power Act
- AGSP- Assam Gana Sangram Parishad
- AGP- Asom Gana Parishad
- AJYCP- Asom Jatiyatabadi Chatra Parishad
- AMSU- All Manipur Students' Union
- AMUCO- All Manipur United Club Organization
- ASEAN- Association of South East Asian Nations
- ASS- Assam Sahitya Sabha
- ASUP- Assam Skill University Project

B

- BCIM- Bangladesh, China, India and Myanmar Economic Corridor
- BIMSTEC- Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
- BLT- Bodo Liberation Tigers
- BRO- Bosco Reach Out
- BSS- Bodo Sahitya Sabha
- BTC- Bodoland Territorial Council

C

- CAGR- Compound Annual Growth Rate
- CATD- Committee Against Tipaimukh Dam
- CCDD- Citizens' Concern for Dams and Development
- CSO- Civil Society Organizations

D

- DAKSHA- Digital Access to Knowledge and Skilled Human Resource of Assam
- DHD- Dima Halan Daogah
- DONER- Department for Development of North East Region

E

- EIB- European Investment Bank

G

- GDP- Gross Domestic Product
- GNP- Gross National Product
- GSDP- Gross State Domestic Product

H

- HAS- Hmar Students Association
- HDI- Human Development Index

I

- IAY- Indira Awaas Yajana
- IEM- Industrial Entrepreneurs Memorandum
- IFAS- Indian Frontier Administrative Service
- IFC- International Finance Corporation
- ITA- Integration Through Assam

J

- JICA- Japan International Cooperation Agency
- JUYLU- Jaintia Unemployed Youth Labourers' Union

K

- KMSS- Krishak Mukti Sangram Samiti
- KSU- Khasi student Union
- KYKL- Kanglei Yawol Kanna Lup

L

- LEP- Look East Policy

M

- MASS- Manab Adhikar Suraksha Samiti
- MDAVO- Mapithel Dam Affected Villages Organization
- MDoner- Ministry of Development of North Eastern Region
- MGNREGA- Mahatma Gandhi National Rural Employment Guarantee Act
- MSC- Manipur State Congress
- MSME- Micro, Small and Medium Enterprise
- MPP- Manipur People's Party
- MULTA- Muslim United Liberation Tigers of Assam
- MZP- Mizo Zirlai Pawl

N

- NDFB- National democratic Front of Bodoland
- NEICORD- North-East Committee on Relief and Development
- NEC- North Eastern Council
- NER- North Eastern Region
- NEDFI- North Eastern Development Finance Corporation
- NGO- Non Governmental Organization

- NMA- Naga Mothers Association
- NMHM- Nikhil Manipuri Hindu Mahasabha
- NMM- Nikhil Manipuri Mahasabha
- NMUM- Naga Mothers Union Manipur
- NPMHR- Naga People's Movement for Human Rights
- NSCN- National Socialist Council of Nagaland
- NSF- Naga Students Federation
- NSUI- National Students Union of India

P

- PCDP- Patharkmah Community Development Project
- PCG- People's Consultative Group
- PCPI- People's Committee for Peace Initiative
- PDP- Pagladiya Dam Project
- PDS- Public Distribution Scheme
- PMBSV- People's Movement for Brahmaputra Subansiri Valley
- PMGSY- Pradhan Mantri Gram Sadak Yojana
- PMGY- Pradhan Mantri Gramodaya Yojana
- PSU- Public Sector Undertaking
- PTCA- Plain Tribal Council of Assam

S

- SAARC- South Asian Association for Regional Cooperation
- SHG- Self Help Group
- SGSY- Swarnajayanti Gram Swarojgar Yojana

T

- TSF- Tribal Students Federation
- TMPK- Takam Mishing Porin Kebang

U

- UCDP- Urban Community Development Project
- ULFA- United Liberation Front of Assam
- UMS- Unorganized Manufacturing Sector

V

- VO- Voluntary Organization

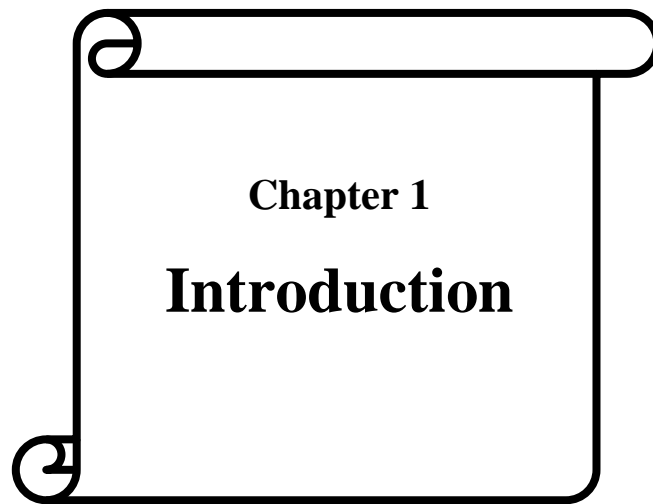
Y

- YMA- Young Mizo Association

Z

- ZU- Zeliangrong Union





Introduction

The Northeast as a region has gone through different cartographic representations in its process of historical evolution. It has been subjected to different policy experimentation over the years in the post-independence period which has left its imprint on the region's economy. One such policy paradigm which became predominant in the post-1980s period has been popularly termed the development paradigm. The effort in this period has remained around the state's proactive role in ushering development 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 have been to break the geographical isolation by using the border as a connector between spaces to take advantage of cross-border trade. Through both these paradigms, the government has located the region within a developmental agenda. The focus of my study remains to understand how this very discourse changed the region up to the year 2015. The study is interested to find out 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 econometric analysis and other political and social factors to understand the political economy of the region and answer the questions of development in the region.

Northeast for decades has remained a region infested with the problem of security and poverty. My research seeks to understand development in the region and how has it been reflected in the social and political life of the people in the region. My research would focus on two states, namely, the provinces of Assam (the state with the largest economy in terms of GDP) and Manipur (the state with an encouraging HDI record) to understand the role of the state, the market institutions and the social sector in the shaping of developmental policies and their spillover effects.

Literature Review

After independence when Northeast became a part of the newly born state, India, very little was known to the mainland Indians about the region and also the region knew very little about India that they were made part of. However, in due course of time, the exoticness of the region and its abundance of natural beauty and resources brought many researchers close to the region with a heart of understanding the place and its people. The war of 1962 added a strategic dimension to

the region in the eyes of administrative and defence analysts. At present, there is an abundance of literature available on India's North-East. When I plunged into the quest of unraveling my knowledge about the region, I did not have much difficulty in getting my hands on some intriguing pieces of literary work that provided the impetus for my research. The first among these is the book, **Agartala Doctrine by Dr Subir Bhaumik**, which is an edited volume containing a myriad range of articles, touching on aspects of security, foreign policy, sub-regional diplomacy and many other issues related to the Northeastern region of India. The book starts with an introductory chapter by the editor himself, which provides certain vivid inputs about the state of Tripura and the role its government played in dealing with the issue of cross-border insurgency. The book also included contributions from other writers addressing diverse issues like illegal migration, issues of development, engagement with South East Asia, the prospect of BCIM, the role of China and the need for building productivity in the region. I was introduced to the concept and historical evolution of space in the Northeast from archaic to the neo-liberal age in the book, **Look East Policy and North-East India, by Gorky Chakraborty and Asok Kumar Ray**. The book besides introducing the region as a geographical space owing to the different cartographic configuration, studies the "Look East" policy under several dimensions of trade and commerce, political stability, regional cooperation and the growing insurgency problem. It also emphasizes the aspect of regional cooperation and how regional frameworks like ASEAN and SAARC in using the Northeast as a corridor between these two frameworks. However, the writing remains critical of the policy approach and questions the vitality of the developmental trajectory. The latter part of the book delves into the question of governance, security and trade related to the Northeast. In this process, the book outlines both the present and projected economy of the region and leaves a picture how it has fared.

The book by **Joy Shankar Hazarika** a scholar of "political geography" from Assam, presents an extensive strategical study of the Northeast. The book named, **Geopolitics of North-East India**, is an attempt to understand the diversity and dynamics of geography as an important player in influencing society as a whole and politics in particular. The book aimed at formulating a geographical structure of the Northeast by ushering in factors like ethnicity, culture, politics and the economy. It introduces a methodological understanding of the question of geopolitics. The phenomenon of migration, the formation of language and the eventual understanding of culture have been discussed comprehensively. The second part of the book discusses the process of state formation in the Northeast as a historical sequence, pointing out the territorial changes in the

form of the transfer of territory to Bhutan and Burma, the formation of Assam, implementation of Frontier Tracts Regulations Act and the Inner Line Regulation of 1873. It also brought about the process of politicization in the Northeast with the colonization scheme of Junkins and moved to give an understanding of the hill politics; how it emerged and influences the politico-economical discourse of the hills and plains. In the last part, the book raised a certain issue which affects the Northeast presently. For Example, questions over the Inner and the Outer Line, the birth of the McMahon Line and the associated Chinese dispute over it. The book concludes with the issue of the Chinese claim over Arunachal Pradesh and the unfolding diplomacy between the two giant neighbours. Through my reading of the mentioned literature, I was gradually awakened to the inherent constraints and confinements that the region has been historically subjected to. The book named **Look East to Act East Policy by Gurudas Das and C. Joshua Thomas** focuses on the brighter side of India's Look East policy. It shows how India has drawn dividends from a greater economic engagement with ASEAN in particular and Asia in general. In the concluding chapter, the entire gamut of the Look East Policy has been looked upon and discussed.

The conceptualization of my research on the Development Paradigm took off after reading **India's Look East Policy and the North-East by Thongkhohal Haokip**. This book revolves around India's Look East Policy. It studies the impact of the policy on the region and proceeds to give an understanding of India's attempt towards regionalism. It delves into the historical background of political integration and its fallout in the Northeast since independence by examining the continuity and change of India's approach to reviving the economy of the region. The reality of the region in its strive against insurgency has been laid out in four important works - **Troubled Periphery: Crisis of India's North-East by Subir Bhaumik**, **India's Fragile Borderlands by Archana Upadhyay**, **Durable Disorder: Understanding the Politics of North-East and Beyond Counter-Insurgency by Sanjib Baruah**. The mentioned works highlight the issue of land, language and people relating to issues of ethnicity, illegal migration, ideology and economy of the region. It throws light on the nature of conflicts, protest movements, internal displacement and the regional drug and weapons trade in the region. It examines the crisis of underdevelopment and how the evolving polity had failed to deliver according to the expectations of the people.

The study has laid out how poverty along with identity politics led to the birth of insurgency in the region. It further shows how insurgency in turn led to decades of instability in the region affecting the economy and deepening the financial crisis in the Northeast. Branching out to a developmental study of the region, I moved to study some literature related to economic and development issues. My first book on the issue was **Security and Development in India's North-East by Gurudas Das**. This book provides a very insightful account of how security concerns and development have inter-played in the region. It explores the strong connection of external security threats which had only proliferated economic underdevelopment and deteriorated stability engulfing the region into a 'conflict trap'. However, the region seems to have considerably performed better in Human Development Indices which has been highlighted in the book **Growth and Human Development in North-East India by P. Nayak (ed.)**. **Social and Economic Development in North-East India by Shashi Ahluwalia** gives an account of what has been achieved in the Northeast under different policies and initiatives by the provincial and Central governments. It concludes to show that the region suffers from policy paralysis. Hans-Peter in his book **North-East India: Local Economic Development and Global Markets** delves into the aspect of economic challenges that the region faces. With a detailed factual analysis of statistical data, it shows the slowing trend of trade and investment in the region in the light of poor connectivity and logistical support, where business is often seen as a hazardous activity. The work by **Vanlalchhawna Lalhriatpui "Inclusive Finance in North-East India"** deals with various facets of inclusive development in the region and empowerment of the poor people in North-East India. It analyses the growth and diversification of financial institutions, markets and services in the Northeast and the performance of micro-financing in the region.

Reading past these books has so far provided a qualitative understanding of the region and its problem. While encountering facts and their interpretation, I somehow find many underlying facades which may enquire a greater degree of study and evaluation. Thus, while reading about the much-touted Development Paradigm which had its genesis at the beginning of the 1980s, I came across extensive accounts of how it had failed on many fronts and on the other hand data have also been laid out to outline what it has achieved. More importantly, how different indices of development have played out into a very complex nature of existence, leaving Northeast India in a rugged topography filled with challenges and prospects.

I have made a further extensive study of the available literature in depth to understand the region, co-related the available facts and identify my space of research. Those references have been mentioned here accordingly.

In understanding the diversity that Northeast exhibits and how it has interplayed with other factors two books requires mention. First one is Joy Shankar Hazarika's **Geopolitics of North East India** which gave an understanding of how politico-geographical forces working in the North-East added different shades and colours to the diversity of the region. The book examines the relations between geography, demography and politics of the region and showed that physiographic and ethnic differences played an important role in encouraging geographical vivisection of the region. The second is a chapter written by Asok Kumar Ray in Sandhya Goswami's books **Troubled Diversity** where he delineates the process of how the development of political institutions in Northeast took place in colonial times. It delves further into the understanding of how ethnicity became a crucial factor in determining the political process in the region. According to Ray, different administrative policies that were adopted by the colonial state to put forward the capitalist mode of production were primarily responsible for divisive politics in the coming years. The domain of separation that exists in the sphere of culture with the communities in the Northeast on one hand and mainland India on the other hand had sowed the seed for discontentment in the region.

Alokesh Barua's **India's Northeast**, gives a historical perspective on developmental issues in the region highlighting its sluggish nature and unresponsive character which had failed to grow leading to externalization of the region's economy. Dr. Sanjay Sen in his book "**A Socio-Cultural and Economic History of Assam**" also echoes what Barua discussed in his book and showed how the region had failed to convert its abundant resource into capital and mercantile benefits.

In the post modernist understanding we come across the concept of how knowledge becomes a potent tool to exercise power or to be more precise becomes power itself. This very exercise of knowledge as power was undertaken by the colonial state through in their attempt to produce knowledge for the benefit of rule and exploitation, which has been mentioned in **Political Economy of Underdevelopment of North-East India** by Rafiul Ahmed and Prasenjit Biswas. They showed how through the use of mapping knowledge of the region was produced and incorporated to the colonial discourse. This process of discursive knowledge creation however

was inherently problematic for the region of Northeast as it represented the region not as it is but as the colonial state needed it to be.

Gorky Chakraborty and Asok Kumar Ray in their book, **The Look East Policy and Northeast India** delineate the process of how the private property regime developed in North-East and reflected upon the use of jurisprudential instrument by the colonial state to transform the civilizational space of the Northeast into a colonial space. By this introduction of jurisprudence traditional modalities were gradually erased leading to rewriting of the region's present in tune to the colonial administration. This very process wrecked havoc in the lives of the people of Northeast which often lead to violent overtures against the colonial rule but were ultimately subdued in due process by the colonial state. When Independence arrived accompanied with partition, the new political restructuring again wrecked the existing order of the society which led to conflict and contestation in the political arena. In due process the struggle for embedded autonomy emerged against the perceived internal colonization of the Indian state in Northeast. This contestation over autonomy further produced security challenges for the state. As Thonkhohal Haokip in his book **India's Look East Policy and the Northeast** mentions about the security dilemma of the Indian state which according to Haokip kept development in the Northeast hostage for decades after Independence. The same view has also been illustrated by Shashi Ahluwalia in his book **Social and Economic Development in North-East India**, where the failure of the Indian state in integrating the region with the rest of India has been discussed. They both share the view that the Indian state has been late to recognize the importance of development for the region and somewhere the colonial hangover and security concern loomed heavily in the minds of India's policymakers. It in turn derailed the process of economic progress in the region,.

The very debate of autonomy vis-à-vis the birth of Indian State (the post-colonial State) as a moral project the most important point that has to be taken into consideration is that the post-independence state of India is actually a product of the nationalist discourse of the colonial period as Sudipta Kaviraj in '**The Imaginary Institution of India**' comments that the construction of the nationalist discourse of the post-colonial state needs to be seen in the light of linkages within the colonial discourse. The nationalist discourse was conceived as a response to the colonial state which cannot be studied in isolation without considering the colonial period. While Partha Chatterjee in '**The Nation and its Fragments: Colonial and Post-Colonial**

Histories' writes that the post-colonial discourse of Independent India which was based on the nationalist view and it began by creating a dichotomy between the material and the cultural sphere. It was in the cultural sphere that the nationalist discourse was able to put forward an alternative historical narration that contested the Universalist imperial history. However the supremacy over the material domain was where the colonial state was admired of. As Sudipta Kaviraj writes in '**On the Construction of Colonial Power: Structure, Discourse, Hegemony**' that the legitimacy of the colonial state over the colonies it administered is derived from the European rationalism which was brought about by European Renaissance. It is in this tool of rationality that the colonial state proved its invincibility in the material sphere which helped them in subduing the colonized. In this context what becomes important is that both the Indian state and political elites of Northeast admired and copied the material aspect of the colonial construct but in the domain of culture both have separately constructed their identities. Which in the post-independence period produced conflicted over the claim of autonomy.

According to K.N. Pannikkar in **Culture, Ideology, Hegemony: Intellectual and Social Consciousness in Colonial India** the tool of Western rationality was employed by the colonial state to educate the native Indians helped in creating a new class of Western-educated native intellectuals. These sections considered British rule as the savior of their soul and a path to salvation from their despotic past. England in their imagination became a mirror of their own future. Especially in respect to Northeast this very process of introduction of western rationality has its impact in upbringing the modern elites of the region whose perspective were different from the traditional elites. B. Dutta Ray in '**In Identity and Tension in North-East India**' observes that the traditional elites in the Northeast region was inward-looking and questioned the state more on the moral aspect of the need for conservation. But the modern elites who were not satisfied within the traditional bounds and strove to be forward-looking and intended to not only question the state on moral aspects but also in political terms. This very pro-active politicking on the part of the elites also created new fissures within the societies which sometimes bonded and often fractured societies from within. Malem Ningthouja in '**Diametrical Nationalism: Rulers, Rebels, and Masses in Manipur**' mentions that at least a dozen of ethnic communities expressed their resentment over the process of according statehood to Manipur and presented multiple territorial blueprints. In this way, the process of togethering and othering continued within the ethnic communities which made conflict and contestation over ethnic differences an unending phenomenon in North-East.

Seeing development from a historical point of view, Alokesh Barua in **‘India’s North-East Developmental Issues in a Historical Perspective’** observes that the Ahoms were not interested in any kind of development on their part. This was because of their apathy towards it and their natural propensity to depend on the self-sustaining nature of the economy. The British were also not interested in any kind of development for the Northeast as they didn’t initiated any process to revive the local economy. On the contrary, their policy was to extract resources out of the region. Thus taking pre-colonial and colonial period into consideration we don’t essentially find development to have made much in-road into the region. As seen in previous literature, even after independence concerns and contestation over autonomy and security made the process of development to large extent derailed. In this light introduction of market economy in Northeast appears to be somewhat disturbing. Firstly market societies are different from traditional societies, as Karl Polanyi in **‘The Great Transformation: The Political and Economic Origins of our Times’** points out that in a market society, instead of the economy remaining embedded in social relations, social relations are embedded in the economic system. It is where the problem arises, a conflict between social and economic relations. Moreover if the process is state driven then probably it becomes more conflicting. Ayse Bugra writes in **‘Two Lives of Developmentalism’** that when the state coerces development projects in a region to set market forces in order then its role becomes that of a creative destructor. It threatens people’s livelihoods with developmental agenda leading to the question of economic security, land-resource conflicts and poor state of human security.

In any situation of conflict where human security becomes a pertinent question, we see civil society entering the fore of collective articulation. But in regions like Northeast where diversity stands as the most significance essence of society then collectivism itself gets diluted. According to Sanjib Baruah in **‘Politics of Sub-nationalism: Society versus Government in Assam’** the presence of a multiplicity of communities has made the process of building one uniform civil society a rare thing in the Indian society. Especially in the North-East, where ethnic cleavages are so prominent, it often encompasses the civic space of civil society in the region. More importantly diversity alone is not the factor emanating from societies of Northeast as deeply entrenched ethnic cleavages makes diversity more evident and dividing in the region. This ethnic entrenches comes in an all encompassing character living perhaps very little part of the society completely unaffected by it. As Samir Kumar Das in **‘Conflict and Peace in India’s Northeast: The Role of Civil Society’** examined that in the context of the Northeast, the distinction between

ethnic and civic space truly becomes blurred and complicated. For instance, youth or students form an essential part of civil society's existence. In Northeast student politics cannot be regarded as the politics of the student community as one homogeneous entity, as students are marked by their respective ethnic moorings for e.g. Bodo, Naga, Manipuri etc. Thus when articulate they articulate their respective ethnic lines where the identity is not based on the identity of students as such.

As discussed in writings of Karl Polanyi and Ayse Bugra when state becomes enthusiast about development in order to facilitate market then it sometimes brings aspects of development and people at a confronting situation. Peter Vandergeest points out in '**Land to Some Tillers: Development Induced Displacement in Laos**' that development involves spatial activity and whenever it is so that brings about the question of displacement, loss of habitat and other livelihood issues. Development then becomes not for public interest but for ushering public suffering. This is perhaps where the distress story of development takes root. Barnalee Chaudhury in '**The Nexus Between Development and Diversity**' writes that Development is a multifaceted concept taking place within different levels of society and affecting different dimensions of life. It is considered an important vehicle of progress for every society and is generally considered in positive terms. However, the question remains as to who benefits from development and at the expense of whom. This has made the term a contested one and brought about a clear division in modern society.

In the process of understanding development or rather to say, how it had occupied such a centrality in human life today, we have to reflect upon the rise of classical mercantilism. As prior to mercantilism we see a resistance to progress which emanated from the doctrine of religion. A.Holmes in '**An Essay in Praise of Scholastic Theology**' writes, "Scholasticism", the dominant school in medieval times was preoccupied with the question of Christian theology and ethics. It defined every aspect of human life in reconciliation with religion. The aspect of divinity loomed heavily over the intellect of the idealization of human life. As rational thinking started taking roots in human endeavor to explore the unknown, gradually need of humanism started to break free the theological shackles. As R. Domingo pointed out in '**Rethinking the School of Salamanca**', that there was a gradual transgression from the catholic conception of man and his relation with God became evident with the rise of humanism, by the Protestant Reformers. One such school that questioned traditional theology was the School of Salamanca propagated by

Spanish theologians. In due course, holding the torch of enlightenment, development entered the language of people well being. This historical progression of conceptualization of development had been harbored in the west. So when the west judges the rest by placing non-western societies in their understanding of the term, they find the other to be underdeveloped. According to Wolfgang Sachs in his book **‘The Development Dictionary: A Guide to Knowledge as Power’** the modern era of development began with the inaugural speech of US President Truman on 20th January 1949, where he categorically mentioned that former colonies to be underdeveloped and those countries that did practice liberal democracy or follow the capitalist mode of production to be developed.

In due course of spread of mercantilism, colonialism came into existence and that lead to a process of unequal wealth accumulation across the world. In this process, west emerged as the “core” (a result of wealth accumulation), while most of the colonized region were transformed to the “periphery” of world economy. However a degree of capital infusion did take place in the peripheries as well but those were sector specific, leading to phenomenon of peripheral capitalism. As Samir Amin in **‘Unequal Development: An Essay on the Social Formation of Peripheral Capitalism’** writes that in due process when the power of colonial capital increases in a region it shows signs of ‘peripheral formation’. Such formation leads to peripheral capitalism in the region. Unlike ‘central capitalism’ where gradually all pre-capitalist modes get dissolved, in ‘peripheral capitalism’ transformation only takes place in some sectors where capital has been infused. This creates a binary formation where certain sectors represents capitalist mode of production while the others exist in pre-capitalist mode. This was the case of the Northeast under the colonial state, where certain industries like the plantation were developed without any forward and backward linkages in the region. In the post independence period as T Misra in **‘Assam: A Colonial Hinterland’** examined that the industries which evolved through the colonial rule (the industries that generated the surplus in the North-East) had passed into the hands of government and corporate business houses from mainland India with insignificant participation from the region. Capitalists from mainland India acquired mineral rights and timber lands and set up sawmills, coal businesses and other extractive enterprises in the region. In this way, Northeast from being a colonial hinterland continued to remain in the margins of the nationalist-developmental state serving as a hinterland to the industries of mainland India. This has been termed as the process of internal colonialism.

Beside the phenomenon of internal colonization, the jurisprudence of the new nation state brought about fresh challenges for the century's old customary law was in practice in North-East. Walter Fernandes in '**Tribal Customary Law and Formal Law Interface in North-East India: Implications for Land Relations**' writes that a major change did take place during the initial decades after independence in Northeast and that was over the question of ownership rights. Like many other aspects of the existing customary laws of the tribes, their conceptualization of ownership was in contradiction with the legal positivism that the new state of India adhered to. Essentially this brought about a sweeping change in the land-holding patterns in the region where the transition from collective to individual started to take place. According to Fernandes, this was the inception of the conflict of the future, over issues of land, resource and identity.

The colonial state had left the region of Northeast under dire peripheral existence. In the inception of the post-independence period the region of North-East was subjected to a degree of marginalization in the process of resource appropriation. The change of the land holding pattern further added to the regression of the economy. In order halt the process of economic regression Indian state went for a course correction through fund devolution to bring about development in the region, but that too witnessed number of challenges. According to Govind Bhattacharya in '**Special Category States**,' non-transparent and crony state apparatus opened the channel for corruption and 'politics of care' in the Northeast. This made development objectives unfulfilled on one hand and created a dependency syndrome for the region on the other. According to Wasbir Hussain in '**Interaction on the North-East**', the lack of monitoring and accountability is a big problem in the region. In the absence of proper training and expertise, most of the projects in the region could not be implemented properly within the time frame. The unholy nexus between bureaucrats, politicians and insurgents leads to the diversion of development funds into the coffers of insurgent groups. Central fund instead of becoming a solution to the problem of underdevelopment has become very much part of the problem having an opium-like effect on the bureaucrats and politicians in the region.

Beside corruption, mismanagement and politics of care, security as discussed in early literature loomed as a major factor impacting the process of development in Northeast. And a major threat to the security of the region emanated from China. Though India wanted to adopt a friendly relation with China also expecting the same in returns but as Gurudas Das in '**Security and**

Development in India's North-East' writes that Nehru's goodwill gesture and faith in a friendly relationship with China received a severe jolt in 1962. Way back in 1948, Sardar Patel, India's first home Minister, had warned about the ill intention of China and emphasized the need of developing border infrastructure with China in case of any aggression, however, it was overlooked. Thus the war of 1962 was an eye opener for India and this made India soon prioritize security with utmost importance. Manilal Bose in '**History of Arunachal Pradesh**' writes that in the aftermath of the 1962 war, the Indian state had to prioritize the question of security and devote its resource towards securing its territorial integrity. During this time India's effort was directed towards creating more administrative mechanisms in the region. An integrated approach was taken in this regard by incorporating Indian Frontier Administrative Services into the Indian Administrative Service. As a part of the securitizing strategy Indian government had taken a resettlement program to populate the bordering areas with China but it was soon found to lead to the problem of ethnic tensions in the region. A. Chetia in '**The Question of Citizenship: The Case of the Chakma and Hajong Refugees**' observed that the massive resettlement program carried out along the borders with China in North East Frontier Province (Arunachal Pradesh) by rehabilitating a sizeable section of Chakma refugees from Bangladesh created the breeding ground of the contemporary ethnic conflict between Chakma and Arunachalee.

Another important effect that war of 1962 had on the psyche of the people of the region was the exposition of the vulnerability of the India state and this gave ground to already existing anti-India forces in the region. D. Kotwal in '**The Naga Insurgency: The Past and the Future**' points out that the struggle for embedded autonomy against the occupation of India is nothing new in the region of Northeast. With the dawn of independence, secessionist demands among tribal communities started to spring up and the Naga uprising was among the first and most unrelenting force in the region that had unilaterally declared its independence in 1947. Thus, the cry and effort to break free from India were deeply seated in the region. The Naga in their uncompromising struggle for separation from India had entered the path of insurgency in 1956 with the formation of the Federal Government of Nagaland under the leadership of Angami Zapu Phizo. And finally after the war of 1962 India had to accept the Naga's demand for autonomy within the Federal structure of India under the Hyderi agreement. It further opened the Pandora's Box as many communities in the region started demanding the same which finally culminated to the political restructuring in the 1972 under the state reorganization act. However that had a

contrary effect on Assam, the largest province of Northeast as writes Sanjoy Hazarika in **‘Strangers No More: New Narratives from India’s North-East’** that in the process of giving more political space to different ethnicities in the region, the political space of Assam was reduced in due course. This had both psychological and economic effects on the Assamese population. They felt left out in the whole process and their contribution at the time of the partition in saving the Northeast for India was ignored by the leadership in Delhi. The dream of Assam as a major province representing all hue’s and colours of North-East societies was completely shattered. The Assamese administration was reduced around Brahmaputra and Barak valley, bringing down the scope for Assamese in government services and other related economic avenues. With no other major source of earnings, this was a big blow to Assam’s economy. The feeling of being left out and mistreatment played an important role in the making of the most powerful terrorist organization in the region ULFA. Beside engineering new demand for statehood continued among different communities in the region. According to B. Dutta Ray in **‘Identity and Tension in North-East India’** the inherent nature of a fluid existence of ethnic composition in the North-East makes the process of ethnic engineering and re-engineering a lucrative prospect for tribal elites. Thus, the breaking and regrouping continued in the region as the ethnic cleavages did not die down with the granting of political representation and they resurfaced in different colours from time to time.

A. Virmani in **‘India’s BOR Crisis and External Reforms: Myths and Paradoxes’** observed that sluggish growth rate and failure of earlier planning models had brought about a devastating effect on India’s economy and by the early 1990’s it had precipitated into a deep balance of payment crisis. To come out of this crisis India changed its trajectory towards neo-liberalism. S.N.H. Naqvi in **‘Economics of Development: Towards Inclusive Growth’** examined the changed trajectory of development which India adopted from the 1990s to achieve growth in a neoliberal framework. The motivating force within this liberal framework is that of the market and from 2000 onwards the Northeast became a focus of market lead Neo-liberal Development. The role of the state in the region became that of a facilitator of market-conforming developmentalism. The premise was that of a hard state that ‘governs the markets’ to gain more. As already discussed in writing’s of Polanyi and Bugra how the agenda of development becomes problematic under such circumstances. But on the other hand we have to also see the agenda of the state, where the idea of P. Krugman in **‘Increasing Returns and Economic Geography’** where he puts forward the idea of new economic geography which gained importance within the

neo-liberal framework, where integration of contiguous geographical space for economic prosperity was postulated and through this postulation the state perhaps wants to bring the region of Northeast out of its land-locked regressive existence.

While studying the aspect of development in Assam it is witnessed that there is a dearth of industries in the state. In this regard H.B. Chenery observed in **“Industrialization and Growth: A Comparative Study”** that the historical pattern of development around the world has witnessed the vital role of the manufacturing sector in the development of the economy. In the absence of a developed manufacturing sector, any region is going to lose its competitiveness in the international market. Thus the underdeveloped nature of the manufacturing sectors seems to impair the economic prospect of the state. More importantly it is not only the case of Assam alone as Alokesh Barua and Arindam Bandyopadhyay in **“Structural Change, Economic Growth and Regional Disparity in the North-East”** observed that in the last few decades, the growth of the Northeast has been at a very slow pace and importantly the most disturbing fact about the slow growth has been the declining share of the manufacturing sector in the GDP of the region.

Looking into the state of Assam and considering its resource abundant existence underdeveloped industries appear to be an irony. Jeffery D Sachs and Andrew M. Warner write in their working paper titled **“Natural Resource Abundance and Economic Growth”** that in resource-abundant countries resource ownership often acts as a source of conflict. According to Sachs and Warner, resource abundant countries are marked by sluggish growth compared to resource-scarce countries and in turn this sluggish growth makes conflict over resources more profound which has been described as the resource curse hypothesis. And this curse hypothesis seems to resonate in the irony of underdevelopment to some extent. Besides as observed by Alokesh Barua in **“History, Trade and Development: An Exploration of the North-East Economy”** that there is a dearth of the entrepreneurial class in Assam and historically the picture has not been much different for the state. According to the author, lack of good governance, work ethics and growing insurgency problem drives away capital from outside the region and creates a negative image of the state outside.

Nirod Chandra Roy in **“Emerging Issues of Human Development in Northeast India”** observed that development in Assam is heavily dependent on construction and public expenditure which are usually financed by the inflow of resources from the centre. The author

points out that the state has a weak manufacturing base and an underdeveloped banking sector which makes the development in the region unstable and non-inclusive. Moreover as pointed out by Subir Bhaumik, in **“Insurgency, Ethnic Cleansing and Forced Migration”**, that Assam has been subjected to exploitation by the Indian state. From an uneven share of taxes, exploited resources, to depriving the state of major industries and refineries, the saga of deprivation is long for the state and it is a major factor behind the rise of the separatist movement. This uneven treatment as Sanjoy Hazarika writes in **“Assam: Battles for the Homeland”** acted as a one of the major reason behind Assam movement in 1980s. During this phase of turmoil the Political instability of the state has been portrayed with the growing strength of ULFA, followed by the repressive action by the state security forces. The collateral damage has been the hapless lives of ordinary Assamese being sandwiched between the insurgents and the state. Hazarika in his writings showed how the political class of the state tried to balance between clamour for a separate Assamese identity through the armed struggle on one hand and a dialogue within the democratic framework on the other. How non-state actors can be used by the state to forward its agenda has been also shown through the role of SULFA (Surrendered ULFA). This very Assamese agony against the Indian state has also been justified by Amiya Kumar Das in his book **“Assam’s Agony”** as he writes that the Indian Government’s treatment of the North-East reflected colonial characteristics such as taking out raw materials from the and developing industries outside the region. This in turn is benefitting the economy of the colonizer and it is their people who are getting the employment through it while the region is neglected.

A number of observations on several aspects of development in Assam have been derived from writing of number of authors which has been helpful for my understanding of the Assam’s nature of development. The observation has been dotted below as part of my literature review.

- S.M.I.A Zaidi in **“Development of Elementary Education in Northeast India: Trends, Issues and Challenges”** observed that the overall performance of the North East Region in educational indices has been promising. The average literacy rate of the region is also higher than the national average. However, two big states of the region, Arunachal Pradesh and Assam have been lagging in the provision of elementary education. Access to education in all areas in these states has been a big challenge. Besides, the availability of trained teachers has been a problem for the region as a whole.

- Goyari in “**Flood Damages and Sustainability of Agriculture in Assam**” observed that despite the backwardness of Agriculture in Assam, the state still holds an important position in terms of output in the North-East Region. It produces more than 70 per cent of rice, 70 per cent of food grains, 80 per cent of rapeseed and mustard, 55 to 65 per cent of potato, 83 to 89 per cent of sugarcane and more than 90 per cent of jute.
- M. Das in “**Peasant Agriculture in Assam: A Structural Analysis**” writes that farming in Assam is mostly seen in densely populated districts and is mostly carried out by small farmers who have to make repeated use of their limited resources to make a living out of it. Population increase is an important factor in the state that reduces per capita output and this induces small farmers to opt for multiple farming.
- According to Dutta in “**Irrigation Potential in Agriculture of Assam**” one of the major reasons behind the drastic fall in utilization of irrigation facility can be attributed to the fall of electric supply in the rural areas. Many times, electricity supply in rural regions is stopped by Assam State Electricity Board on account of non-payment of dues.
- Dilip Saikia in “**Unorganized Manufacturing Sector of Assam: Its Size, Structure and Growth in the Post–Reform Period**” observed that the unorganized sector in Assam has a huge potential in terms of employment and productivity owing to the natural resource base of the state. However, the lack of proper policy attention and implementation along with poor skill formation has affected the growth of the sector in post-reform period in Assam.
- Bijoy Kumar Dey and Kanchan Dutta in “**Micro, Small and Medium Scale Enterprises in Assam: Some aspects of size, growth and structure**” writes that the MSME has registered a progressive growth rate in Assam with a positive impact on employment and investment in the sector. If issues of infrastructure facility, technical backwardness and labour management can be properly addressed within Assam then MSME can prove to be an important driver of productivity in the state.
- According to Deskmukhya and Roy in “**Understanding Service Sector Growth at Disaggregated Level: A Study of North East India**” states that the main reason behind the excessive growth of service sector is due to rapid urbanization, privatization and

higher demand for intermediate and final consumer services. The impact of the service sector has become an issue of great importance for the economy.

- Dr Tulika Devi in “**Changes in the Composition of Employment of the Service Sector in Assam**” observed that the lion’s share of employment emanating from the service sector comes from trade hotels and restaurants followed by other services. More than half of males work in trade, hotels and restaurants, on the other hand, female workers are mostly employed in other services.
- Paul, Jana & Maiti in “**An Analysis of Health Status of the State of Assam, India**” suggest that the government of Assam needs to adopt a broader healthcare approach to reduce the infrastructural imbalance in the sector. Besides special measures to provide better access to clean drinking water, sanitation and electricity must also be prioritized by the government.
- Buragohain in “**Status of Rural Health Infrastructure of Assam**” observed that there has been apathy on the part of the government in adopting and properly implementing different health schemes in the state. Adding to that, the polarization of the schemes has turned the entire exercise of a healthy society futile in Assam.

Manipur is a small North-Eastern state located in India’s border with Myanmar. According to Singh in “**The Unquiet Valley: Society, Economy & Politics in Manipur**” the process of political awakening in Manipur has been dominated by the Meitei community. The social base of political uprising was made up of Meitei urban intelligentsia educated in Hindu traditions and practices. They were members of the upper echelons of society, working in government offices, local courts or having some businesses. Beside Meitei there is also presence of other communities in Manipur and the ethnic cleavages are very prominent in Manipuri society often leading to conflict. The state building process in Manipur in the post-independence also seems to be marked by conflict and contestation. Parrat claims in his book “**Wounded Land: Politics and Identity in Modern Manipur**” that the first few years of rule by the Indian state to Manipur had brought a high degree of unaccountability, financial corruption and nepotism in the state. The Chief Commissioner who was appointed to administer the state proved ill-equipped to the task and was better known for their miss management. This had hurt the public cause, creating discontentment for the future political uprising in the state. In another book by Oinam Bhagat and Bimol Akoijam “**Assembly Election: Trends and Issues**” it is observed that the growth of

poor institutionalization and legitimacy in political organizations of the state in Manipur have reflected in the intensification of exclusivist politics in the state. This has begun to acquire a strange multiplicity, where liberal democratic polity coexists with underground politics and parallel governments.

The political space in Manipur has been a contested sphere from the very beginning. Singh observes in **“Electoral Politics in Manipur: A Spatio-temporal Study”** that in 1949, anxieties of the national leadership with the nation-building process and their fear of a rising communist wave from Burma resulted in the merger of Manipur with India. In this merger, the Manipur State Congress emerged victorious as it had already established a link with national Congress leadership and thus became the major party in the state-making process of Manipur. Though MSC emerged as the major political force in the state difference in perception and conflicting aspiration were hard to leave the soil of Manipur. As Jasanta kumar writes in **“Land Problem and Ethnic Crisis in Manipur”** that Manipur is a paradise for anthropologists and exists as a political hotbed. According to the author, the reason behind this lies in its past and assertion of its present political interests. There is no common political aspiration among the different groups. The assertion of interest and reactions is an ongoing process in Manipur and this makes the state undergo a spiral conflict culture which gradually had become a burdensome affair. Gradually, the phenomenon of contestation led to insurgency, as is the case with rest of North-East. According to Ashish Gupta in **“Manipur Assembly Elections”** a nexus of sorts has emerged along ethnic lines between the political class and insurgent groups in Manipur. This nexus plays an important role in determining political outcomes during elections in Manipur. Elections in Manipur are marred by a large use of violence both by the insurgents and state machinery. The Indian state also responded with stringent security measures; however it was hard to prevent violence in Manipur from spilling over the civilian space.

Dhanabir Laishram in **“Questioning Political Solution in Armed Conflict of Manipur”** says India has been using its entire means to suppress the uprising in Manipur. India has enacted draconian laws like the Armed Forces Special Power Act (AFSPA). Virtually Manipur has been brought under military rule. Custodial death, disappearance, fake encounter deaths, dehumanizing torture and rapes have become daily incidents.

The aspect of state sponsored development has also been a phenomenon in Manipur. According to Isworchandra Sharma in **“Post Statehood Economy: A Critical Analysis”** the massive

inflow of funds in the region for infrastructural development has been purely a monetary phenomenon for Manipur's Economy. Isworchandra considers this phenomenon to be unsuccessful as it had failed to make the economy stand on its legs. Even the existing government apparatus have mostly failed to bring any reprieve for the economy. As Singh in **"Manipur's Economy, Historical Roots and Structural Evaluation"** observed that following the national trend the state government of Manipur also adopted the policy of closing down PSUs and their subsequent privatization without taking into consideration the reality of the economic condition of the state. Thus, with the withdrawal of state support, proper prospect of private investment in Manipur remained far away from real industrial development.

A number of observation regarding different parameters of development has been noted as part of literature review, which has also been helpful in due progress of research. Few of them have been noted below as part of the literature review.

- Parratt in **"Wounded Land: Politics and Identity in Modern Manipur"** observes that corruption is deeply rooted in every institution of governance in Manipur. He cited various cases of fake appointments in government jobs in the state. In one such reported case, he mentions about 200 teachers were appointed by the education department after paying a bribe of Rs. 1 lakh each. According to Parratt, reported cases are only the tip of the iceberg as most cases are not reported or hushed up.
- According to Arambam Tojo in **"Rural Socio-Economic Development in Manipur"** Manipur is a hill grit state situated in the sub-Himalayan range. As a result, only a small portion of 6.74% of the total land can be used for cultivation. However, the majority of the state's population, around 52% is dependent on agricultural activity as a source for their livelihood. Thus, agriculture forms the mainstay of Manipur's economy and impacts the state's overall development.
- According to Birthal, Joshi & Singh in **"Agricultural Diversification in North-Eastern Region of India: Implications for Growth and Equity"** small land holdings has become consistent all over the country. The main two reasons behind this can be attributed to two phenomena of land reforms and tremendous population growth. Manipur's agricultural sector has also not been outside this process and fragmented land holdings now hassled to an increase of small and marginal farmers in the state.

- Sharma in “**Trends of area, production and productivity of spices in the north-eastern region**” writes that Manipur has also made considerable progress in the production of spices which has registered a growth rate of 10.43% in which the contribution of the area has been 3.16% and yield has been 7.27% respectively. Ginger and Chili are the two most important spices produced in the state with a recorded growth output of 9.42 % and 10.43%. The instability index for spices in the state is positive and thereby indicated a reduced risk factor which induces people in the state to take up spice cultivation.
- Singh in “**Food grain Economy and Food Security**” writes decentralization and democratization is the key to the harmonious growth of development in both hill and valley in Manipur. Due to less availability of cultivable land, adoption of double and multiple cropping must be taken under modern techniques and improved irrigation facilities.
- According to “**Institute for Human Development**” with the liberalization of the economy, the indigenous manufacturing sector has been facing stiff competition with goods from other parts of India and South East Asian countries. This has led to the gradual closure of various industries in the state like iron, glass, paper, salt making, batteries, candle manufacturing, polythene bag industry, soap manufacturing etc. Institute of Human Development terms this dismal condition of industrialization as a story of missed opportunities for Manipur.

Research Gap

While a lot has been written on the economics and security of the Northeast, there is very little work on the politics of development that evolved in the period since 1980. This is 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 a result of the complex interplay of the political and economic forces at work that the existing networks of institutions are unable to capture. The protracted problems of poverty, political alienation, insurgency and violence are the natural corollary of the intermeshing of these forces. Politics of development is the chosen analytical category to express this complex interplay of the economic and political forces. Any sustained understanding of the developmental profile of either the region in general or that of the states of Assam and Manipur in particular is not complete without this variable.

Research questions

This study is essentially an effort to understand the developmental dynamics of the two selected states between 1980 and 2015. The research questions to be pursued in this connection are as follows:

- i. What is the role of the state in the political economy of the two provinces?
- ii. What role did the market institutions play in the developmental policies of the post-liberalization period?
- iii. What role did the civil society groups play in the politics of development of the selected states?
- iv. What explains the differences between the developmental profiles of the two states?

Methodology

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.

Interview is a very important method of collecting primary data in any field of research. It's a process that establishes a collaborative and communicative dialogue between the researcher and respondent. According to Sandra Halperin and Oliver Health in "Political Methods and Practical Skills Research" there are three basic forms of interview "structured", "unstructured" and "semi-structured". These forms vary on the pattern of the question asked, how they are worded and what kind of sequence had been followed in setting the questions. For instance, structured interviews consist of closed and short questions, which are primarily used in surveys. In unstructured interviews, the question are open ended which enquires for more complex and lengthier response. Besides the difference in form there exists difference in type of interview depending on the method of collecting data. Interview can be conducted through face-to-face dialogue, telephone, online or by organizing focus group session. However, whatever form or type of interview is conducted the basic purpose of the method must be fulfilled i.e. producing data required for the research.

The process of collecting data simply does not conclude with the interview rather it can be said it is from where it begins. For the purpose of research, interview must follow three critical steps of data reduction, Coding and Analysis. This type of analysis is same for all type of data but how we go about it depends upon the types of data we have collected.

The process of interview in my research had been divided into two parts. One has been based on open ended questions (unstructured) and the other survey based (structured). In relation to open ended questions, persons from diverse fields comprising academics, journalist, retired lawyer, youth political activist, ex-servicemen, NGO workers and entrepreneurs have been interviewed. The questions have been broadly framed to reveal an understanding of the political economy of development in the region by interrogating the role of state, civil society and market. In relation to survey based questions, the strength of surveyor varied with the nature of the question asked. For instance questions regarding internal problems and financial issues of NGO's were only presented to people belonging to the NGO sector, while the rest were aimed at a broader demographic base, not particularly catering to any one sector. Many of the interviews for this research were based on telephonic conversations, while face to face interviews were possible in a few cases only.

Proposed Statement

From the 1980s onwards the strategy of New Delhi towards the Northeast has been a two-prone approach; one has been that of infusion of funds to the region as a way of capacity building and infrastructure development and the other of parading central forces to suppress the insurgency movement. However, after decades of assistance, this approach came under critical analysis by experts. It is pointed out that this central assistance is not adept in building capacity and infrastructure in the region. It has only led to mere sustenance of the administrative mechanism by creating a class of privileged bureaucracy. Furthermore, a nexus between politicians and insurgency movements in the region with certain developmental funds was being directed to insurgent groups. This has resulted in the formation of a bloated bureaucracy and a huge government workforce whose inefficiency and corruption make it a liability rather than an asset. This has led the entire gamut of development into a greater trap of financial burden and contrasting inequality. On the other hand, necessities of life like access to health services, and education have considerably increased during the span of 30 years- mainly as an outcome of government spending. This sets the region on a higher podium in terms of human development concerning the rest of the country. But this improved index fades out when we take into

consideration the per capita consumption level of the people in the region and their participatory capacity in the development process. The two states show this difference- Manipur a state with high Human Development indices fails to score much in terms of economic development, on the other Assam stands above the rest of the region in terms of GDP but has failed to score better in Human Development parameters.

Thus, my study reflects on this paradoxical nature where the Development agenda was helped by the infusion of funds from the centre which has helped in bringing about economic prosperity to a section of its people limited to certain geographical pockets. This had a progressive impact on Human Development index but interestingly it had failed to deliver where it was required the most. As the region cannot generate its productive mechanism, its economy is dependent on living on the doles that it receives as assistance. More importantly, when traditional industries like tea and other natural resources are gradually fading out it, it requires the impetus to generate alternative sources of income. Otherwise, the politics of deprivation will only breed to jeopardize all efforts of economic and national integration.

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.



Chapter 2

**State, market and civil society and
The Politics of Development**

The distinctive location of the Northeast puts it different from mainland India physiographically, topographically and also in terms of social and political formation. The topographical existence of the region has put it amid a confluence of the two oldest civilizations of Asia: India and China. This has resulted in a tremendous multiplicity regarding religions, castes, races, languages and ethnicities. The creative endeavour and the natural compulsion of people had provided the strength that moulded the region's diversity into harmonious existence. Generations of existence have resulted in social cohesion out of which emerged a cultural commonality. This did not subdue the uniqueness and diversity it represents but rather provided a platform for their existence.

The region is culturally very complex because of its diversity. A measure of which can be understood from the tremendous multiplicity of languages (estimated at 400 odd numbers)¹. These diverse linguistic origins according to various ethnologists and historians can be traced back in varying proportions to the Negrito, Austro-Asiatic, Alpine-Aryan and Mongolian groups of languages. According to some other groups of authors and population geographers, the population of the Northeast can be broadly classified into four racial and linguistic traits - Proto-Austroloid, Mongoloid, Aryo-Mongolo-Dravidian and Aryo-Mongoloid.² At present, the ethnic diversity in the Northeast can be charted into 120 scheduled tribes which are further divided into several other sub-tribes. For example, two major tribes Naga and Mizo: Nagas comprised of roughly 22 sub-tribes, which stand further subdivided into clans and kinships. Mizos consider themselves to be part of a larger generic identity Known name of 'Zo', originating from a place called Sinlung in West China. In the same way, the linguistic identity of Assamese is an amalgamation of Vaishnavaties, Sankardevaites, Muslims, Ahoms, migrants and other plain and hill people.³ Thus, from such generic numbers, the diversity of the region is very much evident. Yet, historically, such differences have mutually collaborated and helped in preserving a holistic presence of the region.

The geographical space that represents today's North-East India had gone through different cartographic representations at different points of historical-political transects. Perhaps no other region of India had undergone such spatial reconfigurations in such a short period. From the pre-

¹Hazarika, Joysankar. (2016) *Geopolitics of North East India: A Strategical Study*, p 40. New Delhi, Gyan Publishing House.

²Ibid

³Sen Sanjay, (2016). *A Socio-Cultural and Economic History of Assam*, p 12. New Delhi, Mahaveer Publication.

colonial period to the phase of globalization, North-East India had undergone broadly four cartographic configurations of its space. During the pre-colonial period, the Northeast existed within the sphere of a bio space. The region was inhabited by tribes who lived in clan formations. During this period, the Northeast did not essentially witness the birth of territoriality and nation-state. Though each tribe occupied a physical space of their own, the principle of territoriality was never at the heart of the system they represented. The Ahom Kingdom, Kingdom of Manipur and Tripura existed but space as a territorial category was only introduced with the arrival of the colonial period. It was then used as a tool to destroy the pre-existing clan networks and bring the whole of the Northeast under the administrative boundaries of British rule. The second phase of configuration encompasses the period of colonial rule that devised administrative boundaries to eradicate the indigenous bio space for colonial expansion and exploitation. Gradually, the original land, culture and political system of the inhabitants were lost. They were confined within prescribed limits and a token of socio-cultural autonomy and complete political subjugation. In August 1947, the Indian State declared all clans, irrespective of their belief and participation, to be citizens of independent India. This led to the sovereign expression of resource nationalism. The constitution became sacrosanct and within its territorial expression, all other spaces were gradually diluted. Finally, under the neo-liberal framework, the economy became the driving force riding on the flow of capital and the revolution of information technology. This caused the suppression of territorial boundaries by replacing the principle of territoriality with border space connectivity.⁴

Once the space was defined for socio-economic purposes, it gradually diluted its primordial essence by deleting the consciousness of the indigenous people of the Northeast. This resulted in uprooting them and placing them into newer meanings of geography. This meant the eradication of what separated the indigenous from the exogenous, resulting in a matter of conflict and contestation. In this light, we shall proceed to study the Northeast by understanding its state formation, market evolution, civil society presence and its contestation over development.

⁴ Chakraborty, Gorky. (2016) Look East Policy and Northeast India; space region and existing reality. In Das Gurudas and Thomas C. Joshua (ed.). *Look East to Act East Policy; Implications for India's Northeast*, p 167. New York, Routledge.

The State

In pre-historic times, the Northeast was conceived as a bio-region where several clans lived occupying varying geographical spaces. The clan system was based on the idea of kinship, which tied the members of the community together and made it different from that of the other. The political structure of these closed systems was largely self-contained and varied from one clan to the other. While some were republican in nature, others were authoritarian and the rest had a convivial system. The economies were subsistence in character but had a dual formation corresponding to the physical features of the region. As the region is primarily of mountainous terrain, geo-morphologically there were two spatial formations, the hills and the valleys. This different geo-morphological presence had impacted the economic production of the region by creating a natural imbalance in terms of surplus production in the valley and subsistence economy in the hills. It was this economic surplus that determined the varying degree of autonomy among different clans that inhabited the region from time immemorial. Naturally, the plains (valley region) had the benefit of surplus production owing to the fertile land and they had an upper hand over the tribes from the hills. This difference leads the archaic political system in the region into two distinct traditions the 'Great Tradition' and the 'Little Tradition'.⁵ The 'Great Tradition' was represented by the institution of kingship and the 'Little Tradition' was represented by the multitudinous micro-political institutions of different tribes in the region.

The political process of archaic times operated over two major principles. One was 'Primacy of Occupation' and the other was 'Domination-Subjugation'⁶. The principle of 'Primacy of Occupation' was used by powerful clans like Ahom, Tripuri, and Manipuri to occupy and establish political and economic control over the fertile surplus-wielding wetlands of the valley region. The second principle of 'Domination-Subjugation' was used to establish their political hegemony over the hill people whose subsistence economy in the mountains stood inferior to the surplus-generating economy of the valley. The political hegemony of the 'Great Tradition' over the 'Little Tradition' was maintained by a tributary mode which had to be paid at periodic intervals. These tributes were more significant as an act of obedience than that of economic

⁵ Ray A.K. (2015). Nation-State and Ethnicity: The Critical Discourse in Northeast India. In S. Goswami, *Troubled Diversity: The Political Process in Northeast India* (p 48), New Delhi, Oxford University Press

⁶ Ibid, p 49

extortion. One such example of tributary mode was the symbolic allegiance shown to the Royal authority of Manipuri Kings through the annual performance called *Mera Haochongba*.

There was also the presence of a para-political mendicant section within the political structure of the 'Great Tradition'. They acted as institutions of legitimization for the political system. Mythical tales were used to justify the super-human presence of the, like how Meitei rulers of Manipur had descended from Babrubahana, the Ahom Kings of Assam were Gods on earth and the Tripuri rulers were scions of the lunar dynasty. These groups of sycophants were patronized by rulers at different points in time to pose a psychological superiority over the masses and enjoy unquestioned loyalty among subjects. Thus, the presence of the mendicant class served more as an intellectual support (hegemony in the Gramscian conception of state). There was nothing essentially coercive about the integration between the 'Great' and 'Little' traditions, as the two systems lived in peaceful proximity with the other not interfering with the internal matters of the other.

The 'Little Traditions' were based on the clan principle and the subsistence nature of their economy. As a result, they never directly possessed any threat to the political structure of the Great Tradition. They never established competitive claims to the existing 'Domination-subordination model'. However, the pre-colonial political structure was congenial to both traditions. The Great Traditions enjoyed supremacy and the Little Traditions enjoyed autonomy in matters of respective self-administration and preservation of their identities. Exchanges between the two traditions were based more on trust as part of their social existence. This process of political existence which had historically evolved came to an end with the advent of British rule in North-East India. The free process of colonial spatialization eventually turned *terra incognita* into *terra cognita* with unleashing of the private property regime.⁷

The colonial state was engaged in the de-construction and re-construction of the natural space where border and boundary consciousness was raised. The principle of territoriality had been expressed at great length in administrative and property relations by the state in the region. The process of transforming the region's civilizational space into a colonized space completely ignored the political and cultural histories of the region. It embarked upon a process of the discursive construction of the region with a single agenda of converting the region into a colonial

⁷Ray A.K. (2015). Nation-State and Ethnicity: The Critical Discourse in Northeast India. In S. Goswami, *Troubled Diversity: The Political Process in Northeast India* (p 50), New Delhi, Oxford University Press

space for the market, raw materials, surplus accumulation and political rule.⁸ Primary to this project was the politicized nature of knowledge production about the region. The process of surveying and mapping was central to this discourse of knowledge creation. It provided a visualizing device in front of the state to act upon. The foundation of colonial rule in the Northeast was laid in the project of centralized and systematic collection of empirical knowledge of the region.⁹

The colonial state began the process of colonial spatialization in Northeast from the strict standpoint of *terra incognita* that eventually was turned into *terra cognita*. The state started employing strategic tools like mapping and statistical data for administrative and military functions. This process of knowledge creation was at the heart of colonial enterprise which continued during the entire period of the 19th and early 20th century through various expeditions. Interestingly, the practice by the state as the centre of production of knowledge of the region was not something that was not in existence in the pre-modern administrative structure. The knowledge that the state generated through the use of statistical tools did not reflect the objective reality of the region or to say 'reality as it is'. It rather produced a model which the power structure purported to represent. When the colonial state was producing knowledge of the region, it was not essentially depicting the reality with its ingenuity (taking into consideration of historical continuity or cultural continuity) but answering the question of colonial legitimacy (where spaces were to be recreated and converted into a space of the market, raw materials and surplus accumulation and political rule, In other words, a colonial enterprise of exploitation and systematic looting of natives can be sustained and continued).

In the process, local powers in the region were made to play a considerable role under the authority of the colonial state. The royal authorities were made the principal players while the micro-political organizations of multitudinous tribes were made the secondary players. Both the players operated under the colonial state mostly performing instrumental roles (In Manipur, the King was instrumental in the British expedition against the Lushais in 1872¹⁰) in varying degrees under the structural domination of the colonial power.

⁸Chakraborty Gorky & Ray A.K.(2014). *The Look East Policy and Northeast India*,(p 33), Delhi, Aakar Books

⁹Biswas Prasenjit & Ahmed Rafiul (2004). *Political Economy of Underdevelopment of North-East India*, (p 77), New Delhi,Akansha Publishing House

¹⁰Biswas Prasenjit & Ahmed Rafiul (2004). *Political Economy of Underdevelopment of North-East India*, (p 52), New Delhi,Akansha Publishing House

The colonial state in its process of spatialization of the Northeast worked on a larger project of 'private property regime'¹¹. This was done by employing two mechanisms - one was the use of institutionalized power and the other was by diplomatic means. Two jurisprudential instruments were employed *res-nullius* and *lex loci*. The institution of the state first denied the natural rights of the indigenous communities. It then, by the use of the second, established its legal rights over the resource endowment of the region. As a result, the rights the indigenous people enjoyed over the space of the Northeast became an acquired right permissible only under British jurisprudence. One such example of spatial reconstruction by the state was the creation of spatial enclaves over the forest endowment of the region, through which 'Reserve Forest' and 'Protected Forest' (The Assam Forest Regulation Act of 1891)¹² came into existence. The diplomatic means worked on the objective of decentralization of power by reconfiguration of the tribal constellations (for instance, The Assam Chieftainship Act). This established a subordinated structure of new tribal elites who owed their existence to the jurisprudence of the state. It thereby helped the colonial state to destroy the dissent of the traditional clan chief. Additionally, it furthered the colonial policy of the state seeking cooperation from the tribal communities in the fulfillment of the colonial enterprise.

That state worked heavily on the question of security. What loomed over the minds of the administrators were, firstly, the imperatives of economic enterprise and secondly, how the boundaries of the region can be set to advance its line of control and establish a buffer zone around its colony in South Asia. Sir George Nathaniel Curzon conceptualized the three-layered frontiers of the region. This consisted of an administrative border, followed by a region of active protection and lastly, the advanced strategic frontier. This conceptualization was replicated in the later years by the legislation of 'Inner Line Permit', 'Protected Area Permit' and 'Restricted Area Permit' (Inner Line Regulation 1873, Scheduled District Act 1874 and Assam Frontier Tract Regulation 1880¹³). The 'Inner Line Permit' denoted the Administrative Boundary comprising the valley region (present day, the state of Assam). The 'Protected Area Permit' represented the hill region inhabited by the tribes. The state mostly abstained from any direct line of action or inaction and the tribes were allowed to enjoy autonomy over their social and cultural space,

¹¹Chakraborty Gorky & Ray A. K. (2014). *The Look East Policy and Northeast India*, (p 28), New Delhi, Aakar Books

¹²Ibid, p 34

¹³Dutta N. (2015). *Constructing and Performing Diversity: Colonial and Contemporary Processes*, In Goswami Sandhya, *Troubled Diversity: The Political Process in Northeast India*, (p 15), New Delhi, Oxford University Press

politically operating with the acquired rights under the British law. The Restricted Area Permit represented a region of advanced strategic frontier comprising areas beyond the Tribal region (mostly the present-day state of Arunachal Pradesh). This served as a buffer zone for the state. A key aspect of the security paradigm of the colonial state was that certain tribes were provided with British-defined settlement rights in the frontier region in exchange for cooperation in times of foreign aggression.¹⁴ This administrative policy of boundary delimitation not only served the interests of security but also the purpose of fracturing ethnic communities for administrative convenience. It was used as a territorial blueprint that continued till the last leg of colonial rule region. This is evident from the Simon Commission's recommendations of making the hill-valley divide complete by bringing them under Excluded and Partially Excluded Areas. This was eventually given a Legislative outlook by the Government of India Act 1935.¹⁵

An oppressive aspect of the colonial state was its Land revenue reforms. The jurisprudential instrument of *res-nullius* and *lex loci* (as discussed before) provided the legal right to the state. To this, all other indigenous stakeholders of the region were held accountable before the institution of the state. The state, through its different legislations, (i.e., Ryotwari system through Settlement Rules of 1870 implemented in 1883 and later modified into Assam Land and Revenue Regulation 1886, Landlord and the Tenant Act of 1880, Hill House Tax under Chin Hill Regulation¹⁶) made the region hostage to its revenue interests. The state even went to the extent of destroying the natural habitats of the Brahmaputra River plains (with the colonial construct of 'wasteland') and converted it into an area of human habitat. This was primarily done for revenue generation through cash crops. The community space of the so-called 'wasteland' was destroyed and converted into individual spaces of European planters. Secondly, through human intrusion from East Bengal, the region was re-populated.¹⁷

On the aspect of development, the role of the state in the colonial period differed from its past. In the pre-colonial period, particularly the Enlightenment period, the role of the state in development was absent. The appetite to improve the economy of the state or to drive

¹⁴Chakraborty Gorky & Ray A.K. (2014). *The Look East Policy and Northeast India*, (p 34), New Delhi,Aakar Books

¹⁵Ibid, p 37

¹⁶ Ibid, p 34

¹⁷ Chakraborty Gorky & Ray A.K. (2014). *The Look East Policy and Northeast India*, (p 32), New Delhi,Aakar Books

mercantilism was not considered a state priority. In general, sustaining nature of the ecology of the Northeast gave birth to contended state of economic existence for the people as well as the state. However, the 'state of contentment' was a misfit for the colonial state because it was driven by an unending lust for profitability. Development, as we understood it now, gradually made its positioning within the affair of the state in the region. The colonial state was driven towards establishing a linkage between the Northeast and the imperial market. This was part of the project of locating the Northeast within the peripheries of the world market. The state went towards developing resource base extractive industries in the region which can be exported out of the region to be used somewhere else. One of the major problems encountered by the colonial state in their tryst of looting was the mobilization of resources from the region. For that, the state employed the task of infrastructural development by building roads, laying rail lines and establishing water connectivity.

Prioritization of infrastructural development brought about two significant outcomes. Undoubtedly, it improved infrastructure and eased connectivity in the region, making communication improved. Was that a requisite of the region and its people? The obvious answer will be no because of the reasons discussed above. Who provided the space for development and who bore the financial burden of it? It was the region and its people. In the name of building infrastructure, thousands of acres of land were taken, and occupied and communities were driven out. Ecology was destroyed along with the destruction of the natural community space. For the construction of National Highway 39 alone - around ten army expeditions were made on the Angami tract of the Naga Hills which completely obliterated numerous ethnic spaces along the tract.¹⁸ Thus, the first significant outcome of state-induced development in the colonial period can be described as this act that fostered imperial interest at the cost of local ecology and its people.

The second significant impact of development by the colonial state was its bypassing of the traditional economy. The development of the plantation and resource-based industries was done in complete isolation with no linkages with the traditional industries. From capital to labour, everything came from outside and flowed outside. The region remained deprived of the production benefits that were incurred over its land. Moreover, the repressive tax system made

¹⁸Chakraborty Gorky & Ray A.K. (2014). *The Look East Policy and Northeast India*,(p 53), New Delhi,Aakar Books

the traditional economy in the region untenable. It made livelihood a tale of misery for the inhabitants of the Northeast. Development during the colonial period was never a phenomenon for the region but for the state and in the interest of imperialism.

The process of evolution of the state as the prime political authority in the region's colonial period marks a break from the past. The colonial state in its effort of producing knowledge of the region systematically erased its past. Indigenous history gradually became oblivious. The prism through which we understand the Northeast today was set by the process of colonial reconstruction of the region. This reconstruction on the one hand affected the lives of the people in the region, destroyed the primordial space and made the ethnic space exclusive in existence. On the other hand, it provided a new language to the people of the region through which the debate over statehood in the Northeast will find a new voice.

The next major stage of political transition took place in the region in 1947 with the end of the colonial rule and Northeast being integrated into independent India. The nationalist discourse of the 19th and early 20th centuries has been influential in the making of the postcolonial state. It is also not detached completely from colonial discourse as it was first a reaction to, later an alternative, to the colonial discourse.¹⁹

The colonial state had premised its legitimacy by employing the tool of European rationalism²⁰ (based on the era of Enlightenment that was brought about by the European Renaissance - an era of utilitarian rationality). Rationality was used by the colonial state to prove its invincibility in the material sphere of existence by subduing that of the colonized. This superiority of the colonial state has been accepted by its functionaries and also by its critics. The response to this by the colonized took place in two ways. One completely turned against it and moved towards the traditional discourse and the other accepted it by acquiring Western knowledge and learning about English utilitarianism.

In this context, the colonial state adopted a dualist response towards the colonized. Firstly, the brute use of force against any dissent that stood in the way of the colonial enterprise and this approach continued from the beginning of the empire to even the last leg. Secondly, the most

¹⁹ Kaviraj Sudipta. (1992). 'The Imaginary Institution of India', in Partha Chatterjee and Gyanendra Pandey (eds), *Subaltern Studies: Writings on South Asian History and Society*, VII. pp 38-39. Delhi, Oxford University Press.

²⁰ Kaviraj Sudipta. (1994). 'on the Construction of Colonial Power: Structure, Discourse, Hegemony', in Dagnmar Engels and Shula Marks (eds), *Contesting Colonial Hegemony: State and Society in Africa and India*, p 21. London. British Academic Press

important, tool of Enlightenment was employed by the spread of Western education and legislation towards the Indian intelligentsia in particular. It was here that the legitimacy of the colonial state was born. The newly western-educated Indians saw British rule as salvation from its despotic past. England became a “mirror of their future” for the Westernized Indians.²¹ This had a counterproductive impact in the long run when the Indians familiarized themselves with the tools of rationality, employed the same against the state and questioned the enterprise of the colonial state.

The Indian intelligentsia accepted British superiority in the material domain but the difference in the cultural domain was not completely lost to them. A need was felt to preserve the existence of distinctiveness as an essence of identity. Rationalistic tools were employed to provide a historical narration that would contest the universalistic imperial history.²² When nationalism started to take root, the nation as a community was first imagined in this spiritual and cultural domain which was translated into the realms of language, literature (Anandamath- Bankim Chandra Chatterjee), mass media, drama, art, national educational institutions, family and religion. It was in these realms that the nation gained its autonomy and became sovereign.

The post-colonial discourse of independent India was based on the nationalist view it inherited as a dichotomy between the material and the cultural sphere.²³ Consequently, the discourse that the independent state adopted was reflective of the colonial character. It emulated the colonial model of economic and political development. The understanding of the newly independent state towards its tribal and ethnic population was on similar lines. It did not have any clear-cut ethnic policy towards the people of the Northeast and barring the Nehru-Elwin policy which was also subject to varied interpretations and criticisms.²⁴ As a result, India relied much on the central premise of the colonial discourse that tribes are essentially backward communities based on the primitive mode of subsistence. Hence, it requires active protection and isolation until adequate

²¹Panikkar, K.N. (1995). *Culture, Ideology, Hegemony: Intellectual and Social Consciousness in Colonial India*, p 22. New Delhi: Tulika Publications.

²² Chatterjee, Partha. (1995). *The Nation and its Fragments: Colonial and Post-colonial Histories*, p 6. New Delhi: Oxford University Press.

²³Chatterjee, Partha. (1995). *The Nation and its Fragments: Colonial and Post-colonial Histories*, p 6. New Delhi: Oxford University Press

²⁴ Haokip, Thongkhohal. (2015). *India's Look East Policy And The North-East*, p 64. New Delhi: Sage Publications India.

development is achieved so that they can be integrated into the dominant social-political system later.

The nationalist project upheld a homogenized and mono-cultural identity of the state. Though what has been said as mono-cultural was not essentially a homogenized identity. In the process of its construction, different cultural factors of the plural society of India had to be taken into account without which the local premising of the discourse would not have been possible to find support among the people. The different sub-identities that were taken into account grew during the period of the nationalist movement left out the Northeast. The nation was first imagined in the cultural domain and declared sovereign which with independence was surcharged with the power of the state. This very idealization of the nation became very problematic in post-independence for the Northeast region in particular. It was home to different communities and its diversity challenged the state-building project of the Indian state from its inception.

The principle of territoriality was employed by the nationalists in carving out the space for an Indian identity from the colonial discourse. The same tool had been used by respective communities in the Northeast to carve out a sub-nationalist discourse of their own based on their ethnic histories and culture. The sub-national communities began to seek political recognition first from the colonial state and then from the post-colonial Indian state. During the entire period of colonial rule, most parts of today's Northeast remained out of the mainstream discourse of nationalism that had gradually taken its shape in mainland India. The history of the Northeast before the period of colonial rule was directly linked to the administrative apparatus of mainland India. This created a lack of contiguity between the two regions in both material and cultural spheres. Only after the British rule was established that the Northeast became a part of the British-India administration but also partly; the British partially excluded the hills and largely kept the region in exclusion from the rest of the country. When Independence took place, the Northeast was connected to India only through a narrow stretch of land [28km wide approx.] called the chicken's neck corridor. The region appeared alien to mainland Indians and India was the 'other' for the people of the region. The racial proximity of the North-East towards bordering countries of Tibet and Myanmar provided ample ground to construct a distinctive identity. This was separate from the nationalist discourse of India which was supported by the British policy of partial exclusion which gave the ethnic communities in the region an autonomous sphere in their cultural and spiritual domain. In 1947 when the Indian state was born out of the womb of the

colonial state, different communities, namely Naga, Kuki and Mizo declared their independence challenging the nationalist project of the Indian state with that of their own. The state's quest in the region was seen by the people of the Northeast as their struggle for embedded autonomy against the internal colonization of the Indian state.²⁵ The grand institution of the Indian state could no longer possess a monopoly over the term 'nation'. This was because the different ethnic communities had their conception of 'nation' which produced their respective territorial blueprints against the cartography of the Indian state.

Ethnic nationalism in the Northeast grew hand-in-hand with the elite formation and can be broadly classified into two typologies, namely infra-nationalism and proto-nationalism²⁶. Infra-nationalism was a process through which traditional elites took up the task of identity expansion. It was concerned with conserving their identity in the cultural and spiritual domain and preserving the natural endowment of their region from external forces of development and commercialization. The infra-nationalist approach was thus basically inward-looking, questioning the state more on the moral aspect of the need for conservation. On the other hand, proto-nationalist were composed of elites who were not satisfied with the traditional bounds and strove to be forward-looking. They intended not only to question the state on moral aspects but also on political terms.²⁷ They wanted to recover ethnicity from the pure anthropological domain and place it in the arena of real politics. They strove not only to retain the traditional base but to demand a share of the development of the welfare state by raising political and social aspirations within the community. The proto-nationalists used ethnic identity as an ideological tool to attain political goals which had two impacts on the region's overall political scenario. Firstly, this had an inclusion-exclusion syndrome for the ethnic communities. Proto-nationalists went ahead with de-constituted and re-constituted ethnic communities by including some and othering the rest according to their strategic political advantage. This hampered the process of building a unified ethnic identity against the grand narrative of the Indian state. Secondly, proto-nationalist elites can further be broadly categorized into two sections. One showed some degree of sanitized compliance with the power structure of the Indian state and wanted to be incorporated into it with moderation. The other section followed the path of political arrogance against the Indian

²⁵Chakraborty Gorky & Ray Kumar Asok. (2014). *The Look East Policy and Northeast India*, p 40. New Delhi, Aakar Books.

²⁶Ray Kumar Asok. (2015). Nation-State and Ethnicity: The Critical Discourse in Northeast India. in Sandhya Goswami, *Troubled Diversity: The Political Process in Northeast India*, p 53. New Delhi, Oxford University Press.

²⁷Dutta Ray, B. (1990). *Identity and Tension in North-East India*, New Delhi, Omsons.

state by rejecting Indian sovereignty. Both these sections of proto-elites in some way or another helped in the political expansion of the state control over the region. The passivity of the masses in general and the instrumentality of the elite section (within every community) as the mobilizing force behind identity formulation and territorial politics were becoming evident. The political (also militant) elites in the region were successful in mobilizing the rank and file in particular and mass in general behind their political agenda. There was hardly any alternative space that was available that could accommodate any aspiration of the people in the Northeast.

The response of the Indian state was both institutional and strategic.²⁸ The institutional response was about providing special constitutional provisions to the accommodation of political aspirations of different ethnic communities. This was done by the devolution of administrative power through a special constitutional setup. When the linguistic organization of states was unable to pacify the recognition of different communities in the region, provisions for Autonomous District Council (ADC) under the Sixth Schedule were introduced within the existing federal apparatus. Accordingly, the Tribal region of the then state of Assam was divided into two parts Part A- comprising of United Khasi and Jaintia Hills, Lushai, Naga, Mikir, and the North Cachar Hills. The region under part A was to be administered by the Governor of Assam with little representation in the Assam State Legislature and the Parliament. The region of North East frontier, Baliapara and Tirap Tracts, Abor and Misimi Hill District and the Tuensang Area came under Part-B of the Sixth Schedule. The region under Part B was administered by the Governor of Assam as the agent of the President of India.²⁹ Soon this administrative set proved to be inadequate by recognizing the ethnicity question. In the years after independence North-East was divided into three broad administrative units - one was the state of Assam and the other two were the Princely states of Manipur and Tripura (they were made into Union Territories after their incorporation into Indian State). The second phase of state recognition started with the 9-Point Hyderi Agreement in 1962³⁰ under which the state of Nagaland came into existence comprising the Naga Hill Area and Naga Hill District Tuensang area. The formation of Nagaland into a full-fledged state separated from Assam gave new impetus to other communities of the

²⁸ Ray Kumar Asok. (2015). Nation-State and Ethnicity: The Critical Discourse in Northeast India. in Sandhya Goswami, *Troubled Diversity: The Political Process in Northeast India*, p 55. New Delhi, Oxford University Press.

²⁹ Ray Kumar Asok. (2015). Nation-State and Ethnicity: The Critical Discourse in Northeast India. in Sandhya Goswami, *Troubled Diversity: The Political Process in Northeast India*, p 56. New Delhi, Oxford University Press.

³⁰ Haokip, Thongkhohal. (2015). *India's Look East Policy And The North-East*, p 73. New Delhi: Sage Publications India.

region whose primary objective then became to be separated from the state of Assam. The matter became much worse with the passing of the Assam Official Language Act of 1960. The Act intended to preserve the Assamese language and culture. As the identity question grew stronger in the region and subsequent political accommodations were at the cost of the displeasure of Assamese political elites and masses

Indian Prime Minister, Indira Gandhi saw the Northeast problem from the point of opposition to Assamese hegemony and lack of development. The North-Eastern Areas (Reorganisation) Act, 1971 and The North Eastern Council Act, 1971 were passed in the union legislature. Through the first legislation, Manipur and Tripura were upgraded from Union Territories to states (provinces). Later on, Meghalaya was also made a state from being an autonomous part of Assam. Mizoram and the Northeast Frontier Region were also separated from the state of Assam and were initially made Union Territories. Later on, they were promoted to statehood in 1987 (Northeast Frontier became the state of Arunachal Pradesh).³¹ Through the second legislation, a Council was established to coordinate development in the region. The entire arrangement fell much short of fulfilling any aspiration. On the contrary, it only complicated the matter further. Firstly, in the entire process of state reorganization, it was Assam that was cut short to create separate administrative units; this was a loss of the political clout that Assam enjoyed over the region. Secondly, economically it was a loss of resources for the Assamese as they were dependent upon the Central funds and job opportunities to a greater extent. Thus, all this factored into a growing discontentment within the Assamese society and got reflected in the politics of resistance through the militant organization (ULFA). However, statehood did not solve the issue as inclusion-exclusion syndrome paced into the process of re-constitution of space among different ethnic communities of the region. For Example, at least a dozen of ethnic communities expressed their resentment over the process of according statehood to Manipur and presented multiple territorial blueprints on the contrary.³²

As far as the Indian state was concerned, it saw the problem in the Northeast from the point of backwardness of the ethnic communities in the region. The only way to integrate them into the mainstream was through state-led industrialization and development. To the Indian state, the

³¹Ahluwalia Shashi,(2012). *Social and Economic Development in Northeast India*, p 16. New Delhi, Gyan Publishing House.

³²Ningthouja Malem, (2015). *Diametrical Nationalisms: Rulers, Rebels and Masses in Manipur*, p 36. Delhi. Aakar Books

question was more of underdevelopment and less of identity assertion whenever there were demands for political recognition. This placed the question of identity assertion, particularly in the material sphere in separation from the cultural sphere. This had a significant effect on the ethnic identities themselves. The sub-national identities of the ethnic communities gradually grappled with the development discourse. Besides demanding political recognition, the ethnic communities started demanding a greater share of the state's development fund. Development gradually became a tool at the hands of regional elites to bargain for political space.

The Indian state's response also revolved around the question of development. Whenever the state failed, it made important political concessions in the form of delegation and devolution of power. Besides the institutional response, the Indian State also responded strategically with an insecurity complex intended to subdue any hard power in the Northeast that may challenge the authority of the state. The geographical location of the region and its proximity more towards the neighbouring countries than that of India had always worried state policymakers. The 1962 war with China and the subsequent rise of militancy within the region started with the Naga insurgency. It created a security dilemma and the armed response of the state became very evident whenever it felt that the territorial integrity of the state may break loose. The best example of such coercive politics is the Armed Forces Special Power Act (AFSPA), which provides extra-constitutional power to the armed wing of the state to deal with any kind of militancy activity within the region. It becomes problematic to separate the space of militancy from civic space. Very easily the coercive response of the state percolates into the left-over civic space and gradually kills it only to produce counter-productive results in the long run. The state's image as an internal colonizer only grows strong day by day. However, it can't and should not be said that the strategic response of the state completely failed. Contrary to it, whatever it achieved in diluting the militancy in the region was at the cost of vitiating the civic space and upholding the raw power image of the Indian state deep-seated among the people.

In the Neo-liberal framework, following the de-spatialization, the national boundaries were seen more as connectors than impenetrable walls. Thereafter, the central discourse on ethnicity and nation-state changed. The territoriality principle gave way to extra-territoriality; markers of ethnicity no longer remained minuscule but rather became trading items in the larger market. Under this new trajectory, the Northeast as a region is perceived as a "connecting corridor". The state became messianic about propelling infrastructural development in the region. In its jest to

put the market economy in place, the state adopted an interventionist agenda which posed a new challenge to the traditional livelihood of the people in the region. According to Bugra, the state's role becomes that of a creative destructor. It threatens people's livelihood with developmental agenda leading to questions of economic security, land-resource conflicts and a poor state of human security.³³

The political process in the pre-colonial time essentially reflected the established relations of production where differences in economic capacity determined the domination-subjugation relations in the Northeast. The colonial state, carrying forward the capitalist mode of production, relegated the region of the Northeast to the peripheries of the World System. In the post-independence period, the process of peripheralization of the Northeast continued under the new 'cores' and 'modernities' produced by the nationalist-developmental State under planned industrialization. The region of the Northeast was pushed back at the margins and re-imagined as backward, subjected to 'exceptional' treatment from the state.

A kind of paternalism is noticeable in the way the state acted over the region. A process of course correction and reconstruction became an essential agenda of the state from colonial times. A clear demarcation between the state and its people has been visible. The institution of the state acted not as a product of the region but as one who wanted to make and re-make the region as a product of its own. This essential difference vitiated with time and created fault lines in the agenda of the two leading to contestation over the political space. Even the Neo-liberal period is not out of this contestation. Under the new strategy, the state has not been a retreating force in the region but a force of 'excessive intervention'. It wants to usher the market in the region by bulldozing all other aspects. The state sees the opening of the border from the point of view of trade and its linkages with the national economy. It has been messianic about infrastructural development in the region. The question remains whether this top-down interventionism of the state is going to reward the 'social rates of return'. Without a proper evaluation, the problems of the region are never going to die down and the state probably has more roles to play towards making development more inclusive and people-centric in nature.

³³ Bugra, A. (2017). 'Two Lives of Developmentalism: A Polanyian View from Turkey'. In I. Bono and B. Hibou (eds), *In Development as a Battlefield*, Geneva, Boston, Graduate Institute Publications.

Market

The Northeast occupies a corner of the state of India where underdevelopment and insurgency go hand in hand. The region due to its location had perpetually remained in isolation for a long time. It is sharing of borders (around 98%) with neighbouring countries has made the Indian administrators from Delhi view it more from the prism of security. The problem of insurgency that the region is infested with (that grows out of the question of ethnic identity assertions) has only reinforced the security perception in the minds of policymakers. The region is rich in mineral resources, has an abundant natural bounty, an established plantation industry, a proven and exploited reserve of oil and natural gas and immense potential for hydroelectricity. Yet the region fails to find a place in the investment portfolio of the nation, its unemployment rates are high (whatever little employment sources are available most of which are government services driven). Infrastructurally, it is underdeveloped and poorly connected to other parts of the country and its neighbouring space.

From time immemorial, the Northeast has gone through different cartographic representations following different historic-political transects. The natural bounty that the geography of the land has to offer played an important role in determining the livelihood of the people. The region's typical geographical location, the low-lying valley being surrounded by hills except the west provides it with an isolationist existence. This is also reflected in the traditional economy of the region. The fertile terrain made the region conducive to agricultural activity. Traditionally, the region had remained dependent on agricultural activity. Irrespective of ethnic differences, all communities of the region showed a great dependence on agricultural activity along with other primitive activities of hunting and gathering.³⁴ Three important methods of cultivation were generally followed - the wet or lowland cultivation in the valleys, highland cultivation in the hilly terrains and the shifting cultivation practiced mostly in the hills by the tribes (it is done by burning a patch of forest area which is cleared for cultivation; after some years of cultivation when the land gradually loses its fertility it is left for forestation to again take over)

As discussed in the previous part of this chapter that the traditional political structure of the region consists of two important traditions: one is the 'Great Tradition' of the valley region represented by the institution of kingship and the other was the 'Little Tradition' of the hills that

³⁴Biswas Prasenjit & Ahmed Rafiul. (2004). *Political Economy of Underdevelopment of North-East India*, p 21. New Delhi, Akansha Publishing House.

was represented by multitudinous micro-political institutions of different tribes of the region. And by the principle of Domination-Subordination', the 'Great Tradition' enjoyed hegemony over the 'Little Traditions'. This was based on the difference in production between the hills and the valleys. The surplus economy of the valley determined the distribution of power in the region. There existed a mechanism of frontier trade between the hills and the valleys. This was using markets or fairs (hats) where commodities were traded between the traders of plains and hill tribesmen. These markets were periodically held every year primarily during winter. In these markets, the volume of trade was more for the people of the plains in comparison to their counterparts from the hills. For example, Ahom Kingdom maintained frontier trade with different hill tribes like Bhutia, Abar, Miri, Mishimi, Dafala, Naga, Khasi, Kachari Garo etc.³⁵

Another trading arrangement named 'Posha' also existed during the frontier trade with tribes from Arunachal Pradesh and Nagaland. Under 'Posha', taxes were levied on the people from the plains by the frontier tribes. In return, the hill tribes would protect the valley from any foreign aggression. This was done to withhold any kind of raids from aggressive hill tribes who would otherwise carry out loot in the valleys.³⁶ Trade was also internalized by different kingdoms of the region. Periodical hats (markets) were organized where people from different villages would gather to exchange their surplus commodities. A wide range of commodities from earthen pots, earthen vessels, lime, betel leaf, betel nuts, black pepper, mustard seeds, ginger, cattle, goat, buffalo and many more accessories needed in traditional society was bought and sold in these marketplaces. Most of the commodities were exchanged using a barter system but there has been historical evidence that cowries (old currency) were also used as a medium of exchange.³⁷

The region of the Northeast enjoyed good trading and cultural relations with neighbouring countries like China, Tibet, Bhutan, and Burma along with the rest of India (mainly Bengal including today's Bangladesh). The majority of the exports included stick lac, Muga silk, black pepper, cotton, Ivory, Bell-metal vessels, slaves etc. while the imports were salt, ghee, stone beads, coral, jewels and pearls, cutlery and glassware, paints, copper, lead, Banaras Silk, gold and silver, etc.³⁸ Some of the important trading routes of the ancient and pre-colonial era

³⁵Sen Sanjay, (2016). *A Socio-Cultural and Economic History of Assam*, p 306. New Delhi, Mahaveer Publication.

³⁶Biswas Prasenjit & Ahmed Rafiul. (2004). *Political Economy of Underdevelopment of North-East India*, p 19. New Delhi, Akansha Publishing House.

³⁷Sen Sanjay, (2016). *A Socio-Cultural and Economic History of Assam*, p 305. New Delhi, Mahaveer Publication.

³⁸Ibid p 301

included the Gobi silk route connecting China to the Northeast. There were four routes connecting the region and Bengal - one by water (from Goalpara down the Brahmaputra via Jennai from Jamalpur and then along the Pabna [branch of Ganga] river) and three by land. Another important route passed through the Patkai range through the valley of Hukung to the town of Mungkung and through the Irrawaddy River to the capital of Burma.³⁹

However, the practice of mercantilism was not very prominent among the ruling dispensation of the region. Trade was not considered as a subject of great importance and traders were more often seen in a suspicious light, as a spy or an agent of the enemy. Secondly, the mountainous terrain hindered trade from becoming a natural trait of the people of the region. The predominance of fierce hill tribes coupled with the territorial ambition of the Muslim rulers of Bengal led to the adoption of a protectionist and isolationist approach in the region. These were mainly based on the twin policies of self-sufficiency and controlled external trade.⁴⁰ In general, the people of the region too preferred a simple and self-sufficient lifestyle to trade-based profit-making – an attitude in tandem with the available resources of the region. Additionally, there was no major demonstrative effect on the resource base of the region owing to low levels of population. The isolationist policy thus perfectly suited to the wants of the people and to the need of the time. Another important factor was the widespread influence and reaches of the Vaishnava teachings on the rulers and ruled alike, during the medieval times.⁴¹ This brought about an out-worldly effect and orientation in the psyche of the masses.⁴²

This lack of incentive on the part of society in general and the political authority in particular gradually started to affect the morale of the armies of the regional kingdoms. The Ahom Kingdom (the largest in the region) for example, owing to the absence of a strong and standing army began to falter in the face of repeated Burmese invasions. This was intensified by several internal threats including the insurrection of the Maomorias, the rebellion of the Darrang Prince, the depredations of the Burkendazes, the rise of an assumption of virtual independence by local

³⁹Sen Sanjay, (2016). *A Socio-Cultural and Economic History of Assam*, p 316. New Delhi, Mahaveer Publication.

⁴⁰Ibid, 301

⁴¹Barua Alokesh. (2005). The Rise and Decline of the Ahom Dynastic Rule. In Alokesh Barua (ed.), *India's north-East Developmental Issues in a Historical Perspective*, p 107. New Delhi, Manohar Publishers and Distributors.

⁴²Ibid, p 108

chieftains and the continuous plundering of the Assamese villages by frontier tribes.⁴³ These cumulative challenges put to question the very survival of the ‘Great tradition’. Finally, the Treaty of Yandaboo in 1826 integrated the largest kingdom of Ahom to the British colony, marking the beginning of colonial rule in the region.

The traditional economy of the Northeast in the pre-colonial era can be termed in short, a feudal economy⁴⁴ where the king remained the sole owner of all land apart from those royally granted to high officials, temples and Vaishnavite Satras (Monasteries). The barter system informed the mode of exchange and coins, which were introduced in as late as the 16th century, had very limited use. External trade was not of much significance owing to the discouragement on the part of the government. Thus, during the pre-colonial period economy of the region was self-sufficient, isolated with feudal characteristics, changing with the arrival of the British following the Treaty of Yandaboo in 1826. It started with Assam and gradually the rest of the region was incorporated into the colonial space. The East India Company initiated the colonization process in the region post-1826 and thereby annihilated many hitherto existing civilizations and bio-spaces of the Northeast. This was mainly brought about by the destruction of the non-state spaces of the ethnic and historic communities of the region via military aggression followed by gradual capital movement. The prime motive of the Company was three-fold – raw material generation, surplus accumulation, and political rule.⁴⁵ This was part of the greater colonial narrative geared towards finding new markets throughout the world capable of sustaining the capitalist mode of production in the European continent. It was in this direction that the foreign and colonial offices were aimed.

While, on the one hand, dependence on a self-sustaining economy steered the Ahoms away from developmental activities largely due to their apathy towards the same, the British too were not eager towards the development of the region by reviving its indigenous and village economy. On the contrary, they were guided by a policy of extracting resources out of the region⁴⁶. The interest of the East India Company (the Company which initiated the British colonization in the

⁴³Barua Alokesh. (2005). The Rise and Decline of the Ahom Dynastic Rule. In Alokesh Barua (ed.), *India's north-East Developmental Issues in a Historical Perspective*, p 109. New Delhi, Manohar Publishers and Distributors.

⁴⁴Ibid, p 110

⁴⁵Chakraborty Gorky and Ray Kumar Asok. (2014). *The Look East Policy and Northeast India*, p 33. New Delhi, Aakar Books.

⁴⁶Barua Alokesh (ed.). (2005). *India's north-East Developmental Issues in a Historical Perspective*, p 22. New Delhi, Manohar Publishers and Distributors.

sub-continent) was commercial in nature. This was underlined by the necessity of knowledge, followed by the policy of mapping. Mapping initiated the process of territorialization over which the mechanism of the state started to operate. Following this, by the use of jurisprudential instruments the state set up the colonial market in the region. One such initial legislation was The Wasteland Grants Rules, 1938⁴⁷. By this legislation, the Company aimed to put into use the vast stretch of empty land available on the banks of the river Brahmaputra. In this process, they destroyed the natural habitat of the Brahmaputra River plain and converted it into areas of human habitation. The Wasteland Grants Rules set two things in operation in the region, first, the flow of foreign capital, as the lands that were taken as wasteland was converted into agrarian land where cultivation (commercial) was carried out. This led to the introduction of plantation industry in the region. Starting with tea, it later went on to be used for the cultivation of jute, timber and other commercial crops and food grains. The lands were also sold by the company to foreign investors who would then set up plantation industries in those regions. The Assam Company (the first Indian Tea Company) was established in 1939 in London and was granted about 33,665 acres of land under the Wasteland Grant Rules for tea cultivation.⁴⁸ Later individual European tea planters were allowed to make their way into Assam which made the total area under tea cultivation by 1901 about 6, 42,418 acres (occupying approx. about 1/6 of the total area of Assam proper). The tea industry was the first to draw large-scale external capital investment in the region. In 1871 the investment in tea plantations stood at Rs. 18.6 million, which by the beginning of the next century had gone up to Rs. 63.8 million⁴⁹. The second process set into motion was the migration of people from other parts of the sub-continent as labourers to the plantation industry. Alongside peasants from populated regions of East Bengal also migrated to cultivate food grains in the remaining areas of the Westland. The whole process of reconstruction of territorial space in Assam during the colonial period was carried out by completely overlooking the rural space of the region. The indolent-natured Assamese, as referred to in the language of the colonial administrators, showed very little interest in any kind of plantation or infrastructural work that was taken by the colonial state leading to reliance on hiring labour from Bihar and Central India. The tea garden labourers can be classified into two

⁴⁷Chakraborty Gorky. (2017). *Assam's Hinterland: Society and Economy in the Char Areas*, p 30. New Delhi, Aakar Books.

⁴⁸Sen Sanjay, (2016). *A Socio-Cultural and Economic History of Assam*, p 301. New Delhi, Mahaveer Publication.

⁴⁹Nath K. Hiranya. (2005). The Rise of an Enclave Economy. In Alokesh Barua (ed.), *India's north-East Developmental Issues in a Historical Perspective*, p131. New Delhi, Manohar Publishers and Distributors.

types, Tribes (including, Mundas, Santhals, Oraons, Gonads, Koyas and Kalanandis) and the non-Tribes (including the Shahus, Panikas, Keots, Koiris and Kurmis).⁵⁰ Besides, losing employment in the tea industry, the village economy of the region was also deprived of the opportunity of providing the required food and other essential services to meet the needs of the plantation sector. These were mostly supplied externally, mainly from Bengal and carried out by a class of Marwari businessmen.⁵¹

The mechanism of colonial exploitation was extended by the process of state-controlled revenue generation, of which two jurisprudences proved instrumental, The Assam Land and Revenue Regulation of 1868 and Hill House Tax imposed through Chin Hill Regulations (1896)⁵². Through this, the colonial state first nullified any kind of natural or community ownership of land and brought every land under the jurisdiction of the state. Beneath this jurisprudence followed the process of individual ownership of land.⁵³ Thus, any ownership of land or territory was subject to being a grant by the state only. Firstly, the regularization that was introduced by the revenue regulation impacted the traditional means of production, like the practice of Jhum and community ownership. Secondly, high rates of revenue collection impoverished the peasantry. Under the burden of exorbitant taxes, the poor peasants increasingly came to be dependent on a class of middlemen and money-lenders. This class, cashing upon the helplessness of the peasants lend money at high interest rates eventually entrapping the latter in a debt trap. This culminated in a process of forceful conversions of peasants, unable to evade the debt trap, to the status of landless labourers during this period.

The money thus accumulated by revenue generation was employed in the task of infrastructural development and carrying out expeditions in the region to locate new sources of profit generation. The process of infrastructural development unleashed another mode of spatial reconstruction in the region, as the building of roads, laying of railway lines, setting of telegraph posts, construction of administrative buildings, military cantonments and army colonies resulted in the absorption of considerable space at the expense of natural community spaces. The Assam

⁵⁰Sen Sanjay, (2016). *A Socio-Cultural and Economic History of Assam*, p 402. New Delhi, Mahaveer Publication.

⁵¹Chakraborty Gorky and Ray Kumar Asok. (2014). *The Look East Policy and Northeast India*, p 40. New Delhi, Aakar Books.

⁵²Chakraborty Gorky. (2017). *Assam's Hinterland: Society and Economy in the Char Areas*, p 32. New Delhi, Aakar Books.

⁵³ Chakraborty Gorky and Ray Kumar Asok. (2014). *The Look East Policy and Northeast India*, p 28. New Delhi, Aakar Books.

Railway and Trading Company (1881) played an important role in carrying out the infrastructural development process in the region. The Company also played an important role in establishing the Oil industry in the region in 1889 at Digboi which subsequently passed into the hands of Assam Oil Company in 1899.⁵⁴

In the overall analysis, it is evident that the region as a whole did not benefit from the colonial economy. The dividend that was brought about by external investment was only to cater to particular industries of colonial interest like Tea, timber, oil etc. and the resultant profit from these industries neither remained in the region nor was utilized for its development. Whatever came back was in the form of profit which was used in the expansion of colonial commercial interest and the remaining money was siphoned off from the region. Secondly, the employment that these industries generated was absorbed by people from outside whose savings also went outside the region as remittances. Although some of the workforce, who post-expiration of their contract with the industries, got incorporated in the rural agrarian economy their numbers were insignificant to make any drastic improvement in the rural sector of the region.

The colonial interest in forest resources had deprived the regional ethnic communities by uprooting their traditional resource base. This was mainly owing to the destruction of forest areas, traditionally utilized by ethnic communities, for creating spaces for plantation industries and later for timber production. All this dealt a severe blow to the traditional industry. Further, the development of industry and infrastructure at the behest of the colonial state bypassed the rural economy completely. The resultant process of urbanization in the Northeast was primate⁵⁵ in nature, the product of foreign-oriented economic development rather than the result of indigenous economic development. The urban centers that came up during the colonial times were mostly centers for trade and administrative headquarters retaining strong village characteristics.

As mentioned previously, in the traditional society, the market in the region was based upon three modes of production – domestic, intermediary and mercantile mode.⁵⁶ Domestic mode of production was mostly prevalent in the hills, terraces of lowland and peripheral rural areas where

⁵⁴Sen Sanjay, (2016). *A Socio-Cultural and Economic History of Assam*, p 420. New Delhi, Mahaveer Publication.

⁵⁵Chakraborty Gorky and Ray Kumar Asok. (2014). *The Look East Policy and Northeast India*, p 44. New Delhi, Aakar Books.

⁵⁶Biswas Prasenjit & Ahmed Rafiul. (2004). *Political Economy of Underdevelopment of North-East India*, p 85. New Delhi, Akansha Publishing House.

shifting cultivation, hunting and gathering with a tinge of communitarian ethos were practiced. The Intermediary stage represented the locally based trading economy which emerged out of the surplus from the agricultural activities in the valley areas. The intermediary acted as a buffer between the domestic and the mercantile mode, the market of which was in the sub-mountainous and foothill areas serving as the entry points between the valley and the hills. And mercantile mode represented the trans-border trade that a section of tribes established with people in China and India, not necessarily always of a classical mercantile nature. Some of the most important features of the traditional market were mutual interdependence, community-based exchange, cultural give-and-take, and social bond. Monetization had an insignificant role to play and profit-making was not essentially the prime motive in the traditional system. This was completely altered during the colonial period. Firstly, the mercantile mode of production gave way to the capitalist mode of production⁵⁷ which centered around the industrial and administrative cities having colonial roots in the region. The foothills, a place of exchange between highlanders and plainsmen, became the meeting spot of the capitalist mode of production and the domestic and intermediary modes of production. It further, tried to pull down barriers separating these different modes of production to expand the reach of the capitalist mode as part of resource transfer from the periphery to the metropolitan centers. In the absence of any local professional class, capable of collaborating or mediating this process of capital invasion, a new intermediary class of traders, the “Marwaris” started operating in the region as agents of British trading houses in Calcutta. Secondly, the communitarian ethos of the traditional economy and barter system of exchange gave way to the monetization of the economy during the British Period.

The systematic exploitation of the rich resources of the Northeast that started in the colonial period continued in the post-independence period. The capitalist mode of production which during the colonial period was owned by the British passed on to the hands of the Indian state, and plantation industries like tea, to pan-India Corporate houses. The main industries like tea, oil, and plywood were extracted and exported outside, depriving the states in the region of their revenue earning. Whatever came back to the region as developmental funds were invested to improve the health of the economy. Even in terms of employment, a negligible number went to the people of the region. The North-East became a hinterland to the economy of the mainland.

⁵⁷Biswas Prasenjit & Ahmed Rafiul. (2004). *Political Economy of Underdevelopment of North-East India*, p 86. New Delhi, Akansha Publishing House.

After independence the invasion of the state-sponsored economy gradually took inroads in the rural and peripheral areas of the region, breaking down old modes of production and encouraging commercial farming through different government-sponsored agricultural programs. Certain tribes' response has been quick in adopting commercial farming and contract jobs in a big way. This produced an intermediary mode of exchange between local buyers and sellers in a marketized and monetized process. While the capitalist mode of production of the region was subsumed within the space of the national economy, the Northeast emerged as a market for finished products and an extension of the national market.⁵⁸

In the post-independence period, energy was directed to the politics of bargain, the space of economic growth, development and modernization became a playing field of power politics of the local elite. The middle and educated class remained numbed about the post-independence finance capital regime in the region. The dominant discourse over which the capital regime revolved was cognitive and allocative politics or a combination of the two.⁵⁹ This led to a dichotomy between the clan market and ethnic modernity which pulled the region to backwards-moving primordialities. Secondly, with no major capital investment in the region and a lack of industrialization, the region lagged in comparison to the rest of India.⁶⁰ The market space assumed a double role of remaining self-content within the domestic and intermediary mode and being subsumed within the capitalist mode.

The Northeast began to change in the late 2000s. With democratization making inroads in the neighbouring countries a re-conceptualization of the region as an economic space started to take shape. This led to the imaginations of the region under various new geographies to take place. The state attempted to re-locate the Northeast as it's 'the heart' to 'augment national wealth'. For this several policy frameworks and advocacies were brought into place like the North-Eastern Industrial and Investment Promotion Policy (2007), North-East Vision 2020 (2005), North-East India: Economically and Socially Inclusive Strategies (2015) and others. The most aggressive advocacy in this direction has been made by the FICCI-KPMG report that calls for a 30 per cent capital investment subsidy, income tax exemption, and excise duty refund and interest subsidies

⁵⁸Biswas Prasenjit & Ahmed Rafiul. (2004). *Political Economy of Underdevelopment of North-East India*, p 88. New Delhi, Akansha Publishing House.

⁵⁹Chakraborty Gorky and Ray Kumar Asok. (2014). *The Look East Policy and Northeast India*, p 46. New Delhi, Aakar Books.

⁶⁰ Chakraborty Gorky and Ray Kumar Asok. (2014). *The Look East Policy and Northeast India*, p 47. New Delhi, Aakar Books

for ease of doing business.⁶¹ Such hegemonic policy transformation marks the intention of the state to insert the region's society into the evolving global market economy.

The Neo-liberal market reforms in the Northeast are all geared to tap into the region's natural resources and subject them to the rule of private property and market forces. The whole idea behind the Neo-liberal reforms is to develop a market society in the region which would in turn subdue the problem of insurgency and violence by rapid economic development. However, this also complicates the matter at the same time. As Polanyi points out that in a market society, instead of the economy remaining embedded in social relations, social relations are embedded in the economic system.⁶² Thus, what is happening in the Northeast under Neo-liberalism is that the societies in the region are being called upon to adjust to the laws of the market and orient them accordingly to derive the benefits from the forces and processes of globalization. According to policy-makers and advocates of market society, if societies in the Northeast are unable to keep pace with the rapid growth of market forces, then development will give a miss. However, looking into the process of market evolution in the region, the role of ethnicity is pivotal in making markets in the Northeast socially and ethnically configured. The contestation over community claims in the region has always been expressed through some form of control over resources. Under such circumstances, a complete abstraction of the market from its ethical pivot is undoubtedly going to create unease and tension in the region.

Under the new narrative of market-friendly societies in the Northeast, the ideas of surplus economy, cash cropping and monetization⁶³ are gradually transforming the aspirations of the people and tending towards mass consumption and a market society. These in turn are creating new partnering and cronyism in the region. The nexus of the state through its apparatuses, companies and social forces are responsible for giving birth to a rentier and nouveau riche class in the North-East, who act as crony capitalists for a larger unregulated accumulation. Destroying the old binaries in this process and threatening the ecology and everyday life of people. In this fashion, the process of insertion of market society into the region through rapid policy experimentation and heavy doses of Neo-liberal reform has kept the region volatile where

⁶¹ FICCI-KPMG. (2015). *Emerging North-East India: Economically and Socially Inclusive Strategies*. New Delhi: FICCI KPMG.

⁶² Polanyi, K. (1957). *The Great Transformation: The Political and Economic Origins of Our Time*, p 57. Boston: Beacon Press

⁶³ Bhattacharya Rakhee (ed.). (2019). *Developmentalism As Strategy: Interrogating Post-colonial Narratives on India's North East*, p 21. New Delhi, Sage Publications India.

development temporarily seems to trump all other issues but prosperity remains a matter of contestation.

Civil Society

The terms ‘Society’ and ‘Civil Society’ although often used interchangeably are distinctive in as much as each has acquired a degree of conceptual differentiation in their existence. Civil Society generally represents a collective existence which calls for collective action based on certain shared ideas, values, interests, and purposes. Theoretically, existing in separation from the state and the market institutions, it is also free from the space of the family. Thus, civil society represents that part of the society which is outside the domain of the state, not clinched to market mechanism nor represents any bonds of kinship in a strict sense. However, the presence of Civil Society commonly exhibits a diversified existence across space, actor and institutional forms exercising varying degrees of formality, autonomy, and power.

Civil Society operates through different sets of formal and informal networks, organizations, and institutions, in organizing people and articulating their voice as a collective one in the space between family, state and market. In this process, civil society in society plays an important role in preserving and maintaining cohesion within the civic space, by articulating. It also acts as a conflict management mechanism and peace-building institution whenever a political institution fails to prevent violence from vitiating the civic space.

Accordingly, civil society is a wide concept. Different sets of institutions like Civil Society Organizations (CSO), Voluntary Organizations (VO), Non-governmental Organizations (NGOs), Academia, Activist Groups, Charity Organizations, Community Foundations, Labour Unions, Student Groups, Interest Groups and Co-operatives, fall under the umbrella of Civil Society. In any democratic society, the role of civil society assumes significance as it acts as a pressure group. David Easton’s System Theory provides for a feedback mechanism within the input and output process. In any democratic institution, this feedback mechanism embraces a position of significance as it occupies a ground of legitimization for the political dispensation, and it is the civil society which articulates through the feedback mechanism acting as a bridge between governance and society. The growing significance of civil society can be attributed to the changing role of the state within a democratic polity and a pluralistic society. The increasing importance of decentralization in governance has opened new arenas for civil society to operate

at the grassroots level. The urge in society for reform, charity and philanthropy accompanied by the active participation of the youth, and increased engagement of the intellectual and interest groups, civil society has occupied a place of prominence in modern society.

In due course of history, contextualization of Civil Society into the non-western theoretical discourse has taken place. In the context of India, academics have tried to explore the connections between the Western tradition of thinking on civil society and its historical entry into the theoretical discourse of Indian Society. The problem with underdeveloped or developing societies like India lies in the fact that modernity here co-exists with pre-modern modalities which leave the space of state, market and civil society to exist in an overlapping manner. This makes the understanding of civic bodies in non-western societies different and context-specific.

Civil Society in the Northeast has gradually emerged over the last few decades. From the Naga Club, Asomiya Deka Dal and a few others during the British period. Since then, the number and presence of civil society organizations have both grown in a quantitative and qualitative sense. From local issues to identity politics, the civil society in the Northeast has traversed over a wide range of space, defining, moulding, and reshaping the society at large. The most significant part of the Civil Societies in the Northeast is their ethnically embedded existence. Most of the civil society groups and bodies in the region claim to represent an ethnic community thereby getting involved in the ethnic contestation that marks the region. According to Baruah, the presence of a multiplicity of communities has made the process of building one uniform civil society a rare thing in Indian society.⁶⁴ So has been the case with the Northeast, perhaps in a more complex and multiplied form. Thus, the presence of an ethnically embedded civil society has made scholars define the civil society organizations of the region as ‘civic representatives⁶⁵’ of ethnic groups and communities.

The question arises, what differentiates ethnic groups and communities from civil society? In the context of the Northeast, this distinction truly becomes blurred and complicated. For instance, youth or students form an essential part of civil society’s existence. In the Northeast student politics cannot be regarded as politics of the students, as ‘students’ do not exist as a homogenous category in the region. They are not only ethnically divided but staunchly wedded to their

⁶⁴ Baruah, Sanjib. (1997). “Politics of Subnationalism: Society versus Government in Assam”. In Chatterjee, Partha (eds.), *Government and Politics in India*. Delhi, OUP.

⁶⁵ Paul, B. (2014). *Civil Society in Transforming Conflicts and Building Peace: with Special Reference to Assam. Research in Humanities and Social Sciences* , 55.

respective ethnic identities; as a result, while attempting to extend their collective demands, they articulate their respective ethnic lines, the pivot of their contestation centering around the question of ethnic identity and not based on the identity of students in general. For example, investigating the preamble of the Naga Student Federation, the ethnically embedded nature of the organization becomes prominent:

*“We, Naga students, having solemnly resolved to constitute ourselves into a Federation to: Cultivate and Preserve our cultures, Customs and Traditional Heritages; Ameliorate Social and Moral Activities: Safeguard common interest, integrity, fraternity and cooperation amongst ourselves all over the Naga inhabited areas”.*⁶⁶

Other civil society organizations, apart from the student bodies too are wedded to their respective ethnic identities. For instance, the Assam Literary Society (formed in 1917) declares its objective:

*“The main objective of this Sabha is the all-round development of the Assamese Language, literature and culture. Added to it, one of its other objectives will be to work for the development of the indigenous languages, literatures and cultures.”*⁶⁷

As the objective reads, apart from the development of Assamese literature and culture the society would also work for the development of other indigenous languages. In reality, however, no President of the Society, since its inception, had ever mentioned the development of these indigenous languages. Besides, the Society had played an instrumental role in the enactment of the Official Language Act 1960, which had sparked riots in large parts of the Brahmaputra Valley. The society in its first resolution in 1950, and the second in 1976, had emphasized the importance of developing Assamese as the lingua franca of the diverse region. This act which has been termed by Baruah as “aggressive cultural nationalism”⁶⁸, has marked the working of the civil society groups in the region driven by an ‘othering syndrome’ based on ethnic lines.

⁶⁶Das, S. K. (2007). Retrieved August 20, 2019, from www.eastwestcenterwashington.org/publications:https://www.eastwestcenter.org/publications/conflict-and-peace-india%E2%80%99s-northeast-role-civil-society

⁶⁷Das, S. K. (2007). Retrieved August 20, 2019, from www.eastwestcenterwashington.org/publications:https://www.eastwestcenter.org/publications/conflict-and-peace-india%E2%80%99s-northeast-role-civil-society

⁶⁸ Baruah, Sanjib. (1997). “Politics of Subnationalism: Society versus Government in Assam”. In Chatterjee, Partha (eds.), *Government and Politics in India*. Delhi, OUP.

The Christian missionaries played an important role in crystallizing a sense of ethnic solidarity within the regional communities. The capture of Bengal, after the defeat of Nawab Siraj ud-daualla in the Battle of Plassey, provided the missionaries with a solid anchorage. It was from here and with support from some zealots among the Company functionaries that gradually the gospel of Christ was taken to the shores of the tribes in the Northeast. The missionaries in their quest to spread Christianity soon realized that the possibility to spread Christianity among the caste Hindus and Muslims was less, so they gradually turned their attention to the preliterate communities in the hills, forests, and mountainous region of India. By the 1830s, the Serampore Baptist missionaries had already translated the Bible into Assamese, Khasi and other languages of the region.⁶⁹ Unlike the aloof white British rulers, these European missionaries tried to reach the people with compassion, humanity and persuasion. They came with their holy book, tried to diagnose their sickness, played with their children, brought the light of modern education to them, drew them out of their barbaric state of existence and showed them the light of civilized life. In this process, the missionaries were successful in spreading their religion. Interestingly, the process of baptism did not completely anglicize the communities in the region by uprooting their base but rather helped these communities to construct their identity and build their nationality with the aid of Western education. In the words of Dr Renthly Keizar, Professor of the Old Testament at the Eastern Theological Collage, Jorahat: ‘I am an Ao, I eat as an Ao; I dress as an Ao; I live in an Ao manner and also I, a baptized Christian’⁷⁰. It can be derived from here that Christianity has not uprooted the communities from their ethnic base but provided them with the intellectual tool to construct a powerful identity around it. Later this intellectual tool played an important role in shaping the civic space in the region which has left an imprint on the evolution of civil societies.

The question of ethnicity in the Northeast is not only a cultural construct as it also gets reflected in the material domain through the communities’ claims to autonomy, expressed in some form of control over life-bearing resources in the region. This has been a driving force for the civil society in the region to express a community’s desire against the view of the state. This has also led to a kind of ethnic monopoly and ethno-ecologism in the region, where community organizations or civil society bodies representing particular communities tried to monopolize

⁶⁹ Sinha, A.C. (2012). Social Change and Extraneous Interventions Among The Hill Communities of North-East India, In D.V. Kumar (eds.), *Social Change and Development*, p 77, New Delhi, Rawat Publications.

⁷⁰ Pruett, G.E. (1984). ‘Christianity, History and Culture in Nagaland’, *Contribution to Indian Sociology*, 64.

resources and prevent others from having access to it. The All-Assam Students' Union (AASU) and Khasi Students' Union (KSU) are vehemently opposed to the extraction of crude oil from the Assam oil fields and the felling of trees in the rainforests of Meghalaya. KSU took a similar stand against uranium mining in the Domiasiat District in Western Khasi Hills. In an interview with the BBC, Paul Lyngdoh the former KSU President observed that: 'our people cannot suffer because India wants our Uranium'⁷¹ The Naga Student Federation (NSF) successfully agitated to stop oil exploitation in Nagaland until the state agreed to pay royalties and provide for local employment. Youth organizations like the Jaintia Unemployed Youth Labourers Union (JUYLE) in the Jaintia Hills of Meghalaya demanded preference for Jaintia youth over others. In this way, civil society groups in the region have engaged in an abiding quest for exercising control over resources by excluding others from outside the region and also from within.

Student and youth groups, as discussed, thus occupy a significant position as civil society groups in the Northeast. The student groups thrived on the margins of the political system, in the buffer space between political parties and insurgents. When political parties were seen to be non-responsive to the concerns of the ethnic communities and insurgent groups were going too far, students and youth groups were seen effectively articulating the concerns with the passion that touched the pulse of the mass and gained their support and confidence. Many of these groups were pragmatic enough to negotiate deals with the state at the right moment and produce future national and regional leaders. The strongest of the students and youth groups was the All-Assam Students Union which led the 'mother of all agitations' in Assam in 1979-85 on the issue of illegal migrations. During the Anti-foreigner movement of the 1980s, the AASU held centre stage with so much authority that all other political parties in Assam were rendered irrelevant. By 1985, coming under the pressure from relentless agitation of the AASU, the Government of India was forced to sign the Assam Accord. Besides the AASU in Assam, the All Bodo Students Union (ABSU) has also played a leading role in anti-foreigner Agitation and later on took up the issue of a separate state for Bodo's. Finally, the Bodo movement came to a settlement when the ABSU and with Bodo Peoples Action Committee agreed to an autonomy arrangement in 1993. Another student group with the name All Assam Minority Students Union (AAMSU) played an instrumental role in protecting the rights of the immigrants and resisting the AASU movement in

⁷¹Bhaumik, S. (2003, may 5). *bbc.co.uk*. Retrieved september 21, 2019, from [www.bbc.co.uk:bbc.co.uk/2/hi/south_asia/3000991.stm](http://www.bbc.co.uk/bbc.co.uk/2/hi/south_asia/3000991.stm)

Assam. However, undermined by factionalism and with the rise of political parties like the United Minorities Front (UMF) AAMSU has lost much of its position and relevance.

Besides Assam, in other states of the Northeast, student and youth participation in civil society has been significant. All Manipur Students Union (AMSU) of Manipur, the Naga Students Federation (NSF) of Nagaland, the Khasi Students Union of Meghalaya, the Mizo Zirlai Pawl (MZP) and Young Mizo Association (YMA) of Mizoram and the Tribal Students Federation (TSF) of Tripura, have all played significant role in demanding autonomy for their respective communities. These groups have been vocal on a wide range of issues affecting their communities, including demands for expelling illegal immigrants, issues of development, environment, language, better economic deals and the right to exercise control over local resources. For instance, the AMSU has led the movement for the recognition of the Manipuri Language and its inclusion in the Eight Schedule of the Constitution. The TSF has consistently opposed the flow of Bengali migrants in the state and demanded their expulsion from 1949 onwards. The All Arunachal Pradesh Students Union (AAPSU) has led an agitation demanding the expulsion of Chakma and Hajongs who were provided settlement in the state from East Pakistan. All these student and youth groups articulating the interest of their communities have enjoyed a degree of popular support from their communities while some are even seen as saviours of their community and defenders of their interests.

Like students and youth groups, literary societies, and some traditional institutions in the region have also marked their presence within the space of civil society. Traditional institutions like the Naga Hoho and Tatar Hoho of the Nagas, Vaishnavite monasteries (satra) and prayer halls (namghar) of Assam, Meira Paibas, Keithels, Lups, and Marups of Manipur, continues to act and exert influence on the society at large. However, their traditional base, lack of internal democratic mechanism, religious background and staunch ethnic wedded nature make these organizations to be perceived as ethnicity-based organizations than civil society bodies.

Ethnic differences growing from the inherent diversity of the North-Eastern society often spreads the venom of violence and conflict in the region. To prevent the violence from vitiating the civic space and usher in peace, many civil society organizations have worked as peace brokers between warring parties. Peace Mission and People's Consultative Group serves as an example of a civil society group trying to facilitate peace in the region by negotiating peace agreements between the Government of India and ULFA in Assam. The Naga People's Convention did the

same between the Government of India and the Naga insurgent groups in Nagaland. Individual efforts beyond the organization can be seen in the region by eminent persons like university professors Indira Goswami and Anuradha Dutta who played significant roles in establishing communication links between the ULFA, the Karbis, the Dimasas and the Government of India. The Church has also played an important role in mediating peace in the region. For instance, the peace-making role of Reverend Longri Ao in Nagaland and Reverend Zairema in Meghalaya have been appreciated for negotiating the peace process between the Government and insurgent groups in the region. However, the peace brokerage role of the civil society groups in the Northeast have always fallen prey to skepticism as the mediating groups have been questioned on their impartiality. Often groups like PCG and NPC have been seen and found to be in close link with fractions of the insurgent outfits which brings their role into question. Even the church in the region has been repeatedly accused of being supportive of insurgencies in the region. However, it must be accepted that the space for peace dialogue between warring parties wouldn't have been possible in the absence of the role played by the Civil Society groups in the region.

Civil Society Groups in the Northeast also work towards an unofficial peace process within the region by negotiating across the ethnic divides to build a bridge of co-existence among warring communities. In doing so, civil society prevents communities from indulging in acts of violence, arson, and bloodshed between them. Organizations like the Mothers Union in Meghalaya, the Naga Mothers Association (NWA) in Nagaland, the Naga Women's Union and Meira Paibis in Manipur work mainly as locally based bodies representing local issues and interests of the respective villages and neighbourhoods. These organizations and many other under-organized or unorganized popular initiatives play an active role in building bridges at the local level, thereby making the coexistence of different communities possible. Their role becomes very crucial in preventing conflict between communities from elevating to full-scale wars and also in preserving a degree of civic autonomy from the rebel groups and the state.

In recent years, Human Rights groups have entered the lexicon of civil society in the Northeast. They have challenged the security establishment of the state questioning their brutality over the common populace in the name of combating militancy in the region. The Naga Peoples Movement for Human Rights (NPMHR) has made a powerful impact on Naga society by exposing the excesses of the security forces. In 1989 the NPMHR undertook the biggest mobilization of witnesses in the history of India's Human Rights movement by gathering more

than 600 witnesses to back up allegations of extra-judicial killings by the Indian Security Forces in Naga areas of Manipur in the aftermath of NSCN arson at Assam Rifle camp at Oinam.⁷² NPMHR has been successful in garnering external support, accessing legal advice from the best Human Rights Lawyers like Nandita Haksar and internationalization of issues through the Asian Indigenous People's movement.

Meira Paibis of Manipur has strongly promoted gender sensitization in the region. They have fought against alcoholism, drugs, and other social evils in Manipur. Their role in the movement against draconian laws like the Armed Forces Special Power Act (AFSPA) is of no less significance. Elderly women belonging to Meira Paibis had made headlines when they protested against the brutality of the security forces by stripping naked in front of Assam Rifle Headquarters in Imphal with placards saying: 'Indian Army, come and rape us'.⁷³ The story of Irom Sharmila's decade-long unending fast for scrapping the AFSPA has made more people come in against the Act.

In the post-colonial period, many of the newly independent nations adopted Gross National Product (GNP) as a way of measuring development. These nations went forward with industrialization and urbanization as a way of modernizing their economies. The modernity that they accepted was based on Western tradition. Sudipta Kaviraj examined this universalizability of modernity and explains it in two parts: first, he explains the sequential process of its arrival in Western societies through the rise of scientific reasoning followed by social changes like industrialization, the emergence of the nation-state and the subsequent growth of capitalism. Second, he traces its spread worldwide in a unilinear path through institutional development. However, in his writing, Kaviraj rejects this homogenous and uniform spread of modernity and claims difference rather than homogeneity as the basis for the spread of modernity.⁷⁴

Looking into the Indian model of development, this differentiation is visible. According to Kothari, Indian exposure to modernity has led to the revival of the traditional identity within the

⁷² Bhaumik, Subir. (2015). *Troubled Periphery: Crisis of India's North East*, p 228. New Delhi, Sage Publications.

⁷³ Choudhury, S. (2019, January 22). *indiatoday.in*. Retrieved May 13, 2020, from [www.indiatoday.in: https://www.indiatoday.in/india/story/if-you-remember-manipuri-women-only-for-nude-protest-against-army-think-again-1436411-2019-01-22](https://www.indiatoday.in/india/story/if-you-remember-manipuri-women-only-for-nude-protest-against-army-think-again-1436411-2019-01-22)

⁷⁴ Kaviraj, Sudipta. (2005). An outline of a revisionist theory of modernity. *Archives Europeenes de Sociologie*, XLVI(3), 497-526.

framework of new institutions, giving it a modern character.⁷⁵ This moulding of ancient identity within modern values produced its relationship and function within Indian society. An understanding of the process reflects a heterogeneous process of diffusion where a large section of the Indian population was left outside the idiom of modernity. Thus, when the nationalist elites referred to modernity as a legitimizing force for statist developmental intervention, it led to the rise of conflicting fissures within Indian society. According to Chandhoke, in the process of resistance, Civil Society has gradually emerged to be a site for problem-solving in India.⁷⁶

The Northeast has always lured the prospect of exploiting its reserves. After independence, the Indian state wanted to transform the Northeast into a “nationalizing Frontier Space”⁷⁷ to assert control over its natural resources. Development in such a situation was seen as a way forward, but in a region like the Northeast where land is a major source of conflict, development only aggravated the matter. As rightly pointed out by Vandergeest, development involves spatial activity and brings about the question of displacement, loss of habitat and other livelihood issues.⁷⁸

The wide presence of rivers in North-East India has provided immense potential for hydro-power in the region which could be harnessed by damming the rivers. However, counter impacts like landslides, drying of rivers, huge piles of excavated debris, crack in houses of local communities, other environmental degradation and displacement of the local populace have put to question the nature of such development. Thus, bringing the state and the people of the region into conflict. Civil society has come to occupy an important role in resisting such a statist agenda of development for the people. Civil societies like Pagladia Bandh Pratirodh Committee and the People’s Movement for Brahmaputra Subansiri Valley have been playing instrumental roles in protesting against Dam projects over the Pagladia River and Lower Subansiri River. Several Civil Society Organizations became the auspices of the Lakhimpur-Dhemaji-Majuli Unnayan Sangram Samity in 2005 protesting against Flood Problems and Big Dams in Assam demanding a public hearing on the Lower Subansiri Hydroelectric Project. Two regional consultations were

⁷⁵ Kothari, Rajni. (1970). *Politics in India*, pp-85-86. Delhi, Orient Longman Ltd.

⁷⁶ Chandhoke, Neera. (2007). Civil Society. *Development in Practice*, 179(4/5), 607-614.

⁷⁷ Baruah, Sanjib. (2003). Nationalizing space: Cosmetic Federalism and the politics of development in Northeast India. *Development and change*, 34(5), 915-939.

⁷⁸ Vandergeest Peter. (2003). ‘Land To Some Tillers: Development Induced Displacement In Laos’, *International Social Science Journal*, IV(1), p 47.

organized by various Civil Society Organizations in the North-East, on the question of Dam and Development: the first one was organized by CCDD, Manipur in 2001 at Mawlein, Meghalaya and the second was organized by NESPON in April 2002 at Siliguri. From both these consultations some important questions on Dams in the North-East were raised.

1. Have the development needs and objectives been formulated through an open and participatory process at the local and regional levels?
2. Has a comprehensive options assessment for water and energy resources development been done?
3. Have the social and environmental factors been given the same significance as techno-economic aspects in assessing options?
4. Do we have a basin-wide understanding of the ecology of rivers and the dependence of local communities on them?⁷⁹

Civil society has started to interrogate the state in aspects of development in the region. They seem to represent the resistance from the grassroots level questioning the entire paradigm of development and contesting to make the process more inclusive for the people of the region.

Different NGOs in the Northeast have also contributed towards the socio-economic progress of the region through participatory approaches. Some NGOs like Bethany Society, Bosco Reach Out and NEICORD have worked towards issues of empowerment, health, education, and disabilities in the region. The Bethany Society works to promote vocational education and bring holistic development to create sustainable livelihood among rural communities. In one of its significant ventures, it worked towards empowering people with disabilities, in all districts of Meghalaya, covering around 400 villages and reaching more than 5000 people. It has also provided support and assistance in establishing more than 400 Self-Help Groups (SHG) in the Khasi and Garo Hill regions of Meghalaya.⁸⁰ The North-East Committee on Relief and Development (NEICORD) has been involved in various developmental works in different states of the Northeast with a focus on enterprise development, health, HIV-AIDS and peace building in partnership with the government, Church, and other like-minded NGOs in the region. Among

⁷⁹ Hussain Monirul. (2008). *Interrogating Development: State, Displacement and Popular Resistance in North East India*, p 145. New Delhi, Sage Studies on India's North East.

⁸⁰ Bethany Society. Annual Report 2007-08

the projects implemented by NEICORD, the Raphael has Project is mentioned as worthy. The project emphasizes information sharing, distribution of information, education, and provision of communication materials to disseminate information and knowledge. Thus, increasing levels of awareness and education among the people. Under the Urban Community Development Project (UCDP), NEICORD has formed 12 SHGs in the Pythorumkrah area of Shillong out of which 10 are women's groups to carry out several capacity-building initiatives like bookkeeping, agriculture, floriculture, and handicraft in the region. Under, the Patharkhamah Community Development Project (PCDC), implemented in the Ri-bhoi district of Meghalaya covering 12 villages, NEICORD has worked towards community leadership programme, literacy, and primary health, of the people belonging to the Garo, Khasi and Rabha community.⁸¹

Bosco Reach Out (BRO) has also been carrying out various capacity-building programmes in the Northeast to empower people. The BRO has categorized its different approaches into four phases. In phase one, which remained functional from 1983-1994, the BRO adopted an Institutionalized Charity Approach to Development through Individuals, through the establishment of vocational schools and relief operations. The Second phase, (1995-98) focused on an integrated programme approach, by creating SHGs to carry forward capacity-building initiatives at the grassroots level. In the third phase (1999-2005) it worked towards strengthening SHGs and improving grassroots-level governance in the region. In phase IV (2006-onwards), the BRO has been creating awareness among people, facilitating people's movement through Right Based Approach towards development.⁸²

The number of NGOs has been increasing in the Northeast, like, the Ray of Hope Society, AAGAN, AAINA, Aisha, Barpeta Samonya Samity, First Hope Foundation in Assam; Action For Social Advancement, Akham Youth Development Club, All Manipur Handicap Training Cum Production Society in Manipur; the Aalo Hiko Self Help Society, Abo Tani Welfare Society in Arunachal Pradesh etc. have been working on a wide range of issues, ranging from education, health to rural development, from community development to preservation of culture, from youth affairs to disability. In this process, the NGOs are evolving as a potential force in the development of the region. However, this has raised questions about its distinctiveness, sustainability, and accountability. The NGOs in the region are often seen with suspicion by the

⁸¹ NEICORD. Annual Report 2007-08

⁸² Focus: Newsletter of Bosco Reach Out. Vol XII. May-September, 2008

people and the state as some of them maintain close links with insurgency groups. Between 2002 and 2003, the Indian Home Ministry had drawn up a blacklist of more than 800 NGOs in the Northeast who were receiving government funds and were perceived to be channelizing those to the insurgents' coffers.⁸³ In a small survey carried out among the people of the region, the opinion of the masses seems to reflect this suspicion.

Table 2.1: Public Perception of the Role of NGOs in the Northeast

Number of interviews	NGOs participation to have a positive impact	NGO's role appears to be dubious	NGO's contribution remains insignificant
28	09	11	08

Source: Interview carried out from June 2018 to August 2020.

While, the NGOs often become subject of suspicion on the ground that funds have often percolated through them to the insurgent coffers, a survey among NGOs in the region reflects that financing remains a major problem for most of the NGOs operating in the region,

Table 2.2: Major hurdle faced by NGOs in the region

No of Interviews	Funding	Logistics	Public Response	Nothing in particular
23	17	12	08	05

Source: Interview conducted among different NGOs in North-East India from January 2018 to September 2019

(Most NGOs have mentioned more than one point as their major hurdle, especially for most NGOs low funding creates logistical problems.)

In this regard, NGOs have expressed a lack of governmental support in their work.

Table 2.3: Financial source of the NGOs in the region.

No of interviews	Govt. Funding	Private funding	Self-finance	Funding other than government source (didn't disclosed)
23	03	01	04	15

Source: Interview conducted among different NGOs in North-East from January 2018 to September 2019.

While problems do persist for NGOs in the region, it can be said that they have started to make their presence felt as a social force in the domain of development and for society at large.

⁸³ Subir Bhaumik's report titled 'India Blacklists 800 NGOs' published in BBC online, 18 June 2003. In Bhaumik, Subir. (2015). *Troubled Diversity: Crisis of India's North East*, p 252. New Delhi, Sage Publications.

Looking into the region, its nature of existence, the problems it encounters and the parties involved in it, a missing link becomes obvious – the link between communities, between people and the state, between developmental initiatives and the grassroots beneficiaries. It is here, that the scope of civil society widens in the region. In a land where contestation and conflict are deeply rooted, nothing remains transparent or sanguine. Thus, while civil society appears to be a remedy, it is not a magic wand that will wipe out all problems.

Politics of Development

Development is a multifaceted concept taking place at different societal levels and affecting different dimensions of life. It is considered to be an important vehicle of progress for every society and generally is seen in a positive light. However, the question remains who benefits from development and at the expense of whom. This has made the term a contested one and brought about a clear division in modern society.⁸⁴

As discussed, traditionally in the pre-colonial period when the Northeast existed as a bio-space, subsistence was the essence in the archaic society where the standard of living was generally poor. Hence, the urge to develop was absent as the fulfillment of need was the end in itself. The process of development started in the Northeast with the onset of British rule, leading to the absorption of the region into the world economy. The British East India Company came to the region in 1792 and established their rule by the Treaty of Yandaboo in 1826. The British interest in the region grew with the discovery of tea, oil, coal, and other forest products. The British urge to incorporate the region into the world economy as a bastion for resource exploitation made infrastructural development necessary. From 1859 onwards the British took up several projects including road construction and facilitation of the tea industry. In the subsequent years, several roads connecting Bengal with the Northeast were constructed.⁸⁵ Rail lines were also laid down in the latter part of the nineteenth century. Assam Railway and Trading Company was formed in 1881⁸⁶ to facilitate the task of infrastructural development in the region. The main motto of the British behind such development was resource exploitation and resource mobilization by integrating the region as much as required into the external market. From 1899 onwards

⁸⁴Chaudhury, Barnalee. (2015). The Nexus Between Development and Diversity. In Goswami Sandhya (ed.), *Troubled Diversity: The Political Process in Northeast India*, p 81. New Delhi, Oxford University Press.

⁸⁵Sen, Sanjay. (2016). *A Socio-Cultural and Economic History Of Assam*, p 451. Dibrugarh, Mahaveer Publication.

⁸⁶Ibid, p 416.

development of the oil industry in the region passed into the hands of the Assam Oil Company and that brought about a new dawn in the process of industrialization. Assam Oil Company is credited for the exploration and setting up of the Digboi Refinery in 1901.⁸⁷

However, this development bypassed the traditional and local economy of the region. The infrastructure that was developed was to suit the colonial interest and the local village economy remained in the periphery. The development of modern industries centering around tea, oil and coal depended on labour supply from outside the region. Thus, no strong linkage between the traditional and the modern sector was established in the labour market. Moreover, the requirements of the modern sector were supported by imports. Though there was an increase in the demand for agricultural products, the region failed to keep pace with it. Thus, while the prices of the products increased substantially, there was only a marginal increase in supply. Besides, the hill region was mostly kept outside the ambit of the capitalist path of development, as the British considered it of little economic value and a burden on their rule. However, monetization of the tribal economy and infusion of manufactured and finished goods were carried out as much as possible. Development that took place was confined to the Assam plains and an extent in the mineral-producing areas of present Meghalaya. The rest of the region remained backward, neglected, and isolated by the colonizers. This produced a multi-structured regional economy which survived on different levels of development.

With the end of colonial rule, the Northeast went through waves of partition. First, was the Burmese partition in 1937 and the second was during the time of independence in 1947. These destroyed the traditional routes of trade and commerce and social interaction in the region. Many parts of Manipur, Naga and Lushai Hills had close links with Burma. The Khasi, Jaintia and Garo Hills maintained close relations with Sylhet, Tripura with Comilla, Noakhali and Sylhet. Present Arunachal Pradesh had close contact with Tibet, Bhutan, and Burma.⁸⁸ All these relations suddenly disappeared with the dawn of independence. The redrawing of the territorial and political boundary on the eve of independence had far-reaching consequences for the economy of the Northeast. It created a physical barrier and virtually isolated the region from mainland India with only a tenuous connection through a 21-kilometre landmass which is described as the chicken's neck or the Siliguri Corridor. Thus, creating havoc for the Northeast,

⁸⁷Baishya, Prabin. (2014). *Economic Development of North-East India*, p 37. New Delhi, Omsons Publications.

⁸⁸Sen, Sanjay. (2016). *A Socio-Cultural and Economic History Of Assam*, p 448. Dibrugarh, Mahaveer Publication.

transforming it into one of the most regulated, sensitive, and exposed regions which according to B.G. Verghese, made the regional economy a quarter century backwards.⁸⁹ The territorial bondage ripped the Northeast from its age-old mobility making it virtually a landlocked periphery.

Migration remains a major problem in the region. The flow of immigrants from East Pakistan (now Bangladesh) remains a major cause of unrest in the region, producing social and communal tensions leading to political disturbances and violence in some parts of the Northeast seriously impeding the process of development. At the same time, the unrestricted flow of people from other parts of India, who have consolidated their position in the region as the intermediary and capitalist class of entrepreneurs has further complicated the matter. Thus, adding to the sense of loss and insecurity for the people of the region. The migrants from mainland India gradually acquired rights over land and resources and entered all lucrative enterprises in the region. For instance, in the tea plantation sector, there are around 620 tea gardens in the Brahmaputra valley of Assam out of which only 158 are owned by Assamese planters. The remaining are all owned by the migrant population or the big Indian capitalists. At present, most of the tea gardens of the region are owned by foreign or Indian companies with their headquarters in Kolkata. Only a paltry number remains in the hands of the locals. Further, only some sick and unprofitable tea gardens are owned by the Assam Tea Corporation (a public sector enterprise).⁹⁰ Since a major portion of the tea is exported through Kolkata, the Northeast (mainly the state of Assam) loses its share from the vital sales tax depriving the region of its much-needed revenue. Additionally, the workforces of most of these enterprises are also controlled by non-residents, reducing the region's employment opportunities.

India's developmental policy towards the North-Eastern region in the initial decades after Independence was not very different from the colonial approach of viewing the region as a land for resource extraction. The major development that took place after independence was the nationalization of the oil and coal industries. The state of Assam holds a reserve of 70.46 million tons of crude oil and 23,000 cubic meters of natural gas. The standard of Assamese oil is also 1.5 times higher than the low grade that is sold by OPEC countries. However, unfortunately, very

⁸⁹Verghese B.G. (2015). Unfinished Business in the Northeast: Priorities towards Restructuring, Reform, Reconciliation and Resurgence. In, Haokip, Thongkhohal, *India's Look east policy And the Northeast*, p 99. New Delhi, Sage Publications.

⁹⁰Misra, T. (1980). Assam: A Colonial Hinterland. *Economic and Political Weekly* , 59.

little profit from it goes to the state of Assam. Most of the revenue from the sale of oil goes to the Government of India directly and only a small share is given to the state. Interestingly till 1980 the state of Assam despite having a substantial reserve of oil and natural gas did not have a refinery, as the oil produced was sent to the Barauni refinery in Bihar.⁹¹ The most important resources that the region provides, namely oil, coal, tea, timber, and jute played an important role in driving the national economy forward in the years following independence. For instance, tea, oil and jute provided the much-needed foreign exchange reserve during the 1960s when India was hit by a foreign exchange crisis but very little dividend from it has been diverted for the development of the region.⁹²

From the threshold of independence, there existed a backlash from the ethnic communities of the region against the nationalist project. The process of construction of an Indian national identity that took place under the colonial discourse remained the same for the ethnic communities of the Northeast, who employed the same rule to invent and declare their political identity in the spiritual and cultural sphere. It first began to seek political recognition from the colonial state and then strived for separation from the post-colonial Indian state. Following independence, the difference between the cultural and spiritual spheres was contested over the material sphere of development by communities in the region. There was a gradual rise in the feeling that the Northeast as a region has been exploited, with profits being transferred out of the region and little or no avenues being made for the same to find its way back into the region. This eventually led politics to find a dividend from ethnic differences leading to movements and the formation of insurgency groups as the cry against “internal colonization” of the Indian state became more louder in the Northeast.

The mechanism of a planned developmental approach, adopted after independence, aimed at improving the living standards of the tribal villages. In this direction, several steps were taken ranging from building infrastructure and improving technology of production in the backward areas across the country. However, soon it was realized that the reality was far short of the expectation and the region was left far behind the rest of India. In the coming decades, this would translate into factors affecting the internal security of the region. From 1970 onwards, the Indian government recognized the problem of economic development in the region. Various

⁹¹Hazarika, Sanjoy (1994). *Strangers of the Mist: Tales of War And Peace from India's Northeast*, p 266. Gurgaon, Penguin Random House India.

⁹²Haokip, Thongkhohal (2015). *India's Look east policy And the Northeast*, p 101. New Delhi, Sage Publications.

schemes of development were undertaken through state-sponsored programs like Hill Area Development Project, Tribal Development Agency Projects, Tribal Area Sub-Plan and Border Area Development Programme.⁹³ Recognizing the geographical and socio-cultural uniqueness of the region and understanding peculiar problems that are factoring into the backwardness of the region several committees were also constituted by the Planning Commission. These included the Tiwari Committee (1980), Sivaraman Committee (1981), Swaminathan Committee (1982), Trivedi Committee (1985), and Bhupender Singh Committee (1985), among others. The main aim of these was to review the development projects and also suggest ways for developing the Northeast.⁹⁴ Following the Gadgil Formula for allocation of funds under Central Assistance, the following factors– a) remoteness and hilly terrain, b) large tribal population, c) inadequate economic and social infrastructure d) inadequate capacity to raise resources on their own – were taken into consideration for the states in the Northeast to be added under special category states. Based on this, states in the Northeast (Except Assam) were provided 90% of assistance as grants and only 10% as loans, while for the state of Assam, it was 70 per cent as loans and 30 per cent as grants.⁹⁵

Two important Acts were passed in 1971. First was the North East Area (Reorganisation) Act, under which Manipur and Tripura were granted statehood along with Meghalaya. Mizoram and Arunachal Pradesh were carved out as Union Territories from the existing state of Assam. The second was the North East Council Act. Under it, the central government set a North-East Council as an over-arching advisory body under the Union Ministry of Home Affairs comprising the states of the region. The Council started working in 1972 and Sikkim was clubbed in as a member of the Council in 2002 after a constitutional amendment.⁹⁶ The purpose of the Area (Reorganization) Act was to accommodate different ethnic voices of the region by making separate political space at the expense of pan-Assamese dominance. Firstly, such recognition of statehood was not carried out mindful of whether the new states were economically a feasible option. This later proved that most of the political institutions of the regions will be dependent on central funds for their existence rather than contributing anything substantial (financially) into

⁹³Haokip, Thongkhohal (2015). *India's Look east policy And the Northeast*, p 103. New Delhi, Sage Publications.

⁹⁴Ibid

⁹⁵Sinha, Harendra. (2017). Countering Regionalism in Northeast India: A Study of Development Initiatives. In Hazra Anupam (ed.). *Human Development and Disparities*, p 138. Jaipur, Rawat Publications.

⁹⁶Chakravarthy. D.N (1986). Sixth Plan of North Eastern Council. In Ahluwalia, Shashi, *Social And economic development in North-East India*, p 62. New Delhi, Gyan Publishing House.

their coffer or that of the centre. Secondly, using granting statehood, the Union government had expected to put an end to the inter-ethnic conflicts. However, the diverse mosaic of the region only aggravated the situation, as the process of inclusion-exclusion syndrome of the communities engineered new demands to the state of India. It also hurt the psyche of the Assamese people who felt that they have been betrayed. That their efforts in integrating the region with India at the time of independence had gone unnoticed by the Union and their dream of building a united Assam within the Union of India had been shattered. It also had an economic impact on the educated Assamese middle class, who were heavily dependent on government jobs in the absence of alternative sources of income. The creation of new states out of Assam reduced the scope for such employment.

The North-East Council since its inception, has been functioning as a regional planning body, formulating specific projects benefitting two or more states and reviewing the implementation process and further recommending measures for better cooperation among states. The Council also investigated probable investment avenues in the region through subsidy, financial assistance, and industrial licensing. During this period and in the following decades the attention of the central planners was also drawn to the region. This was reflected in the steady growth in national plan outlay as the share of the North-East region increased from 2.29 per cent in First Five Year Plan to 5.35 per cent in the Fifth Five Year Plan to 5.58 in the sixth and 6.10 in the seventh Five Year Plan.⁹⁷

However, despite its effort the North-East Council has not succeeded much in bringing about any significant changes in the development scenario. The first complaint against the Council was about its coordinated and integrated development of the region which fell much short of understanding the diverse needs of the region. Secondly, its approach remained highly bureaucratic and technical in nature. Thirdly, it was perceived with suspicion and mistrust by the regional state authorities as they saw it as limiting their power and acting as a repressive organ of the union.⁹⁸ This factor brought the working and success of the Council under deeper scrutiny.

The increase in government spending towards the infrastructural development of the region was expected to bring about regional development. However, the growth indices of the North-East

⁹⁷Haokip, Thongkholal (2015). *India's Look east policy And the Northeast*, p 104. New Delhi, Sage Publications.

⁹⁸Ahmed, Rafiul & Biswas, Prasenjit. (2004). *Political Economy of Underdevelopment of North-East India*, p 55. New Delhi, Akansha Publishing House.

proved to be nowhere near the expected level. According to Haokip, the main reason behind this was the government's sole emphasis on infrastructure, that too in a half-hearted manner. It was expected that with better connectivity economic development would follow.⁹⁹ However, the large sum of money invested as developmental funds was not followed by proper monitoring of the projects. Accountability and non-adherence to the set time frame not only delayed the process but also increased its cost. This process of central assistance, in reality, had on the contrary an opium-like effect on the society at large and became a source of revenue for the insurgent groups. The unholy nexus between the insurgents and the bureaucrats, coupled with the absence of proper streamlining and utilization, led to the central assistance perpetuating insurgency rather than achieving the intended objective of ending it.

In the absence of proper utilization of developmental funds and with the sustained growth in the insurgency, the secure environment investment and business-friendly did not take shape in the Northeast. Investors shied away from new investments and even withdrew funds from existing projects in light of political instability. Financial lending agencies also charged higher premiums in lending funds for economic activity owing to risk factors.¹⁰⁰ As a result, economic confidence remained very low and existing business enterprises looked to maintain a minimum establishment in the region and relocated excess capital earned outside the region to be able to fall back on them in cases of uncertainties. In this ambience of reduced business opportunities, the development of local forces of production and human capacity remained a failure. Despite the abundance of natural resources and human resources, the growth of industrialization did not take root in the region, keeping productivity low. A substantial chunk of money was drained out of the region's economy in purchasing products from other parts of India. The Shukla Commission report submitted to the Government of India in 1997 estimated the flow of capital in the import of consumable commodities to be around 2,500 crores rupees every year.¹⁰¹

Looking into the question of development in the Northeast in the post-independence era we will see that the initial colonial hangover of keeping the Himalayan region as a barrier against any external threat had kept the Northeast isolated, underdeveloped, and inaccessible to maintain it as a buffer against China. In the period after the Indo-China War of 1962, the intense feeling of

⁹⁹Haokip, Thongkhohal (2015). *India's Look east policy And the Northeast*, p 106. New Delhi, Sage Publications.

¹⁰⁰Das, Gurudas. (2012). *Security and Development in India's Northeast*, p 138. New Delhi, Oxford University Press.

¹⁰¹Haokip, Thongkhohal (2015). *India's Look east policy And the Northeast*, p 105. New Delhi, Sage Publications.

territorial insecurity only aggravated, making any kind of investment and development in the region more difficult. India was not sure whether it can hold on to the region under simultaneous thrust from China and Pakistan. This situation only provided a temporary relief after the liberation of East Pakistan in 1971 to discover soon that decades of neglect and ethnic difference have paved the way to the deterioration of the internal security environment with the secessionist forces (Nagas, Mizos and Meities) gaining momentum in the region. By the 1980s, the situation had aggravated further with the states of Assam and Tripura joining the ranks of militancy-affected states. During the decades of 1980, the Government of India adopted the Development paradigm realizing the need for development in the region to address the region's economic backwardness. By the time funds for development started to flow into the region, the insurgency had taken deep roots within the society, making an economic investment in the region a non-viable option due to the high-risk factor. On the other hand, due to the institutional weakness of the regional governments and a close nexus between the bureaucracy and the militants, the states failed to properly utilize the funds for development. Instead, most of it was routed into the coffers of insurgent groups. The states in the Northeast gradually started to develop the syndrome of state fragility and public institutions became dysfunctional. Thus, the market forces first, failed to develop in the region owing to isolation and risk factor and second, the state with its weak mechanism could not do much to correct the failure of the market. As a result, since 1990, when the rest of India went ahead with the process of economic reform and liberalization, the market in the Northeast remained mostly unresponsive to it, as forces of the market could hardly find any links through which they could work and bring back confidence in business and draw investment to the region.

Economic underdevelopment, besides negatively affecting the region in developing its productive base, has also eroded the capacity of the states in the Northeast to provide public goods and welfare services to its people. The state reorganization process has been more based on ethnic compulsion where economic feasibility remained a distant factor in charting out the territorial limits of the states. Secondly, most of the states in the Northeast, except Assam and Arunachal Pradesh, are small and every state is economically backward resulting in reduced revenue for the state. Corruption and politician-insurgency nexus make the system hollowed from within. Thus, when it comes to public works like construction of roads, building of schools, hospitals, electricity, and transport communication the region suffers from paucity of funds. This directly has a regressive effect on the livelihood of the people in the region. Underdevelopment

also reduces the scope for employment or job creation making the condition of human security vulnerable; especially the youth of the region are adversely affected by it. In the absence of proper economic opportunities, coupled with deprivation and accentuation of an identity crisis, the propensity to violence increases and the youth in such situations are more drawn to acts of rebellion against the state. Thus, making the societies of the Northeast a fertile ground for insurgency to thrive upon. It has been decades, starting from the time of independence, and the problem of insurgency continues to survive in the region. Some insurgency groups like the Nagas (going for more than five decades), and Meities (for more than 40 years) have been existing for a long time, while some like the Mizo may have settled after some decades only to make room for other factions. The state in its response to the problem of violence and insurgency, increased its presence more in terms of armed uniform and draconian laws (the likes of AFSPA) making the aspect of development more complicated in the region. The state becomes an oppressor than a saviour of its people. This leads generation after generation to continue to suffer under this deprivation and development remains a distant dream.

Thus, as discussed, the underlined factors made the Northeast a development deficit region of India. The simultaneous efforts by the State to address the deficit do not appear to have succeeded owing to internal constraints and externally confined existence. As a result, people of the region continue to suffer, where everyone acknowledges development to be the remedy but contestation over its trajectory and delivery mechanism continues.



Chapter 3

**The Developmental Thinking
on the North-Eastern States**

Gasper writes “Development is a seductive term”¹⁰². According to him, the terminology of development has been extensively propagated by the state for two major reasons. Firstly, to mirror prosperity; and secondly, to promise better living standards to its people in a manner that would contain public sentiments. Development in the Northeast has been a contested term. In the initial decades post-independence, development had been largely missing from the policy approach of the state. Additionally, Northeast’s landlocked and isolated existence in many ways has contributed to its underdevelopment. Hence insurgency which initially gained ground due to competing ethnic differences eventually began using underdevelopment as a handy tool to contest the authority in the region. This made development occupy centre stage in the discourse of the region. Over time, as a result of various policy shifts, the debate over development made its way into the North-Eastern lexicon with great enthusiasm. The state at present sees development as the remedy for all ills in the region. Development is now not only a watchword for the Government but has also become a legitimizing force to condense all kinds of sentiments and discontentment in the region. The question that lies here is whether the acceptance of the statist notion will bring any benefits to the region or whether would it lead to further contestation in the long run.

This chapter seeks to understand and trace the debates and contestations surrounding the nature of development in the region. It looks into the historical facts to explore the progress of the region through decades in the post-colonial era; how the state has responded to the region’s demands and how has the region adapted to the changes brought about by the state.

Conceptualizing Development

Development, due to its multifaceted nature, has been the subject of ongoing contestation and is inherently highly ambiguous. Hence the idea of development is complex. Any unilinear attempt in defining it makes the process of conceptualization very elusive and incomplete. However, if we decode the terminology for the sake of simpler understanding, one may say that development is a change that allows or enhances the human capacity to utilize their potential. As said, development is more of a process than of an outcome; hence involves a sense of change from one condition to another. This change of state is not simply a byproduct of human interactions but also involves interaction with nature as to how the natural resources are converted into

¹⁰² Gasper, Des. (2005). *The Ethics of Development*, p 24. New Delhi: Vistaar Publications.

cultural resources. The process of human interaction has been ongoing since ancient times, but its pace and nature has evolved, reflecting the trajectory of development.

The significance of development in economics, including the role of the state, is not something that can be traced back to the ideological landscape of medieval times. For instance, “scholasticism”, the dominant school in medieval times, was preoccupied with the question of Christian theology and ethics, defining every aspect of human life in reconciliation with religion.¹⁰³ The aspect of divinity loomed heavily over the intellectual debate of the idealization of human life. A gradual transgression from the catholic conception of man and his relation with God became evident with the rise of humanism by the Protestant Reformers. One such school that questioned traditional theology was the School of Salamanca propagated by Spanish theologians (Francisco de Vitoria).¹⁰⁴ This marked the beginning of a new era, as a fresh perception of human life and society emerged. This subsequently fostered scientific temper to grow in the pursuit of prosperity and progress.

The foundations of developmental ideology were laid in the theoretical frameworks of Classical political economy. In the seventeenth century, with the rise of mercantilism and the concept of a nation-state, there was a growing need to foster an era of progress which would supplement the spread of mercantile trade during the Enlightenment era. In this changed atmosphere the new nation-state was reckoned to come out of the shackles of the traditional feudal state and move towards directing a developmental ideology. This ideology would inculcate a deliberate societal reform based on the principles of scientific temper. The economic ideology of Mercantilism propagated that a nation’s well-being and prosperity depend on its ability to accumulate wealth, particularly in the form of precious metals like bullion. This reckoned the state to maintain a positive trade balance (minimum import and maximum export) and thereby propagated protectionism.

With the arrival of mercantilism, two other theories also came to the forefront, one was economic nationalism and the other was colonialism. Economic nationalism was closely related to mercantilism. During the 18th and 19th centuries, this policy was in practice among all major

¹⁰³Holmes, A. (2018). An Essay in Praise of Scholastic Theology. *Lumen et Vita* , 27.

¹⁰⁴Domingo, R. (2022). Rethinking the School of Salamanca. *Journal of Law and Religion* , 3.

European nations including the United States.¹⁰⁵ The fundamental belief of economic nationalism was that the economy of a nation must always be under state control. Occasional interventions would be feasible only to promote national prosperity.¹⁰⁶ The ideology stood in favour of the state playing a proactive role in deliberating the market mechanisms to facilitate trade.

Wolfgang Sachs in his book *Development Dictionary* writes that the modern era of development began with the inaugural speech of US President Truman on 20th January 1949. In this seminal speech, Truman categorically mentioned that former colonies did not practice liberal democracy nor did they follow a capitalist mode of production and hence underdeveloped states. In this way, as per Truman's consideration, the United States and other Western countries or erstwhile colonizers, unlike the colonized world had become developed.¹⁰⁷ In the 1960s W.W. Rostow's in his *schema* of development, established a continuum between underdevelopment and development. Rostow's five-stage progress of society from traditional to modernity forms the core of his argument. Rostow's idealization of a societal journey from a traditional one to a society of high mass consumption aimed to reflect a formula for the former colonies to achieve a sense of prosperity. It is essential to note here that Rostow imagined prosperity as a Western conception of the capitalist mode of production. Thus development became coterminous with the aspect of production related to industrialization, modernization and trade liberalization.

The *dependents* school that challenged Rostow's universalized notion of time and space envisioned the relationship between the developed and the underdeveloped as a core-periphery binary structure. This had an important influence on the developmental discourse of the former colonies as the latter wanted to preserve its newly found political and economic autonomy from any attempt at neo-colonialism. Thus the policy of indigenous industrialization and import substitution became appealing. However, one principle that remained accepted and universalized by both theories was the need for industrialization (precisely the act of production). This notion emerged as a common thread across the world. The prosperity of a nation and the size of an economy became universally articulated in terms of GDP and GNP. Hence it was assumed that

¹⁰⁵Gladding, D. I. (2018, April 25). *Lewis Experts Blog*. Retrieved February 22, 2020, from [www.lewisu.edu: https://www.lewisu.edu/experts/wordpress/index.php/rise-of-economic-nationalism-and-its-implications/](https://www.lewisu.edu/experts/wordpress/index.php/rise-of-economic-nationalism-and-its-implications/)

¹⁰⁶Ibid

¹⁰⁷Sachs, Wolfgang (ed.). (1992). *The Development Dictionary: A Guide to Knowledge as Power*. London and New Jersey, Zed Books.

development was essentially linked to the question of production and that any positive production growth would bring about economic well-being to the state and its people.

Growth economics based on the assessment of industrial production was found to be ascribing more to a physical and material outcome rather than a human-oriented one. Eminent economists Arthur Lewis and Amartya Sen questioned this growth fetishism and attempted to relocate development to the idea of ‘capacity building’ and the enlargement of people’s choices. In the 1990’s Pakistani Economist Mahbub ul Haq developed the Human Development Index (HDI) anchoring his work on Sen’s idea of human capabilities. HDI focused on a holistic idea of development that moved ahead of the ‘*growth fetish*’, to incorporate larger aspects of health, education and decent living standards.

Post-development thinking introduced a more radical approach towards development. This school of thought accused the state of authoritarian engineering. The theory claimed that economic growth engineered by the state was more than often a failed outcome and was the major cause of distress for the majority of the population. It is anti-development in the sense that it does not search for alternative ways of development, but rather attempts to locate a theoretical framework as an alternative to the idea of development. It stigmatizes Euro-centric developmental discourses and related ideas of industrialization, modernization and trade liberalization. Instead, the theory focuses on local cultures, organic knowledge and grassroots-level plurality. In this way, development theory has evolved with time. Today it encompasses different aspects of human life manufactured by intellectuals under the influence of different ideologies like liberalism, Marxism, post-structuralism etc. The journey of development discourse has served as a mirror of economic and social choices for people across time and space, shaping policies to guide its path towards development and find solutions to the problems it engenders.

Development in Northeast

North-East India was a ‘resource frontier’ for the colonial state. To exploit its rich resources the colonial state made large-scale penetration through ‘primitive accumulation’ and ‘siphoning capitalism’.¹⁰⁸ In the process, the power of colonial capital increased in the region which revealed signs of ‘peripheral formation’. Such formation, as argued by Samir Amin lead to the rise of

¹⁰⁸Bagchi, A.K. (2010). *Colonialism and Indian Economy*. New Delhi, Oxford University Press.

peripheral capitalism in the region¹⁰⁹. Unlike ‘central capitalism’ where gradually all pre-capitalist modes get dissolved, in ‘peripheral capitalism’ transformation only takes place in some sectors where capital has been infused. This led to the creation of a binary structure- where certain sectors represented the capital mode of production while the others performed as per the pre-capitalist mode. In the Northeast ‘peripheral formation’ began with the creation of the plantation sector, which was developed and carefully protected through legislation by the colonial state. In this way of sectoral differentials, a binary between the traditional and modern systems was created in the region.

The prime motive of the Colonial state was primitive accumulation, resource extraction and trade surplus. This led to the development of only specific industries, while the traditional aspects of the region’s economy remained untouched or deprived. The logic of trade surplus and resource accumulation was not lost with the change of domination in the region from the colonial state to the national state. Instead, the logic of surplus and accumulation was reasserted with such historical continuity that after independence the peripheral existence of the Northeast continued under the new regime. This form of the structural metaphor of core-periphery produced by the nationalist-developmental state continued to remain in practice. The Northeast became a national periphery to mainland industrialization as a major supplier of raw materials such as oil, gas, tea and coal. In the process of reiteration, the Northeast was re-imagined as underdeveloped and demoted with the status of a hinterland and a margin.

On the other hand, the presence of a long political boundary around the Northeast forced the post-colonial state to re-map it as a borderland. The presence of hostile states like China and East Pakistan (later became Bangladesh) made the Northeast region sensitive to national security. Additionally, after the Sino-India War of 1962, subsequent militarization of the region was unavoidable. Imagining the North-East within the security matrix had its implications. Development in the region experienced a complete halt. The traditional trade routes further compounded the region's isolation, turning it into a landlocked and isolated place. According to Rakhee Bhattacharya, this new border made the Northeast a “prisoner of geography”.¹¹⁰ It was

¹⁰⁹Amin, Samir. (1976). *Unequal Development: An Essay on the Social Formation of Peripheral capitalism*, p 332. New Delhi, Oxford University Press.

¹¹⁰ Bhattacharya, R. (ed.) (2019). *Developmentalism As Strategy: Interrogating Post-colonial Narratives on India’s North East*, p 8. New Delhi, Sage Publications India.

imagined as a frontier, a borderland and a periphery and therefore largely left out of the economic affairs of the post-colonial state.

In the post-1947 period, the Indian state produced a new set of administrative apparatus in the Northeast to govern and produce new arrangements of knowledge, power and practices within the region. One such knowledge was that of protectionism. This was however different from the generic approach of protectionism that India had adopted then. The Indian mainstream idea of the same was to shield the country's economy from foreign capital and boost its import substitution policy. The knowledge of protectionism produced around the Northeast was not economy centric but was propelled by the idea of the 'preservation' of the hill and tribal areas. This was done with the intention that it would protect the indigenous system operative in the region and preserve the regional practices of the communities. This idea of preservation led to merely cosmetic and minimal forms of developmental planning intervention in the Northeast. Thus, while the rest of the country experienced development and industrialization through a planned economic approach, the Northeast suffered the consequences of an ad hoc minimalist plan. This led to the creation of a fresh binary of backward and advanced areas within the country's emerging development landscape.

The Indian State in many ways had contributed to the widening gap between the advanced and the backward areas. This eventually created additional challenges for the government to deal with issues of inequality and disparity. To address this challenge, the state at the beginning of the Fourth Five-Year Plan adopted a redistribution mechanism coupled with a liberal plan for assisting the backward region. This was commonly known as the Gadgil Formula. The backward regions were attributed with the status of a Special category state. The Northeast was recognized to be part of this 'special status principle' due to its economic backwardness and geographical specificities. It is interesting to note here that the Northeast initially experienced exclusion from the process of economic development, only to be later recognized and accorded a special status due to its economic backwardness. It went from being excluded to being included as a unique case.

Over the years under the status of Special Category state the Northeast has received liberal doses of funding and patronage but has failed to achieve its desired goal and objective. According to Govind Bhattacharjee, the non-transparent and crony state apparatus opened the channel for corruption and 'politics of care' in the region. This nullified development objectives on one hand

and created a dependency syndrome for the region on the other.¹¹¹In the absence of credible governance and accountability structure in the state, the issue of rising corruption in the region made the Northeast a basket case for development. The general perception held regarding the region was that of a neglected political arena which faced the consequences of an apathetic state. Fresh rise-ups, contestations and movement around the question of identity coupled with the lack of development are often associated with the North Eastern region.

The establishment of the North Eastern Council (NEC) by the Act of Parliament in 1971 was marked as an essential milestone in the developmental process of the region. With the institutionalization of the council, an attempt to redefine the region in the official documentation of the Indian state was made, both as a fact of geography and as an act of administration.¹¹²For the very first time in the history of the post-colonial era, the role of the state in fostering development in the region received major focus. The shift in the approach of the government from non-interference to a proactive one was unique. The North Eastern Council hence introduced a unified and coordinated detailed plan for the region. Subsequently, in the coming decades, many development projects were funded and monitored by NEC, making the Council a dominant symbol in the region's planning model. According to the Basic Statistics of the North Eastern Region, NEC created 9,800 km of roadways, constructed 77 bridges and promoted the installation of hydroelectric power projects in the region, which accounted for approximately 60% of the installed capacity in the region.¹¹³Thus, NEC on the one hand prioritized the need for development in the region and on the other hand, worked towards its implementation. It also played an instrumental role in bridging the gap between the region and the rest of India. However, with the presence of a lethargic bureaucracy and the rise of corrupt practices, the NEC was perceived to be a merely superficial and non-performing institution. The vicious cycle of backwardness and inaccessibility continued to define the region. With the declining role of the NEC, the institution was perceived as an instrument of intervention at the hands of the Indian state.

¹¹¹ Bhattacharjee, G. (2016). *Special Category States*, p 30. New Delhi, Oxford University Press.

¹¹² Bhattacharya, R. (ed.) (2019). *Developmentalism As Strategy: Interrogating Post-colonial Narratives on India's North East*, p 10. New Delhi, Sage Publications India.

¹¹³ Report. (2015). *Basic Statistics of North Eastern Region, 2015*. Shillong, Government of India, Northeastern Council Secretariat.

Due to the substantive failure of the earlier development planning and the devastating performance of the so-called Hindu growth rate, the trajectory of India's development changed in the 1990s towards neo-liberalism. Northeast was re-imagined as a potential space and became a fresh subject for the developmental state. Under this new trajectory, the Northeast was perceived as a 'connecting corridor' for transnational trade. The modus operandi behind the structural shift in the state policy towards the Northeast was to expand India's engagement with the Eastern and South Eastern neighbours. The only way of doing this was to take full use of the geographical proximity of the North-East to the neighbouring states. In this context, the region's underdevelopment and inaccessibility was seen as a hindrance. The state in response became messianic about the infrastructural development in the region and made attempts to improve the infrastructural gap in the region.

In 2001 a pragmatic shift in the role of the state came with the establishment of the Department for the Development of the North-East Region. This was a significant step taken by the state to come out of the security dogma and strengthen the developmental approach in the region. The progress was further cemented when the department was transformed into a full-fledged ministry in 2004. Within 4 years of its creation, the ministry produced the North-East Vision document, which produced a new arrangement of knowledge of and for the region. Hence the policy framework of the state was laid down in a manner that would help the region recover from its backwardness and also abide by the grammar of commerce and market forces at play.

The Indian state in its attempt to relocate the Northeast within the mainland attempted towards creating a large network for the circulation and mobility of capital, goods and people in the region. In this new form of capitalist economy, the state intervened to reform the market economy in a manner that would foster a new form of developmentalism, led by neo-liberalism in the North-East. Ayse Bugra sees this form of development as the state's objective of 'creative destruction'.¹¹⁴ Sushanta Talukdar has also pointed out that this kind of state agenda has threatened the traditional livelihood and economic security of the people in the region.¹¹⁵ As such a structural shift reflects the interplay of forces of geography, resources and other ethnic factors between the state and society; this has led to the rise of serious land-resource conflict between the people and the state. However, this trajectory of development has become the new normal for

¹¹⁴Bugra, A. (2017). Two lives of Developmentalism: A Polanyian View from Turkey. In Bono. I. and Hibou. B. (eds.). *Development as a Battlefield*. Boston, Graduate Institute Publications.

¹¹⁵Interview: Sushanta Talukdar, Editor Nezine.com, 5th December, 2021

the Northeast as the market continues to eye for more resources in the region. While the state continues to make attempts to effectively provide supporting aid to the region to increase exportable surplus from the region.

Policy Paradigm and Development Thinking on Northeast

The Government of India in the initial one and half decades worked within the framework of the Nehru Elwin policy. This policy proposed a protectionist approach to be taken in the context of tribal development in the Northeast. In Nehru's Panchsheel, the means of governance that must be taken note of in the North East has been described below:

- Any Kind of influence imposed from outside the tribes of the region should be avoided and they must be allowed to freely develop based on their lines of genius by their culture and tradition.
- Tribal rights over their land and forest must be protected.
- Efforts must be directed towards providing adequate training to the tribes so that they can take upon the responsibility of their development without much outside influence.
- The approach of governance to this region should not be in contradiction with the social and cultural institutions of the region.
- Outcome of governance must not be judged based on statistics but on the quality of human endeavour involved in it.¹¹⁶

From Nehru's Panchsheel an idealization of the protectionist regime can be made. The approach of the new Indian state towards the region was not much in contradiction to the British legislation of Exclusion; in the sense that both the policies provided autonomy in the sphere of culture and social existence and were against any forceful assimilation. The premise of Nehru-Elwin's policy was based on the understanding of gradual administrative integration within the framework of cultural plurality. The emphasis on culture as a prerequisite in policy framing towards the region during the initial one-and-a-half decades after independence has led to the characterization of this approach as the "Cultural Paradigm."

¹¹⁶ Haokip, Thongkholal. (2015). *India's Look East Policy And The NorthEast*, pp114-115. New Delhi, Sage Publications India.

To cater to the protectionist drive, the Indian state adopted several Constitutional arrangements under the Sixth Schedule and Article 371A. This was done as a means of protecting the traditional systems of the region and gearing development via a bottom-up approach. This had two goals to fulfill, first, giving as much autonomy as possible to the tribes within the political structure of the Indian state; and second to gradually introduce the tribes to modern systems of administration.

However, a major change was experienced during this period over the question of ownership rights. Like many other aspects of the existing customary laws of the tribes, their conceptualization of ownership was in contradiction with the legal positivism that the new state of India adhered to. Essentially this brought about a swiping change in the land-holding pattern in the region as a transition from collective to individual ownership began to take place. According to Walter Fernandes, this was the inception of the future conflicts in the region that would entail issues of land, resource and identity.¹¹⁷ Under the new administrative arrangement, the traditional village Council lost its significance and in its place emerged a new elite class. They became the new cronies of the region who benefitted from the change in the land-holding patterns through several manipulative mechanisms and strove to demand more shares and resources from the state. On the other hand, the idea of preservation had propelled India towards a superficial intervention in the region. Though several projects like community development programmes and other tribal development projects were introduced, the budgetary allocation to these projects was not substantial and was merely one per cent of the total budget. Most of the benefits received from these projects failed to percolate to the grass root level. Thus, the nature of development during this period was minimal and non-existent.

The Northeast during the colonial period witnessed the rise of tea plantations, oil and other resource base industries. Since these industries had links with the outside market, the indigenous economy of the region was largely ignored. This development during the colonial period was centered on only certain industries. Infrastructure in the region was developed to connect those industries with the external market that had no forward or backward linkages with the local economy. In the post-independence era, the new nationalist state picked up from where the colonizers had left and began to re-imagine the region. The industries which evolved in the hands

¹¹⁷ Fernandes, W. (2005). *Tribal Customary Laws and Formal Law Interface in North East India: Implications for Land Relations*. Paper presented at the Seminar on Ethnicity, Identity, Social Formation and National Building with Special Reference to North Eastern India, Dibrugarh University, 26-27 March.

of colonial rule coupled with those that had generated the surplus in the region were passed into the hands of the government through nationalization. The others were monopolized by corporate houses and Marwari business houses from mainland India with insignificant participation from the region. Capitalists from mainland India acquired mineral rights and timber lands and set up sawmills, coal businesses and other extractive enterprises in the region. In this way, North-East India from being a colonial hinterland continued to remain in the margins of the nationalist-developmental state and served only as a hinterland to the industries of mainland India. According to T. Misra, this has been termed as the process of internal colonialism¹¹⁸ where the position of the Northeast has been reiterated to that of a periphery. Thangkholal Haokip observed that members of internal colonies are distinguished by a cultural variable, such as ethnicity, language or religion and in the process the members of internal colonies are gradually excluded from prestigious economic, social and political positions. These positions are largely dominated by members of the metropolis.¹¹⁹This in turn had sowed the seed of deprivation and neglect in the region.

What is essentially visible from this paradigm is that development in this region is often hinted at the preservation of cultural plurality. However, important changes in the economic sphere can also be located in this domain. First, the change in a land holding pattern completely ruptured the traditional mechanism. This was accompanied by the degradation of the once-time-tested structures of local governance and community ethos. Secondly, the process of monopolizing the colonial industrial base by the Indian state and the corporate business houses from mainland India deprived the locals of the much-needed revenue it generated. This in the long run intensified the sense of deprivation in the North-East region. Furthermore, instead of preserving cultural plurality through internal colonization, what transpired was cultural differentiation and consequent deprivation based on cultural identity. This only reinforced the demand for embedded autonomy within the region. Additionally, the preservation policy pursued by the Indian state further isolated the region and its people. This provided the much-needed space required by the proto-nationalist elite of the region; allowing them to bargain more from the welfare state or break away from it. The Naga and Mizo movement for separation is among such examples. In 1962, the Chinese aggression through North East Frontier Province and the

¹¹⁸ Misra, T. (1980). Assam: A Colonial Hinterland, *Economic and Political Weekly*, 9th August, pp. 1357-1364

¹¹⁹ Haokip, Thangkholal. (2015). *India's Look East Policy and the Northeast*, p 100. New Delhi, Sage Publications India.

subsequent defeat of the Indian Army at the hands of the Chinese brought about a complete halt to the cultural paradigm.

Nehru's goodwill gesture and faith in a friendly relationship with China received a severe jolt in 1962. Way back in 1948 Sardar Patel, the first home Minister of India had warned policymakers about the ill intention of China. He emphasized the need of developing border infrastructure with China in case of any aggression; however, his suggestions were overlooked.¹²⁰ Nehru's idealistic assumption and predominance of traditional views that rough terrain would automatically act as a deterrent to external aggression faltered in the face of the Chinese attack of 1962. How the Indian army retreated during the time of crisis in 1962 leaving the lives and property of the locals in the region at the mercy of the Chinese army, created tremendous shock in the minds of the people. They felt that they had been deliberately dumped by the government of India in times of crisis, reducing their faith in the legitimacy of the Indian state. In the eyes of the people, this incident only further strengthened the existing anti-Indian forces in the region.

To come out of the crisis, the Indian state had to prioritize the question of security in the region. The state also had to devote its resources towards securing its territorial integrity. This reflected the state's second paradigm to the region which premised on security. During this time India's effort was directed towards creating administrative mechanisms in the region. An integrated approach was taken in this regard by incorporating the Indian Frontier Administrative Services (IFAS, formed in 1953) into the Indian Administrative Service.¹²¹ The erstwhile protectionist regime was severely criticized and was held responsible for continuing the divide between the plains and the hills and between tribes and non-tribes. Under the new paradigm, development based on linguistic and cultural lines was replaced with territorial considerations. This led to massive investments being made to foster the penetration of administrative mechanisms in the region. Two efforts in this direction had important ramifications in the long run. First, the massive resettlement program carried out along the borders with China in the North East Frontier Province (Arunachal Pradesh) led to the rehabilitation of a sizable section of the Chakma refugees from Bangladesh. This was the major cause of ethnic conflicts between the Chakma and Arunachalee, which continue to persist to date, Secondly, providing statehood to Nagaland opened the Pandora box for further secessionist movements in the region.

¹²⁰ Das, Gurudas. (2012). *Security and Development in India's Northeast*, p 76. New Delhi, Oxford University Press.

¹²¹ Bose, Manilal. (1997). *History of Arunachal Pradesh*, p 238. Delhi, Concept Publishing.

The struggle for embedded autonomy against the occupation of India is not new in the Northeast. With the dawn of independence, secessionist demands among tribal communities started to spring up. The Naga uprising was among the first and most relentless forces in the region that had unilaterally declared its independence as early as 1947. Thus, the cry and effort to break free from India were deeply rooted in the region, with some voices being more vocal than others.

The Naga's in their uncompromising struggle for separation resorted to the insurgency in the year 1956. This was seen with the formation of the Federal Government of Nagaland under the leadership of Angami Zapu Phizo.¹²²To resolve this problem, the Indian government had to first deal with the situation militarily. However, the need to seek a political solution became imperative for the central government. A common ground for dialogue couldn't be negotiated due to the adamant aggressive attitude of Phizo. The latter, until 1955 did not allow any moderate force within the Naga-dominated region to open dialogue with the Indian state. Nevertheless, with Phizo's departure and the gradual retaliation from the Indian Army, the situation became slowly conducive to dialogue. This paved the way for the resolution of the ambiguous nature of the Hyderi Agreement. A partial agreement was reached, wherein the demand for political recognition was accepted, and a state of Nagaland was to be constituted under the Indian federal structure, consisting of the areas of Naga Hills and Tuensang. This process was initiated in 1957 but due to Chinese aggression, the process was a bit delayed. With the end of the war period, Nagaland was eventually bestowed with political recognition. Under these circumstances, the recognition of Nagaland was unavoidable as this was the only way to address the threat arising from the Naga insurgency. However, it did open a Pandora box where the sublime separatist forces within Mizo, Meitei and other communities in the Northeast started to surface in the region creating a scenario of deteriorating internal security in the region.

Immediately after Independence, Nehru's approach to the political restructuring of the region followed the lines of Integration. This was done via the Assam model (ITA). The role played by the Assamese leadership in safeguarding the North-East region during partition and their subsequent aspiration to establish Assam as a nation-province was effectively supported by the ITA model. However, a problem emerged. Unlike the Ahom Assam, the modern Assam of 1947 didn't represent homogeneity in its population like it did in the past. Continued migration from

¹²²Kotwal, D. (2018, july). *The Naga Insurgency: The Past and the Future*. Retrieved december 10, 2021, from www.idsa-india.org: <http://www.idsa-india.org/an-jul-700.html>

the over-populated regions of Bengal and the presence of other tribal populations resulted in the gradual marginalization of the Assamese in their regional economic and political spaces.

After independence, an opportunity arose for the Assamese elite to regain their lost prominence. Consequently, there was significant monopolization in various aspects during the following decades. An inherent characteristic of the state mechanism was the preference given to Assamese people over other tribes, leading to a favouring of Assamese interests. In a multi-ethnic state like Assam when the state adopts a policy of preferential treatment in matters of political and economic benefits, the process of unequal development reflects the ethnic cleavages in the region. And when the concentration of the ethnic population is territorially segregated into different pockets, it begins to reflect various secessionist tendencies among the deprived groups. This is where the problem lay in the multi-ethnic nation province of Assam in post-independent India. With the enactment of the Assam Official Language Act in 1960, stiff resistance from different small ethnic groups in the region began to showcase. Compounded by the Naga experience the call against Assamese hegemony became rampant in the decade of the 1960s. For the Indian state, this was the source of an emerging internal crisis; with East Pakistan on one side and China on the other, any deterioration of internal security would aggravate situations in the region, thereby making it increasingly difficult for India to hold the region together. Before the crisis could escalate and challenge the authority of the state, policymakers in Delhi were compelled to grant wider political recognition to the region. This essentially had to be done within the federal framework of the country and by breaking away from Assam.¹²³

On 13 January 1967, the Government of India announced its intention to reorganize the Northeast on a federal basis, departing from Nehru's ITA model. The first step taken towards this reorganization was on 11th September 1968 when a scheme of an autonomous state within the state of Assam was proposed. This region would comprise the Khasi, Jaintia and Garo Hills. The scheme came into effect with the implementation of the Assam Reorganization Bill (Meghalaya), passed in the year 1969. However, it was soon realized that this political move had proven to be inadequate and ad hoc. The scheme rather required a wider scale of political recognition in the region. In 1970 in both the monsoon and winter sessions of Parliament, the Government of India in principle accepted the statehood demand of Manipur, Tripura and

¹²³ Hazarika, Sanjoy. (2018). *Strangers No More: New Narratives From India's Northeast*, p 135. New Delhi, Aleph.

Meghalaya, through the bill of North Eastern Areas (Reorganization) which was enacted in the winter session of 1971. The scheme for political recognition was given a concrete shape in reality, giving birth to three full-fledged states of Meghalaya, Manipur and Tripura and two Union Territories of Arunachal Pradesh and Mizoram. Via a separate act, the statutory body of the North-Eastern Council was established on November 7th, 1972 at Shillong to coordinate development in the North-East. This marked the beginning of the third paradigm of Political Representation in the Northeast.

The enactment of these two legislations brought about a major change in the political structure of the region. Firstly, North Eastern Areas (reorganization) Act duly acknowledged the long-standing demand for political autonomy of Meiteis in Manipur, Tripuris in Tripura and others in Meghalaya and Mizoram. Perhaps, then this was the best solution to the region's unrest as ethnic cleavages started to become even more prominent. This would create an internal security challenge for the state. Secondly, carving out states along ethnic lines, especially in a region where intra-ethnic space is small and inter-ethnic diversity is high, often results in the establishment of smaller fragile states. Thirdly, the dynamic nature of the ethnic composition in the Northeast makes ethnic engineering and re-engineering a lucrative prospect for the tribal elites in the region. Consequently, the process of breaking and regrouping continued in the post-enactment era, as ethnic cleavages did not vanish with the granting of political representation. Instead, these cleavages resurfaced in various forms from time to time.¹²⁴ Fourthly, in the process of giving more political space to different ethnicities in the region, the political space of Assam was reduced in due course. This had both psychological and economic effects on the Assamese population. They felt left out in the whole process and their contribution at the time of partition in saving the Northeast for India was largely ignored by the leadership in Delhi. The dream of Assam as a nation province was completely shattered. With the hinterland gone, the stretch of Assamese administration was limited to the Brahmaputra and Barak valley. This reduced the scope for the Assamese in government services and other related economic avenues. With no other major source of earnings, this was a big blow to Assam and Assamese in particular. The feeling of being left out and mistreated played an important role in the making of the most powerful terrorist organization in the region, ULFA¹²⁵. Fifthly, the formation of NEC

¹²⁴ Datta Ray, B. (1990). *Identity and Tension in North East India*, p 97. New Delhi, Omsons.

¹²⁵ Hazarika, Sanjoy. (2018). *Strangers No More: New Narratives From India's Northeast*, p 137. New Delhi, Aleph.

reflected a new developmental approach that the Indian state was willing to adopt towards the region.

During the beginning of the Fourth Five Year plan, to address the challenges of redistribution, the Gadgil Formula was formulated. This formula indicated a liberal plan of assistance to backward areas in the region. The records of the 24th meeting of the National Development Council in 1967 pointed out the necessity for backward states like Assam and Nagaland to receive special treatment from the Indian State. This would gradually reduce the growing inequalities among the states in the region. On this basis, the Finance Commission recommended the devolution of funds to the backward states.¹²⁶ And finally, in 1969 a special category within development planning was created to accommodate preferential treatment to the backward states of the Northeast and the state of Jammu & Kashmir. This would bring about socio-economic and infrastructural development in these regions. As a part of the special category states, the assistance provided to the states was based on 90% grant and 10% loan.¹²⁷

If we look into the share of the North-East region in the National Plan, one will notice that in the First Five Year Plan the share of the region was only 2.29 %. In the consequent years, it increased to 5.35% and 5.58 % in the Sixth and Seventh Year plan. According to Govind Bhattacharjee¹²⁸, if an estimated calculation is made on the amount of assistance provided towards the special states, post implementation of the Gadgil Formula. One can conclude that an increase from Rs. 682 crores to Rs 64,787 crores for the period from 1969 to 2010 can be noted. From the 1970s onwards different schemes were formulated like Tribal Development Projects, Tribal Area Sub-Plan, Border Area Development Programmes and Hill Area Development Projects to invigorate the process of development in the region. Thus on one hand new legislative grounds were prepared to accommodate wider ethnic space in the region, and on the other economic assistance to the region was also accommodated to reduce the problem of backwardness and provide financial assistance to the newly carved out states in particular and North-East region as a whole.

In the parlance of mainstream thinking the reason behind the backwardness of North-East India has been shouldered upon two criteria, economic underdevelopment and insurgency. Post-

¹²⁶ Bhattacharya, G. (2016). *Special Category States*, p 17. New Delhi: Oxford University press.

¹²⁷ Bhattacharya, G. (2016). *Special Category States*, p 26. New Delhi: Oxford University press

¹²⁸ Ibid, p 30

independence, the approach towards the region through different paradigms of culture, security and political representations has failed to adequately respond to the question of development. As a result, local production forces remained underdeveloped along with underused human capacity which eventually made the region increasingly dependent on imports from the mainland (an estimate submitted in the report of the Shukla Commission in 1997 states the amount to be Rs 2,500 crores of consumable items imported every year).¹²⁹ This development was seen as a remedy to the problems the region was facing. Lack of industrialization and infrastructure were identified as the major causes of economic underdevelopment. This was seen as an obstruction to the process of national integration as it fostered alienation among the people of this region. Among policymakers, it was understood that one of the major reasons behind the sustenance of insurgency in the region was the lack of development. This had installed a sense of deprivation within the societies of the Northeast, thereby emboldening the hands of insurgent forces in the region. Of late, the Government of India not only recognized development as the main problem of the region but addressed it as the only remedy for all issues of underdevelopment, identity and ethnic assertion in the Northeast. Hence, besides providing financial assistance to states in the region, separate development funds were initiated to stimulate economic growth in the region. In the 1980s this new policy for the North-East Region by the Government of India has been termed the Development paradigm.

The assumption was that if money is poured into the region and institutions of development were created then that will automatically reflect in the stability of the region. Thus, from the 1980s onwards, a remarkable increase in central assistance took place which either came in the form of grants or development packages announced by different Prime ministers visiting the region from time to time. In 1996, the then Prime Minister H.D. Deve Gowda announced a mammoth package of Rs 6100 crores for the region, which was endorsed by his successor I.K. Gujral. In 1998 another major package was announced by Atal Bihari Vajpayee of Rs 10,217 crores. In October 1996 under New Initiatives for Northeastern Region, a framework was prepared to earmark 10% of the budgetary allocation of every central ministry for the development of the Northeast. This was later converted into a non-Lapsable pool of resources to support development in the region. Thus, in the period between the 1980s and the 2000s, more than Rs 1, 30,000 crores (approx.) were invested in the region for developmental purposes.

¹²⁹ S.P Shukla, Commission Report, p 19

However, the pace of development didn't accelerate even after receiving assistance from the Central Government. According to Wabir Hussain, the lack of monitoring and accountability posed a significant problem in the region. In the absence of proper training and expertise, most of the projects in the region could not be implemented within the required time frame. The unholy nexus between bureaucrats, politicians and insurgents lead to diversions in the allocation of developmental funds. These funds flowed into the hands of insurgent groups.¹³⁰ As former Union Minister Jairam Ramesh pointed out the central funds instead of becoming a solution to the problem of underdevelopment become part of the problem having an opium-like effect on the bureaucrats and politicians in the region.

Way back in 1966, it was observed by the Patashkar Committee that the economic viability of the states in the region was questionable.¹³¹ This was later proved right as the development paradigm of providing central assistance to the region became a way of fiscal adjustment for most of the states. This in return, increased the dependency of the states on the central government. The recommendations of the Shukla Commission suggested that the mobilization of resources for the development of the Northeast has been poor. (See Table 2.1) As most of the North-Eastern states are inhabited by Tribal populations, those with larger segments remain outside the ambit of taxation. Secondly, most states are small in size, are not densely populated and showcase poor functioning of the state apparatus. This made the resource mobilization capacity of the state very weak. Thirdly, the problem of insurgency has not only eaten into the limited resources of the state by siphoning funds but as mentioned by Subir Bhaumik, has established a parallel economy of its own with a separate tax mechanism.¹³² This has not only increased the burden on the government to spend more on security mechanisms but also has reduced the state's capacity to generate resources.

¹³⁰Wasbir Hussain, 'Interaction on the North-East'. In Haokip Thongkhohal Haokip. *India's Look East Policy And The Northeast*, p 107. New Delhi, Sage Publications.

¹³¹ Das Gurudas. 2012. *Security and Development in Northeast India*. New Delhi: Oxford University Press

¹³² Interview: Subir Bhaumik , Journalist and Academic researcher, 21st August,2017

Table 3.1: Resource Mobilization Capacity of North-East India.

Region	Item	1990-2000	2000-2010	2010-15
North-east Region	Revenue Deficit	-1.4	-1.9	-2.4
Rest of India	Revenue Deficit	1.2	1.0	-0.1
North-east Region	Debt-GSDP	29.3	37.9	28.2
Rest of India	Debt- GSDP	21.6	28.9	22.5

Table 2.1, Source: Handbook of Statistics on Indian Economy and Various Issues of RBI, State Finances: A Study of Budgets

Thus despite efforts towards development by mobilizing resources, the outcome remained far behind the projected goal. At the beginning of the 21st century, the Government of India began to give a fresh impetus to the region. For this purpose, in 2001, a new department for the Development of North East Region (DoNER) was created which was later developed into a full-fledged ministry in 2004. The stimulus behind this fresh impetus was based on the changed trajectory of development which the Indian state had initially adopted in the 1990s. To achieve growth a neoliberal framework had to be worked out. The motivating force within this liberal framework is that of the market. Hence from the 2000s onwards, the Northeast became a paradigm for Neoliberal Development. The role of the state in the region became that of a facilitator of market structures that would conform to the notion of developmentalism. The premise was that of a hard state that ‘governed the markets’ to gain more.¹³³

The sluggish growth rate and failure of earlier planning models had brought about a devastating effect on India’s economy and by the early 1990’s it had precipitated a deep balance of payment crisis.¹³⁴ Thus a re-orientation through major policy change took place in the 1990s taking the trajectory of development in India towards neo-liberalism. In the post-colonial era, the idea of economic nationalism as per the import substitution mode began to lose relevance in underdeveloped countries. After the Washington Consensus of 1989, the consequent failure of the earlier planning models and the transformation of the planned and welfare approach to the economy towards global capitalism and trade liberalization became the new norm. Under this transformation, geography acquired a new meaning. Paul Krugman’s idea of new economic geography gained importance, where the integration of contiguous geographical space for

¹³³ Naqvi, S.N.H. (2015). *Economics of Development: Towards Inclusive Growth*, p 27. New Delhi. Sage Publications

¹³⁴Virmani, A. (December, 2001). *India's BOP Crisis and External Reform: Myths and Paradoxes*. New Delhi: Indian Council For Research On International Economic Relations.

economic prosperity was postulated.¹³⁵ For the state of India, the Northeast became a fresh subject: a space for connectivity and economic prosperity.

Prevailing political instability, insurgency and the overall perception of the Northeast being a disturbed Area made the process of reimagining the region as a corridor for connectivity, a delayed one.¹³⁶ In the initial decade of Liberalization in India, a new approach to regionalism was adopted with the implementation of the Look East Policy (LEP), where relations with the ASEAN states were prioritized. However, the North-East region that shared the majority of its borders with the ASEAN states was largely ignored. Interestingly states in the far west, south and north became pivotal to this relationship build-up, and trade flourished through the maritime route. These Indian states due to their business-friendly approach and better infrastructure were able to establish economic ties under the LEP bypassing the Northeast. Thus under the LEP, a surplus in-appropriation was experienced which, again reinforced the binaries of regions which proved to be progressive and those that remained regressive. The northeast in the initial phase of the liberalization policy was reiterated to the peripheries in the larger core-periphery structure of the Indian State.

India's policy towards China began to change under the Prime Minister ship of Rajiv Gandhi. The approach transformed from isolation to engagement as he made a visit to China in 1988 and a reciprocal visit to India was made by the Chinese premier in 1991. India's relations with Myanmar also improved since the early 1990s. With no signs of the Military Junta relinquishing power in favour of parliamentary forces in Myanmar, India gradually adopted a pragmatic approach towards Myanmar. India also engaged with the junta government. The diplomatic visit of the Vice Foreign Minister of Myanmar, Mr U Baswe proved to be a major step in resolving many misconceptions between the two states. India's relationship with Bangladesh also improved in a short period with irritants like Tin Bigha Corridor, sharing of Ganga water and repatriation of Chakma refugees being resolved in the 1990s.

The above diplomatic achievement helped India to reduce border tensions across the Northeast, widening the scope for cooperation. By mid-1990 a gradual reorientation started to take place in the much debated Look East Policy which placed the Northeast within the realm of a transnational market. The contiguity of the Northeast with five neighbouring countries namely

¹³⁵ Krugman, P. (1991). 'Increasing Returns and Economic Geography'. *Journal of Political Economy*, p 483

¹³⁶ NITI Aayog Report. 2017. *Three Years Action Agenda: 2014-15 to 2019-20*. New Delhi: Government of India.

Bangladesh, Bhutan, China, Myanmar and Nepal gives the region a strategic location. Within the framework of new economic geography the Indian state in every possible manner, wants to utilize the spatial-economic significance of the Northeast. In this regard, the formalization of border trade post-1996 became essential to the Indian state. Trade connections through the Moreh-Tamu Border via Manipur and the Zokhawthar-Rhikawdar trade route between Mizoram and Myanmar were encouraged. The reopening of Akhaura, Dawki, and Sutarkandi for India-Bangladesh trade through Tripura, Meghalaya, and Assam, respectively, has been facilitated.¹³⁷

A fresh initiative was taken towards the development of the Northeast. In the year 1995, a corporate financial institution called North Eastern Development Finance Corporation (NEDFi) was created for capital infusion and industrial development in the region. From 1996 onwards, the policy of a Non-Lapsable Central pool of resources was introduced by the central government to ensure that the proposed funding of 10% from all central ministries is earmarked for infrastructural development in the North-East India. By 1997 an industrial policy for the region was adopted with the purpose of attracting investment in the region and enhancing trade with the neighbouring countries. As mentioned earlier, in 2001, a new department for the development of the North-East region was established, which subsequently became a full-fledged ministry in 2004. In 2008 a vision document on the Northeast was produced in which the need for economic growth and development at a pace of 13 per cent for the region to catch up with other states of the country was mentioned. Thus in this manner, new knowledge of the Northeast was produced by the government led by the logic of development. The government hence prioritized the gradual shift from culture, security, and welfare to the language of trade and commerce.

One of the major impediments of the Northeast towards an integrated market has been infrastructural backwardness. When the Northeast was re-conceptualized within the framework of connectivity, corridor and capital it became imperative for the state to bridge the infrastructural deficit in the region. Hence massive build-up in roads, railways, waterways and other logistical needs were required to be fulfilled in the region. To make this feasible, a significant infusion of capital had to take place across the Northeast. This was possible by

¹³⁷Bhattacharya, J. (2020, April 12). *Bangladesh: New boost to maritime connectivity with India*. Retrieved December 12, 2021, from www.orfonline.org: <https://www.orfonline.org/research/south-asia-weekly-report-volume-xiii-32/>

extensive borrowing from International Financial Institutions (IFI).¹³⁸The Asian Development Bank (ADB), European Investment Bank (EIB), and International Finance Corporation (IFC) are some of the major international institutions investing in India's North-East. Apart from that bilateral IFIs like JICA from Japan, DEG of Germany and AFD of France are extensively involved in financing several infrastructural and industrial projects in the region. For instance, the ADB is currently funding a UD\$ 425 million multi-tranche SASEC Road connectivity investment program; to build extensive road connectivity across the northeast and to connect border trading areas with neighbouring countries. On 12 June 2014, the World Bank Group extended credit for Mizoram state road II- to improve the connectivity for the landlocked state. Japan International Cooperation Agency (JICA) has been providing soft loans worth US\$ 23.36 billion from 2007 to 2017 for infrastructural development in the Northeast.¹³⁹Besides investment in infrastructure projects international agencies are also investing in Hydro-energy projects and resource extraction projects across the region. For example, French mining giant Lafarge along with ADB and IFC are involved in mining projects in Meghalaya. The French company, Decrement and JICA has been involved in the Imphal sewerage project. JICA and KFW are funding the Tuirial Hydroelectric Project in Mizoram and Pare Hydroelectric Project in Arunachal Project. The ADB is involved in several power sector projects in the region.¹⁴⁰

According to Samir Kumar Das, the Northeast region has never been subjected to such policy experimentation as it has been in the neo-liberal framework. Through these policy experimentations, the market forces have been unleashed to develop a market society in the northeast. The idea of monetization and surplus economy has gradually intruded into the indigenous knowledge of the societies in the region, transforming the aspiration of people towards mass consumption. New partnering and cronyism are taking place within the society and in the state destroying the age-old binary, traditional ethnic differentiation, the economy and ecology of the region.

¹³⁸ Interview: Laishram Churchill, Sr. Sub Editor, The Sangai Express, 12th June, 2021

¹³⁹ Mitsunori, M. S. (September 28, 2021). *Jica's Policy in East India Development: Opportunities and Challenges*. New Delhi: JICA India Office.

¹⁴⁰ Mitsunori, M. S. (September 28, 2021). *Jica's Policy in East India Development: Opportunities and Challenges*. New Delhi: JICA India Office.

Conclusion

Historically, when examining the state of the economy in the Northeast, neither the prevalence of poverty nor debt was significant during pre-colonial times. On the contrary, in many writings of colonial administrators a contended state of existence has been portrayed where the peasantry was content with ploughing the fields and meeting the basic requirements of their families. They showed strong disinclination towards engaging in labour. This shows that the traditional economy was not impoverished or incapable of meeting the basic requirement of people. The resilience of the traditional economy was in its small-scale operation, use of simple technology and limited exploitation of resources to meet the needs of people. The notion of development arrived in the region by the colonial rulers and the revenue-oriented and resource-intensive policies adopted by them. These policies, implemented during the colonial regime, set the tone for underdevelopment in the region. The ideology of improvement based on the principle of extensive resource exploitation for maximizing profit worked against the traditional economy and gradually destroyed the time-tested relations of production of the past.

Policymakers of the Independent Indian state continued to treat the Northeast as a frontier periphery carrying forward the articulation and legacy of the British Colonial state. Gradually in due process, the post-independent nationalist state established the hegemony of the domestic capitalist class over the region. This was done by fostering the interplay of market forces but by the introduction of non-market factors. The image of the region was constructed around its geographical location, hostile topography and land-locked existence. As a result, the North-East region became a frontier and hinterland of the development of mainland India. Post-independence the developmental initiatives in the region were extremely minimal. The major focus was only towards building infrastructure in the region and improving connectivity with the rest of the country. The production base of the region was largely overlooked or neglected.

This negligence towards the production culture damped the prospect of industrialization in the region. On one hand, the professional class in the sphere of the economy was largely absent in the region. This gave rise to a class of government officials, contractors, and agents who benefitted from patronage politics existent in the region. On the other hand, due to the poor state of the production base in the region, the Northeast became a dumping yard for goods from mainland India and neighbouring countries.

With the formation of the North Eastern Council in 1972, politics of planning was gradually introduced to induce development in the region. Undoubtedly the contribution of NEC cannot be ignored; however, in addressing the region's problems, it facilitated only the ruling elites-politicians, bureaucrats and contractors. People's participation and involvement remained at the margins. What was witnessed with NEC coming into existence was an institutionalization and bureaucratization of development while democratization of development in the region remained questionable. More importantly NEC from its inception was seen with suspicion and as a tool at the hands of the centre to subdue the authority of the region. The funds that flowed into the region perpetuated a donor-driven economy. This made the Northeast trapped as a mere recipient. The region hence became excessively reliant on external sources for financial support, leading to a situation where the strings of finances were pulled from outside the region.

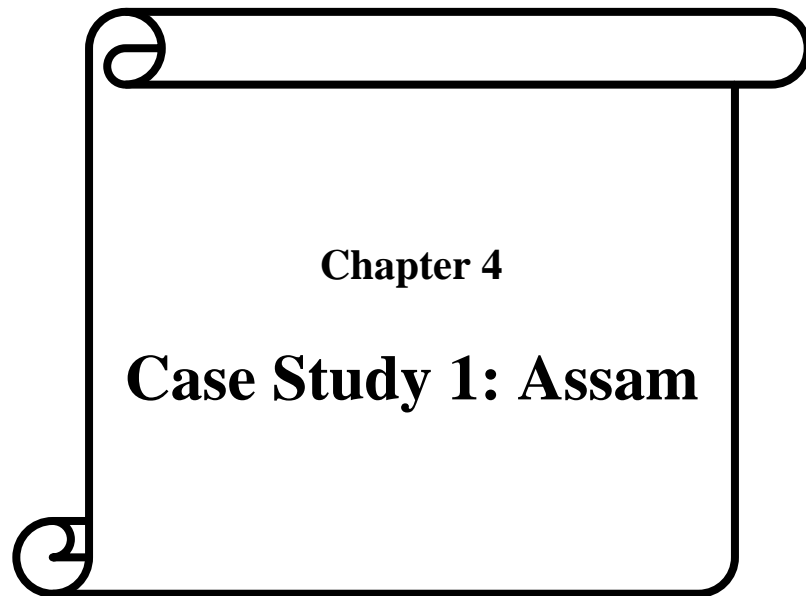
The present strategy for development in the Northeast under the neoliberal model is currently still in its embryonic stage. In the vision document produced by the government in 2008, it has been aptly observed that a wide gap exists between the region and the rest of the country in terms of developmental, productive outcomes and capacities of the people in the region. The North Eastern Region Vision 2020 is the first of its kind document that puts forward an inclusive development approach to bridge the gap of underdevelopment:

The maximization of self-governance and participatory development, rural development having its focus on improving agricultural productivity; development of agro-processing industries, modernization and development of sericulture, harnessing the large hydroelectric power generation potential, augmenting infrastructure such as rail, road, inland water and air transportation and ensuring adequate flow of resources for public investments, a framework for private participation in infrastructural development (North Eastern Region Vision 2020, Vol. I, p 3-4)

The vision document also presents a statistical catch-up strategy where it is predicted that if the economy of the region grows at 13% on average it will reach the national level of income by 2020. Thus the vision document has set an ambitious goal for the Northeast to achieve that would help the region catch up with the rest of the country. Interestingly this kind of propagation by developed countries towards underdeveloped countries has been seen across the world. Such a view postulates a linear continuum where the criteria of development are decided by taking the developed regions as the parameter, and the rest are instructed to mould their economies based

on the strengths of the developed ones. Practically this is never going to reduce the disparity between developed and underdeveloped as the developed always enjoy an upper hand in such projection. More importantly, any kind of ambitious projection and coercion of market forces from above often ruptures society causing more contestation and conflict. Thus it will be too optimistic to view what Vision Document visualizes to achieve in 13 years which has not been achieved in the past six decades. Perhaps a bottom-up endogenous sustainable economy must be in place for the Northeast by harnessing people's choices, partnerships and capacities.

Essentially what comes out from the study of different policy paradigms to which Northeast as a region has been subjected in the post-independence period refers to the effort on the part of the state to address the problems of the region through prioritization of different aspects of culture, security, development and market-led growth. Undoubtedly, all these paradigms have left a deep imprint of their own on the social, political and economic life in the Northeast. To say these policies have completely failed shall be an overrated assumption, though there remains a gap between their intention and actualization. However, it would be an incomplete picture to solely hold the policies accountable for these issues. Faulty institutional mechanisms, deep-rooted corruption, and ethnic divisions have hindered the success of any state efforts, making them appear ineffective in achieving their intended goals.



Chapter 4
Case Study 1: Assam

Facts on Assam	
Criteria	Data
Capital	Dispur
Area	78,438 km sq
Density	397 per square km.
Population	3,12,05,576
Male Population	1,59,39,443
Female Population	1,52,66,133
No. of District	33
Net State Domestic Product	30569
Literacy Rate	73.18%
Females per 1000 males	954
Assembly Constituency	126
Parliamentary Constituency	14
Bordering Countries	Bangladesh, Bhutan
Neighbouring states	Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Tripura, West Bengal

Source: Data based on 2011 Census

The approach of the developmental post-colonial Indian state towards the region of Northeast has undergone several policy paradigms starting from cultural to Neo-liberal (as discussed in the previous chapter). The modern-traditional binary in the industrial sector was initiated in the colonial period within a surplus-subsistence frame. This was further perpetuated by the post-colonial state by transforming the region into a resource hinterland for industrial development on the mainland. This kind of siphoning capitalism in the decades after independence drained the region of its potential and with no proper initiative to revive the local economy. As a result, the Northeast failed to keep pace with the industrial development compared to the rest of India. The creation of the North Eastern Council development was gradually prioritized in the region besides the aspect of cultural integration and security. Development was seen as a remedy to all problems in the region. From 1980, the state through capital infusion and infrastructural build-up started to invigorate development. In the post-liberalization phase, under the new knowledge of market and geography, the Northeast gained attention as a gateway for regional cooperation.

Against this backdrop, a case study of Assam and Manipur's economic profiles will be discussed in the next chapter. The growth trajectories of both the states have been different as they differ on account of geographic size, demographic profile, proximity to mainland India and even their process of integration into the Indian nation-state. The case studies endeavour to locate the differences in the economic profiles of the two states in response to the developmental role of the nation-state and market-driven institutions in the post-liberal period.

Why Assam and Manipur? Interestingly, there is very little similarity between the two. While one is large in size the other is small. One is connected to mainland India and the other is in the extreme boundaries of India's North East. One is resource rich with a concentration on most of the regional industries and the other on the peripheries of industrial development. Lastly, Assam strove to be a part of India after independence, and Manipur wanted to be out of it. However, destiny has tied their fate with the trajectory of the Indian state. Assam and Manipur's similarity lies in the problem of economic underdevelopment, and insurgency along with the North-East region. Thus, the case study aims to look into the development profile of the Northeast from two economic profiles of a major and a small state. Besides, Assam and Manipur in pre- and post-colonial periods have always been under separate political institutions at the provincial level.

Assam is the largest economy of the region with a concentration of most of the industries in the region due to its favourable geographical location and rich resource base. Assam is rich in

natural resources like natural gas and oil, coal, rubber and minerals like kaolin, granite and limestone. The state also has a strong plantation industry (tea) owing to India's majority of Tea exports. The per capita income of the state at the time of independence was 4% ahead of the rest of India. Interestingly, despite such a strong resource base Assam started to fall behind the rest of the country since 1951. By the end of the 20th century, the per capita income of the state was 41% below the national average.

The Role of the State in the Political Economy

The economic problem of Assam and the region of the Northeast in general, are rooted in a series of interrelated factors that can be traced to the days of independence. The partition spelt a catastrophe for Assam. The traditional way of life that was acceptable to generations were not only gone but the most important links of communication in and out of the state were also completely ruptured, giving a big blow to trade and commerce. For instance, the well-developed river system that sustained village economies along the Brahmaputra and Meghna rivers supporting the tea and other industries in Assam was gone with the partition. With one stroke of re-drawing of boundaries, the movement of people and goods became time-consuming and expensive.¹⁴¹

In the post-partition era, the shipping industry in Assam never recovered. The governments of the state and central both recognized the infrastructure deficit but the response of the government towards bridging the gap remained lukewarm. For instance, it took forty-five years after independence for the Government of India to ensure the broad-gauge track went beyond Guwahati. It was only in the 1980s that the broad-gauge line reached Guwahati.¹⁴²

Assam is one of the resource-rich states of India. It has a substantial reserve of natural gas and crude oil, a well-established tea plantation industry, a proven coal reserve and also contributed to the supply of timber and cultivation of jute in the country. During India's Foreign exchange crisis in the 1960s, these reserves from the state of Assam provided much relief to the national economy. Unfortunately, Assam which owns these resources, was neglected and marginalized from harnessing the benefits by the central government. In a first major blow to the state economy, the central government decided to build an oil refinery in Barauni in Bihar for

¹⁴¹ Baishya, Prabin. (2014). *Economic Development of North East India*, p 35. New Delhi, Omsons Publications.

¹⁴² Sen Sanjay. (2016). *A Socio-Cultural And Economic History of Assam*, p 357. Dibrugarh, Mahaveer Publications.

processing the crude oil produced in Assam. This decision was contested both by the people and leaders in Assam but the central government went forward with it. In a token gesture, the people of Assam were pacified later with a small refinery in Guwahati which is often described in Assam as a 'toy' refinery. In the 1970s a Parliamentary committee looking into the question of setting up a large oil refinery in Barauni felt in retrospect that the decision was entirely wrong. The resentment of the people and the Indian and Russian technical experts were proven right.¹⁴³

The oil refinery agitation in Assam brought to the forefront the question of exploitation by the Indian state. In due time, the theory of 'internal colonization' entered the civic and political lexicon in Assam. For many years after independence, till the anti-foreigner agitation started, Assam's revenue from black gold was pegged at a miserable low of Rs 42 per tonne of crude oil as royalty. This is despite the centre collecting six times that amount from cess. Assam would only get Rs 54 as sales tax per tonne of crude oil produced while the centre collected Rs 991 on the same quantity. Besides crude oil, this discrimination continued in other sectors of resource extraction. For instance, from the plywood industry, Assam received only 35-40 lakhs per year while the centre got Rs 80 crores. Assam's sales tax over tea hovered around Rs 20-30 crore a year while the state of West Bengal got 60-70 percent more than that because the headquarters of the tea companies were situated in Calcutta.¹⁴⁴ In decades of the 1990s and 2000s, some incremental increase in revenue was noticeable in favour of Assam but that remained always less than what the centre collected from the state, well below the requirement of the state of Assam.

Assam was made to fail in what it should have gained because of the entitlement of its resources. The process of nationalization of oil and other resource extractive industries and privatization of tea at the hands of corporate from the mainland made Assam lose a vital source of revenue that would have given the state of Assam its much-desired financial autonomy and probably prevented the state from surviving on public borrowing from the centre.

Assam's experience with India at the time of Independence has been opposite to that of other states or communities in the region. While Nagas and others from the region resented and contested India's claim to autonomy over the Northeast, the Assamese elite and middle had their affinity with India through the nationalist struggle. They fought to unite with India in the post-

¹⁴³ Hazarika, Sanjoy. (2011). *Strangers of the Mist: tales of War and Peace from India's Northeast*, p 267. Gurgaon, Penguin Random House India.

¹⁴⁴ Haokip Thongkhohal. (2015). *India's Look East Policy And The Northeast*, p 102. New Delhi, Sage Publications.

partition redrawing of boundaries. Thus, in the post-independence era, they became Delhi's most trusted political agents in the region. However, the bonhomie between Delhi and Assam did not last for long. The reasons can be linked to the process of resource exploitation from Assam. More importantly, it was Delhi's gradual political alienation of Assam in the North-East which reached its climax with the political representation of the North-East Act in 1972.

The dissection of Assam in 1972 was a big blow not only to the state but also to its people. The sense of being left out deeply impacted Assamese society and its politics upside down in the decades of 1980s and 1990s. Resentment within the political circle and public in general in Assam was visible from the time of independence over the huge flow of refugees from East Pakistan. Assam's first Chief Minister Gopinath Bordoloi opposed Delhi's move to settle Bengali Hindu refugees from East Pakistan. This was later expressed in his determination to halt illegal Muslim migration to the state. However, the political leadership at that time was pressurized by Union Government to accept more than 600,000 refugees by 1961. The then Home Minister warned the state of Assam that if it does not share India's refugee burden then it will be denied federal development funds.¹⁴⁵

Though the political elite toed in compliance and played their role in the state-building process, the resentment did not die down. Assamese middle-class and rural masses became immensely resentful of the demographic change in the state. With every passing day, a lurking fear was present that the Assamese could one day be outnumbered by migrants and foreigners in their land. This added to powerful linguistic sentiments in the region. Finally, it led to the introduction of the Official Language Bill in 1960 under Chief Minister Bimala Prasad Chaliha. The bill on the one hand was strongly supported by Asom Sahitya Sabha and other student-youth organizations, on the other it provoked fierce protests by different ethnic communities within Assam who vehemently contested the attempt towards establishment of Assamese hegemony. As a result, in the 1960s, Assam's Brahmaputra valley was gradually engulfed in a spate of agitations both in favour and against the separate statehood demands. This agitation spelt political instability within Assam and the business communities in the state were deeply affected by it.

¹⁴⁵ Misra Udayon. (2000). *The Periphery Strikes Back: Challenges to the Nation-State in Assam and Nagaland*. Shimla, Indian Institute of Advanced Study.

When Assam was dissected in 1972 to pacify the Assamese society for their loss, a new refinery at Bongaigon was set up under central assistance. What was given proved to be insignificant in the face of what was taken from Assam. These led to mass agitation across Assam demanding the state's rapid economic development and also on the issue of illegal infiltration. In both the cases of Bongaigon and Guwahati refineries, the developmental attitude of the Indian state towards Assam was of eyewash. It never resolved the deep-rooted resentment in the Assamese society. Both the refinery projects were insignificant to the needs and capabilities of the state. Most of the crude oil went outside the state and only downstream products like wax and DMT were produced in the refineries of Assam with very little quantity of crude oil refined in the state of Assam.

In 1979, the Mangaldoi Assembly by-election provided for India's most powerful and sustained mass agitation after Independence. During routine updates of electoral rolls, 45,000 illegal migrant voters were found by the tribunal set up by the state government. This added more fuel to the already burning illegal migrant issue in the state. On 8th June 1979, the All-Assam Students Union (AASU) observed the first state-wide strike to protest the infiltration issues. In the next six years, the movement was sustained by high-level participation from Assamese. From street demonstrations to Janata curfew, and civil disobedience programs to oil blockades, the state was brought to a complete halt. During this agitation, Assamese students and youth groups across the state targeted linguistic and religious minorities, and violent attacks were reported on them across the state.

Through the unprecedented mass support that the movement was able to generate drew the attention of Delhi towards the problem of illegal migration from Bangladesh (formerly East Pakistan). Delhi was still not sensitive to the threat it possessed, instead, it went to crush the movement with iron hands. State brutality became much more visible during the 1983 state election which was boycotted by the agitators as more than 130 people died in police firing during the election month. However, the boycott was immensely successful as a very low turnout was recorded across the Brahmaputra valley. In one instance, in a constituency, only 300 votes were polled out of 69,000 registered voters.¹⁴⁶ This period was also marked by unprecedented

¹⁴⁶ Bhaumik, Subir. (2015). *Troubled Periphery: Crisis of India's North East*, p 118. New Delhi, Sage Publications.

violence in religious minority communities. The worst incident occurred at Nellie where more than 2000 Muslims were killed by Lalung tribesmen.¹⁴⁷

The state response convinced many Assamese students and youth that justice within the Indian state system through non-violent protest would perhaps never be achieved. Gradually, a section of them resorted to more violence and soon insurgency became a way of political articulation for the disgruntled youth of Assam. The way was already kept open by the United Liberation Front of Assam (ULFA), which was formed in April 1979, but mostly remained dormant during the entire period of the anti-agitation movement. ULFA only resorted to bank robberies and selective assassination attempts in the Congress regime. It was bidding time, patiently waiting for the revolution with the Assamese middle class and rural masses to erupt. The time came with the Assam Accord in 1985 and a new government formed in Assam under Asom Gana Parishad (AGP).

The flat terrain of Assam never provided the opportunity for ULFA to go like the Naga and the Mizo by directly confronting Indian security forces as it was tactically not possible. ULFA instead used its close connections with AGP leadership and established a parallel organizational base in the state through a combination of selective terror, assassination and parallel taxation. It undermined the administration of the state, hounded out officials who had carried state repression during Congress tenure and siphoned government funds for terror funding. In an interview with Subir Bhaumik, Paresh Barua, chief of the military wing of ULFA admitted that they had received Rs 30 lakhs from Chief Minister Fund to be used for training of ULFA cadets in the Kachin Hills of Burma.¹⁴⁸

In the five years of the AGP rule, ULFA killed more than 100 people identified as the enemy of the people of Assam. During this time, ULFA also built up a huge war chest by systematic extortion from companies and other businesses in Assam, giving a big blow to the state exchequer and economy of the region. Finally, the state responded in the early 1990s through successive military operations, Bajrang and Rhino. The army smashed the ULFA bases within Assam, and many of its top leaders either were arrested or surrendered, while ULFA military wing chief, Paresh Barua fled to Bangladesh. ULFA atrocities came to a gradual halt, while

¹⁴⁷Gogoi, S. (2019, February 21). *Nellie Massacre: 36 years on, a reflection on victims of tragedy have been erased from public memory*. Firstpost .

¹⁴⁸Bhaumik, S. (20 July, 2008). *Interview with Paresh Barua*. BBC Bengali Service.

Indian intelligence used the surrendered militants to attack ULFA leaders and supporters within Assam. In these secret killings, besides ULFA leaders their families and relatives were also attacked. These were dark days in Assam's history described in Assamese vernacular as *Gupto Hatya*. Malabika Phukan (retired professor of Guwahati Law College) in an interview says that "these days are like black spots in our memories, our lives were threatened, we feared to venture out of our houses when darkness gradually crept in. Holding on to our life seemed to be dearest that we could imagine then".¹⁴⁹

It was not only ULFA who vitiated Assam with violence, killing, extortion and creating a fearful atmosphere. Different other ethnic communities also went the same way within Assam learning from ULFA or in response to its atrocities. The National Democratic Front of Bodoland (NDFB), Adivasi Cobra Force (ACF), Dima Halan Daogah (DHD), Bodo Liberation Tigers (BLT), Muslim United Liberation Tigers of Assam (MULTA) are to name a few who went the ULFA way putting security within Assam at stake.

From the above study, what can be delineated is that despite its resource-rich reserve, Assam failed to enrich its economy. Its multi-ethnic demographic mosaic contested over the resources as every community within the state claimed its autonomy through some form of control over the non-replenishable and life-bearing resources. As pointed out in Resource Curse Hypothesis¹⁵⁰, often resource abundance within a state becomes a source of conflict and contestation. The presence of resources often induces a rental mindset where the people tend to secure the easiest way of livelihood by staking claim on the resources and with no other economic outlay the claim becomes contested among different parties. The parties can include government or communities who tend to oppose the other's right over the resources and this exacerbates conflict. Looking into Assam, we find a similar kind of contestation between the state and the people, and between communities, where everyone is fearful of the other's presence. The embedded society of the state makes the conflict take an ethnic character within Assam. Unfortunately, Assam was only stripped of its potential by this conflict, as it served none but only thwarted the prospect of any progress within the state.

¹⁴⁹Interview: Malabika Phukan, Retired Professor At Guwahati Law College, 18th November, 2021

¹⁵⁰ Sachs Jeffery D. and Andrew M. Warner. (1995). 'Natural Resource Abundance and Economic Growth,' Working Paper No. 5398, National Bureau of Economic Research, Cambridge.

It was only in the early 1970s, that the Indian Government began to recognize that the people of the Northeast have been left behind in economic development. A major step towards the region was taken through the setting up of North Eastern Council in 1972 and other associated schemes. Assam in the 1970s received its second geographical dissection after partition through the political reorganization Act of 1972. This left the disgruntling Assamese with immense resentment towards the Indian state. In this context, we have to remember that Assam unlike other states and communities in the Northeast expressed its willingness to be part of India after independence. The contribution of Assamese leaders like Gopinath Bordoloi is immense in holding the Northeast for India. In their contribution, the Assamese elite in particular and the middle class in general hoped that under Indian federalism they would be able to establish Assam as a nation-province. But in reality, Delhi's apathy towards the infiltration issue, and later, on recognition of the rights of other communities in the Northeast by dissection of Assam brought a big psychological loss to the Assamese. They felt betrayed by the Indian state. This resentment made Assam gradually go the Naga way. Thus, by the 1980s when the Indian Government was prioritizing development towards the region of the Northeast, Assam had entered the stage of political turmoil, burning over ethnic contestation.

The political turmoil impacted Assam's development in the decades of the 1980s and 1990s. Assam's per capita income at the time of Independence was 4%, above the national average. This declined to 41%, below the national average in 1998-99 and 45% below the national average at 1980-81 prices. Between 1980 and 1990 the per capita of Assam grew by 20% while the National per capita grew by 40%, double the rate of Assam. Between 1990 and 2000, the rate of growth of Assam was only 10% compared to the 39% at all India levels. During 1951-1979, the economy of Assam grew more or less at par with the rest of India, but the gap started widening in 1980-81. While the Indian Economy grew at 6% from 1981-2000, Assam's state GDP grew only at 3.3 percent. The growth in Indian Economy accelerated in the 1990s while in Assam it decelerated during the same time. Assam's poor economic growth was reflected in its performance in all its sectors. The growth in the Agricultural sector was 2.1% in the 1980s which declined to 1.6% in the 1990s. The service sector marginally declined from 4.9% in the 1980s to

4.5% in the 1990s while the manufacturing sector only recorded a substantial growth from 2.4% to 3.4%.¹⁵¹

Assam is the only state in the Northeast with a substantial manufacturing base. The manufacturing base is mostly driven by traditional industries like tea, oil and timber. Unfortunately, these industries have also faced problems of survival. Over the years, Assam's tea auction prices have been falling and its costs of production are on the rise. The plywood industries have been affected by the supreme court order against tree-felling. The oil industry is affected by falling crude output. While the traditional industries are languishing and the government efforts in bringing new industries into the state seem to be nowhere near bringing any respite to the state's economy.

The security threat arising out of the growing insurgency in Assam forced the state to devote its resources to police and the maintenance of law and order. Throughout the decades of the 1980s and 90's the expenditure on security forces has taken a large portion of the government expenditure. Assam government's expenditure on maintenance of police forces in the state increased from Rs. 99 crores in 1986-87 to Rs. 724.99 crores in 2001-02. In the year 1990-91, the government of Assam claimed Rs. 1,100 crores as reimbursement from the centre on security-related expenditure, out of which only 350 crores were cleared by the centre.

In the absence of a strong industrial base and declining economic growth, employment in the state was mostly driven by government jobs. The annual expenditure on salaries, wages, and other allowances and pensions constituted 126 percent of the state's revenue receipt in 1990-91 which increased to 243 percent in the year 2001-02. On average, the expenditure on salaries, pensions, and debt services in Assam constituted more than 75 percent of its total expenditure. Thus, the government of Assam had to bear the burden of ever-increasing expenditure on the maintenance of law and order and salaries pension and other allowances. This left only a little resource to be devoted to development. The fiscal condition of the state had become so fragile that the state government on several occasions had been on the verge of bankruptcy and had to mostly depend on financial assistance from the centre. According to CII, the per capita state revenue as a percentage of per Capita Net State Domestic Product in Assam stands at only 6.5. As of 2002, the Total Central Assistance as a percentage of States' total Receipts stands as high

¹⁵¹ Assam Development Report. (retrieved from, https://niti.gov.in/planningcommission.gov.in/docs/plans/stateplan/sdr_assam/sdr_assexesum.pdf)

as 65%. The Annual Economic Plan in 1990-91, presented by Central Planning Commission, placed Assam's borrowing from the Centre at 68% of the outlay. According to data provided by CMIE: Public Finance (2002), the annual growth rate of Total receipts in Assam for the decade of the 1990s has been 5.4% while expenditure grew at 12.9%. The data is indicative of the fact that financial crunch had always accompanied the state exchequer. Even if development remains a priority, the state has failed to financially support it.

The fifth, sixth and seventh five-year plans are indicative of the fact that the development of the state had become a major yardstick in state planning. With plans of major investment in infrastructure development, power, communication and transport, unfortunately, these plans remain to be faulty which only brought distortion like development. In a study by Laxmi Chand Jain Committee¹⁵², Assam was described to be lagging by any economic yardsticks in comparison to the rest of the country. According to the committee, it was fairly pathetic to comprehend its past when it was among the top five in terms of income and agriculture self-sufficiency.

In the 1990s, Assam's managerial base was weak writes Sanjoy Hazarika¹⁵³. Its skilled manpower strength was low and the infrastructure was extremely shoddy with power supplies interrupted for days. The literacy rate stood at 35% against 36.2% of the national average. The installed power capacity for every 1000 persons was 17.5 kilowatts compared to 57.3 kilowatts nationally. Jain Committee said that the manufacturing sector in Assam generated per capita income worth only seventy rupees while it was Rs 140 nationally.

Under the Industrial Policy of India (1991) and North East Industrial Policy (1997), the state of Assam tried to open its door for industries and investment from the outside under central assistance. The table below represents states' efforts towards industrial development since 1991.

¹⁵² Hazarika, Sanjoy. (2011). *Strangers of the Mist: tales of War and Peace from India's Northeast*, p 260. Gurgaon, Penguin Random House India.

¹⁵³ Ibid, p 261

Table 4.1. Industrial Entrepreneurs Memorandum (IEM) filed in Assam for industrial development since 1991

States	IEM filed from August 1991 to 2014		IEM implemented from August 1991 to 2014	
	Numbers	Proposed investment in million rupees	Numbers	Investment in million Rupees
Assam	719	295,744	136	15,192
NER	1,155	643,452	201	18,492
India	93,324	93,665,590	9,253	3,719,567

Source: Annual Reports, Department of Industrial Policy and Promotion, Ministry of Commerce, GOI.

The Industrial Policy of India invites entrepreneurs to come and invest in the de-licensed sector through Industrial Entrepreneurs Memorandum (IEM). From the inception of the policy in 1991 to 2014, a total of 93,324 proposals for investment were filed from all over India with the Secretariat for Industrial Assistance. Proposals for investment in the state of Assam were only 719 which accounted for 0.77 % of the total investment proposals. However, in comparison to NER, Assam accounts for 62% of the total investment proposals. In terms of the proposed amount, Assam concerning India accounts for a mere 0.31% while with respect to NER, it accounts for 45%. In terms of implementation, the percentage of proposals implemented stood at 18.9% and the proposed amount invested is only 5.13%. Thus, what can be concluded from the above summarization is that in comparison to the rest of India, the investment portfolio of Assam is not only poor but abysmally low. Taking its size, population and resource base into consideration, when compared with other backward states of Northeast, Assam seems to perform better. But the most dissatisfactory part is the wide gap between what was proposed and what has been invested. This is where perhaps the role of the state in holding and sustaining investments has been missing. Less than a quarter of the projects proposed have been implemented and the money implemented is at an abysmal low of 5% which is indicative that the proposals implemented are not of big capital investment.

Table 4.2 Transport Subsidy disbursed for industries (April 2000-March 2015)

States	Subsidy amount in rupees	Number of Industries availed	Subsidy per industry in Rupees
Assam	11,158,877,392	2,818	3,959,857
NER	25,503,333,930	9,650	2,642,833

Source: www.nedfi.com

Table 4.3 Capital investment subsidy (April 2000 to March 2015)

States	Total Subsidies in rupees	Number of industries	Subsidy per industry in rupees
Assam	2,517,960,822	973	2,587,832
NER	5,534,602,024	1,365	4,054,653

Source: www.nedfi.com

Table 4.4 Interest on working capital subsidy released during (April 2000 to March 2015)

States	Total subsidies in rupees	Number of industries	Subsidy per industry in rupees
Assam	1,382,751,308	1,499	922,449
NER	1,895,183,678	2,204	859,884

Source: www.nedfi.com

At present, there are major subsidy schemes that are operational in Northeast: Transport subsidy, capital investment subsidy and central interest subsidy. The Transport subsidy scheme was introduced in July 1971 for promoting industrialization in remote hilly and inaccessible areas. This scheme applies to all industries barring plantations, refineries and power-generating units. The Capital Investment subsidy scheme was also introduced in August 1971 to provide capital subsidies to industries in backward areas. The data from the above tables implicate that from 2000 onwards, the subsidy portfolio of Assam under these three schemes in comparison to the overall North Eastern Region has been noteworthy. On average, Assam accounts for 40-50% of the subsidies given to the Northeastern states which keep the profile of Assam above the rest of the region. Yet, the Northeast as a region falls under the category of backward areas and most states in the region are small in size and population and geographically remain mostly inaccessible. Assam in comparison to the other states in Northeast is not only large in size but also the most populous state. More importantly, the Brahmaputra and Barak valley provide Assam with the geographical advantage for industries to set up. Assam is the only state from the region that enjoys direct access to mainland India. Taking these advantages of Assam into consideration, it needs to be critically seen whether the government's initiative of subsidizing industries in the state has really played a positive role or not. This is to be discussed in detail in the next section of the chapter after reviewing the growth parameters and industrial scenario of the state.

At present, the Government of Assam is emphasizing skill development within the state under different schemes like, the Assam Skill Development Mission, Skill Development schemes for unemployed youth, Capacity Building through Skill and Entrepreneurship Development on 'E-Waste Management', Assam Skill University Project (ASUP), DAKSHA (Digital Access to Knowledge and Skilled Human Resource of Assam). Assam Government builds entrepreneurs within the state have taken to support the MSME sector through different schemes like Boneej Scheme, Mukhyamantri Krishi Sa-Sajuli Yojna, Assam Chah Bagichar Dhan Puraskar Mela Scheme, Udog-Jyoti Scheme, Assam Bikash Yojana. In 2017, Assam also adopted its own Startup policy under "Advantage Assam"

Under North-East Industrial Investment Promotion Policy (NEIPP) the Government of Assam has incorporated some important features in its policy approach:

- All New units as well as existing units and commercial production set up anywhere in NER will be eligible for incentives for a period of 10 years.
- 100% Excise Duty Exemption will be continued on Finished Products made in the NER.
- 100% Income Tax exemption will continue as was available under NEIP-1997
- Capital Investment subsidy @ 30% will be available on investment of plant and Machinery and the limit for automatic approval rate will be Rs. 1.5 crore etc.
- Interest subsidy will be available @ 3% on working capital loan.

The government in Assam adopted an Industrial Policy in 2008 to generate economic development by accelerating the process of industrialization. Some highlights of the policy are as follows:

- Interest Subsidy on Term loan to micro industrial units @ 30% for a period of 5 years.
- 30% subsidy on power traffic on actual units consumed for 5 years up to a connected load of 1.00 MW.
- Special incentives like exemptions of VAT and Central Sales Tax for a period of three years.
- Special incentives for Food Processing/ Electric/ Agro based/ Biotech Industries.
- Special incentives to women/Physically Challenged Entrepreneurs.

However, in the findings of the India Entrepreneurship Report 2015¹⁵⁴, it has been found that the people of Assam were substantially disappointed with the performance of the government in promoting entrepreneurship in the state. Nearly one in three, roughly 32%, responded that the Assam government was not doing enough to promote entrepreneurship in the state. 22% believed that significant improvement has been achieved but much more is still left to be done. Only 14% responded to the work of the government as desirable.

To understand the view of the local people on the nature of the development and the role of the state in it, two questions were put forward using a survey, which is presented in the form of a table below.

Table 4.5 Political Condition of the State

Sample Strength	Condition improved	Condition Deteriorated	Same as before	Can't Say
20	14	1	4	1

Source: Based on a survey conducted (2018-21).

Table 4.6 Is the role of the state towards development satisfactory

Sample Strength	Yes	No	Can't Say
20	03	16	02

Source: Based on survey conducted (2018-21).

In terms of the survey findings, the people in the state feel that the political instability encountered in the 1980s and 1990s is no longer present in the dreaded intensity which it used to be. That has somewhat brought ease in their lives. Recalling from an interview with Rupam Ghy, a resident of Guwahati in Assam, he says “As per what I remember and have heard from my parents and seniors, I no longer experience that fear and uncertainty in my life living in Assam. The University where I work or the place where I live, I don't encounter the kind of hostility that once used to accompany our lives in Assam.”¹⁵⁵ The words are reflective of the fact that days of

¹⁵⁴ India Entrepreneurship Report 2015 (retrived from, https://www.business-standard.com/article/economy-policy/assam-people-substantially-dissatisfied-with-govt-s-role-on-promoting-entrepreneurship-survey-116042000921_1.html)

¹⁵⁵Interview: Rupam Ghy, Research Scholar and Student Political Activist, 24th August, 2021

conflict and violence, if not over, at least have subsided for now. But this sense of contentment seems to evaporate when asked about development in the state. Most of the interviewees are appreciative of the fact that change in infrastructure and facility in the state can be witnessed but when comes into question economic opportunities in the state, most of the interviewees have given a negative review. According to Mithun Sarkar, who runs an NGO and has been working on Youth Affairs for decades says, “If you talk of development and consider big shopping malls, entertainment parks, wide lane highways then I would say Assam has improved on those parameters. Even private participation in sectors like health and education is also noticeable. But if we look into rural Assam then we will witness how less of it has percolated. More importantly, how little change it has brought for the people at the bottom. State resources are not properly used and planning is distorted, only a handful are benefitting.”¹⁵⁶ Biju Borbarugh, Chief Functionary, Asha Darshan, feels a lot of skill development efforts are taken by the state but the main question remains as to where we channel this skilled youth in the absence of a proper productive base. Most of the youth force remains outside the purview of employment within the state. Under such circumstances, they are forced to move out of the state which is both human and economic loss for the state.¹⁵⁷

The story of Prag Bosimi is an insightful reminder of how big investments in the state have failed. Hemant Vyas, the man behind the project of Prag Bosimi, a reputed businessman from Mumbai had left no stone unturned to set up the Bosimi plant in Assam in the 1990s by utilizing the downstream products of the petroleum industry in the state. At the time of his investment, he was whole-heartedly welcomed with the government promising all kinds of support to the industry. But decades later, the Prag Bosimi factory in Sipajhar is struggling to survive. In the absence of proper electricity, increased transport costs and insurgency threat (a senior executive of the factory was kidnapped by ULFA in 1992 only to be released after a hefty ransom of fifty million rupees) the factory continues to perform much below its desired capacity. This shows that big-ticket investment in the region is a big problem. Several complicated and interrelated factors need to be corrected before big industries can be induced to invest.

For decades, the focus of India’s economic planners has been on the combination of oil-tea-plywood as the way of developing Assam. Besides these sectors, there is one more sector that

¹⁵⁶Interview: Mithun Sarkar, President, A Ray of Hope Society, 17th July, 2021

¹⁵⁷ Interview: Biju Borbarugh, Chief Functionary, Asha Darshan, 23rd November, 2021

can play an important role in Assam's economic progress, i.e., the Handloom industry which accounts for around 1.4 million handlooms in Assam, one-third of the total number in India. According to Jaya Jaitley, one of India's Handloom experts, despite its potential and indigenous character, this sector has largely been neglected by the government. In the absence of proper support and subsidy, this sector has failed to compete with cheap synthetic products.¹⁵⁸ In the past decades, there has been substantial growth of the middle class in Assam, and the handloom industry can easily cater to this class which would then be a win-win situation for both the state and its people.

The state enjoys autonomy over the political space and the authority to allocate resources. In the context of Assam, the Indian state exercised its autonomy through the monopolization of resources and used it for industries outside the region. This form of deprivation not only affected the economy of Assam but, as pointed out by Amiya Kumar Das, became an agony for the people of Assam. The Union government's reluctant attitude on issues of infiltration and later dissection of Assam against the desire of Assamese people made resentment finally take the form of prolonged conflict between the people and the state, eventually leading to the insurgency in Assam. In the decades of 1980s and 1990s, Assam witnessed the most dreadful political upheaval in the state. On one hand, Assamese contested the policy of the Indian state on issues of economic deprivation and infiltration and the on other, it strove to preserve the prominence of the 'Assamese' identity by treating ethnicity as a marker and differentiating the other. In this upheaval, contestation and conflict, peace and political stability were lost. The economy of Assam paid its price through poor growth. Under such circumstances, the state got preoccupied with the task of first bringing stability and peace to the region and then looking for development. Weak fiscal policy and bloated administration only made the role of the state more difficult. Lately, in the 21st century, Assam's political situation has improved than before. The state is also trying to incentivize industries to the region, devoting resources to infrastructural development and skill development. However, much of this progress is in its primary stage and the peace that we wish to witness needs time to be cemented.

¹⁵⁸ Hazarika, Sanjoy. (2011). *Strangers of the Mist: tales of War and Peace from India's Northeast*, p 271. Gurgaon, Penguin Random House India.

Role of the market institution in the post-liberalized Period

The Neo-liberal project puts forward the market as the most optimal and effective mechanism of resource allocation. India embarked on the neo-liberal agenda in 1991 under a new set of economic reforms that postulated deregulation of the market, encouraged private participation, and trade liberalism and dismantled the market restrictions. Neo-liberal reforms were accompanied by heightened state intervention in the economy. The role of the state gradually shifted from welfarism to promoter of corporate interest. The economic growth India achieved in the post-liberalization era has been attributed to its pro-market policies. However, this growth has been highly sporadic and regional disparities in this period have also not narrowed down. There has been a report that relatively backward states, the Northeast being one of the regions, have failed to reap the benefits of the reform and the Northeast is among them.¹⁵⁹

Table 4.7 Per capita NSDP of Assam as a percentage of India's NNP per capita

Year	Assam
1991-92	94.07
2001-02	71.09
2011-12	58.93

Source: North Eastern Development Finance Corporation Limited.

Table 4.8 Decade-wise triennial growth share of different sectors in NSDP in Assam

Sectors	1991-94	1998-2001	2005-08	2010-13	CAGR
Primary	50.96	42.82	25.15	22.33	-3.68
Secondary	11.17	11.41	15.41	11.75	0.23
Tertiary	37.87	45.78	58.93	65.93	2.55

Source: Central Statistical Organisation

Table 4.7, indicates a falling per capita NSDP of Assam in comparison to India's growth. This implies that the economy of Assam failed to vitalize its growth under neo-liberal reforms. The economy of India expanded more rapidly and it led to the widening gap between the economy of Assam and India. Table 4.8 indicates that the tertiary sector in Assam in the post-liberalization period had registered a steady process. By 2013, it had the highest percentage in the share of NSDP, replacing the primary sector. The above data is also reflective of the fact that besides

¹⁵⁹ Bhattacharya, B.B. and Sakthivel, S. (2004). 'Regional Growth and Disparity in India: Comparison of Pre and Post Reform Decades', Economic and Political Weekly, 39(10); 1071-1077.

declining agricultural productivity, Assam has failed to register any positive industrial growth and most of its dwindling growth was driven by the service sector. To understand the nature of economic growth and the response of the market institutions in the state, three sectors have been emphasized: Agriculture, Industry and the Service Sector. Also, education, health and employment indices have been taken into consideration for the proper understanding of the nature of development in the state.

Agriculture Sector in Assam

The economy of Assam is primarily rural-based with more than 85 percent of its population living in villages and mostly dependent on agricultural activity. Even though Assam has witnessed a sectoral transformation in the last few decades, over 70 per cent of the population of the state and more than 50 percent of the total workforce in the state are dependent on the agriculture sector. According to the Economic Survey report, Assam 2014-15, the agriculture sector in Assam comprised 63 percent of employment in the state in comparison to 52 percent in India in 2009-10. Agriculture and allied industries contribute only 20 percent to the State Domestic Product in 2014-15.¹⁶⁰ The Total Cropped Area in the state has marginally increased from 39.26 lakh hectares in 1991-92 to 41.74 lakh hectares in 2011-12. The average size of operational holding in the state is 1.10 hectares and more than 83 percent of farmers are small or marginal. The cropping intensity has increased from 141.17 percent in 1991-92 to 145.8 percent in 2009-10.¹⁶¹ The percentage of area under irrigation is only 15 percent of the Gross Cropped Area and 20.7 percent of the Net Cropped Area. In terms of output in the Northeastern Region, more than 70 percent of rice, 70 percent of food grains, 80 percent of rapeseed and mustard, 55 to 65 percent of potato, 83 to 89 percent of sugarcane and more than 90 percent of jute output are from Assam.¹⁶²

¹⁶⁰ Economic Survey, Assam, 2014-15

¹⁶¹ Ibid

¹⁶² Goyari, P. (2005). *Flood Damages and Sustainability of Agriculture in Assam*, Economic and Political Weekly, 26(11), 2723-2729.

Table 4.9: CAGRs of Area, production and yield of major crops in Assam and India during 1990-91 to 2011-12

Crops	Growth Rate of Area (in %)		Growth rate of production in (in %)		Growth rate of yield (in %)	
	Assam	India	Assam	India	Assam	India
Rice	0.04	0.14	1.76	1.63	1.72	1.49
Cereals	-0.06	-0.14	1.65	1.93	2.93	2.03
Pulses	0.74	0.20	1.92	0.85	1.29	0.87
Sugarcane	-0.29	1.54	-1.74	1.90	-0.65	0.35
Cotton	-5.61	2.41	0.00	6.28	---	3.79
Jute	-1.77	---	-1.43	1.46	0.11	1.34
Tea	0.92	1.95	0.97	1.71	0.04	-0.23
Rubber	4.78	1.62	14.04	4.78	-5.24	0.80

Source: i. Statistical handbook of Assam, various issues. ii Economic Survey, India, various Issues

The above data indicates that the Compound Annual Growth Rate (CAGR) for growth in the area has been more for all major crops except Tea in Assam than all India's average. In terms of rate of production sugarcane and jute have shown a declining trend. Among all the major crops rubber has registered substantial growth in terms of area and also production however its yield rate requires improvement. In terms of growth of yield rice, cereal and pulses had outperformed the national average.

In agriculture, there are two ways of increasing agricultural production. One is by increasing the area of cultivation and the second is by increasing the intensity of cropping. At present, the possibility of bringing in more area under cultivation is not possible¹⁶³. The other way that remains, as said, is of growing more crops from the same agricultural land in the same year. It can be said that the intensity of cropping depends on how efficiently cultivation can be done under improved scientific methods. The table below shows the increase in the intensity of cropping in Assam in the recent decades in comparison to the rest of India.

¹⁶³ Statistical Hand Book, Assam, 2012

Table 4.10: Cropping Intensity in Assam and all India

Year	Index (in Percent) in Assam	Index (in percent) in India
1970-71	115.57	118.2
1980-81	128.0	123.3
1990-91	140.3	130.0
2000-01	146.48	131.1
2010-11	146.06	137.0
2013-14	149.0	141.0

Source: The indices have been collected from i. Agriculture statistics at a Glance, 2001 ii. Fertilizer Statistics, 2011-12

The above indices are indicative of the fact that in terms of the intensity of cropping, Assam has performed better than the national average. However, in the post-liberalization period, the growth in intensity of cropping (percent) for Assam has been 9 percent while India has recorded 11 percent growth. The intensity of cropping in Assam in the pre-liberalization period has been 24.03 percent (from 1970) while in the post-1990s it has been only 9 percent. Besides, when Assam is compared with more agriculturally developed states of India like Punjab (190%), Sikkim (187%), West Bengal (181.3%) and, Haryana (179%), it is found to be significantly lagging behind. More importantly, the increase in crop intensity happens due to two main reasons. One, when population pressure increases, it decreases the per capita net sown area, which needs to be countervailed by increasing output from the same piece of land and secondly, by the choice of scientific farming. As pointed out by Das, multiple farming in Assam is mostly seen in densely populated districts and is mostly carried out by small farmers who have to make repeated use of their limited resources to make a living out of it.¹⁶⁴ How far it has been a choice of scientific farming is to be seen through the study of the use of modern techniques and technology in farming in Assam.

For high cropping intensity and high yield per acre, input requirement is always high and this is where the role of scientific farming or the use of modern inputs becomes very handy for farmers to increase their agricultural output. Three components of modern farming are to be studied, namely the use of HYV seeds, consumption of fertilizers and pesticides and use of irrigation facilities.

¹⁶⁴ Das, M.M. (2012). *Peasant Agriculture in Assam: A Structural Analysis*, p 98. Guwahati, EBH Publishers.

The availability of good quality, disease-free high-yielding seeds is a *sine qua non* for enhancing agricultural productivity. In Assam, the availability of good-quality seeds has been a problem. It has to depend on the outside for the supply of seeds. Though Assam State Seed Certification Agency has been constituted in 1985 to meet the state requirements but still self-sufficiency has not been achieved.¹⁶⁵ The table below denotes the area under HYV seed cultivation.

Table 4.11: Area under HYV seeds cultivation in Assam and India (in percentage)

Year	Assam	India
1980-81	25.4	45.4
1990-91	46.5	60.9
2000-01	56.04	---
2010-11	66.2	----
2013-14	63.5	78

Source: i. Economic Survey, Assam, various issues ii. Statistical Handbook, Assam, various issues iii. Fertilizer Statistics, Assam Various issues.

The indices decipher a poor state of HYV seed consumption in Assam in comparison to the national average. The picture becomes gloomier when compared to better-performing states like Punjab where the rate of adoption rate has been 100 percent as of 2010-11. Assam not only performed badly but also 40 percent of its cultivable land is deprived of the use of high-yielding seeds.

HYV seeds can only provide a high yield when the nutrient capacity of the soil is high Fertilizers and pesticides play an important role in adding soil nutrients and protecting from bacterial growth. The table below provides the consumption of fertilizers in Assam and India.

Table 4.11.1: Consumption of Fertilizer per hectare of Gross Cropped Area in Assam and India (kh/ha.)

Year	Assam	India
1980-81	2.8	31.9
1990-91	10.4	67.5
2000-01	37.40	88.93
2010-11	67.09	144.14
2011-12	74.58	141.30

Source: i. Economic Survey, Assam, various issues ii. Statistical Handbook, Assam, various issues iii. Fertilizer Statistics, Assam, various issues iv. Basic Statistics of NER, various issues.

¹⁶⁵ Economic Survey, Assam, 2012-13.

The consumption of fertilizers in Assam is not only very low in comparison to India but half of it. Though the state has witnessed a substantial increase in the use of fertilizers from 10 percent in 1990 to 74 percent in 2012, the growth has been low in comparison to the national growth during the same period. The consumption rate of Assam stands minuscule in comparison to states like Punjab which accounted for 246 kg/ha in 2011-12. A large quantity of fertilizer consumed in the state goes to the plantation sector which reduces the actual rate of consumption in the rest of the agricultural sector. Fear of monetary loss, limited purchasing power, lack of credit support and partly due to ignorance and prejudice are some of the hindrances that are preventing farmers in the state from increasing their consumption of fertilizers.

Assam falls under a heavy rainfall zone; it receives around 70 percent of its rainfall from May to September and the rest of the season is relatively dry. Thus, every year the state has to go through two extreme phenomena of flood in the summers and drought in the winters. This extreme climate requires to be tackled through a developed irrigation facility in the state so that the required availability of water for agriculture is there throughout the year. The following table reflects the irrigation potential created and utilized in Assam.

Table 4.12: Irrigation Potential Created and Utilization in Assam (Area in Hectare)

Year	Irrigation potential created	Irrigation potential utilized	Utilization rate
1980-81	----	118563	----
1990-91	426019	239193	56.15
2000-01	503993	114732	22.76
2010-11	647591	129826	20.05
2011-12	823000	1.58000	19.2

Sources: i. Statistical Handbook of Assam, various issues ii. Statistical Report, Irrigation Department, Govt. of Assam iii. Economic Survey Assam, various issues.

From the above table it appears that in terms of the potential created by irrigation, the state has registered a progressive increase. But when it comes down to articulation of the potential into actual utilization, the performance of the state continues to deteriorate over the last few decades. One of the major reasons behind the drastic fall in utilization can be attributed to the fall in electric supply in rural areas.¹⁶⁶ Many times, the electricity supply in rural regions is stopped by Assam State Electricity Board on account of non-payment of dues. Though consumption of

¹⁶⁶ Dutta, M.K. (2011). *Irrigation Potential in Agriculture of Assam*, p 87. New Delhi, Concept Publishing Company Pvt. Ltd.

electricity has increased in Assam from 2174 MWH in 2007-08 to 6998 MWH in 2009-10, during the same decade, the shortage of electricity in Assam has also increased from 6.15 percent in 2001 to 11.0 percent in 2013-14.

Availability of credit plays an important role in increasing agricultural productivity in Assam where savings are negligible among small farmers. By 1996-97, the agricultural credit disbursed in Assam was only 30 percent of the national average.¹⁶⁷ The credit deposit of all commercial banks in Assam has increased from 33 percent in 2002-03 to 37.3 percent as of March 2014 which was much below the national average of 78 percent.

Table 4.13: Credit Advanced in Assam and India (Rs/ha)

States	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97
Assam	320.5	315.2	266.4	249.3	272.4	240.8	266.4
India	538.7	543.4	604.8	576.9	541.6	758.1	788.2

Source: i. National Accounts Statistics of India, various issues ii. Economic Survey, Assam, various issues, iii. Statistical Handbook, Assam, various issues.

Table 4.14: Average credit obtained per hectare in Assam and India in 2006-07

State	Marginal farmers	Small farmers	Semi-medium	Medium farmers	Large Farmers	All Farmers
Assam	709	431	287	321	228	455
India	7754	6024	5113	4572	2953	5580

Source: Agricultural Economic Research Review, Vol 25, 2012.

The above data depicts the picture of the capital-starved nature of Assam's agriculture. The picture becomes more problematic when we try to explore the credit structure in Assam. The growth of banking institutions and cooperatives is very limited in the rural region. In most cases, banks refer to giving long-term loans and are reluctant to provide short-term loans except on security. It becomes difficult for small and marginal farmers to obtain credit from those institutions and they have to depend on informal ways of lending from money lenders, relatives and landlords. In this fashion, the farmers fall under debt traps and are compelled to make a distressed sale of their agricultural products and land at low prices to repay their debts.

Besides, the lack of infrastructure also acts as a hindrance to the development of agriculture in Assam. The absence of Mechanical Service Centers, lack of an organized market, and poor

¹⁶⁷ Goyari P. (2007). *Scarcity in the Midst of Plenty: Irrigation Development for Water Abundant Assam*, Economic and Political weekly.

storage infrastructure (only 26 cold storages) create problems for the farmer in the state. Due to the lack of proper infrastructure, farmers are forced to immediately sell their products to the middlemen at low prices instead of waiting for the market to be favourable for their sale.

Table 4.15: Agriculture Infrastructure in the State

Infrastructure	Number	Agriculture workforce per infrastructure* (approx)
Cold Storage	26	76,923
Wholesale Market	21	95,238
Rural Primary Market	272	7,352
Organic Market	1	----
Sale Counter	11	1,81,818
Seed Storage Godown	18	1,11,111
Drying Platform	33	60,606
Warehouse	126	15,873

Source: Economic Survey, Assam, 2014-15

*Note: Data has been computed by taking the total population of the state into account and percentage of workforce involved in agriculture.

Assam is an important state in terms of agricultural productivity and a major supplier of food grains in the region. Its relative backwardness and underdevelopment in agriculture have stunted its growth. Irrigation facility in the state is poor and unevenly distributed with a shortage of electricity. Applications of modern inputs are very limited and public or private investment has also not displayed any encouraging trends in the recent decades. On the whole, the agricultural sector has been fairly poor in comparison to the all-India average.

Industrial Sector in Assam

The historical pattern of development has shown that the manufacturing sector plays an important role in economic development.¹⁶⁸ Barua and Bandhopadhyay¹⁶⁹ observed that in the last two decades, industrial development in Assam has been growing at a very slow pace. In this

¹⁶⁸ Chenery H.B., Robinson S. & Syrignin, (1988), *Industrialization and Growth: A Comparative Study*, p 23. London, Oxford University Press.

¹⁶⁹ Barua A. & Bandyopadhyay A. (2005), Structural Change Economic Growth and Regional Disparities in the North-East: Regional and National Perspectives, in Alokesh Barua (ed.), *Indian's North-East: Developmental Issues in a Historical Perspective*, p 243, New Delhi, Manohar Publications.

context, the table below highlights the contribution of the manufacturing sector to the Net State Domestic Product in Assam.

Table 4.16 Decadal Sectoral Contribution to Gross State Domestic Product (in %)

Year	Industry
1980-81	12.6
1990-91	13.2
2000-01	14.3
2010-11	22

Source: Economic Survey, Assam, various issues.

The decadal growth of the industrial sector shows that in the post-liberalized period from 1991-2011, the growth in industries as a contribution to GSDP has shown a substantial increase of 8.8 percent. The growth between 2000 and 2011 has been more significant with a 7.7 percent increase. The years 2004-05 and 2005-06 have shown the highest increase in industry sector, 27.54 and 26 percent, respectively. In the aftermath of that, there has again been a decline. Year-wise study reveals that the industry sector in Assam lacks a steady upward progression in its growth. Even the triennial average of different sectors in NSDP of Assam reflects the said nature of industries in Assam. According to the triennial average, the share of the industrial sector in 1991-94 was 11.17 percent, increased to 11.41 percent in 1998-01, with further growth of 15.92 percent in 2004-05 then declining to 11.75 percent to 2010-13.¹⁷⁰ It is found that industrial growth in Assam in the initial decade of the post-liberalization period showed a slow rise similar to previous decades. Then in the early years of the 21st century, it picked up a rapid growth which continued in a progression till 2005-06, thereafter registering a sudden decline of 2-3%. The reason for this decline can be attributed to the fall in the contribution of the manufacturing sector and the dip in resource output.¹⁷¹ The growth trajectory of industries in the state is not a pleasing story as its contribution to the state economy comes below the agricultural and service sector and accounts for less than one-fourth of GSDP.

¹⁷⁰Central Statistical Organisation, (2013-14)

¹⁷¹ Dutta M.K. & Das I. (2017), Economic Performance of the North-Eastern region in the post-liberalisation period, in Deepak K. Mishra and Vandana Upadhyay (eds.), *Rethinking Economic Development in Northeast India*, p 56. New York, Routledge.

Table 4.17 Sub-sector of industry growth rate of GSDP at constant

Sub-Sector	2004-05	2013-14	Growth
Mining & Quarrying	467925	422401	-9.7
Manufacturing	561246	661153	17.6
Construction	342026	803128	134.8
Electricity, Gas & Water Supply	98412	93831	-4.7
Total	1470509	1980513	34.7

Source: Economic Survey Assam, 2014-15, Directorate of Economic & Statistics, Assam

Sub-sector analysis of the growth of industries in Assam shows that Construction plays an important role in driving the growth of the industry sector. Within the said time frame of 2004-2014, the growth in the construction sector has been 5 to 6 times more than other sub-sectors, followed distantly by the manufacturing sector with 17.6 percent. By 2013-14, the construction sector has replaced the manufacturing sector as the most dominating sub-sector of the industry sector in the state's GSDP. The most alarming point of the growth trajectory is the declining trend of the mining and energy supplies industries as these industries long have been the driving force in the state economy.

Table 4.18 Contribution of manufacturing to NSDP in Assam (at 1993-94 prices)

	1993-94	2013-14
Organized Sector	6.3	6.1
Unorganized Sector	2.1	2.1

Source: Calculated from the Basic Statistics of North-East States 2015, NEC, Shillong & Annual Survey of Industries, Various years.

As shown in the above study, the manufacturing sector has registered a fairly positive growth story in contribution to the state's GDP but its overall share in the Net State Domestic Product remains low. More importantly, the share has depleted in the post-liberalization period. While the unorganized sector has been able to retain its percentage share, the organized sector has even failed to do so. The following table highlights the progress of the industrial development in the state and the nature of wages that the sector generates in comparison to an all-India scenario.

Table 4.19 Progress of industrial development in Assam

Characteristics	1992-93 to 1997-98		1997-98 to 2012-13	
	India	Assam	India	Assam
Increase in Number of Factories	16,057	153	86,569	1,442
Wages per worker	41,496	27,887	110,327	67,685
Per capita net value added	205,061	101,805	657,874	374,909

Sources: Annual Survey of Industries, various issues.

In terms of the increase in several factories, Assam during 1992-98 registered an insignificant growth of 0.9 percent which only increased to 1.66 percent between the periods 1998-2013. In terms of the increase in the factories between the two periods, the share stood at 9.6 percent in the period 1992-98 which increased to 90.4 percent in 1998-2013. This is indicative of the fact that the pace of development picked up in Assam only at the beginning of the 21st century. However, Assam's industrial shares in comparison to that of India remain very little. The average annual wage of workers is also half in comparison to the all-India average. In terms of per capita net value added by the sector, Assam is far behind India both in terms of value and also growth in value.

The unorganized manufacturing sector (UMS) in Assam is both huge in terms of several units and workers. There are roughly 4 lakh enterprises in Assam falling under the category of UMS employing around 6,32,481 workers as of 2005-06.¹⁷² However, the performance of this sector has also been abysmal over the years. UMS has suffered a substantial loss of workers and productivity over the years. Though some sort of improvement was registered during 2000-01 to 2005-06 but that stands to be not sufficient to compensate for the decline in the sector, UMS holds huge potential and employment opportunities for the state given the natural resource base of the state but lack of proper policy and skill-formation the sector remains badly hit by.

MSME (Micro, Small and Medium Enterprises) is another potential area for increasing industrial output in the state. According to Economic Survey, Assam, 2016-17, there are 43,332 MSME units in Assam providing 2.49 lakhs employment in the state. The average annual growth rate of MSME in the state has been 3.39 percent, the employment rate increased by 6.76 percent and the average annual growth in investment stands at 8.83 percent. Growth of MSME in the state has been marked by regional disparity, lack of infrastructure facilities, poor technical capabilities and

¹⁷²Unorganized manufacturing in India, NSSO 56th and 62nd Round.

absence of proper labour management mechanisms that are causing hurdles in the progress of the sector.

Table 4.20: Employment in the industrial sector in rural and urban region of Assam (in %)

	1993-94	2004-05	2011-12
Rural(Sectoral Distribution)	4.7	5.9	12.2
Urban (Sectoral Distribution)	19.9	19.5	21.7
Total (Sectoral Distribution)	6.4	7.6	13.5

Source: NSS employment-unemployment various rounds (55th, 60th& 68th)

There has been a progressive increase in the employment rate in the industrial sector but the rate is abysmally low in comparison to the primary and tertiary sectors in the state. The urban area seems to be performing better than the rural regions in terms of the employment of the sector and occupying the second position in the service sector. The statistical numbers denote a weak industrial base of the state with a declining share in the economy. Low private investment, poor capital formation, lack of adequate power supply and infrastructural support, the decline in resource output, political uncertainty and lack of entrepreneurial attitude is affecting Assam's prospect in industrial development, making it fall under the backward industrial areas of the country.

Service Sector in Assam

In recent years, the economy of Assam has undergone a structural transformation and transition from the primary to the service sector. The service sector has registered an encouraging trend in the state economy. According to the Economy Survey, in 2014-15, the service sector in Assam increased from 47 percent in 2004-5 to 58 percent in 2013-14. The table below represents the decadal growth of the sector in terms of its contribution to the Gross State Domestic Product.

Table 4.21: Decadal growth of service sector's contribution to State Domestic Product

Year	Contribution to GSDP (%)
1980-81	39.9
1990-91	44.7
2000-01	50.6
2010-11	56
2011-12	56
2012-13	59.3
2013-14	57.5
2014-15	56.8

Source: Economic Survey, Assam, Various Issues

The service sector in the decade before the liberalization phase registered a growth of 4.4 percent in terms of contribution to the GSDP which increased to 5.9 percent between 1991-01, 5.4 percent between 2001-11. Thus, there has been a slight increase in the growth of the sector in the post-liberalization phase.

Table 4.22: Share of Service sector in total SDP (State Domestic Product), Comparison between Assam and NER (in %)

States/Region	1991-2001	2001-11	1991-2011
Assam	44.53	57.34	50.89
NER	56.30	64.71	60.40

Source: (Deshamukhya, Chakrabarty & Roy, 2017)¹⁷³

When the growth of Assam is compared to the growth of the Northeast region, then the state subsequently falls behind the region by 10 percent from 1991-2011. However, in terms of growth in the post-liberalization period, the share of the service sector in the State Domestic Product of Assam grew by 12.81 percent. While that for NER in the same period has been 8.41 percent. Thus, it can be said that the share of the service sector in the State's Domestic Product in comparison to NER is less. It has registered a higher growth rate than NER in the aftermath of liberalization. The reason for the less share of the service sector in Assam in comparison to NER lies in the fact that contributions from other sectors like agriculture and industries are much more in Assam than rest of the region. Other states in the region have a very weak and poor agricultural and industrial base.

Table 4.23: Industry wise distribution of the service sector growth in contribution to GSDP at constant (2004-05) prices.

Industries	2004-05	2013-14	Growth
Trade, Hotels & Restaurant, Transport, Storage & Communication	1082681	2013363	86.0
Banking & Insurance, Real Estate and Business Services	308480	697268	126.0
Public Administration and other services	1112535	2194063	97.2
Total Services	2502696	4904694	95.9

Source: Economic Survey, Assam, 2014-15, Directorate of Economics & Statistics, Assam.

¹⁷³ Deshmukhya P., Chakrabarty M.J. & Roy N. (2020), Impact of Service Sector on Economic Growth: Evidence From North East India, *Indian Journal of Economics and Business*, 19(1), 71-85.

The data from the Economic survey reflects an impressive growth rate among the sub-sectors of services in Assam for the period 2004-14. Out of these, the performance of Real Estate and Business has been the most prolific followed by the Public Administration and hospitality industry. The growth of the agriculture sector has been 31.9 percent and Industry 34.7 percent from the same period of time. This highlights the growing prominence of the service sector in the economy of the state.

Table 4.24 Growth pattern of the sub-sectors to the service sector in SDP of Assam (1991-2011) (in %)

Sectors	Growth
Construction	13.18
Transport Storage and Communication	7.57
Hotels and Restaurants	29.84
Banking and insurance	6.14
Real Estate and Business Services	4.15
Public Administration	11.53
Other Services	27.58

Source: (Deshmukh & Roy, 2017)¹⁷⁴

The growth registered by different sub-sectors of services in Assam reflects a positive trend in the post-liberalized period. However, when the growth of the sub-sectors is studied in comparison to the growth of the aggregate service sector in SDP then considerable variation is observed. While construction (0.68%) and, hotel and restaurants (1.14%) have significantly remained positive, other services like transport and communication (-0.23%), banking and insurance (-0.18%) and Real Estate (-0.41%) have negatively contributed to the growth of service sector in the state.¹⁷⁵

¹⁷⁴ Deshamukh P. & Roy N. (2017), Understanding Service Sector Growth at Disaggregated Level: A Study of North East India, *Amity Journal of Economics*, 1(2), 71-87.

¹⁷⁵ Deshamukh P. & Roy N. (2017), Understanding Service Sector Growth at Disaggregated Level: A Study of North East India, *Amity Journal of Economics*, 1(2), 71-87.

Table 4.25: Employment in the service sector in rural and urban region of Assam (in %)

	1993-94	2004-05	2011-12
Rural(Sectoral Distribution)	16.0	19.4	25.6
Urban (Sectoral Distribution)	77.2	75.8	73.8
Total (Sectoral Distribution)	22.8	26.3	32.2

Source: NSS employment-unemployment various rounds (55th, 60th& 68th)

The growth in the service sector has also led to an increase in employment. The post-liberalization period in Assam witnessed an increase of 10.6 percent in sectoral employment distribution in favour of the service sector, with rural Assam registering a 9.6 percent increase, however, the employment share of the service sector in urban Assam during this period has shown a decline of 3.4 percent because of an increase in employment in the primary and secondary sector. However, the service sector accounts for two-thirds of the total employment in the urban regions and only one-fourth in the rural regions. Thus, despite a minor decline, the service sector in Assam remains the major driver of employment in the cities.

Table 4.26: Sub-Sector wise employment distribution in Assam (in %)

	Hotel and Restaurants	Transport and communication	Finance, Real estate, Business Services	Other services
1993-94	9.3	2.0	0.5	11.1
2004-05	11.1	3.7	0.4	11.0
2011-12	15.6	3.9	0.6	12.2

Source: NSS employment-unemployment various rounds (55th, 60th& 68th)

All the sub-sectors of the services in the post-liberalized have accounted for positive growth in terms of employment share in the state. In this respect, the performance of the hospitality sector has been the most prominent with an increase of 6.3 percent, followed by transport and communication (1.9%), other services (1.1%) and Finances (0.2%). Hospitality industry along with other services like community, social and personal services accounts for more than 27 per cent of total employment in the state as of 2011-12.

Table 4.27: Male-Female distribution in the employment of service sector. (in %)

	Rural Male	Rural Female	Urban Male	Urban Female
1993-94	18.3	8	77.3	76.4
2004-05	25.6	8.9	80.1	66.7
2011-12	28.07	14.17	72.85	80.04

Source: NSS employment-unemployment various rounds (55th, 60th & 68th)

Gender analysis of employment in the service sector reveals a predominance of males over females. However, the gap in the past few decades has shown contrary results in rural and urban Assam. While in rural Assam the gap increased by 3.7 per cent, in urban Assam female employment surpassed that of males by 7.19 percent. Female employment in the service sector is mostly driven by employment in the hospitality sector (26.80 per cent in rural & 21.29 percent in urban) and in social and personal services (69.25 in rural and 56.82 percent in urban). Education and Banking are also emerging as important drivers of female employment in the state.

From the discussion above it can be said that the service sector not only drove economic growth in the state but has also generated maximum employment. In this context, it is important to note that certain sub-sectors like Trade & Hospitality are highest in terms of employment share. But when accounted in terms of share of income in the service sector, it is only 23.18 percent as of 2011-12. On the contrary, sectors like transport and communication account for relatively less in terms of employment but enjoy a substantial share of income (27.01 percent in 2011-12) in the service sector. This reflects an employment and income growth mismatch among sub-sectors of services within the economy. In an overall analysis, it can be said that the service sector holds the key to economic growth in the state. After the New Economic Policy, many new and sophisticated services like Communication, Information Technology, Education, Civil Aviation, Health, Legal Services and Entertainment services are coming up. With proper policy and infrastructural support from the government, these can be reasons for greater growth and employment in Assam.

The understanding of other parameters like education, health and poverty indices becomes important to have a holistic understanding of the state of development in Assam. Within the social sector, the role of education is most extensive which impacts all avenues of human development. Access to education plays an important role in expanding choices for individuals and also for society. In the development of the Northeast, access to education is considered the

most important means of achieving a better quality of life in the context of rapidly transforming and modernizing the economy, society and polity of the region. Literacy is one of the important parameters in determining the human resource development of any region. The table below provides a progression rate of literacy in the state of Assam in the post-liberalized period.

Table 4.28; Rate of increase in Literacy rate in Assam 1991-2011

	1991	2001	2011	Increase 1991-2001	Increase 2001-2011
Male	61.9	71.28	78.81	9.38	7.53
Female	43	54.61	67.27	11.61	12.66
Overall	52.39	63.25	73.18	10.36	9.93

Source: Provisional Population papers 1 & 2- Census 2011: National Human Development Report, 2001

Assam has registered a progressive growth in overall literacy rate over the decades from 1991 at par with the all India average. Female literacy rates have registered higher growth in the decades between 1991-2011 gradually reducing the gap between males and females in the state. The urban-rural gap has also shown signs of lessening. In 1991, the gap stood at 30.07 percent which reduced to 25.61 percent in 2001 and then to 18.44 percent in 2011.¹⁷⁶ However, in terms of growth in the literacy rate of Assam in comparison to other states in the Northeast, the performance has been relatively poor. In 1991-2001 it ranked 6th in terms of increase in literacy and has gone down one step to rank 7th in 2001-11.

The state performs fairly poorly in terms of the Infrastructure Index for Educational Institutions and ranks last among the Northeast States, 34th in all over India. It also comes last among the Northeast States in terms of the Teacher Index and 35th across India. However, in terms of the Access Index, it performs better and ranks 4th in North-East and 7th across India. In terms of the Composite Educational Development Index, it ranks last in the NER and 32nd in all over India.¹⁷⁷

¹⁷⁶ Provisional Population Papers 1 and 2- 2011 Census. Government of India.

¹⁷⁷ National University of Educational Planning and Administration (2016).

Table 4.29: Growth in Educational institution in Assam

Institutions	1993-94	2013-14
University	3	10
College	231	400
Higher Secondary School	502	1080
High School	3072	5743
Primary school	28,876	40,444

Source: Statistical Handbook of Assam, various issues.

Primarily looking into the institutional growth chart, all types of institutions starting from elementary level to Universities there have substantially increased over the decades which are one of the main reasons for the state to perform better in terms of the Access Index. On parameters of quality, the question remains. Low enrolment rates and relatively high dropout rates compound the matter further for the state.

Health plays an instrumental role in an individual's overall development. Studies across the world have shown that health can be a causal factor for the aggregate economic growth of the country. The World Health Organization has estimated that 10 years increase in average life expectancy at birth is associated with a rise in economic growth of some 0.3-0.4% a year.¹⁷⁸ In order to understand the health status of Assam, three health indicators are to be analyzed namely, Birth Rate, Death Rate and Infant mortality rate.

Table 4.30 Birth Rate, Death Rate and Infant Mortality Rate in Assam in comparison to NER & India

	Birth Rate			Death Rate			Infant Mortality Rate		
	Assam	NER	India	Assam	NER	India	Assam	NER	India
1998	27.9	21.8	26.5	10.0	6.9	9.0	76.0	45.9	72.0
2006	24.6	19.5	23.5	8.7	6.1	7.5	67.0	35.6	58.0
2012	22.5	17.8	21.0	7.5	5.3	6.7	55.0	31.5	42.0
2014	22.2	17.8	21.0	6.7	5.4	6.4	50.5	28.4	39.0

Source: SRS Bulletin (1998-2014)

Birth rate and Death rate denote the trend in population growth in a state. Assam witnesses a declining trend in both the Birth Rate and Death Rate. Decreasing the Birth Rate is a positive

¹⁷⁸ Ghosh P. & Singh K. (2016), *Healthcare and economic growth*, Mint. (<https://www.livemint.com/Politics/PuYLifV8TNzD13GqiK3JmN/Healthcare-and-economic-growth.html>)

sign for the economy as the population pressure is expected to reduce. On the other hand, the death rate tells us that longevity of life has increased for the people in Assam which can be attributed to better standards of living and the availability of better medical facilities in the state. In comparison to NER and India on average, the rate of Assam is high. More importantly, the problem of illegal infiltration often complicated the matter in terms of population growth in the state. However, decline trend in Birth and Death rates is a positive sign for the economy of the state. A declining rate of infant mortality indicates the state medical facility towards newborn children has improved over the years, but a lot has to be done to reduce the rate down to the national level. The Infant Mortality rate of Assam is even higher in comparison to NER by 11.6 percent, which remains a cause of concern.

Table 4.31: Medical facility in proportion to growth in population (2001-11)

Medical Facility	2001		2011		Trend (increase[+] or decrease[-] in population per one facility centre)
	Medical Facilities Number	Population per one facility centre	Medical Facilities Number	Population per one facility centre	
Hospital	22	1,211,615	22	1,418,435	+206,820
S.D.C.H	13	2,050,425	13	2,400,428	+350,003
P.H.C.	610	43,697	844	36,973	-6,724
Sub-Centres	5109	5,217	4609	6,770	+1661
Dispensaries	246	108,355	261	119,561	+11,206

Source: Self computed based on data from Infrastructure Statistics of Assam 2014-15 and Census data of 2001 and 2011. (S.D.C.H- Sub-Divisional Civil Hospital, P.H.C.- Public Health Centre)

In terms of Hospitals and Civil Hospitals, there has been no improvement in numbers from 2001 to 2011 which creates more population pressure on the existing infrastructure and declines the quality of medical facilities provided. The number of Public Health Centres, Sub-Centres and Dispensaries though has increased in the decade but except for Public Health Centres, the population pressure on other medical institutions in the state has increased over the decades.

Table 4.32: Bed availability in Medical facility in proportion to growth in population (2001-11)

Medical Facility	2001		2011		Trend (increase[+] or decrease[-] in population per one bed)
	Number of Beds	Population per one bed	Number of Beds	Population per one bed	
C.H.	2830	9,419	3280	9,513	+94
B.P.H.C.	894	29,816	900	34,672	+4,856
C.H.C.	3120	8,543	3240	9,631	+1,088
S.D.C.H.	735	36,266	715	43,644	+7,378

Source: Self computed based on data from Infrastructure Statistics of Assam 2014-15 and Census data of 2001 and 2011.

B.P.H.C. = Block Primary Health Centre

C.H. = Civil Hospital

C.H.C. = Community Health Centre

S.D.C.H. = Sub Divisional Civil Hospital

With the population growth rapidly outpacing the growth in medical facilities across the state, the population pressure per bed available in different medical facilities has also increased between 2001-2011. Alarmingly, the increase in population pressure per bed on average has been more than 3,000, which presents the picture of insufficiency of the health sector in the state.

Table 4.33: Health Infrastructure Gap in Assam

Particulars	Required	In position	Shortfall
Sub-Centre	5841	4621	1220
Community Health Centre	238	151	87
Health workers at Sub Centre	4604	2386	2218
Health Assistant (Female)	975	452	523
Health Assistant (Male)	975	00	975
Specialists	436	122	314

Source: RHS Bulletin, 2015.¹⁷⁹

According to the Rural Health Statistics, the state of Assam has a shortage of all particular health facilities. For instance, there is a shortage of 1200 medical sub-centres in the state; Community health centres are short by 87. Besides, there is also a shortage of medical workers in the state, as the above statistics denote. Poor infrastructure in available facilities is another factor that ruins

¹⁷⁹ Paul P.K., Jana S.K. & Maiti A. (2019), An Analysis of Health Status of the State of Assam, India, *Research Review Journal*, 4(3), 1179-188.

the sector in Assam. According to Rural Health Statistics on March 31st 2015, 49.72 percent of sub-centers are without regular water supply, 48.9 percent without electric supply. 75.2 percent of Public Health Centres are without labour rooms, 12.7 percent without regular water supply, 8.8 percent without electricity, 20.7 percent without telephone and 64.6 percent without a computer. This represents an alarming state of health affairs which, if not improved, will break down in front of rising population pressure in the state.

According to the National Health accounts report, 2015, the Assam government spends only 3.08 per cent of state expenditure on health which accounts for 0.86 percent of the state's GSDP and 21 percent of the total expenditure on Health in the state. The majority of the expenditure on the health sector comes from private expenditure which accounts for 79 percent. Private investment in health has also increased in recent years. According to Economic Survey, as of 2014, there are 191 private hospitals and Nursing homes in the state. But the main problem with the private sector remains its urban-centric operation and high costs which make it difficult for the majority of the population to access it.

Table 4.34: Selected Social Infrastructure in Rural Areas of Assam

	Assam	India
Access to Pucca House	20.29	66.10
Access to safe drinking water	68.30	82.70
Access to Toilets	59.60	46.90
Household having electricity	28.40	67.20

Source: Census of India, 2011 & House Listing & Housing Census, 2011. NSS 65th Round

Better and clean living is a priority for a hygienic life for which proper social infrastructural development is required. In terms of access to electricity, drinking water and sanitation facility, Assam lags behind the national average but not by far: 78.2 percent, 83.8 percent and 47.1 percent (in comparison to national average in the scale of 100), respectively. But the picture becomes gloomy when rural Assam is taken into account. As presented in the above table, a poor state of social infrastructure in Assam is visible. In an overall analysis, improvement in health indices in the state has been noticeable, but in comparison to NER and all India statistics, the state seems to lag. The most alarming point is the poor infrastructural condition of the medical institutions of the state.

Per capita income denotes the amount of money earned per person in a nation or region. In that, Assam registered a progressive increase from Rs 5315 in 1990-91 to Rs 36320 in 2011-12. During the same period, India registered an income growth from Rs 5621 in 1990-91 to 61855 in 2011-12. So, when the progression of both Assam and India are analyzed then it is witnessed that the gap between the two has only widened. While in 1990-91 it was Rs 306 but it increased to Rs 25,535 in 2011-12 which indicates in terms of income generation Assam has lagged far behind the national average. In terms of poverty indices, Assam has shown a declining trend but in comparison to the all India average of 14.05 percent, Assam has only registered a 9 percent decline. As of 2011-12, the percentage of people below the poverty line in Assam stands at 31.98 while that of India is 21.92. A wide gap of around 10 percent exists. In terms of economic growth, Compound Annual Growth Rate (CAGR) NSDP/NNP of Assam for the period 1991-92 to 2012-13 has been 4.26 in comparison to 5.15 percent of NER and 6.66 percent of India.

To get an understanding of what people's perception is about the economy of the state three questions have been asked. First, how much do you rate the economic condition of the state? Second, do you think market institutions in the state can cater to the needs of the people? Thirdly, do you consider employment and other economic opportunities in the state to be sufficient? The table below presents the result of the survey.

Table 4.35: Question 1(Rate the Economic condition of the state)

Sample	Excellent	Very Good	Good	Medium	Poor
20	00	01	04	10	05

Source: Based on Survey conducted by author

Table 4.36 Question 2 (Has market institution cater to the needs of the people)

Sample Size	Yes	No	Can't say
20	07	09	04

Source: Based on Survey conducted by author.

Table 4.37 Question 3 (Is rate of employment and other economic opportunity satisfactory in the state)

Sample Size	Satisfactory	Not Satisfactory	Can't say
20	08	12	00

Source: Based on survey conducted by author.

People mostly feel that the economic condition in the state has been improving in the past, but several hindrances remain. They also feel that there has been a lack of proper social

infrastructure in Assam. Most people consider the market institutions in the state to be weak and increasing private participation is somewhere making these institutions costly for the common people. Instead, they desire expansion of the government expenditure on public spending. Among the youth, proper and adequate employment seems to be the major problem. Many prefer to leave for higher studies and in search of employment. Development in Assam, as most interviewees say, has failed to expand beyond its urban centres. In terms of basic infrastructure and connectivity many parts of rural Assam are still lagging decades behind.

Civil Society in Assam

In the wake of the Assam movement, civil society space has been progressively denuded by populist agitation and armed conflict in the last three decades. The growing intolerance displayed by organizations like the All Assam Students Union (AASU) towards any form of dissent has gradually marginalized all other voices of civil society. The democratic space of civil society groups became more and more limited because of the growing partisanship. In this context, two civil society groups namely Assam Sahitya Sabha (ASS) and All Assam Students Union (AASU) become important.

Assam Sahitya Sabha (ASS) was formed in December 1917, to promote the culture of Assam and Assamese literature. It has left an important mark on the politics of the state from its non-political platform. In its journey to prominence, it had clinched hard to the politics of identity assertion. Way back in 1950, it raised the demand that Assamese be declared the official language for the state of Assam. From 1959-61, the ASS stirred a strong movement throughout the Brahmaputra valley which eventually led to the adoption of the Assam Official Language Act in the 1960s. The Official Language Act left a serious misgiving in the minds of other communities and tribes within Assam which gradually accelerated the process of cessation leading to the bifurcation of Assam in the coming decade. It also prepared the ground for the emergence of other organizations like Bodo Sahitya Sabha (BSS) to counter ASS domination over the socio-political landscape of Assam. However, ASS stood unnerved in front of such counter assertion. It rather went ahead with its language policy. In 1971-72, it launched another powerful mass movement in the Brahmaputra valley demanding the Assamese language to be made the sole medium of instruction in colleges and universities across the state, Assamese students built up a mass movement, which even turned violent at several places, leading to deaths, police firing and communal violence. In this fashion, using language as the marker of

Assamese identity, ASS prepared the ground for the ultimate and most powerful movement in Assam's history in the 1980s. While the attitude of the state remained more or less passive, ignoring the brewing discord within Assam.

In the 1980s, with the start of the Assam Movement, ASS finally bid goodbye to its non-political stance and completely got involved in the foreign national issue alongside Assam Gana Sangram Parishad (AGSP) and All Assam Student Union (AASU). During the first two years of the agitation, the political upheaval in the state was marked by massive satyagrahas and bandhs. ASS, through its 500-odd branches, left no stone unturned to mobilize public support in favour of the agitation. ASS was among the three organizations that were considered to be moderate of them all. During the entire period of the struggle, ASS maintained strong links with the government, receiving funds and privileges from the state and on the other actively coordinating with AGSP and AASU to usurp the movement against the state itself. Initially, the moderate stance helped ASS to act as a link between the government and the agitators but when the movement gradually became intensified, ASS's link with the government became a cause of suspicion for AGSP and AASU. Finally, to end its ambiguity over its stance, ASS came out of its moderate existence and stood firmly by AGSP and AASU. This in turn invited the government's wrath on the organization, leading to the stoppage of all government funds and privileges given to individual members of the Sabha. The government's favour started to shift to other literary forums of the state, whose meetings were then attended by ministers and they received government support and funds. ASS initially tried to counter the government's distancing from it by building a one-crore trustee fund through collection among its members. Many other small organizations also came in favour of ASS in assisting. ASS even went to the extent of threatening the government that they do not require any assistance from the government with strings attached to it.¹⁸⁰ But with the decline in the momentum of the movement and an increase in discontent among the public over violence in the state, ASS realized that its appeal was on the fall. Despite this, it justified its participation and the movement as democratic, non-violent and secular in character. However, from within it was becoming important to gradually disassociate with more aggressive partners like AASU and AGSP. It decided to set up a Karma Parishad and declared that no decision taken by AGSP shall be directly binding on the Sabha. Instead, Karma

¹⁸⁰ Misra, U., (2014). *India's North East: Identity Movements, State and Civil Society*, p 326. New Delhi, Oxford University Press.

Parishad shall maintain a link of communication with AGSP and report to the President and Executive Committee of the Sabha where final decisions are to be taken.

The decision of the ASS was an obvious attempt to mend the fence with the government and also a fact of late realization that in due course of language assertion through the Assam movement, it has lost much of its appeal across different sections within Assam mainly among plain-tribal communities. Facing challenges within its fief, ASS started lately adopting a low-key approach by coming out of its agitational programmes and emphasizing issues of culture, constitutional safeguards for small nationalities and preservation of Assam's archaeological sites. However, it remains hard to say whether the politics of identity and language have completely left their imprint on the organization. Though ASS considers BSS as a fraternal organization it continues to hold serious reservations against accepting Bodo language as the associate official language of the state.

Students are considered to be a powerful force within society. In Assam, students have played an important role in launching four important movements before the Assam movement on economic issues under the umbrella of the All Assam Students Union (AASU). These were the oil refinery movement in 1957 and 1969, and the movement on the issue of the Food Crisis in 1966 and 1974. Besides, AASU also played an instrumental role in the linguistic and cultural movement in the 1960s and 1972.

During the Oil Refinery Movement, the students in the educational institutions of Guwahati launched a campaign to boycott their classes and started a procession in demand of a refinery in Assam. Students picketed schools, colleges and other government offices and courted arrests.¹⁸¹ Numerous student action committees were formed that organized meetings and held processions to pressurize the government. The goal of the movement may not have been achieved immediately but this movement showed the strength of the student community in mobilizing masses.

The food crisis in Assam during the late 1960s and early 70s made the students take to the streets. In 1966, AASU launched its movement against the food crisis and gradually under the leadership of Lakhi Saikia and Dilip Bhattacharya, the movement took a mass character. Several days around the calendar were observed as 'Protest Day', 'Hartal Day' and 'Promise Day'.

¹⁸¹Baruah, S. (2019). Student Politics in Assam with Special Reference to All Assam Student's Union: 1967-1985. *Journal of Xi'an University of Architecture & Technology*, XI (XII).

Again, just as before the students were able to galvanize public support in their favour. Due to active and aggressive participation from the students, the government was soon forced to frame new policies to control the black market and avoid food crises in the future. However, one dark side of the movement was its growing hostility towards non-Assamese, especially the Marwaris who were the controlling class of the market and were mostly held responsible for black marketing.

Both the movements had shown and established AASU in particular and students in general as a capable entity to articulate the interest of the common people and contest the state apparatus. This was where AASU appealed to the common Assamese and became a saviour of the people of the state. AASU's subsequent participation in the language movement in the 1960s and the Medium of Instruction Movement in 1972 made it more Assamese in character and outlook. Finally, based on the socio-culture, economic and Political identity of Assamese, AASU launched the most powerful movement in the History of Assam in the 1980s on the issue of foreign nationals.

By the capacity of participation, AASU was the strongest of all the other organizations which were involved in the 1980s agitation. AASU held the centre stage with so much authority that all other established political parties of Assam were considered irrelevant. For four years till the bloody election of 1983, no organization in Assam could remotely challenge the authority of AASU. The federal government was forced to negotiate with AASU and accepted the fact that the demands of AASU must be addressed to bring peace in the state. And finally, in 1985, AASU signed an agreement with the Indian government bringing about a temporary end to their agitation before it was again revived by ULFA in a more violent and militant way.

Many of AASU's leaders in the aftermath of the Assam accord joined active politics under Assam Gana Parishad (AGP). However, AASU continued to maintain its distinctive character and didn't end up as an affiliate of the AGP. Now much weaker than before, beaten by internal disorder, corruption and incompetence of the leaders, it has lost much of its flare of the past. Nevertheless, it continues to remain relevant through participating in the protest movements against the influx of illegal foreigners, the establishment of big dams, the up gradation of the 1951 NRC of Assam and the solution of the inter-state boundary.

In an overall analysis, AASU's role has not been free from criticism. Through its participation in the language movement and medium of instruction movement, it has helped to grow identity

politics in the state and ignited anti-Assamese feelings among the minds of other tribes in Assam. They became suspicious and apprehensive about AASU's politics. As a result, they tried to distance themselves from AASU. The tribal people of the plains organized themselves under the banner of the Plain Tribal Council of Assam (PTCA). The tribes also started the Udayachal movement to achieve a separate Union Territory for the plain tribes stretching across the Northern Parts of the Brahmaputra valley. There were also reports of rising conflicts between Assamese and Bengalis in the state due to identity overtures of AASU.

In any peace process, civil society has a crucial role to play as a mediator or peace broker. Experiences from different corners of the world have shown how civil society intervention has proved meaningful in bringing peace. Assam has its own story to offer. The formation of the People's Consultative Group (PCG) was a way towards the direction of negotiating peace between ULFA and the government.¹⁸² Primarily PCG was formed consisting of civil society activists sympathetic to the cause of ULFA. Therefore, from its inception, there remained a question of whether it can go above the partisan groove and be a true representative of the civil society in the state. During its initial phase, PCG tried to reach out to people and ascertain their views on the issues of insurgency and a Sovereign Assam. People of Assam, in general, desired that an amicable and honourable solution shall come out of the peace process.

Expectations soon gave way to a cynical sense of despair when it became clear that PCG instead of trying to put forward the voice of people was playing at the hands of ULFA. The matter became clearer when PCG floated an umbrella organization called the People's Committee for Peace Initiative (PCPI) to garner mass mobilization for pro-ULFA causes and human rights violations in the state. Not all constituents of the PCPI were acceptable to PCG's stance. Soon within years of its formation, many civil society groups started to disassociate with PCPI. Thus PCG, in this fashion lost the opportunity of facilitating peace between the government and ULFA. PCG's attempts to highlight issues of sovereignty, and state human rights violations have won the organization accolades from ULFA but only to be distanced by the government and from the people.

¹⁸²Das, S. K. (2007). *Conflict and Peace in India's Northeast: The Role of Civil Society*. Retrieved August 20, 2019, from www.eastwestcenterwashington.org/publications: <https://www.eastwestcenter.org/publications/conflict-and-peace-india%E2%80%99s-northeast-role-civil-society>

With PCG's gradual decline, the space was open to other organizations to step into their shoes in search of a peaceful settlement to bring an end to the violence that has claimed thousands of lives in the state and had severely restricted civil and human rights. The success of a civil society initiative depended on convincing military groups to abjure violence and come forward for negotiation. But the question remained whether ULFA at all was ready for that. The faction led by Paresh Barua refused any kind of compromise on the question of a sovereign Assam. More importantly, the highly secretive military set-up of ULFA leaves no scope either for inner-party democracy or for establishing any rapport with the people. This makes the job of civil society more difficult as the choices become very few and only the supporters within the civil society were able to approach the ULFA. Such circumstances stifled the voices of civil society and render it weak. The partisan politics of organizations like ASS, AASU and AGSP reduced the civil society space in Assam. On several occasions, there has been a spontaneous upsurge of people against killings by the state or the militants but clearly, there was an absence of a viable and coordinated voice in the civil society. Thus, unlike the stories where civil society had been instrumental in bringing peace, the story of Assam seems to have gone the other way with major drawbacks in its peace process.

Throughout the decades of the 1980s and 90s, Assam remained severely hit by the fallout of the state and rising militant violence. Average citizens were the worst sufferers of the growing marginalization. Killings, murder, and rape had become the new normal in the state. Often voices were raised to protest against the killings. For instance, in 2000, scores of non-Assamese civilians were gunned down allegedly by ULFA militants, and there was a widespread expression of public indignation throughout the state. People's upsurge was visible but what lacked was a coordinated approach. On several occasions civil society not only protested the state's repressive acts but also that of militants. There remained a lack of consistency in their approach. Civil society organizations like Manab Adhikar Suraksha Samiti (MASS) made a good start in working on human rights violations in the state. But it did not take long for the organization to lose its momentum as it was often accused of presenting a one-sided perspective on the issue of human rights.¹⁸³ Organizations like AASU, ASS, AGSP and Asom Jatiyatabadi Chatra Parishad (AJYCP) who once played pivotal roles in mobilizing civil society opinion on issues ranging from economic deprivation to foreign nationals had conspicuously remained silent

¹⁸³Barbora, S. (2018). *Peasants, Students, Insurgents, and Popular Movements in Contemporary Assam*. Kolkata: Mahanirban Calcutta Research Group.

about the rising curve of human rights violations in the state. Thus, it seems to be imperative for the civil society groups of the state to come forward and build an opinion against violence and hold a consistent approach towards it.

According to Kothari “The Indian Response to modern stimuli consisted of asserting the Indian-ness of India, reformulating this Indian-ness, and giving it a modern Character”¹⁸⁴ This Process of diffusion that Kothari mentions was not homogenous and in this, a large section of the population was left out of the idiom of modernity. The post-independence political elite referred to this modernity as a legitimizing strategy to make developmental interventions. However, such developmentalism has increasingly received resistance from people and civil society groups. Big dams in India have been symbols of modernity. Nehru while looking at the construction of Bhakra Nangal Dam had exclaimed “What a stupendous, magnificent work- a work only that nation can take up which has faith and boldness! It has become the symbol of a nation’s will to march forward with strength determination and courage”¹⁸⁵ However, later the negative impact of dams on the environment and habitat became visible worldwide. Big dams have become a contentious debate and earned importance mainly because of resistance from local communities.

People are gradually realizing the futility of large dams. As a result, anti-dam movements are gaining momentum. In the Northeast people for a long time have been silent spectators to state-sponsored development but now they are learning to resist this threat to their lives and livelihood. Narmada Bachao Andolan throughout the 1990s against the Sardar Sarovar Dam on the Narmada River became a symbol of the anti-dam resistance in India. Civil society groups soon learning from the experience outside started to realize the marginalization of local people under the conventional state-led development discourse.

The Ranganadi Hydropower project situated in Arunachal Pradesh was commissioned to mitigate floods. Soon it became evident that it was causing recurrent flash floods in the downstream districts of Lakhimpur from the excess water that was released during the peak summer seasons.¹⁸⁶ This was a turning point when gradually civil society groups within Assam started to voice their reservations against the dam in the region.

¹⁸⁴ Kothari, Rajni. (1970). *Politics in India*. Delhi: Orient Longman Ltd.

¹⁸⁵ Nehru, J., 1958. *Speeches, Vol III March 1953-Aug 1957*, Calcutta: Publications Division, Govt. of India.

¹⁸⁶ Sharma, C. K. (2018). Dams, Development and popular resistance in Northeast. *Indian Sociological Society*, 67(3), 1-17.

When the EIA (Environmental Impact Assessment) report on Lower Subansiri Hydro Power Project was made public in 2001, a few environmental activists raised their concerns that this project is going to submerge large areas affecting the rich wildlife and biodiversity of the land. Moreover, they also questioned the validity of the report pointing to several flaws within it. Further, small groups of people residing in the downstream areas came together to form an organization called the People's Movement for Brahmaputra Subansiri Valley (PMBSV) to protest against the hydro project. Later on, local members of the Student Union, AASU and All Mishing Students Union known as Takam Mishing Porin Kebang (TMPK) joined the protests against the dam construction.

Many other organizations and individuals got involved in the process of resistance, like the River Basin Friends and Rural Volunteers Centre. They coordinated with the International Rivers Network to create awareness among people and support their struggle against state-induced development. Noted civil society activists like Ann Katherin Schneider and Medha Patkar also visited the campaign site. In 2004, a massive cycle rally was organized from the dam site to the district of Majuli alongside the riverbanks through the interior villages as a drive to spread awareness among the people. A local daily named "Amar Hongbad" was circulated in the region as part of the awareness campaign. Subsequently in 2004, Supreme Court in its judgment allowed the Lower Subansiri Hydro project to be completed but banned any further construction of dams in the Subansiri River due to environmental impact.

In 2005, the movement against LSHP was again revived by two state-wide influential organizations AASU and Krishak Mukti Sangram Samiti (KMSS). Thousands of peasants, farmers, students, women and children took to the street to express their apprehension against the construction of the dam. However, there was a change in issues that were focused upon: safety of the dam, impact on downstream inhabiting communities and distribution of cost and benefits was brought to the forefront. Assam Gana Parishad (AGP) a regional political party reading the political mileage of the protest also joined the bandwagon. The Assam Government coming under pressure from various corners accepted a tripartite meeting between the Government, NHPC Official and a scientific expert committee from Guwahati University, Dibrugarh University and IIT Guwahati.

The Committee submitted a report in 2010 in which it recommended not to construct a mega-dam on the proposed site and this further exhilarated the protest against the dam. The ruling

party took a considerate approach keeping the nearing elections in mind. It agreed upon looking into the safety measure of the dam but was careful not to support the demand of the protestors. In the post-election period, the government was determined to move ahead with the project and accused the protestors of having links with the Maoists and other separatist outfits like the HUII. The government warranted people to flow their own conscience and support development in the state and not be swayed by separatist elements.

Another instance of the Pagladiya Dam Project (PDP) on the river Pagladiya has been in the pipeline for a long time. It has been commissioned way back in 1968-71 as a minor flood detention project. Later it was conceived as a power-generating project which could also help in irrigation. After keeping the project in cold storage for a long time, it was only revived in 1995, but soon the project went into oblivion. Again, it was cleared by the NDA regime in 2000 for Rs 542.90 crore.

It has been estimated that if the project sees the light of day, then it is going to submerge 38 settled villages and 80,000 hectares of total area. Moreover, it will also submerge more than 50 educational institutions, 70 religious institutions and numerous markets and health centres.¹⁸⁷ Thus people in threatened areas protested against the proposal for the construction of the dam from the very beginning. They formed a committee under the banner “Pagladiya Bandh Prokalpar Khatigrasta Alekar Sangram Samitee”. The Committee had been successful in mobilizing public opinion in favour of the protest among the people of the supposed area to be submerged. Various students and social organizations including tribal bodies like All Bodo Students’ Union had come out in active support of the movement.

With time, the movement seemed to gain momentum. Interestingly, it has been able to cut across ethnic and religious divides in the region with communities equally participating in the protest struggle.¹⁸⁸ The inclusivist character of the movement gave more strength and voice to the people increasing their capacity to resist the state-sponsored project. The biggest protest against the PDP took place on 29th January 2004 and continued till 4th March 2004 for 35 days without any interruption. During which no officials from the district administration and Brahmaputra Valley were not allowed to visit the site. The people directly confronted the police and state

¹⁸⁷ Boro, K. N. (2004). *Smrity Grantha*, the 18th bi-annual conference of the Pagladiya Bandh Prakalpor Khatigrasta Alekar Sangram Samiti, Padma Ananda Bazar.

¹⁸⁸ Hussain, M. (2008). *Interrogating Development: State, Displacement and Popular Resistance in North East India*, p 136. New Delhi, Sage Publications.

machinery and did not retreat in front of police suppression. The leadership of the movement was able to establish a well-knit network which finally forced the government to retreat. The government also tried to sway public opinion in favour of the project through two NGOs namely, Assam Council for People's Action and Manab Seva Sangh, but the strong imprint that the Pagladia Bandh Samitee had amongst the people made the efforts of the government to fail.

At present, the site for PDP falls under Bodoland Territorial Council (BTC) which has significantly transformed the entire equation between the state and people's movement. Now for any implementation of the project, the consent of BTC is essential. As the majority of people living in the area are Bodos, BTC leadership needs to be sensitive to the needs and aspirations of the people. Thus because of this factor state may find it extremely difficult to go ahead with PDP.

State-induced development in the Northeast, Assam in particular, is not restricted to the construction of dams alone. For instance, in the 1970s when the capital of Assam was shifted to Dispur in Guwahati, a large settlement around the city was developed. It was made up of poor people who had to migrate to the city in search of livelihood. Though their progressive settlement was becoming a cause of ecological concern, the government from time to time has accepted their presence providing them with roads, electricity and water connection. Once in power for the third time, the Tarun Gogoi government decided to carry out evictions in some parts of the settlement. Though the state's reason was to bring back the ecological balance of the city, insiders had a different story to tell where private investments were lined up to construct complexes and hotels in the settlement site.¹⁸⁹ The settlers reacted fiercely and the administration was caught off-guard, they chased the demolition squads with sticks and spears. Out of fear of retaliation from the government and further eviction, the settlers organized themselves under the banner of "Brihattar Guwahati Mati Patta Dabikarn Samity". The movement by the protestors got further intensified with support from KMSS. Their leader Akhil Gogoi wasted no time in galvanizing people into action and on 22 June 2011 thousands of protestors marched to Dispur in demand to stop eviction and to grant them land pattas. The government came down with heavy repression, besides lathi-charge, tear gas shells were fired and even bullets were fired into the air. Akhil Gogoi was arrested along with many others. In protest, KMSS called a state-wide bandh

¹⁸⁹ Misra, U., (2014). *India's North East: Identity Movements, State and Civil Society*, p 343. New Delhi, Oxford University Press.

the next day. Despite attempts by the National Students Union of India (NSUI) and Youth Congress, the bandh was overwhelmingly successful and different indigenous organizations belonging to the tea tribes such as Asom Sangrami Chah Shramik Saansta came out in support of Akhil Gogoi and the KMSS. Finally, coming under pressure from civil society and the media, the government had to retreat and temporarily shelter the eviction drive.

Akhil Gogoi, a Right to Information Activist and peasant leader began his journey with the exposure of the Public Distribution Scheme (PDS) and Scam in District Rural Development agencies through RTI interventions. It was through local issues that gradually Akhil Gogoi moved towards wider issues of people's rights over natural resources, anti-dam protests and the right of inhabitants. KMSS was formed in the third year of the struggle by the peasants in the Doyang-Tengami region of Golaghat district against eviction by the forest department. Later on, KMSS extended its support to the movement of land rights in Nagaon, Dhemaji in favour of forest dwellers. It also expanded its scope of movement to demand land for the landless, pattas for all peasants, distribution of absentee landlords to the landless and the implementation of the Adhjar Act.¹⁹⁰ In the process, it has been able to cut across the ethnic divide and succeeded in organizing a movement which many of the prominent civil society groups in Assam like ASS, AASU, AGSP, BSS and even regional parties like AGP have failed to achieve.

Looking into the civil society space in Assam its ethnic-embedded character comes forward with prominence. Major civil society bodies to major movements that the state has witnessed in its post-independence years have been pivoted around an identity marker i.e., the question of language. Perhaps this has been the most important drawback of the civil society groups in the state as they have missed reading the multi-ethnic demography of Assam. More importantly, the rise of ULFA denuded the already marginalized civil society voice in Assam. Unlike the Naga Struggle, ULFA never wholeheartedly attempted to create a rapport with the public in general regarding whose war they claimed to be fighting. Nor were they open to any kind of dissenting voice from the civil society which became a cause for the premature death of the civil society voice in Assam. The cause voiced by the civil society organizations was exclusive in character only to be contested by another group in the run-up.

¹⁹⁰ Misra, U., (2014). *India's North East: Identity Movements, State and Civil Society*, p 347. New Delhi, Oxford University Press

Though most of the time undermined, women also played an important role in the history of Assam. Way back in 1915, Mahila Samitis were formed in Assam primarily for cultural economic and educational empowerment of women and children. Later on, in 1926 Assam Pradeshik Mahila Samiti was formed under the leading role of Chandra Prava Saikini.¹⁹¹ The organization was initially concerned with issues of child marriage, widow remarriage and education for women and gradually took an active part in the national movement in boycotting foreign goods and the promotion of khadi. In the post-independence era, especially in the famous six years of the 'Assam Movement', women from different walks of life took part in the movement in large numbers. In many instances, women formed human shields between the agitating students and the armed forces. They also made efforts for peace building in Assam through Kasturba Gandhi Memorial Trust, Anchalik Mahila Samitis and Sajagata Samiti. Women's movement in the state had focused on the brutality of the security forces, torture against women. However, the sustenance of effort remains a big problem in the way of taking the women's movement forward. Besides, the ethnicity of the region makes gender identity takes a back seat and intrudes on the space of the women's movement in Assam.¹⁹²

An alternative trend in the trajectory of civil society in Assam came up around the question of displacement and loss of habitat as a result of state-induced development, where the question of whose development and who had to sacrifice became contested. Government corruption and inadequate rehabilitation programmes have become a new rallying point for rising civil society groups in the state. Unfortunately, even here partisan politics was not completely lost. For instance, AASU and TMPK have been vocal against the construction of the Lower Subansiri Hydro Project but PMBSV claims their agenda is motivated by an interest in securing jobs, sub-contracts and supply of construction material for their community. On the positive side, these development-centric movements have been able to cut across the ethnic division to a great extent as discussed earlier. In this, the role of KMSS becomes very prominent in Assam. But lack of many other civil society organizations like KMSS and in due absence of consistency among existing civil society groups on the question of human rights, land rights and rights of indigenous

¹⁹¹ Bannerjee, P. (2001). 'Between Two Armed Patriarchies: Women in Assam and Nagaland, in R. Manchanda (ed.), *Women, War and Peace in South Asia*, New Delhi, Sage Publications.

¹⁹² Devi, S.K., (2020). Understanding Women Movements of Northeast India: A Review of Assam and Manipur, in R. Kshetri & Y. K. Singh. *State, Civil Society and Social Movements in Northeast India*, p 50. New Delhi, Mittal Publications.

communities, somewhere civil organizations failed to bridge the gap between the question of development and percolation of its benefits to the grassroots level.

Not long back, Assam was familiar with the working of Non-Governmental Organizations (NGOs) in the state. In the aftermath of the killing of Sanjoy Ghosh, an NGO worker actively working in Majuli island in 1997 by ULFA, NGO became common terminology in the Assamese Society.¹⁹³ However, acts of voluntarism were not a new phenomenon in Assam. Traditionally ‘Youvak Sanghas’, ‘Bihu Sanmilan’, ‘Deka Chang’, ‘Noderang and ‘Mahila Samities’ displayed the kind of voluntarism which can be compared to present-day working of NGOs. These organizations are referred to as Seshahewi, which were mostly self-contained, ad hoc and addressing local needs. From time onwards the entry of NGOs has started taking place in Assam and gradually activated their presence in diverse fields from building democracy, and conflict resolution to development initiatives.

The growth of NGOs has significantly increased in recent times and they are actively taking part in welfare activities in the state. NGOs in Assam are functioning in different sectors, Child Education, Child Welfare, Women Empowerment, upliftment of physically and mentally challenged persons, and old age homes for old age persons to name a few. Besides, NGOs are also involved in the implementation of different programmes related to employment, skill development, Health services, technological input in the agricultural sector, development of Art and culture, basic amenities, rural development and supporting of self-help groups.

NGOs are also taking steps to create awareness among people for their development, showing the path for youth to earn independently. This way, taking development to the lowest ranks of society in an attempt to bring them to the mainstream and live a decent life. The challenges in their efforts to survive come from a lack of available funds, lack of skilled workers, proper coordination with the organizational set-up and lack of government support. According to Mantuzur Rahman, “We hardly get any support from the government; whatever we are doing we are doing not only by giving our effort but also our money. Financial assistance is hard to come, though private initiatives sometimes help us, most of the time we have to manage our self and this makes our job difficult and desired result could not be achieved.”¹⁹⁴ Sanjib Buragohain “says

¹⁹³ Pegu, A. (2014). Do NGOs Play Towards Economic Development for the marginalized section? A Critical Analysis of NGOs in Majuli, *International Journal of Humanities & Social Science Studies*, I(III), 94-107

¹⁹⁴ Interview: Mantuzur Rahman, Secretary, Char Nirman Samity, 12th December, 2021

NGOs within the urban centres or sub-urban areas have better access to facilities and financial assistance, but in most cases where development needs to percolate, there remains a deficit. The situation is improving but still, it's far from being better.”¹⁹⁵ Rinku Mahanta Baruah “feels that NGO workers are still not accepted by society. People feel that we have enough money so can spend it on NGOs to earn some fame.”¹⁹⁶ According to another research scholar who did not wish to disclose his identity “says one of the main reasons behind the bad image that many NGOs is because of their unholy nexus with politicians and the way they act as a conduit of black money transfer. Ethnic biases are also prevalent among different NGOs and many times they intimidate and incite inter-ethnic hostility.”

Undoubtedly, the role of NGOs becomes very crucial where benefits of development are not equally distributed and the prevalence of income and regional inequality can be seen. Many times it is the NGOs who take development to the lowest sections of the society where government fails to deliver and that too in a more professional and co-ordinated approach. The people are made the stakeholders of the development process. In Assam, work done by AVARD-NE, NEADS, REDS in Majuli island, SNEPHPAD in Sonowal, Grammya Vikash Mancha (GVM) in Nalbari, Ashadeep in Guwahati and Aranyak in Beltola is to name a few who have contributed majorly to make many people beneficiaries to the fruits of development. But as stated, the problem persists in the sector, along with corruption, and nepotism. Lack of transparency, politician insurgents' nexus with different NGOs often tarnishes their image in public view and makes them susceptible to suspicion.

Conclusion

The state's contribution towards the political economy of Assam from the 1980s onward cannot be done in isolation without considering the previous decades. The state in the initial post-independence era loomed heavily carrying on from the colonial state. Its administration did not deviate much in its perception and policy prescription. This resulted in an untoward relationship between the region and the state where the state was often accused of resource monopolization and seen as unresponsive to the demands of the people of Assam. For instance, Assamese cries over infiltration fell on deaf ears in Delhi. This led to mounting resentment in the state. A major

¹⁹⁵ Interview: Sanjib Baruah, Member, Assam Eye Care Foundation, 12th December, 2021

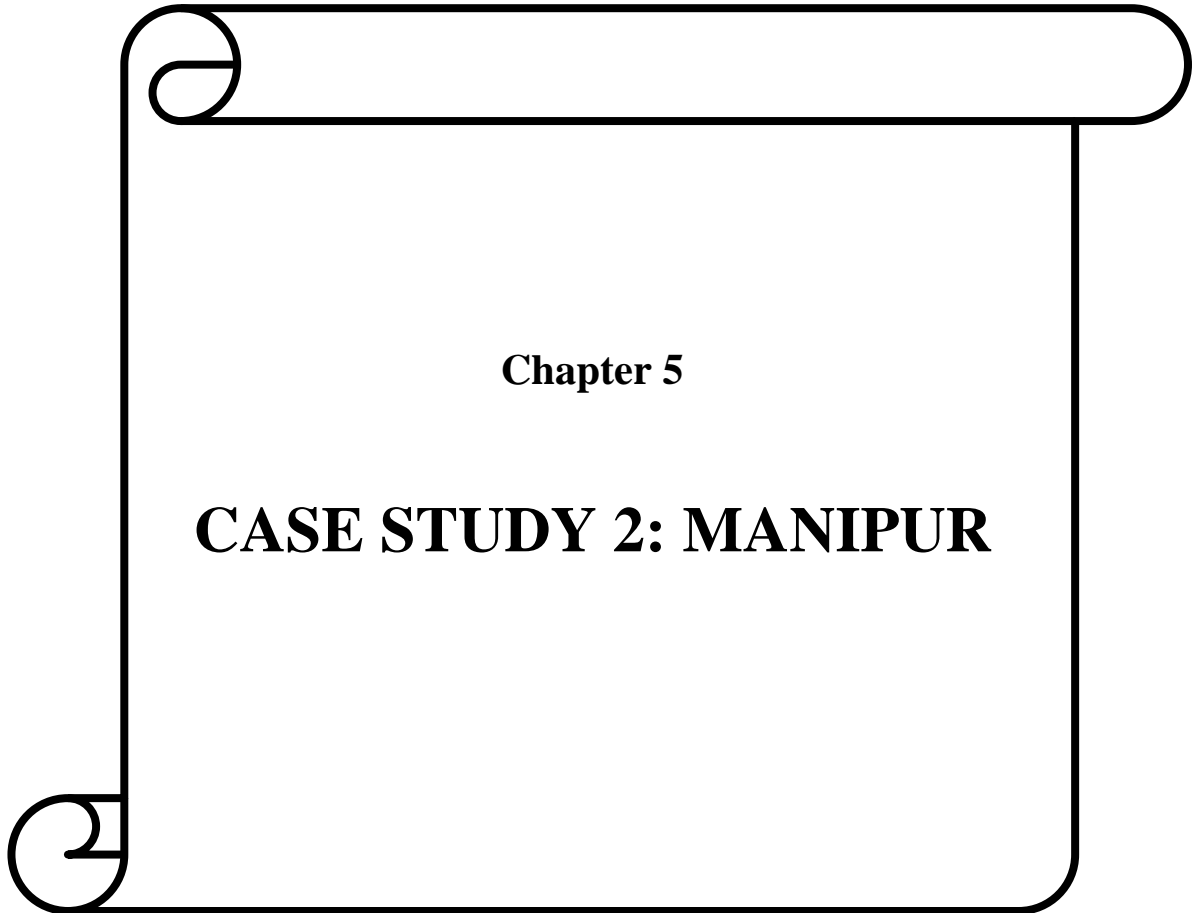
¹⁹⁶ Interview: Rinku Mahanta Baruah, President, Society for Human Resource Organization and Improvement, 28th November, 2021

blow came in the form of the State Representation Act of 1972 which cut short Assam in size; this was a big blow to the Assamese psyche and their aspiration of making Assam a national province. Resentment, neglect, isolation and underdevelopment all blended to form an outburst in the shape of the Assam movement that continued for six years. This was followed by years of violence carried out by ULFA over the question of sovereignty. These years of political turmoil were times when the state was on the one hand negotiating for peace and on the other intensified its presence to hold on the region from breaking away. Development was an agenda it promised but circumstances didn't permit the state to act towards it. Assam along with other states in the Northeast did not witness the trade rush that most of the North-Western states witnessed with the liberalization of the economy. Geographical confinement, political instability and low production base made Assam non-lucrative for trade and the state response has also been slow in this respect. It was only at the beginning of the 21st century, with improvement in political conditions, that the state has been trying to incentivize industry in Assam and promote trade and commerce.

The growth of the market institutions in the state seems to be lagging behind the national average. Different sectors in the state have registered growth but that has been abysmally low in comparison to other regions of the country. The service sector has only shown a positive trajectory and is expected to be the engine behind the growth in the future. Low private investment, poor capital formation, lack of adequate power supply and infrastructural support, a decline in resource output, political uncertainty and lack of entrepreneurial attitude are some of the major problems that have hindered the process of economic growth in the state. Low per capita income and high poverty indices are indicative of the fact that development is an urgency for the state with a proper distributive mechanism to be in place. In terms of education, medical and employment opportunity, the need for improvement is evident.

Civil society in Assam has played an important role in churning its socio-political path in the past three decades. The contribution of the student community in this regard has to be acknowledged for the commanding heights they occupied during the prime years of the Assam movement. However, the intrusion of ethnicity into the civic space has denuded its ambit and acceptance to the society at large in Assam. The question of Assamese versus non-Assamese had remained a pivot all along the years of struggle and contestation that Assam has witnessed. Thus, the exclusive character of major civil society bodies in the state has resulted in creating fissures

within the space of civil society. Even the peace initiatives taken by civil society groups like PCG seem to lack legitimacy on the ground, which echoes the disconnect with the common masses. The Civil Society movement contesting the nature of state-induced development has opened a new chapter in the state. One of the positive sides of such a movement has been to cut across religious and ethnic divides in the state. In this regard the role of KMSS remains praiseworthy in the state; however, the cause of concern remains over the lack of consistency on the part of civil society organizations - on questions of human rights, indigenous rights and land rights in the state. The role of NGOs in the recent past has shown improvement with many playing an instrumental role in uplifting human capacity in the state. The lack of trained persons and adequate financial and government support are undermining the performance of the sector in the state.



Facts on Manipur	
Criteria	Data
Capital	Imphal
Area	22,347 km sq
Density	128 per square km.
Population	2,855,794
Male Population	1,438,586
Female Population	1,417,208
No. of District	16
Net State Domestic Product	57,396
Literacy Rate	76.94%
Females per 1000 males	985
Assembly Constituency	60
Parliamentary Constituency	2
Bordering Countries	Myanmar
Neighbouring states	Assam, Nagaland, Mizoram

Source: Based on 2011 Census

From the colonial period Manipur's economy has demonstrated a peripheral formation and its economic destiny has been dictated by exogenous factors and has failed to evolve on its own. Manipur has a rich history of a self-sufficient and self-sustaining economy which reached its zenith in the pre-colonial period. However, the thrust of Colonial penetration brought capitalist formation into the state through surplus extraction and accumulation. The introduction of private property and monetization brought about a break in the cycle of reproduction of the past. This break from the past gradually transformed the economy of Manipur and in this transformation external forces and agents of production started consolidating their position in the state.

In the post-independent period, Manipur's merger with the newly independent nation of India further worsened the already fragile economy of Manipur. The merger had implications for the small economy as the modern-nation state did not completely shed away its past policy and administrative mechanism but rather appropriated and internalized it. Manipur's economy was reduced to peripheral status surviving at the largesse of the centre. Thus along with the economy, the aspiration of the people of the state was derided. Neither the flow of funds become a solution nor development initiative succeeded, leaving Manipur as one of India's most backward regions. This state of underdevelopment is the lookout of this chapter to understand where the state stands in the juggernaut of development literature.

The Role of the State in the Political Economy

The process of political awakening in the valley of Manipur started with the formation of Nikhil Manipuri Hindu Mahasabha (NMHM) in 1934. It was a politico-cultural organization that represented the interest of the Meteis. Primarily its members belonged to the higher echelons of society comprising the urban intelligentsia.¹⁹⁷ In the coming decades, it would continue to play a dominant role in the politics of Manipur. Under the leadership of Hijam Irabot the organization became more proactive in its political character and started demanding economic and political change in the state, with a changed name (Nikhil Manipuri Mahasabha). However, Irabot's radical politics soon became a bone of contention for educated elites within NMM and subsequently, Irabot had to part from the organization. Over the next few years, Irabot dedicated his efforts towards his radical politics focusing on the peasantry and helped in the formation of two mass base parties Krishak Sabha and Praja Sangha. Through these two parties, he started to

¹⁹⁷ Singh, N. L. (1998). *The Unquiet Valley: Society, Economy & Politics in Manipur (1891-1950)*, pp 127-128. New Delhi: Mittal Publications

mobilize mass support for a fully responsible government in Manipur. Irabot's growing popularity and gradual alienation of NMM from the people created fear in the minds of its leaders. As NMM drew most of its members from the well-to-do educated landed gentry in Manipur, Irabot's radical politics, his land reform demands were endangering the land-owning and local business class. As a measure to counter Irabot, NMM decided to join hands with other elite parties in the state in 1946 to form Manipur State Congress (MSC).

Besides these two political forces, there was also a third force led by the Maharaja and the social system he represented. They were opposed to both the mass base politics of Irabot and the political maneuvering of the MSC and were desperate to hold on to the existing socio-political system in the state under the Maharaja.¹⁹⁸ With Independence in 1947, Manipur entered into a Standstill Agreement with India, under which the Maharaja remained the constitutional head of Manipur, but the subject of Defense, Communication and Currency came under Delhi's exclusive authority. The Maharaja, coming under increasing pressure from the MSC and other political bodies in the state for the abolition of Monarchy and merger with India, had to resort to democratic means. He encouraged the setting up of Praja Shanti Party, consisting of supporters of Maharaja and called for the election of the first Manipur Legislative Assembly.

In 1949 a major upheaval took place in the history of Manipur: the national leadership out of their growing anxieties with the nation-building process made Maharaja sign the instrument of accession and with that, Manipur became a part of independent India. Manipur's short tryst with autonomy under constitutional Monarchy came to an end. After its merger with India, Manipur was made a 'part c' state of the Indian Union, to be administered directly by Delhi, without a popular government. In the process of state formation, this short history of Manipur holds importance which determined its trajectory in the future decades.

The contribution of Hijam Irabot in the process of political awakening is immense as he was truly able to connect with the grassroots level of the Manipuri society and in a true sense had the support of the mass behind the political agenda he propounded, which no other political parties in the state could claim because of their elitist nature and link with the nobility. But as Irabot had threatened the interest of the prevailing dominant class, he was gradually sidelined, stigmatized for communist links and treated as anti-national. Delhi also did not show any such interest in

¹⁹⁸ Singh, N. L. (1998). *The Unquiet Valley: Society, Economy & Politics in Manipur (1891-1950)*, pp 218. New Delhi: Mittal Publications

him. Irabot was forced to go underground but his radical politics lived, sowing the first seed of discontent and radicalization that would take different shapes under changed circumstances in future. The other loser in the contest over power was the Maharaja and his lackey. Under forced circumstances, they had to part away from power, and this became another seed of resentment among the supporters of Maharaja. Finally, the winner was one, Manipur State Congress (MSC), which had established a link with Congress and had mobilized for the merger of Manipur.¹⁹⁹ But, because of its elitist nature and limited and narrow appeal among the masses, its role as the only major state-making party in Manipur brought about serious consequences for the legitimacy and authority of the state from its very beginning.

The process of political awakening in the hills has happened lately in Manipur. In the absence of prominence of territorial sense, the political objective in the hills largely remained narrowed, submerged within clan identity and dominated by the interest of the tribal elites. Through the Village Authority Act of 1956, the state tried to expand its bureaucratic reach in the hills and by the 1968 act, it wanted to abolish the village chieftainship but failed miserably. The state was unable to master adequate authority to contest the established traditional social forces in the hills and replace the authority it exerted. Thus the failure in abolishing traditional authorities in the hill meant a parallel power structure existed in the hills where the state was present alongside the powerful authority of the tribal associations. This process not only made the state dependent on the tribal authorities for administration and development but also provided space for inter-community contestation, subsequently making identity-based tribal politics exclusivist in character.

Thus, the process of state formation in the post-independence period reflects the construction of loose state apparatus whose legitimacy over its own people remained a big question. The question was further widened by the way the state of Manipur was administered by the Centre in the absence of a popular government. According to Parratt, “Indian rule had brought into Manipur a degree of unaccountability, financial corruption and nepotism”²⁰⁰ The administration proved inefficient, insensitive and ill-equipped while the administrators were domineering and incompetent. One such instance when bureaucratic insensitivity was on broad display was during

¹⁹⁹ Singh, R. P. (1981). *Electoral Politics in Manipur: A Spatio-temporal Study*, p 24. New Delhi: Concept Publishing.

²⁰⁰ Parrat, J. (2005). *Wounded Land: Politics and Identity In Modern Manipur*, p 125. New Delhi: Mittal Publication

the agitation against food scarcity in 1965 when poor handling of the situation led to the death of ten students in the state.²⁰¹

Slowly and gradually the state became vocal against the centre and the demand for popular governance was raised. Gradually the demand for full statehood and the popular government shifted to the streets led by youth organizations and political parties. The mounting pressure and growing violence in the state made the administration reluctantly adopt repressive measures to quell the uprising but eventually, the centre had to consider the question of greater political autonomy in Manipur. In 1972, Manipur was granted full statehood with a democratically elected government. However in the twenty-three years between the incorporation of Manipur into the Indian Union and granting it full statehood a major disconnect was created between the state and society which questioned and compromised the authority of the state. The high-handed and incompetent attitude of bureaucracy had made the state seem like an anti-people entity by the people who were unresponsive to their needs. This discontent only vitiated the political sphere of Manipur even leading to the problem of insurgency.

Important fallout of Manipuri politics was the nature of the social bases of the major political parties in the state which were exclusively Meitei in character and elitist in outlook. This very pro-Meitei outlook of the political elite created a negative response from the non-Meitei communities in the state. In due course, this contestation over identity grew prominence, complicating the state formation process in Manipur. Further, this resulted in the distancing of other communities and rural masses which brought about stark consequences for the state authority. Sections of Nagas and Kukis who resided within the territorial limits of Manipur being disgruntled with the gradual marginalization looked up to the political movements that were taking place in the neighbouring states by their kinsmen in Naga and Lushai hills. They began challenging the state authority of Manipur and demanded a merger of their respective territories with those areas outside the state. These separatist tendencies among other tribes in the state intensified during the statehood movement, emanating ostensibly from fear of Meitei domination. In the post-1972 period, these divides provided further opportunities for the rise of exclusivist politics in the state and energizing separatism within Manipuri politics, which led to further intensified violence and insurgency problems in the state. The decade of 1990s witnessed

²⁰¹ S, V. S. (2021, May 26). Retrieved December 17, 2021, from [www.eastmojo.com: https://www.eastmojo.com/news/2019/08/27/how-manipur-paid-tributes-to-the-hunger-marchers-of-1965/](https://www.eastmojo.com/news/2019/08/27/how-manipur-paid-tributes-to-the-hunger-marchers-of-1965/)

the worst ethnic violence in the state- Naga-Kuki (1992-1996), Meitei-Muslim (1993) and Kuki-Paite (1997-99).²⁰²

Manipur's politics was marred by violent conflict. Elections became sights of violence and the use of money. A strong nexus was developed between the political class and rebel organizations along ethnic lines, which determined the course of political outcomes in the state. The political process in Manipur exhibited a poor growth of institutionalization and legitimacy of political organizations which intensified exclusivist politics. It also brought about a strange mix of multiplicity where liberal democratic polity coexisted with underground politics and parallel governments by non-state actors.²⁰³ The rise of abuse of money and gun culture reflects the poor authority of state agencies. These failures created opportunities for non-state actors to mount pressure on state agencies which reduced the state's sovereign authority as a law-enforcing and policy-implementing body.

An article in a national daily rightly characterized the political situation in Manipur as "one of total chaos and disorder, with the state heading for total anarchy". It went on to mention that "the writ of extremists is more effective in Manipur than that of the administration". It mentioned that "only out of 57 police stations only 18 are functional, as most are abandoned due to extremist threat. There are many districts where the administration is completely non-existent. It also noted that while in the whole province, only two residents paid income tax, yet everyone from state government officials to politicians paid protection money to militant groups."²⁰⁴

An analysis of the state expenditure towards development in the pre-statehood era reveals that importance was given to three sectors: transport and communication, social services and agriculture. In the first five-year plan, three-fourths of the total budget was allocated for infrastructural development, followed by spending on social services and then agriculture. Industries were given negligible importance with a mere allocation of 0.66 percent.²⁰⁵ The trend continued till the fourth five-year planning or to precisely say, till Manipur was granted

²⁰² Jasantakumar. Ng. (2009). Land Problem and Ethnic Crisis in Manipur, in Ng. Jasantakumar, Ch. Rupachandra Singh & Dhanabir Laishram (eds.). *The Stitch: Ethnicity, Insurgency And Development of Manipur*, p 49. New Delhi: Akansha Publishing House.

²⁰³ Bhagat, O. & Akoijam, A. B. (2002). Assembly Elections: Trends & Issues, *Economic and Political Weekly*, pp 519-524.

²⁰⁴ Handing over a state on the platter: *The Pioneer*. New Delhi: 6 December 2000.

²⁰⁵ Statistical Handbook of Manipur, 1992

statehood. According to Singh, during this period, the strategy of the state was to establish physical infrastructure in order to integrate hitherto isolated regions with mainland India and to provide immediate relief to people through social and community services.²⁰⁶ But in doing so, the state left the economy with a fragile productive base, with important sectors like agriculture and industries being mostly overlooked.

This trend by and large continued even after Manipur was made a state of the Indian Union after 1972. However, a significant increase in state spending towards agriculture, irrigation and allied industries was noted in the 5th, 6th and 7th year planning (47.5%, 44.2% & 32.4% respectively of the total planned expenditure).²⁰⁷ Some serious effort towards agricultural development was initiated immediately after the attainment of statehood with a major thrust on irrigation. The Loktak Lift Irrigation Project was taken up in 1973-74, followed by medium river irrigation projects, Imphal Barrage, Sekmai Barrage, Khoupum Dam, Singda Project and a number of other minor irrigation projects. However, with the initiation of economic reforms during the early 1990s the share of agriculture in the total plan expenditure was drastically reduced again. In the 8th plan, it came down to 9.22% and was further reduced to 5.14% in the 9th plan. The decline further continued in the 10th and 11th plans with 3.47 % and 4.73 % respectively.

Industrialization has remained a daunting challenge for Manipur and for a long time, industrialization was not considered an option for developing its economy, which is evident from the fact that the first industrial policy was formed 35 years after independence and 10 years after statehood. The process of state-backed industrialization made its inception in the state only in 1974 with the incorporation of Manipur Spinning Mill in 1974. Gradually in the late 1970s and the 80s, a number of Public Sector Undertakings (PSUs) were started. Some important ones among them were Manipur Food Industries Corporation Ltd., Manipur Cement Ltd., Manipur Handloom and Handicraft Development Corporation Ltd., Manipur Electronics Development Corporation Ltd., Manipur State Drugs and Pharmaceuticals Ltd., Manipur Pulps and Allied Product Ltd. and Manipur Industrial Development Corporation Ltd.

Initialization of an industrial policy in Manipur had taken place lately in 1982 which was followed by revised policies in 1989, 1990, 1996, 2002 and thereafter. Through these policies,

²⁰⁶ Singh, K. Gyanendra (2011). *Security & Development: The Political Economy of Insurgency In Manipur*, p 118. New Delhi: Akansha Publishing House.

²⁰⁷ Statistical Handbook of Manipur, 1992

the initial attempt of the state was to act as an entrepreneur and tried to industrialize the state which was visible through its undertaking of various medium and large scale industrial projects. Besides, state also tried to incentivize private participation in small-scale sectors and agro-based industries through its policies. It started providing investment subsidies, transport subsidies, and power subsidies to attract industries to the state.

However, the industrial trajectory in the state failed to achieve the desired outcome. Most of the Public Sector Undertakings (PSUs) were surrounded by a plethora of problems from their inception: infrastructural bottlenecks, lack of technical and managerial skills, the limited size of the local market, inadequate supply of raw materials and paucity of funds and most importantly, the virtual absence of state support against external market forces. The last nail in the coffin for the ailing PSUs came from the post-liberalization reforms. The huge influx of cheap products from mainland India and South East Asia lead to the virtual closure of many PSUs and also other manufacturing units in the state.²⁰⁸ Following the national trend of disinvestment, the state government of Manipur adopted the ideology of privatization. According to Singh, this was a policy mistake on the part of the Manipur state, as the policy prescription was done without taking the state's socio-economic condition into consideration.²⁰⁹ Thus, the shutdown of PSUs in the post-liberalization era was not backed by any private sector participation in the industrial sector owing to the socio-political and economic factors. Thus what happened in Manipur in place of industrialization were de-industrialization and the state remained industrially backward with all districts of the state coming under the "no industry district" category by All India Standards.

Moreover, Manipur lacks an indigenous entrepreneurial class, who would have initiated the process of industrialization in the state. As a result, local private participation in the state remains low. The state's annual plan expenditure on industries also shows a laid-back attitude. The average share of industries on the percentage of plan expenditure has been 4-5% of the outlay from the inception to the 11th five-year plan. With such a meager outlay it becomes difficult to make any considerable improvement in the industrial sector. Factors of geography, resource

²⁰⁸ Isworchandra Hanjabam (2013). Post Statehood Economy: A Critical Analysis, in Homen Thangjam & H Isworchandra Sharma (eds.). *Quest for Development in Manipur: Continuity, Constraints and Contradictions*, p 60. New Delhi: Concept Publishing Company.

²⁰⁹ Singh, Ch. Priyoranjan. (2005). Manipur's Economy, Historical Roots and Structural Evaluation. *Eastern Quarterly*, 3(III), 149-59.

base, cost structure; security threat only compounds the problem. The state's lukewarm attitude makes any progress of building up the productive base of the state daunting when surrounded by such a plethora of problems.

Adding to the woe is the low tax base of the state. Manipur is a small state with a very small population and a high proportion of tribal's who are outside the purview of taxation, so the tax base of the state remains small. Even the non-tax revenue of the state remains low on account of its incapacity to properly use limited resource endowments available and the poor performance of the public sector does not provide any remedy to the revenue earned.

Table 5.1 Revenue Receipts of the Government of Manipur (% share)

Year	State's Own Tax Revenue	State's own Non Tax Revenue	Share of Central Taxes	Total Revenue of State	Grants-in-aid from centre
1981	2.30	27.24	6.79	36.33	63.67
1985	3.53	3.04	7.45	14.02	85.98
1990	3.59	6.15	25.02	34.76	65.24
1995	4.02	8.45	30.64	43.11	56.89
2000	3.73	3.99	29.71	37.43	62.57
2001	4.70	3.99	15.65	24.34	75.66
2002	4.33	2.44	12.08	18.85	81.15
2003	4.91	4.25	14.17	23.33	76.67
2004	4.87	3.47	16.91	25.25	74.75
2005	4.67	4.01	16.47	25.15	74.85
2006	3.93	3.18	14.21	21.32	78.68
2007	3.71	5.52	13.76	22.99	77.01
2008	4.61	5.30	18.70	28.61	71.39

Source: Economic Review Manipur 1994-95 & Economic Survey Manipur 2006-07

In the case of Manipur, we find that the share of state's own revenue remains very low. The state's own tax revenue is abysmally low and stuck at a single-digit percentage. Taking the period of 1981-2008 into consideration, the growth in the state's own tax revenue has been only 2.31%. Even the share of the state's own non-tax revenue hovers around 4-5% on an average and it has also declined by 1.15% for the period 1990-2008. This reflects the state's poor condition and incapacity in generating its own revenue because of the reasons as stated above. Even the share of central taxes kept on fluctuating through the years. With such a poor state of tax revenue, the state has become completely dependent on the centre's assistance for functioning.

Besides, the percentage of central assistance has been increasing over the years; from 1981 to 2008, it has increased by 10%. The percentage increased to 73% in 2009-10 and 72 % in 2010-11. Thus in totality, the state of Manipur cannot even earn one-third of the expenses it incurs. With such poor earnings, the state's effort towards development is badly affected.

Table 5.2 Revenue Expenditure of Manipur State Government (% Share)

Year	Development Expenditure	Non-Development Expenditure
1981	73.08	26.92
1985	66.55	33.45
1990	71.52	28.48
1995	63.18	36.82
2000	58.60	41.40
2001	54.17	45.83
2002	57.97	42.03
2003	54.03	45.97
2004	57.21	42.79
2005	57.35	42.65
2006	64.12	35.88
2007	62.69	37.31
2008	64.23	35.77

Source: Economic Review Manipur 1994-95, Statistical Abstract Manipur

Furthermore, the Revenue Expenditure of Manipur shows that the share of non-development expenditure in the state has been increasing over the years. Out of the small income that the state generates, a greater part of it is spent on non-development output which hinders the process of economic activities in the state. The share of non-development expenditure increased from 26.92 percent in 1981 to 28.48 percent in the 1990s and further to 41.40 percent in 2000. In 2003, the share further increased to 45.97 percent of the total revenue expenditure. However in the subsequent years, the share has shown a declining trend, but the trend has not been consistent and has fluctuated, remaining above 35 percent.

Table 5.3 Non-Development Expenditures components (% share)

Year	Organs of State	Fiscal Services	Interest Payments & Debts	Administrative Services	Pension & other services.
1991	4.90	3.95	31.07	50.82	9.26
1992	5.15	3.79	24.82	46.04	20.20
1993	4.06	3.85	33.60	44.78	13.71
1994	4.70	3.74	31.51	46.14	13.91
1995	7.36	3.44	27.66	47.73	13.81
1996	5.55	3.55	27.48	47.85	15.57
1997	6.42	3.62	27.09	43.51	19.36
1998	5.15	3.93	28.69	42.54	19.69
1999	3.97	3.24	31.21	43.13	18.45
2000	4.72	3.36	23.65	42.16	26.11
2001	3.85	2.64	34.41	34.34	24.76
2002	3.28	2.72	34.05	34.96	24.99
2003	2.48	2.27	39.15	30.32	25.78
2004	3.69	2.43	34.39	32.91	26.58
2005	2.73	2.29	37.83	31.18	25.97
2006	3.11	2.86	33.02	37.48	23.53
2007	3.54	2.34	33.28	35.21	25.63
2008	3.45	2.04	34.91	35.60	24.00

Source: Statistical Abstract Manipur 1998 & Economic Survey Manipur 2006-07

From the above table, it can be noted that Administrative Expenditure occupies a lion's share among the components of non-development expenditure, which is expected in a conflict zone or a region infested with insurgent activities. Higher expenditure on Administrative Services can be attributed to the high cost of maintaining law and order. With increased militant activity, the state needed to expand its own security presence to protect important installations, facilities and other public utilities along with providing security to the public in general which is a good sign. However, the share of administrative expenditure has been declining over the years. The period from 1991-2008 has witnessed a 15% decline in administrative expenditure. On the other, interest payment and debt payment are the second major source of non-development expenditure in the state. As already discussed, due to the limited resources of the state, it has to frequently borrow in order to overcome any emergent situation, to finance important projects and maintain

essential services. Taken together, Administrative Services and interest payments on an average it accounts for 70 percent of all non-development expenditure.

Thus, due to political instability and the conflict-prone nature of the state, the non-development expenditure in the state has remained high which reduces the economic viability for the state to invest in development. Secondly, it also makes the state dependent on centre assistance for fiscal management. More importantly, the trend of development expenditure has shown a greater reliance on the social sector which has left the productive sector of the economy deprived over the years.

What has been evident from the political process in Manipur is the contestation between the state and different ethnic groups in the state, which in the past decades has compromised the authority of the state. One of the basic reasons for the existing contestation in the state is the dichotomy between the valley and the hills. The process of state formation has shown a fragmented process of development. While in the valley it has been strong, in the hills the process has failed to take shape properly. This uneven process of state formation has made the state unsuccessful in being the sole rule-maker and determinant of people's lives. Other claimants like tribal chiefs, ethnic associations and even the dominant elite groups in the valley region have been successful in contesting the state in terms of authority and as most of these traditional power centers have been structured around certain specific identities, they have only helped in mobilizing those identities for political advantage in the state. Thus what stands out in the story of Manipur is an absence of centralized idealization due to weakened state authority. The political history of Manipur presented neither any uniting political force nor an ideology powerful enough to bring different communities together. Instead what exists is the salience of exclusivist politics that has only encouraged contestation, conflict and identity mobilization. This fragmented basis and poor ability of the state has only brought about instability for the state where preserving law and order becomes the first priority of the state and then comes development.

Even in the years of democratic politics Manipur has passed through a volatile political atmosphere. Self-interest, personal gain and anarchy have ruled the roost instead of the rule of law in the state. Defection and shifting of political loyalty have become a common norm in Manipuri politics which has only added to political instability and weakened the functioning of democratic institutions in the state. As expressed by Prof. Langpoklakpam in an interview, the parties who come to power in the centre always influence the political process in small North

Eastern states like Manipur. Financial constraints of the state and over dependence on the centre make state politicians compromise with national politics.²¹⁰ Thus this pattern of pendulum-swinging and role-reversing political behavior has not only brought about personal gains but also added questions to the legitimacy of the political dispensation within the state.

Manipur is a state where the rate of corruption is also very high. According to a report of Transparency International India, Manipur is among the four most corrupt states in India. Many cases have been reported in the media about fake appointments in various government departments. In 2005 it was reported that 200 teachers were appointed who reportedly paid a bribe of Rs. one lakh each.²¹¹ In March-April 2008, the State Power Department was pulled up for misappropriation of Rs.17.2 crores.²¹² Even the Police Department which is the law enforcing body of the state was charged by the Controller and Auditor General for showing Rs 8.67 crore as expenditure which was actually not spent.²¹³ These are some of the examples which show only the tip of the iceberg. Besides the reported cases there are many incidents that go unreported. According to the regional unit of the All India Radio, corruption has been termed as a more serious problem than even HIV/AIDS.²¹⁴ Growing corruption in the state reflects a culture of easy money which only adds disillusion to the minds of the people. They tend to lose faith in electoral politics. The credibility of the politicians is further denuded by their unholy alliance with militants in the state. Many reports have surfaced that show how politicians have been in touch with insurgent groups in the state. On August 17 2007, at least 12 militants were nabbed from MLA quarters of the ruling Congress Government. The militants were caught with arms, ammunition and demand letters. Three MLAs were found involved in the incident.²¹⁵ Former CM Rishang was reported to have paid Rs 3 million to NSCN. Another former CM, Ibobi, was accused of paying 10 million to PLA and Rs 5 million to KYKL.²¹⁶ In this fashion the relationship between politicians and insurgent groups has not only remained as a nexus but has

²¹⁰ Interview: Suraj Langpoklakpam, Associate Professor, DM College, Manipur, 21st June, 2022.

²¹¹ Parratt, John. (2005). *Wounded Land: Politics and Identity in Modern Manipur*, p 197. New Delhi: Mittal Publication

²¹² The Sangai Express, 1st April, 2008

²¹³ Imphal Free Press, 28th August, 2008

²¹⁴ The Shillong Times, 7th November, 2005

²¹⁵ Imphal Free Press, 18th August, 2007

²¹⁶ Routray, B. Prasad (2007). Manipur: The Nexus Again, *South Asia Intelligence Review*, Weekly Assessments and Briefings, 6(21).

evolved into a symbiotic relationship where each seems to be protecting the other and making a mockery of democracy and law and order in the state.

Under such loose political apparatus and compromised security conditions, development necessarily takes a back seat. Besides, it has been seen through the state planning that due attention to the development of the productive base was not given. Efforts towards industrialization had been half-hearted and too lately initiated. On the other hand, the massive inflow of funds in the state for infrastructural development has made the state's economy purely a monetary phenomenon which according to Hanjabam Isworchanda has turned out to be an eye wash as the economy has not benefitted from it.²¹⁷ The state planners had been more preoccupied with the question of 'geographical isolation' and 'insurgency' question of underdevelopment received little attention. According to the Institute for Human Development, rather than a security or law and order approach, the government should address the underlying problem of underdevelopment with sensitivity and alacrity.²¹⁸ The state's low financial capacity, overburden of non-development expenditure and excessive dependence on the centre for assistance has also hindered the role of the state in the development of the economy.

In an effort to understand the view of the local people on the nature of the development and the role of the state in it, two questions were put forward by means of a survey, which are presented in the form of the table below.

Table 5.4 Political Condition of the state

Sample Strength	Condition improved	Condition Deteriorated	Same as before	Can't Say
20	08	02	05	05

Source: Based on survey conducted (2018-21)

²¹⁷ Isworchandra Hanjabam (2013). Post Statehood Economy: A Critical Analysis, in Homen Thangjam & H Isworchandra Sharma (eds.). *Quest for Development in Manipur: Continuity, Constraints and Contradictions*, p 61. New Delhi: Concept Publishing Company.

²¹⁸ Institute for Human Development. (2006). *Manipur State Development Report*. New Delhi: Planning Commission, p 109.

Table 5.5 Role of the state towards development satisfactory

Sample Strength	Yes	No	Can't Say
20	05	11	04

Source: Based on survey conducted (2018-21).

In terms of the question posed, the response of the people seems to be mixed. There seems to be an unsatisfactory tone in the impression they leave. In this regard Sristi Pukhrem noted that state's approach towards development has been minimal during the decades of 1980s and 1990s, mostly due to the problem of insurgency. The condition has been so precarious that the ordinary people of the state came to suffer the most. She also believes that whatever development has been done in the state, its benefits did not properly percolate to every section of the population, mostly in the rural areas. However, while noting these constrains, she feels development cannot be said to be a non-starter in Manipur.²¹⁹

The authority of the state in Manipur seems to be a contested affair, marked by identity and divisiveness. The above analysis displays the incapacity of the state to adequately respond to the crisis it is plagued with. And, more importantly, the appalling condition of the state finance leaves very little room for any developmental maneuvering. Ultimately what stands out is a state dominated by exclusivist politics where contestation over power and resources among different social groups continues in a vicious spiral.

The Role of Market Institutions in the Post-liberalized Era

The era of liberalization under the aegis of global trade and investment tends to benefit capital-intensive economies around the world as they are able to capture markets across borders. Small and labour-intensive economies were at a disadvantage and such were being faced by Manipur. Manipur is an underdeveloped state with a poor level of modernization, lack of availability and usage of technology, financial constraints and the poor pace of industrialization; which have contributed to keeping the state backwards. Under such circumstances, without proper complementary domestic policy reforms, it had become difficult for Manipur to harness the benefit of liberalization. The table below shows the growth in three sectors in the post-liberalization era respectively primary, secondary and tertiary. Other economic and social

²¹⁹ Interview: Sristi Pukhrem, Independent Researcher, New Delhi, 17 February, 2022

indicators are also studied to understand the progress of Manipur's economy in the post-liberalization period.

Table 5.6: Triennial averages shares of different sectors in NSDP of Manipur

Sectors	1991-94	1998-2001	2005-08	2010-13	CAGR
Primary	37.05	32.37	23.71	20.65	-2.62
Secondary	9.14	19.37	36.99	28.42	5.29
Tertiary	53.82	48.26	39.3	50.93	-0.25

Source: Central Statistical Organisation

Agriculture Sector

Manipur is a hill-grit state situated in the sub-Himalayan range. Only 6.74% of the total geographical area has been brought under agricultural cultivation while more than 52% of the total population is dependent on agriculture for their livelihood. Thus agriculture forms the mainstay of Manipur's economy and any overall development of the economy of the state requires sufficient growth of the agricultural sector.²²⁰ In the post-liberalized period, the state witnessed certain structural changes to meet the requirements and cope with the emerging trends of the time. To understand the changed land use pattern, land holding pattern and use of modern inputs are studied in the next table.

Table 5.7 Percentage change in important agricultural indicators of Manipur (Triennium ending 1986-87, 1996-97 and 2012-13) (Area in '000 ha)

Parameters	1986-87	1996-97	2012-13	% from 1986-87 to 1996-97	% from 1996-97 to 2012-13
Net area Sown	140.00	167.00	200.00	19.29	19.76
Gross Cropped Area	187.00	199.00	297.00	6.42	49.25
Cropping Intensity	134.00	123.00	165.00	-8.21	34.15
Gross Irrigated Area	74.8	75	70.21	0.27	-6.39
Irrigated area as percent of gross cropped area	39.93	37.96	24.07	-4.94	-36.60
Irrigated area as percent of net sown area	53.43	47.08	37.16	-11.89	-21.06
Per hectare N fertilizer consumption(kg/ha)	20.23	49.30	17.57	143.70	-64.37

²²⁰ Singh Tojo Arambam. (2015). *Rural Socio Economic Development in Manipur*, p 54. New Delhi: Rahesh Publications.

Parameters	1986-87	1996-97	2012-13	% from 1986-87 to 1996-97	% from 1996-97 to 2012-13
Per hectare P fertilizer consumption (kg/ha)	4.38	5.36	3.90	22.44	-27.18
Per hectare K fertilizer consumption (kg/ha)	0.66	1.47	1.42	121.43	-3.09

Source: Computed from Statistical Handbook of Manipur, Various Issues & Annual Survey Report, Various Issues

The above table reveals that the triennium ending for the net sown area increased for the period 1986-87 to 2012-13 has increased by 42.86%. The total cropped area has shown an increase of 58.82% and more importantly the rise in the second period had been more profound than the previous decade. But in the case of cropping intensity, the first decade witnessed a marginal setback of 8.21% but it enhanced in the later part and registered a 23.13% increment over the entire period. This increase reflects the increase in food productivity to meet the growing demand from the rising population. However, in terms of irrigation facilities, the area has been reduced by 6.14%. In terms of the gross cropped area during the entire period, the reduction has been 39.74% and in terms of the net sown area, it was 30.45%. This dismal performance in irrigation facilities can be attributed to the failure of the state government in properly implementing major irrigation projects in the state.²²¹ Failure in the irrigation front has created a hindrance in the process of modernization and the use of modern techniques in the agricultural sector. This is very much visible when we look into pattern of consumption fertilizer in the state. The consumption of nitrogenous and phosphatic fertilizers has come down by 13.16% and 10.84% respectively for the entire period. However on a positive note, despite the dismal performance of irrigation facilities, cropping intensity did not display a negative trend which reflects the efforts of farmers to use their land more than once to increase production by other techniques to meet the rising demand for food in the state.

²²¹ Deb B.J. & Datta Ray. (2006). *Changing Agricultural Scenario in North-East India*, p 73. New Delhi: Concept Publishing Company.

Table 5.8: Change in operational holding of farmers belonging to different farm size over period 1990-91 to 2010-11

Size Class	1990-91		2000-01		2010-11	
	No. of operational holding	Area operated (ha)	No. of operational holding	Area operated (ha)	No. of operational holding	Area operated (ha)
Marginal	68598	3782	75405	40145	76735	40200
Small	49062	67135	48730	62750	48850	62755
Semi Medium	21452	54892	22363	55175	22235	55250
Medium	2916	14611	2790	13560	2760	13415
Large	43	523	40	455	40	440
All Classes	142071	174981	149328	172085	150620	172060

Source: Computed from Statistical Handbook of Manipur, Various Issues & Annual Survey Report, Various Issues

The above table on the operational holding of farmers belonging to different farm size shows that the agricultural sector in Manipur is dominated by the marginal and small farmers which are consistent with the country as a whole. Land reforms and overcrowding of people on a small piece of land are the root cause which has led to the fragmentation of land holding in the state.²²² More than three-fourths of the total land holdings are under smallholders with less than or equal to 2 ha. in size per individual. This not only displays the fragmented nature of holdings but brings forth the limited resource capacity of most of the farmers in the state. Smallholding is also a fact why farmers in the state are taken to multiple cropping to increase their income.

Table 5.9: Change in cropping pattern of Manipur (Triennium ending)

Crops	2002-03	2011-12	% change from 2002-03 to 2011-12
Rice	74.14	64.99	-9.15
Maize	2.08	2.00	-0.08
Total Cereals	76.22	66.99	-9.23
Pulses	3.38	5.96	2.58
Food grains	79.60	72.94	-6.66
Oilseeds	0.97	0.76	-0.21
Sugarcane	0.27	0.17	-0.10
Cotton	0.02	0.08	0.06
Other misc. crops	19.14	26.05	6.91

Source: Computed from Statistical Handbook of Manipur, Various Issues & Annual Survey Report, Various Issues

²²² BIRTHAL, P S., JHA A.K., JOSHI P.K. and SINGH D.K. (2006). Agricultural diversification in North-Eastern Region of India: Implications for growth and Equity. *Indian Journal of Agricultural Economics*, 61(3): 328-340

In the post-liberalized period the gross cropped area in Manipur came down from 85.31% to 72.94% i.e. a staggering reduction of 12.37%. This setback is reflected in the reduction in the cropped area for rice, maize, cereals and other food grain in the state. While pulses has registered an increase in terms of the cropped area, other miscellaneous crops like fruits, vegetables, flowers and plantation crops have strengthened their position in the changed cropping pattern of the state. This acceleration in the increasing share of cash crops and high-valued horticulture products is an important development in the state. Though the transition appears to be slow, the state's agricultural sector seems to be passing through a transformative phase from subsistence level to commercialization.

The state has achieved spectacular growth in the production of various kinds of vegetables with a registered accelerated growth of 16.98%. Among the major vegetables grown, cabbage and pea have grown by 16.76% and 18.04%. During the same period, in terms of fruits production, the production of bananas and pineapples has been remarkable: 20.86% and 5.04% respectively.

The increase in the production of vegetables and fruits in the state can be attributed to an increase in literacy rate, income of people and health consciousness among people which has created a demand for those products in the local market. More importantly, farmers are desperately trying to increase their income from the limited potential available. Supported by climatic conditions, the demand from the market farmers is driven towards cash crops and high-value horticulture crops. Various technological financial programmes provided by the central and the state government are also adding to the dividend.

Manipur has also made a considerable progress in the production of spices which has registered a growth rate of 10.43% in which the contribution of the area has been 3.16% and the yield has been 7.27% respectively. Ginger and Chilli are the two most important spices produced in the state, with a recorded growth output of 9.42 % and 10.43%. The instability index for spices in the state is positive and thereby indicated a reduced risk factor which induces people in the state to take up spice cultivation.²²³

Thus, over the last decades, the state has made tremendous progress in horticulture crops, particularly in the production of vegetables, fruits and spices as compared to rice, maize and

²²³ Sharma, A. (2015). Trends of area, production and productivity of spices in the north-eastern region, *Journal of Spices and Aromatic Crops*, 24(2): 112-118.

other food grains. However, the sluggish growth in food grains and staple food like rice remains a concern and the state has failed to fully utilize the potential offered by the agro-climatic condition due to some inherent constraints. As most part of Manipur consists of hilly regions, the terrain for cultivation becomes a difficult factor. Thus the availability of land for cultivation becomes a problem and more importantly, with the increase in population, the pressure on the available land is also exponentially increasing. Secondly, in many parts of Manipur, traditional crop cultivation is still prevalent (jhumming), which affects the modernization process and lowers the intensity of cropping. Rainfall in the state is uncertain and with underdeveloped irrigation facilities, agricultural activity is hampered. Besides inaccessibility, the lack of proper communication, geographical isolation, poor infrastructural facilities and a dearth of trained manpower renders the process of modernization and progress in the agricultural sector in Manipur quite difficult.

It is needless to say that agriculture in Manipur is an important source of livelihood and serves as a major source of income. Though over the last decades, the employment share of the agricultural sector in the state has been decreasing and remained lower than the all-India average. But considering the overall picture, agriculture remains predominant in Manipur's economy. The recent trend of diversification, as discussed, through which we see a transformation towards high-income cropping is quite noticeable, but what remains of concern is the sluggish growth of food grain cultivation. Despite diversification, agricultural production in the state is heavily dependent on the output of food grains. But in reality, this heavy preponderance of food grains has proved to be insufficient for the rise in demand in the state. With the state witnessing a 30% increase in decadal population, the sluggish growth of food cultivation has brought about the question of food security in the state and the state has had to depend on imports from outside either through private trade or through Public Distribution System.

The question of food security is not a good sign for the state as it leads to an increase in the price of essential commodities. Moreover, any natural calamity like famine or cyclone can have a devastating effect on agricultural output when the state is already under a scarcity of resources. More importantly, with a high rate of population growth the demand for food increases exponentially and on the other hand, it also reduces the availability of land for cultivation. This has been the case for Manipur as most of the area that can be brought under cultivation is already under use in the valley region. According to Priyarani Watham, "Land has become a big problem

for us, where do get extra land to cultivate. People need to live and space is required for housing and other facilities. Population in the state has changed and we have to part away with some portion of agricultural land and we can't help it.”²²⁴ Increase of cultivation area in hills also has environmental and ecological consequences. In this crisis, there needs to be a clear-cut policy of the state with a long-term vision coming out of the dependency mentality. N. Manichandra Singh writes that decentralization and democratization is the key to the harmonious growth of development in both the hill and the valley in Manipur. Enhancement of gross cropped area can also be simultaneously considered through the adoption of double and multiple cropping by improvement in irrigation facility and use of modern techniques.²²⁵

Industrial Sector

Even after six decades of economic planning, Manipur remains industrially backward. The picture has not changed in the post-liberalized phase also. Manipur is still one of the least industrially developed states of India and all the districts of the state fall under the “no industries districts” category by all India standards.²²⁶ The industrial sector roughly contributes 9% percent of the State Domestic Product and merely employs 10 percent of the total workforce. There are no medium or large-scale industries in the state and the industries that exists are small-scale and village industries. With the liberalization of the economy, the indigenous manufacturing sector has been facing stiff competition from goods from other parts of India and South East Asian countries. This has led to the gradual closure of various industries in the state like iron, glass, paper, salt making, batteries, candle manufacturing, polythene bag industry, soap manufacturing etc. Institute of Human Development terms this dismal condition of industrialization as a story of missed opportunities for Manipur.²²⁷

²²⁴ Interview: Priyarani Watham, Business Woman, Thangmeiband, Manipur, 22nd March, 2022

²²⁵ Singh M.N. (2013). Foodgrain Economy and Food Security, in Homen Thangjam and H Isworchandra Sharma. *Quest for Development in Manipur*, p 91. New Delhi: Concept Publishing Company.

²²⁶ Government of India. 1997. *Ninth Five Year, 1997-2002 and Annual Plan: 1997-98*: Planning Department

²²⁷ Institute for Human development. 2006. *Manipur State Development Report*. New Delhi: Planning Commission.

Table 5.10: Share of the Manufacturing Sector in NSDP in the North Eastern Region (in %)

Sector/Year	1990-91	1995-96	2000-01	2004-05	2008-09
Manufacturing	5.99	7.44	6.75	5.99	5.88
Registered Manufacturing	0.17	0.28	0.07	0.13	0.16
Unregistered Manufacturing	5.82	7.16	6.68	5.86	5.72

Source: EPW Research Foundation, 2003, Annual Survey Report, various issues.

Data from the table clearly indicates that the share of the manufacturing sector to the Net State Domestic Product has been significantly low and in the post-liberalized period, it has registered a declining trend. The contribution of the registered manufacturing sector has been very negligible in the state. The majority share of the manufacturing sector has been driven by unregistered manufacturing units, which after showing an upward trend in the 90s have started to decline in the first decade of the 21st century. However, in comparison to other North Eastern states in terms of contribution of the manufacturing sector, Manipur comes second to Assam, but the overall dismal condition of industrialization in the region does not put the ranking as much of an achievement.

Table 5.11: Contribution of the secondary sector to the total NSDP of Manipur (in %)

Year	Secondary Sector
1990-91	10.20
1995-96	16.62
2000-01	19.92
2005-06	29.59
2008-09	32.87

Source: EPW Research Foundation, 2003, Annual Survey Report, various issues.

Despite the decline in the share of the manufacturing sector over the years, the secondary sector has shown a substantial growth. In the period from 1990 to 1999, there has been a growth of 9.72 percent which has further increased in the period 2000-2009 to 12.95 percent. This growth is to be attributed to the growth in the construction industry. In the period from 1990, it contributed about 8.11 percent of the total NSDP which grew to 25.39 percent in 2008-09.

The process of state-backed industrialization in Manipur emerged only in the late 1970s. From their inception, public sector undertakings have been surrounded by a plethora of problems like infrastructural bottlenecks, lack of technical and entrepreneurial skills, inadequate supply of raw materials, limited market size and many others. Economic liberalization in the early 1990s gave the final blow to the already existing sick public sector industries. A huge influx of cheap products from mainland India and South East Asia virtually lead to the closure of many manufacturing units in the state. In between the period 1985 to 1995, the number of units came down by half from 559 to 245. From the early period of the 1990s onwards, most of the public sector undertakings started running in losses, and the rate of return of the major public sector organizations became increasingly negative. For instance, in the period 1992-93, the rate of return on investment for Manipur State Road Transport Corporation was -90.34 percent and for Manipur Tribal Development Corporation Ltd. it was -98.12 percent, Manipur Spinning Mills Corporation Ltd was -84.63 percent. The story is mostly the same for all the public sector undertakings in the state.²²⁸ Coming under financial constraints the government was forced to close down and disinvest in the public sector undertaking, but in the absence of proper socio-political and economic conditions, the process lead to de-industrialization in the state as no private investment was in place to substitute the disinvestment in PSU's. According to the Department of Industrial Policy and Promotion, Industrial Entrepreneurs Memorandum (IEM) in the period from 1991 to 2014 only 13 projects has been implemented in Manipur out of 201 projects in all over Northeast and 9,253 in India.²²⁹

Table 5.12: Growth of small scale industrial units, employment, Investment and Production

Year	NO. of Units	Number of employment	Average number of employment per unit	Investment (Rs in Crore)	Average investment per unit (Rs in Thousands)	Production (Rs. in Crore)	Average per unit production (Rs in Lakh)
1994-05	8341	42613	5.1	26.41	31.66	123.16	1.48
2000-01	9635	49792	5.2	35.05	36.38	157.66	1.64
2004-05	10151	52857	5.2	41.38	40.76	177.79	1.75
2009-10	10525	55491	5.3	69.62	66.14	285.16	2.71

Source: Commerce & Industries Dept., Govt. of Manipur, Annual Survey Report, 2014-15.

²²⁸ Singh Kh. Tomba. (2002). Industrial Sickness in Manipur. Ph.D. Thesis, Manipur University.

²²⁹ Annual Reports, Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India

In the absence of large and medium-scale industry in Manipur, small-scale industry plays an important role in the industrial sector. All the industrial units existing in the state except those of the cottage and village industries belong to the category of small scale industries. So small scale industries role in the process of state industrialization cannot be ignored. From the above table, we can decipher an increase in the number of units from 8341 in 1994-05 to 10525 in 2009-10 with a registered growth of 2,184 in the post-liberalization period with a very slight increase of 0.2 percent in the average per unit employment. The investment in the sector has gone up by 43.21 crores. The production from the industry has gone up by 162 crores. Although the growth has been steady, with respect to the timeframe taken and the growth of the population during the same period, the picture does not correlate with an impressive achievement. Furthermore, there are wide levels of disparity among districts in the distribution of small-scale industry. For instance in 2003-04, out of 126 industrial units, 113 units were found in the valley districts. Imphal East and West accorded the highest number of registered units with 37 units and the lowest in Senapati district with only one unit.

Table 5.13: Growth in the unorganized manufacturing sector in Manipur

State	No of Enterprise in 1994-95	No of Enterprise in 2000-01	No of Enterprise in 2005-06	Growth of workers in 1994-95 to 2000-01 (in %)	Growth of workers in 2000-01 to 2005-06 (in %)
Manipur	59,114	53,900	52,518	8.05	3.2

Source: Unorganized manufacturing in India, NSSO 56th and 62nd Round and Census of India 2001.

The unorganized sector is also a potential sector in the state which has the capacity to develop many livelihood-generating activities at the grass root level. However, in the post-liberalized period till 2006, we witness a decline in the number of enterprises. In the period from 1994 to 2006, around 6,596 units closed down. However, interestingly there has been a growth of workers in this sector and roughly it absorbs around 10 percent of the workforce in the state. Also, on a positive note, there has been a 9.7 percent increase in the net value added per worker during this time period. Thus, though the number of units in the state may have come down in the post-liberalized period, there has been employment generation in the sector with increased labour productivity.

In an overall analysis, the process of industrialization in Manipur does not represent a healthy state of affairs. Factors like infrastructural bottlenecks, shortage of power, inadequate and high

cost of transportation, and underdeveloped capital markets have added to the woes of the ailing industries in the sector. Manipur also lacks entrepreneurial skills and business incentives, as a result of which, most of the businesses in the state are owned by outsiders. The small size of the state with a relatively small population does not provide the required market space for any indigenous venture to capitalize on a considerable customer base. Though certain sectors like handloom and handicrafts are proven to be the industrial strength of the state. Due to their artistic nature and beautiful designs, they even have a market base outside the state, but in the absence of any significant effort on the part of entrepreneurs as well as the government, the potential of the industry remains underutilized. The state also has good prospects in the development of the horticulture industry, bamboo-based industries, sericulture and tea. Manipur, due to its small size and rough topography, cannot depend on any large-scale industry to drive its economic condition, so it has to drive its attention in vitalizing the small and unorganized sector for which a more pro-active role both from the government and people are required otherwise in post-liberalization era with such a weak production base the state shall only turn out to be dumping ground for commodities from outside and a mere transit corridor which in no way shall be beneficiary for its economy.

Service Sector

Service Sector occupies a dominant role in the economy of the state. The sector has registered remarkable growth in the post-liberalization period. The sector has registered a growth of 6.92 percent in the period 1991-2001 and 6.71 percent in 2001-2011.²³⁰

Table 5.14: Structural change of the service sector in Manipur NSDP

Year	Service
1993-94	97405
1999-00	142629
2004-05	175158
2009-10	234399
2011-12	332956

Source: Computation from various rounds of NSSO data, MOSPI and Census report.

²³⁰ Roy N. & Deshmukhya P. (2017). Understanding Service Sector Growth at Disaggregated Level: A Study of North East India, *Amity Journal of Economics*, 1(2), 71-87.

The above table clearly shows that in the post-liberalized period, the contribution of the service sector to the NSDP of the state has increased every year with an average growth of approx 25 percent over the previous year. In the period 1993-2012, the amount has grown by a whopping 241 per cent. In terms of share of sectoral contribution the share of the service sector in 1993-94 was 41 percent of the total NSDP which had increased to 51 percent in 2011-12 registering a 10 percent increase and signifying a structural change in the economy of the state.

Table 5.15 Growth pattern of different components of service sector (in %), 1991-2011

	Construction	Transport	Hotel & Restaurants'	Banking	Real Estate	Public Administration	Other Services
Manipur	7.32	9.00	4.23	10.15	4.62	9.29	8.12

Source: Statistical Survey Data²³¹

Components of service sector reflects that Banking, Transport, Public Administration registered growth over 9 percent and are the major sectors in services that have shown most growth potential in the state. Other components have also shown a positive growth rate.

As discussed, transport and communication growth is remarkable in the state, but Manipur neither has any railways nor waterways and the only transport system available in the state is the road transport system. Recently, a railhead has been extended from Silchar to Jiriham which covers a short distance of only 1.5 kms. The state has been linked with major cities across the country through airways. The frequency of flights has also increased in the state. The National Highway No. 39 is the main road in the state covering a distance of 325 km connecting Imphal with the Dimapur district of Nagaland. It also connects to the international border town of Moreh, the hub of Indo-Myanmar border trade. Another important highway in the state is National Highway No. 53 which connects Imphal with Silchar in Assam covering a length of 225 km. thus National Highways 39 and 53 are the lifelines of transportation and communication in the state. The state's present condition of connectivity has far improved than before but requires further up gradation with the establishment of more railways and waterways and better condition of roads.

²³¹ Roy N. & Deshmukhya P. (2017). Understanding Service Sector Growth at Disaggregated Level: A Study of North East India, *Amity Journal of Economics*, 1(2), 71-87.

According to a report on bank establishment offices, done by the Reserve Bank of India, there are 115 branches of different commercial banks in Manipur. The number of banks in the rural area is the highest with 50 offices, in the semi-urban area there are 35 offices and in the urban area, there are 30 branches. However, the concentration of banks in rural areas does not signify a better banking system in the rural site as 70 percent of Manipur consists of rural areas. Instead, if critically looked upon, the number is well short of the required need. The average population per bank office in Manipur is around 39 thousand people. As of 31st March 2013, the State Bank of India accounts for the most number of offices in the state with 29 branches. Manipur Rural Bank comes second with 28 offices. Private banks like ICICI have only 5 offices according to the Economic Survey of Manipur's 2015 report. In 1981, the number of scheduled commercial banks in Manipur was only 37 which increased to 87 in 1991 and by 2013, it further increased to 115. Though the number of scheduled commercial banks in the state has improved, the pace of growth has been lower than in the previous decade. More importantly, the population per bank office is too high which urgently calls for the banking system in the state to be further expanded. Besides, the credit-deposit ratio in the state has been poor in comparison to the all-India average and it has also declined over the years. According to the Reserve Bank of India Bulletin March 2006 & 2015, credit as a percentage of deposits was 34.5 in 2004 which had further declined to 30.1 in 2012. The loan recovery rate is also very low - 19.1 percent - with the agricultural sector pathetically poor at 12.4 percent.

Manipur has immense potential in tourism. It has beautiful exotic greenery and rich diversity of flora and an attractive culture. The state has national parks like Keibul Lamjao National Park, popular for Brow Antlered Deer and Siroi National Park on the banks of the Loktak Lake, which are attractive tourist destinations. Many tourist spots are being made and discovered. In the year 2014-15, a record number of tourists came to the state. Gradually, tourism is now being considered as one of the potential areas for development for the state. This has been reflected in the rise of trade, hotels and restaurants in the state.

The Public Administration sector as discussed has registered an exponential growth in the state. In the period from 2004 to 2014, there has been a growth of 172% over the share of 2004. Government jobs in the state remain an important source of employment in the state. Securitization of the state has led to further recruitment by the state in the armed and police forces and these jobs have remained the backbone of employment in the state. Promoting

programmes like MGNREGA, SGSY, SGRY, IAY, PMGY, PMGSY etc have also increased the contribution of Public Administration in terms of NSDP.

Thus, in an overall analysis, the service sector's contribution to the economy of the state has remained dominant and it has registered a steady growth over the years. The rise of Public Administration, Banking, Tourism and Transportation has been exponential while other sectors have also registered positive trends. However, most of the job created in the sector has been contractual which leaves behind the question of job security in the state.

Table 5.16: Structural Change of different sectors in Manipur NSDP (1993-2012) [Rs. in Lakhs]

Years	Agriculture and Allied	Secondary	Service
1993-04	73573	66266	97405
1999-00	87960	122500	142629
2004-05	115476	169696	175158
2009-10	161300	208250	234399
2011-12	131873	176396	332956

Source: Data taken from various rounds of NSSO data, MOSPI and Census report

The data reveals that contribution of agricultural and allied industries have registered an increase till 2009-10, after which it has shown a declining trend. Though agriculture in Manipur remains the most important source of livelihood in Manipur, its contribution to the NSDP comes last in comparison to other sectors. This reflects poor wages and low-income conditions in the agricultural sector. The secondary sector also has registered an increase till 2009-10. This growth has been mainly catapulted by the construction sector because it is with its decline that we also witness a decline in the secondary sector; manufacturing has very little to contribute to this growth. The service sector is the most prominent contributor to the state NSDP; the exponential growth in sub-sectors like public administration and others is responsible for the service sector contributing more than one-third of the total state NSDP.

The employment situation in Manipur is in a poor state which has become a cause of great concern for educated youth in the state. According to records from the register of employment exchange, the number of employment seekers rose from 2.28 lakh as on June 30 1993 to 7.124 lakh on June 30 2012. The poor condition of state industrialization, absence of private entrepreneurship and limited capacity of the government has added to the woes of employment in the state.

Table 5.17: Distribution of workers and non workers in Manipur (in %)

Category	1991	2001	2011
Main Workers			
Male	44.21	39.27	42.76
Female	32.65	21.39	25.33
Person	38.55	30.43	34.11
Marginal Workers			
Male	1.06	8.85	8.64
Female	6.31	17.63	14.55
Persons	3.63	13.19	11.57
Total Workers			
Male	45.27	48.12	51.40
Female	38.96	39.02	39.88
Person	42.18	43.62	45.68
Non workers			
Male	54.73	51.88	48.60
Female	61.40	60.98	60.12
Person	57.82	56.38	54.32

Source: Data Compiled from Census Record and NSS Employment-unemployment for various rounds.

The above table shows that a high proportion of the population in the state is not employed and their percentage has remained static in the period 1991 to 2011, only registering an insignificant decline of around 3%. Adding to the pathetic condition of state employment, the percentage of main workers has also registered a decline of around 4% which reflects the scarcity of secure permanent jobs in the state of Manipur. The deficit of main workers has been filled up by the rise in the percentage of marginal workers.

Table 5.18: The structural change of employment in Manipur, (1993-2012)

Years	Agriculture and allied	Secondary	Service
1993-94	410545	94657	233221
1999-00	526209	73108	226007
2004-05	625971	141787	266960
2009-10	432878	210990	326800
2011-12	430989	329133	325766

Source: Data has been taken from various rounds of NSSO and Census Report

The structural distribution of employment in Manipur reflects that agriculture is still the major source of employment in the state. The secondary sector has registered a gradual increase over the years. However, the major contribution to the incremental growth of employment in this sector does not come from the manufacturing sector as has been studied above. Instead, this growth reflects labour absorption in the construction sector which has been majorly contributing to the state economy over the years. On the other hand, the service sector has been majorly contributing to the NSDP of the state but in terms of employment generation, its contribution remains low. Employment growth is evident in the sector but the rate of increase is less than the growth of its contribution to the NSDP.

Table 5.19: Employment, Output, Productivity and population of Manipur (1994-2012)

Indicators	1994	2012	% of Change
NSDP (in 100000's)	237,244	641,225	170.3
Total Population	1,963,691	2,919,054	48.7
Labour Force	751,482	1,126,755	49.9
Total Number of employed	738,423	1,085,888	47.1
NSDP per capita	12,082	21,967	81.82
Output per worker	32,128	59,051	83.80
Employment ratio	98.26	96.37	-1.92
Share of population of working age	38.27	38.60	0.33

Source: Data taken from various rounds of NSSO data and Census Data.

In the post-liberalized period, the NSDP of the state increased by 170 percent. NSDP per capita increased by 81.82 percent and output per worker increased by 83.80 percent. However, the problem in the state remains in employment generation. The population during this period grew by 48.7 percent and the total number of working-age people increased by 49.9 percent and thus, the change in the employment ratio has been -1.92%. Thus, the probability of getting a job in the state in the period has become lesser.

Besides hardcore economical statistics, it also becomes important to look into other socio-economic indicators to understand how holistic the impact of development or economic progress in the state has been. As already discussed, Human Development Index (HDI) becomes a very handy tool to be employed in this understanding. As a matter of fact, statistical data on life

expectancy, literacy, health and income are taken to study the dimension of development from the construct of HDI.

Table 5.20: Birth Rate, Death Rate and Infant Mortality Rate in Manipur in comparison to NER & India

	Birth Rate			Death Rate			Infant Mortality Rate		
	Manipur	NER	India	Manipur	NER	India	Manipur	NER	India
1998	19.0	21.8	26.5	4.8	6.9	9.0	19	45.9	72.0
2006	14.6	19.5	23.5	4.4	6.1	7.5	12	35.6	58.0
2012	14.6	17.8	21.0	4.0	5.3	6.7	10	31.5	42.0
2014	14.7	17.8	21.0	4.0	5.4	6.4	11	28.4	39.0

Source: Sample Registration System Bulletin, Registrar General of India

Over the years Manipur has registered a declining birth and death rate. Its performance has been better than the average birth and death rate of other North Eastern States taken together and that of the all India average. A low birth rate signifies low growth in the state population which is essential for controlling population growth in the state. But we have also seen in our above study that population growth has been quite high in the past decades which contradicts the low birth rate data. However, the main reason for the growth in population has actually been the migration to the state from other regions and also the decline in the death rate. A decline in the death rate, besides helping the population to grow, also reflects the increased life expectancy of people in the state. In the case of infant mortality, Manipur has outperformed other states of Northeast in terms of average and also the national average. It has not only reduced significantly over the decades but also remained quite low, which suggests that most newborn children in Manipur do receive the necessary medical assistance at the time of birth which brings down the mortality rate.

Table 5.21: Increase in Literacy rate in Manipur 1991-2011

	1991	2001	2011	Increase 1991-2001	Increase 2001-2011
Male	71.6	79.54	86.49	7.94	6.95
Female	47.6	60.10	73.17	12.5	13.07
Overall	59.9	69.93	79.85	10.03	9.92

Source: Provisional Population papers 1 & 2- Census 2011: National Human Development Report, 2001

In terms of literacy rate also Manipur has remained well ahead of the national average. Even the growth in the literacy rate of Manipur has been higher than the national average growth. The most important and significant part of the literacy rate has been the increase in female literacy. Though till 2011 the percentage of female literacy was behind male literacy in the state but the gap has reduced. The gap which was 24 percent in 1991 came down to 13.32 percent in 2011 signifying a recovery of around 11 percent. And the most part of the story is that the decade growth rate of female literacy rate in the state has been increasing.

Table 5.22: Number of Educational institution in the state

Year	Number of Institutions							All Institutions
	University	College			School			
		G.E.	P.E.	Total	G.E.	P.E.	Total	
1990-91	1	29	33	62	4307	2492	6799	6862
2000-01	2	59	12	71	3970	NA	3970	4041
2004-05	2	62	69	131	4089	NA	4089	4222

Source: Directorate of Education, Government of Manipur, Various issues of Economic Survey of Manipur
 G.E- General Education
 P.E- Professional Education

For the development of human resources, it is also essential to develop higher education in the state which would play a crucial role in the national development process. In this aspect, the number of higher education institutions in the state has increased over the past decade. Even the teaching faculty in the state has also increased in number. Students opting for higher education have also increased. However in the period after 2000-01 there has been a decline in students in the state who opted for higher education. In 1999-2000 it was 31,801 which came down to 16,205 in 2004-05. A major cause of the decline can be attributed to the fact that many students are opting to move out of the state in search of better educational facilities. However, the recent data on the growth of private education institutions in the state has not been taken into account, so a holistic picture cannot be presented here. However, a recent out-migration has been dominated by educational reasons which shows what choice the people are making as regards education and also exhibits an absence of adequate higher education institutions in the state. Looking into the state educational index, we see an improvement in the period 2005-06 to 2012-13 of 0.23 percent in overall educational indices registered an increment in ranking from 13th position in 2005-06 to 6th position in 2012-13.

Table 5.23: Medical Facilities in Manipur

Year	Hospital (Including PHC)	Dispensaries	Population in '000 per hospital/ dispensaries	Bed	Population per bed
1990-91	89	472	3.22	1,873	964
2000-01	103	440	4.23	2,286	1,005
2005-06	101	440	4.66	2,290	1,100

Source: RIMS and Directorate of Health Services, Govt. of Manipur

Table 5.24 Medical staff per 1000 population in Manipur

Year	Doctors per 1000 people	Nurses Mid-wives & Dias per 1000 people
1991-92	2.68	3.11
2001-02	2.53	2.28
2012-13	3.47	3.08

Source: Directorate of Health & Family Welfare Services, Various issues of Economic Survey of Manipur.

There has been a significant growth in healthcare facilities in the state. The number of hospitals, Public Health Centers, and dispensaries has increased. However in terms of population growth, the pressure on government institutions has also increased over the years. There has been growth in private medical facilities in the state, though it has been comparatively low in comparison to the other parts of India. In terms of the availability of doctors and other medical staff in the state, the condition has improved. As of 2012-13 the health index of the state stands as high as 0.97 and Manipur ranks 2nd in overall ranking.

Table 5.25 Per Capita Income at current price

Year	Manipur	All India
1998-99	13,260	15,839
2002-03	13,250	18,899
2006-07	21,220	31,206
2009-10	26,336	46,249
2011-12	33,695	61,855

Source: Directorate of Economics and Statistics, Manipur, Various issues of Economic Survey, Manipur

In terms of income, the performance of Manipur has been poor and the condition has really deteriorated over the years in the post liberalization period. The above shows that not only has

the per capita income been less than the national average but its growth has also been slower than the national growth. In 1998 the gap was around Rs 2,500 but by 2011-12 had doubled. In 2011-12, Manipur's per capita income was only Rs 33,695 while the national average stood at Rs. 61,855. According to the Economic Survey of 2015-16, the income Index in the state stood at 0.42 and ranked 27th among all Indian states and it further fell in 2012-13 to 0.16 and Manipur ranked 30th. This reflects a very poor state of affairs in Manipur when it comes to the matter of income.

When the first survey to create the Human Development Index was carried out in the country in the 1980s, Manipur performed exceptionally well. With an HDI of 0.461, it ranked 4th in India and 1st among North Eastern states. However, since then, the position of the state in the HDI has been falling in comparison to all India standards. In 1991 Manipur scored 0.536 in the HDI and ranked 9th in India and 4th in Northeast. Further in 2005-06 it scored 0.693 and was ranked 16th in India which further fallen to the 22nd rank by 2012-13 with a score of 0.69. Thus, what is essentially brought out from this fall is that in terms of social development and improvement in basic parameters of human well-being, the state progress has been out-paced by other regions in the country. Conditions in Manipur are of course not stagnant at one point but its progress has been painstakingly slow leaving the state behind the Indian standards.

Thus from the overall analysis, economic liberalization seems to have brought about drastic structural changes and exacerbated the already feeble economy. It brought about serious economic ailments in the state, like deindustrialization, agricultural stagnation and unemployment in the state. In the post-1990s neither the agriculture nor the industrial sector prospered; it was only the service sector that drove the economy to a state of sustenance. Even within the service sector, public administration and construction in the industrial sector have been the main drivers of the economy, which are essentially financed by the inflow of resources from the centre. In the light of poor banking and financial conditions in the state, there has been a growing dependence on the central government and this has also affected the basic grain of human development in Manipur.

To get an understanding of what people's perception is about the economy of the state, three questions have been asked. First, "how much do you rate the economic condition of the state?" Second, "do you think market institutions in the state are able to cater to the needs of the

people?” Thirdly, “do you consider employment and other economic opportunities in the state as sufficient?” The table below presents the result of the survey.

Table 5.26: Question 1(Rate the Economic condition of the state)

Sample	Excellent	Very Good	Good	Medium	Poor
20	00	01	04	13	05

Source: Based on Survey conducted by author

Table 5.27 Question 2 (Has market institution cater to the needs of the people)

Sample Size	Yes	No	Can't say
20	07	13	00

Source: Based on Survey conducted by author.

Table 5.28 Question 3 (is rate of employment and other economic opportunities satisfactory in the state)

Sample Size	Satisfactory	Not Satisfactory	Can't say
20	06	14	00

Source: Based on survey conducted by author.

The above survey represents people’s discontentment with the condition of economic affairs in the state. A common feeling is persistent among most of them that their state has been left out from the process of development. Through their communication I understood that even now, many seem to hold a grudge against forceful occupation of the Indian state and feel that India’s attitude is step-brotherly. Some have expressed that the state of political condition in Manipur has never been stable or ripe enough to support economic activity in the state. High levels of corruption, nepotism and lack of proper knowledge has also been pointed out by few respondents as to why people cannot properly utilize the available potential. Though signs of modernization in terms of entry of foreign brands and other international outlets have become visible in urban areas of Manipur, insecurity still lingers over basic questions of food security, employment opportunity and availability of other basic facilities in the state. The state has never been a good performer in terms of GDP. Its low capacity and poor management by the state does not also reflect a possible prosperous future, but what concerns more is the state’s falling position in terms of HDI especially the income index.

The Role of Civil Society in Manipur

In order to understand the role of civic space in the society of Manipur, we have to look into how associational life had evolved in the state. Traditionally speaking Manipur displays a well developed civic space in the pre-colonial period. Historical study shows the existence of ‘pannas’ or clubs which used to play an important role in traditional societies both among Meteis in the valley and other tribes in the hills. Ahal-Lup (club of old men), Naharup (club of young men), Marungs (among nagas) and Zualbawks (among Kuki-chin) are some of the important examples of associational life in traditional Manipur society.²³² These clubs, besides providing civic space to the people in respective villages, also served military and economic purposes for the society at large. They were also a source of strength for the village chiefs and councils as they relied on these bodies for different purposes.

In the colonial era, with the advent of British rule, the isolationist existence in Manipur came to an end. An interaction between hills and the valley gradually started to develop and also amongst different communities in the region. However that didn’t lead to the growth of a common civic space in Manipur. Probably conflict of interest among different communities and the colonial policy of divide and rule had helped the bifurcation of the civic space to be institutionalized. In this context, it can be mentioned that the spread of Christianity had an important role in the evolution of tribal societies in the state. It is the Christian missionaries who played an important role in civilizing the tribal mass. However, even the church failed to develop a common civic space among different tribes in the state. For instance, if we look into Manipur Baptist Convention then we shall find even today the organization and churches are structured around ethnic lines. According to Joykumar Ruwndar of Christian Social Development Organization, “tribal groups prevent coming together of people of different communities. Only limited interaction can be observed across ethnic lines only during occasions. The ethnic elite never allow convergence of interest and identities to take place.”²³³

Thus civic bodies in Manipur failed to acquire a united and state-wide character. The associational grouping that took place was strictly confined within the boundaries of ethnic identity. Moreover, the mobilization of people and resources took place from within those confined boundaries which made civic space acquire an exclusivist character. Communities like

²³² Hodson T.C. (1908), *The Meitheis*, p 58. London: David Nutt.

²³³ Interview: JoyKumar Ruwndar, Secretary, Christian Social Development Organization, Imphal, 22nd June, 2022

Meteis, Nagas and Kukis focused on building their own organizations to confront the state and contest other communities for power in Manipur. This phenomenon continued in the post-independence era.

More importantly, the process by which political development had evolved in the state of Manipur only helped in the consolidation of the fragmented existence of the civil society. In reality, it is a dual phenomenon by which the divided civic space was responsible for the growth of a divided political space and on the other hand, this divided political space led to further consolidation of a fragmented civic space. Thus the contestation over the developmentalist state continued among different communities for patronage and benefits from the state. Ethnic organizations like Tangkhul Long, Kuki National Assembly, Kabui Association and Hmar Union along with political parties like Manipur State Congress and MPP were all locked in political bargaining to gain benefits for their respective communities. As the societies are fractured along community lines, the evolution of a common civic space becomes difficult in Manipur. Further, it leads to contestations, destroying the in-built synergies of the societies, which would otherwise have helped in providing social and political cohesion to the state.

Another interesting factor that has come into play in the growth of the civic space in Manipur is the role of the ruling elites among different communities. As discussed in the traditional societies, different clubs and associational bodies provide support systems for the village chieftain and their councils and imbue them with a sense of strength and stability. This strength has been carried forward in modern times and it is through them that the ruling elites have sought to create their own vision and version of the society. This vision has helped them in their contestation against other communities. The civic space has simply provided the support space that these elites required to put forward their interest based on narrow localized identities.

Though the civic space in Manipur has remained fragmented but on the other hand, loose state organization with its weak institutions have provided the scope for parallel authorities to develop and operate with a certain degree of autonomy. These parallel authorities have occupied both the civic and political space in the state and seriously threatened the authority of the state. They have taken upon themselves to police social life and administer and render justice. In many cases, they have acted as security providers and crusaders against corruption in the state. As discussed, ethnic organizations are particularly influential in this regard, besides women's bodies and students have also played a noted role.

Manipur has a long tradition of women playing an important role in the public domain. According to Laishram Thanil Meitei, the “history of Manipur shows that women have traditionally played a pro-active role in different political and social issues of the state. From royal women like Queen Linthoinganbi to Maharani Gomti, from Queen Kumudini to ordinary Manipuri women, they have not hesitated to respond to circumstances that demanded their participation.”²³⁴ The first major women’s agitation that broke out was in 1904 and is said to have been the first Nupilan. On 21st August 1891, the British authorities issued a proclamation that a new administration would be set in Manipur which was not acceptable to the people. When the colonial state resorted to oppressive measures to curb public discontent and carry forward their order, this enraged the women in Manipur which led to the start of the first Nupilan. As part of the agitation, thousands of women of the Khwairamband Bazaar came out spontaneously and launched a huge demonstration and later entered the residency of the British political agent in the state. The women brought normal life to a complete halt and administration in the Khwairamband Bazaar area was completely paralyzed.²³⁵ Finally, the British were forced to withdraw the order. This incident produced a great impact on the political life of Manipur and paved the way for future movements in the state.

The second Nupilan took place in 1939 and it had a much wider and greater impact than the first Nupilan. In January 1939, the harvest in Manipur was not satisfactory and on top of that, the British decided to export rice from Manipur. This led to a great scarcity of rice in Manipur. In protest to the ongoing crisis, thousands of women on 12th December 1939 marched to the state secretariat and presented their charter of demands and insisted on meeting the British political agent. But they were only met with suppression. As a result, women in Manipur stopped transactions in the main women’s market at Khwairamband Bazar for three years.²³⁶ Thus, second Nupilan left a significant mark in the political history of Manipur, though it started with an immediate economic cause but gradually as the intensity of the movement picked up it started demanding political change and became a strong force in the anti-imperialist movement.

²³⁴ Interview: Laishram Thanil Meitei, Secretary, Centre for Women Empowerment, Thoubal, 17 February, 2022

²³⁵ Ksh Imokanta. (2016). Jesters of popular genres as agents of resistance through reflexivity, in A Noni and K Sanatomba (eds.). *Colonialism and Resistance: Society and State in Manipur*, p 117. New York: Routledge.

²³⁶ Devi Jamini. (1999). Women’s Movement in Manipur- Past and Present, *Manipur Today*, DIPR-Government of Manipur.

The two Nupilan had paved the way for women's role in Manipuri society and politics. Besides, the efforts of Hijam Irabot to educate women in Manipur through the establishment of Bhadra Mahila Samaj in 1933 and the formation of the Manipur Mahila Sanmelini in 1940 led to the growth of political awareness and consciousness among women. In the post-independence period, the Manipur State Constitution Act of 1947 provided universal adult franchise to women in 1948, providing the scope to actively participate in Manipuri politics.

In the post-statehood period of Manipur, women's participation came to the forefront through Nisha Bandh and Meira Paibi. Before the 1970s liquor selling in Manipur was very limited and restricted. But from the 1970s drinking among people became a common feature in the valley of Manipur. This had a negative effect on the families and society at large. Gradually, the deterioration of the peaceful atmosphere was becoming unbearable; so a few leading individuals like Smt. R.K. Mukha formed the Manipur State Prohibition Council in 1975.²³⁷ In December 1975 women of Kakching Turel Wangma village organized a grand feast on the occasion of Ngatin Narup. It was unanimously decided in the meeting to fight against the selling, buying and drinking of liquor and other anti-social activities. A Nisha Bandh committee was formed. The committee submitted an application to government offices demanding a ban on liquor. They went from locality to locality, caught drunkards and wine sellers. Meetings were also held in Imphal city and other urban areas and many other similar committees were formed in different parts of the state. Rallies were organized in different places and memorandums were also submitted to the Chief Minister.

Gradually these Nisha Bandh groups took up to policing the society; they fined the drunkards, burnt shops selling liquor, and caught drunkard persons. The Nisha Bandh groups from different localities came together to form All Manipur Women Social Reformation and Development Samaj. During the 1980s, the movement continued with strong participation from women's and their presence gradually became so domineering in the society that on 4th April 1980 a successful state wide Bandh was organized by women samaj.²³⁸ The crusade against alcoholism by women was responsible for bringing down and controlling drinking among men and maintaining a peaceful atmosphere in the state.

²³⁷ Mairenbam Rita. (2002). *A Socio-Political study of women in Manipur*, p 106. Ph.D. Thesis, Manipur University

²³⁸ Kh. Ibetombi (1999). *Meira Paibi Amadi Miyamga Leinaba Mari*, Seminar paper, organized by, AMAWOVA, PLMPAM & MPWAK, Imphal.

In addition to the social evils of drugs and alcoholism, Manipur, due to its multi-ethnic character and violent contestation among communities, has also been subjected to insurgency which has led to the militarization of the state and draconian acts like Armed Forces Special Power Act, 1958 (AFSPA) have been operational in the state which have compromised the issue of human rights in the state. There has been a movement organized by women in Manipur since the 1970s on the Human Rights issue. Since 1980, there has been an increased participation of women. They came out of their homes, organized meetings, held rallies and protest marches against the government for the arrest and killing of youth in Manipur.

On the 9th May 1980, women in Khwairamband Bazaar started to organize meetings and discussed the killing and rape cases at Langjing, Manipur. They organized a large protest march against the atrocities of the C.R.P.F. On the 16th of May, 1980 a big procession was organized by the women with support of other organizations and clubs. They submitted their demand to the Chief Minister R.K. Dolendro to remove AFSPA from the state.²³⁹ When the response of the Chief Minister was not according to expectation, the women decided to continue with their protest. A meeting was organized at Mapal Kageibung, where a resolution was adopted to collectively protect the innocent people of Manipur. They also formed an organization called 'Manipur Nupi Kanglup'.²⁴⁰ The organization arranged a large procession on 28th May 1980 which was attended by more than 10,000 women. The government came down heavily on the protestors. Many were arrested and one pregnant woman fell from the police vehicle and died.²⁴¹ This made the movement more violent and the situation took a serious turn. The government declared many areas in the valley as disturbed and many women who led the movement were put behind bars. Later that year, in December, when Jammu and Kashmir Rifles arrested one innocent man in Canchipur, women from the locality and All Manipur Women Social Reformation and Development Samaj went to rescue that person. Thereafter, women all across the state decided to keep a vigil in their localities at night with torches in their hand to protect innocent people from the torture of armed forces. And this is how women became the 'Meira Paibis' (the torch bearer) and their movement known as the Meira Paibis Movement. Every year, the 28th of May is observed as the Meira Paibis Day. Thus, in this way, women became the

²³⁹ Devi Ranita Laishangram. (2020). Role of Women in the Social Movements of Manipur, in, Rajendra Kshetri & Yumlembam Khogen Singh (eds.). *State, Civil society and Social Movements in NorthEast India*, p 99. New Delhi: Mittal Publication.

²⁴⁰ Ibid, p 100.

²⁴¹ Ibid, p 101.

protector of Manipuri society; their struggles against social evils of drugs and alcoholism and in protecting innocent life, even continues till date. 15th July 2004 remains a red-letter day, when 12 women protested naked in front of the Assam Rifles Headquarters with a placard reading “Indian Army Rape Us”, in protest of the rape and killing of Manorama Thangjam.

The role of women in Manipur can't be concluded without the mention of Irom Chanu Sharmila, Known as the ‘Iron Lady of Manipur’. She began her long hunger strike on 2nd November 2000 against AFSPA. The Malom Massacre made Irom Sharmila vow to undertake fasting and even not to comb her hair and look into the mirror until AFSPA had been repealed. By 2004, she had become the face of public resistance, representing the valor of women in Manipur.

The participation of students in the polity of Manipur first emerged during the colonial era against the British and the non-local traders. The first sign of collectivism among students of Manipur came with the formation of the student union at the DM College of Imphal, soon after its establishment in the aftermath of the Second World War. Later, more student unions came up in other institutions of the state like the Johnstone School, Churachand High School, Ram Lal Paul High School and Tombisana High School. At the state level a student organization came up in 1946, known as the ‘All Manipur Students Federation’. The federation came up with five conferences which became landmarks in the student politics of Manipur and demanded establishment of a responsible government in Manipur, development of urban and rural areas, better and free education system, proper facilities for students and many other.²⁴² However, the Federation could not survive for long due to internal conflicts and rivalries.

Students took active participation in protesting against the artificial scarcity of rice in the 1960s. On 27th August 1965 in a bloody confrontation between the police and students, four persons were killed and many were injured. This created an outrage among the students in Manipur and eventually it culminated in the formation of the All Manipur Students’ Union (AMSU) in the same year.²⁴³ Though AMSU was free from all political affiliations and dedicated itself to the cause of students, it did not shy away from the political issues of the state and the interest of the public in general. It organized several rallies and demonstrations in demand for statehood of Manipur during 1968 and also remained persistent till Manipur was granted statehood in 1972.

²⁴² Arun A. C. (2001). Student Politics in Manipuri Society, in, C. Joshua Thomas, R. Gopalakrishnan and R.K. Ranjan Singh (eds.). *Constraints in Development of Manipur*, p 47. New Delhi: Regency Publications.

²⁴³ Urmila Ningthoukhongjam. (2007). *The Student Movement in Manipur*, p 46. New Delhi: Akansha Publishinh House.

Since then AMSU had taken up several issues related to religious functions, anti-foreigner movement, AFSPA and language issues. In 1978, AMSU launched a major movement against the compulsory celebration of Saraswati Puja in schools and colleges and against the collection of religious fees. On March 3rd 1978, they submitted a memorandum to the Chief Minister on this regard and also demanded a correction of Manipur's history, the establishment of a full-fledged university in Manipur and the abolition of religious functions and holidays in educational institutions.²⁴⁴ The state initially tried to suppress the movement but only caused its intensification. Finally on 7th September, the government signed an agreement with the AMSU consisting of four points: (i) introduction of Meitei Script and inclusion of Manipuri Language in the Schedule VIII to the Indian Constitution (ii) abolition of religious functions from educational institution (iii) adoption of one village by each college for undertaking development (iv) the establishment of an Engineering college in Manipur state.²⁴⁵

Another important movement that AMSU launched in the State during 1980 was the anti-foreigners agitation. This period also witnessed the splitting of AMSU into two factions, one led by M. Khelen and the other by L.Dilip. However there was not much difference between the two factions in their agitation against foreigners, targeting the Nepali and Bengali Muslims whose population had disproportionately increased during 1951-1971 period.²⁴⁶ AMSU gave the call for the struggle of Manipuris to save their home and hearth from a civilian invasion by herds of illegal immigrants from Bangladesh, Nepal and Burma. During the 1980s, anti-foreigners agitation became a mass movement. Several demonstrations were organized in Imphal, pamphlets distributed and public meetings held. There was also a boycott of the High School leaving examination which led to the indefinite postponement of the examinations. Finally, after a protracted negotiation, the Dilip faction of the AMSU signed an agreement with the government while the Khelen faction failed to reach an agreement and demanded the inclusion of the Central government as one of the signatories in the agreement. The foreigner issue however resurfaced again during the 1994 President rule. After a brief agitation, AMSU signed an agreement with the government and later a committee was formed to identify foreigners in Manipur.

²⁴⁴ A.C. Arun, op. cit, p 50

²⁴⁵ Ibid, p 52.

²⁴⁶ Ningthoukhongjam Urmila, op. cit, p 57

AMSU from its inception has been demanding the inclusion of the Meitei language in the Schedule VIII of Indian Constitution. The agenda remained AMSU's top priority although other political and social issues diverted AMSU energy during the 1970s and 80s. However, the demand resurfaced again during the late 1980s. On 15th March 1989 AMSU and Manipur Sahitya Parishad organized a joint meeting on the language issue in the premises of D.M. College and resolved to mobilize the masses on this particular issue. A letter in this regard was sent to the Prime Minister of India by the AMSU President, demanding consideration of the Manipuri language to be recognized as a scheduled language.²⁴⁷ Along with its language demand, AMSU gave equal importance to the demand for removal of AFSPA. Thus, in this fashion, AMSU has shown itself as the champion of political agitation in Manipur. Besides AMSU, there have been other student organizations in Manipur like Manipur Students Federation, All Naga Students' Association, Hmar Students' Association, Students Union Kangleipak, Apunba Ireipak-ki Maheiroi Singpang Lup, Kagleipak Students Association among many others. The fragmented nature of civic space in Manipur has also influenced student politics in the state and often, it has resulted in inter and intra organization conflict leading to breaking down of cohesion among the student community.

Like Assam, protest against the ecological effect of dams has also entered the lexicon of civil society voice in Manipur. The construction of the Loktak Hydroelectric Project which has remained in controversy for several years has shown how these hydro projects affected lives of indigenous people and destroyed thousands of acres of agricultural land. Tipaimukh Multi-Purpose Project which has been in the pipeline since 1955 and is located in the tri-junction of Assam, Manipur and Mizoram has threatened the livelihood of tribal people living in that area. The project is expected to displace 15,000 tribal people.²⁴⁸ As a result, the tribal people of the region have organized themselves under the banner of Committee Against Tipaimukh Dam (CATD) and have been continuing their struggle since the early 1990s. Other major civil society groups in Manipur like Hmar Students Association (HAS), Zeliangrong Union (ZU), Naga Mothers Union, Manipur (NMUM), All Manipur United Club Organization (AMUCO), Naga People's Movement for Human Rights (NPMHR), Citizens' Concern for Dams and

²⁴⁷ A.C. Arun, op. cit, pp 54-55

²⁴⁸ Cernea, Michael. (2000). Risks, Safeguards, and Reconstruction: A Model For Population Displacement and Resettlement, *Economic and Political Weekly*, 35(41).

Development (CCDD), United Naga Council (UNC), etc²⁴⁹ have come forward ignoring ethnic divides to protest against the construction of the dam. They have been demanding the central and the state government to abandon the project. Besides Tipaimukh, other hydroelectric projects in the state are also facing resistance from the people. For example, the Khuga Dam in Churachandpur district in Manipur has been in the pipeline since 1984 but is yet to be completed as it is facing resistance from the displaced people and civil society groups. Mapithel Dam located on the Thoubal River in Ukhrul district of Manipur is another such example where the affected people have been resisting the project since the 1990s under the banner Mapithel Dam affected Villages Organization (MDAVO).²⁵⁰

The agenda of state-sponsored development had appeared problematic for the North Eastern states like Manipur and Assam. Questions of displacement, in-adequate settlement and degradation of ecology have raised concerns and threatened local people. Sometimes, these perceived threats have led to concerted protests. In such cases, the state's response becomes a very sensitive issue, and any high handed approach by the state further deteriorates state-people relations.

With little direction and weak authority of the state, civil society bodies in Manipur have taken the centre-stage in many social and political issues. However, their fragmented existence has only led to particularism and exclusivism and this has continued in a cycle of mobilization and counter mobilization. These non-state actors have challenged the authority of the state by directing their efforts in discharging the role of a watchdog that keeps an eye on the state and even takes to policing the society wherever it considers the state to be incompetent. However, as said, the fragmented nature of the civic space and instability within civil organizations has created a problem of coherence in the society. As there are so many organizations that keep rising and falling and claim to represent people's voice but before they can establish themselves properly, they start losing their credibility. Interestingly, these organizations have also been contesting each other's claims which are not only premised on ethnic differences but often hill-valley divisions have made them oppose each other.

²⁴⁹ Hussain, Monirul. (2008). *Interrogating Development: State, Displacement and Popular Resistance in North East India*, p 128. New Delhi: Sage Publication.

²⁵⁰ S, V. S. (2020). *Manipur: 4 Mapithel Dam protesters injured during 48-hour shutdown*. Imphal: East Mojo.

Different NGOs in Manipur are active in Manipur which serve the rural masses and work at the grass root areas through training programs, capacity building initiatives, linking people with governmental programmes, preservation of old and traditional customs and inculcating developmental values within people. But they have also remained under scrutiny and their role has often been questionable in the conflict ridden society of Manipur. A resident of Imphal (identity withheld) says, “NGOs in the state are mostly corrupt. Many of them have strong nexus with the government and insurgent groups and act as a way of channelizing government funds between them. They are easily bought off by power and money. Many NGOs have come and gone, clamoring for representing people’s cause but then suddenly coming in contact with authority, you find them lost in the way. Perhaps they are bought by government pay-offs.”²⁵¹

The diminished centrality of state in the lives of the people of Manipur have created problems for the state in its effort to properly allocate resources among the people which has raised socio-economic challenges and this is where the civil society has filled the gap in the state. But it has also been drawn into weakness, as it failed to completely come over the ethnic divide and intra organization contestation. The inability of the state to mediate effectively between the contending groups has also eroded their capability. Thus civil societies, in their failure in promoting cross-cultural unity, have wandered over the space left by ethno-nationalism which remains the most disturbing part of their contribution.

Conclusion

In Manipur there exists a contest between state agencies and social groups over the question of authority. The fragmented pattern of politicization has made the state unsuccessful in projecting itself as the sole determinant of people’s lives. The contestation of tribal chiefs and elite groups has infringed upon the state's authority and has influenced its behavior over the years. Secondly, the low tax base and economic dependency of Manipur on the centre has added woes to the functioning of the state. The little revenue that the provincial government is able to generate goes mostly behind non-development expenditure like maintenance of law and order and so very little remains for the state to invest in development. Economic planning in the state has been reduced to a mere ritual which contributes very little to the economic health. Whatever planning has been implemented has failed to make any significant contribution towards the growth of the productive base of the economy. Funds that mostly come as central assistance are either used for

²⁵¹ Interview: Name withheld, Imphal, 20th June 2022.

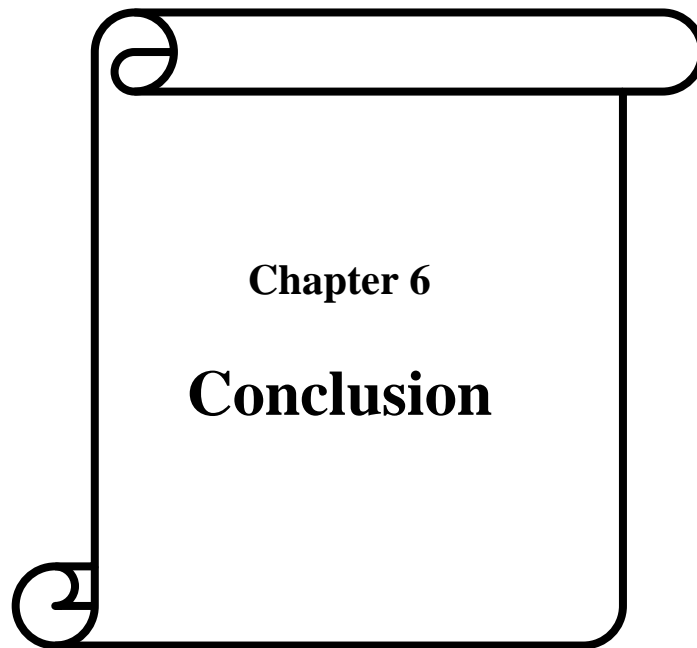
fiscal management or are consumed for infrastructural and administrative purposes to please the political elites in the state. The state's policy in major sectors like agriculture and industry seems to lack a concrete and long-term vision for making Manipur a self-reliant economy. The course of economic development pursued by the state has failed to generate gainful employment and income in the state and reflects a top down developmentalist approach of the Indian state where the potential of the state has been externalized and underutilized.

Insurgency remains a problem in the state affecting civilian life in Manipur. More importantly, the problem has gripped the minds of policymakers. The central and state government attitude towards the problem is alarming which has led to militarization of the state apparatus- resulting in extensive institutionalization of violence. This kind of myopic approach to the political and socio-economic problems in the state has wreaked havoc for the economy in the past.

Economic liberalization has brought about a structural change to the economy of Manipur. This change has exacerbated the already feeble economy of the state with ailments like deindustrialization, agricultural stagnation, unemployment and low income. In the post 1990s period neither the agricultural sector nor the industrial sector registered any positive growth. Their share in the NSDP has been falling ever since. Whatever increase that the secondary sector had registered was contributed mostly by the construction sector whereas the contributions of the manufacturing sector remained considerably low. However, unregistered manufacturing has registered an increase which reflects the process of informalisation of the economy in manufacturing. Besides, in the post-liberalization period the economy of Manipur witnessed a heightened tertiarization with the growth in the service sector. Public Administration has majorly contributed to this growth. In terms of the Human Development Index, the state performance in health and literacy remains praiseworthy but concerns remain with the income level in the state which has been responsible for bringing down the HDI score of Manipur. Better income opportunity, employment and opportunity in higher education with better skill development programs must be the target of the state for improving its economic condition.

Due to the diverse ethnic composition of the state coupled with an unresponsive and corrupt political machinery, grievance redressal sometimes becomes difficult and complex in Manipur which further increases the probability of diminishing the centrality of state in the lives of the people. This has created problems for the state in its effort to properly allocate resources among the people which have raised socio-economic challenges and this is where the civil society has

filled the gap in the state. But it has also been drawn into weakness, as it has failed to completely come out of the ethnic conflict and intra organization contestation. The inability of the state to mediate effectively between the contending groups has also eroded the capacity of the civil society. However, through their participation, the civil society has become an important pillar of Manipuri society. Civil society's strength lies in its effort to channelize the grievances of people and act as a link between the people and the political process in the state. Through its challenging of the nature of state-induced developmentalist agenda, the civil society organizations have shown that they can act as the counter weight against any program and policies of the state which is perceived to be antithetical to the interest of the indigenous people. Thus, in this fashion, civil societies are gradually evolving as a crucial and important part in the state of Manipur.



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 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.

1. What is the role of the state in the political economy of the two provinces?

Post-independence, the Indian state through its policies of planned industrialization ended up creating its core and peripheries across its territory. The Northeast region was largely seen as a periphery that was a borderland and a resource frontier. The process of planned economic development largely bypassed the region. When the Indian state began its effort towards industrialization, the Northeast region was completely neglected. More importantly, a process of appropriating Northeast resources through nationalization and ownership by business houses from mainland India started taking place after independence. This made the Indian state appear as an internal colonizer to the people of the region. The absence of a proper industrial base and externalization of its resources made the Northeast's productive base feeble. As a result, the Northeast became more dependent on the mainland for the import of consumer commodities. This made it impossible for the region to develop a self-reliant economy of its own and the distressing story of the two states Assam and Manipur begins from here.

With the end of colonial rule, the nationalist state, surcharged with power, started to subsume the indigenous space of the communities in the Northeast under the symbolic appendage of the newborn state. This nationalistic project of the Indian state was received with resistance in the region since independence. In due course, the struggle intensified and resistance took a violent turn in the form of insurgency. The state in its response was not ready to compromise on the question of sovereignty nor entertain, any attempt to dilute the sacrosanct idea of the nation it

upholds. Thus the state provided a cultural autonomy to the people of the region but opposed the diffusion of culture and ethnic markers contesting the state authority. The state rather responded to the grievances of the people within the language of development, where “underdevelopment” was identified as the root cause of all evil in the region.

The insurgency was seen as fallout of the poor standards of material development in the region. This had to be first arrested through military responses of the state apparatus and then cured with doses of the development initiative. This led to the ‘securitization of development’, both in Assam and Manipur. What was thrown by the state for public consumption was a choice between development and insurgency, as if both were antithetical and exclusive to each other. The projection by the state became such that insurgency hinders the process of development in the region and if massive investment in development projects can be made then that will radically eliminate insurgency. The state was not entirely wrong in its assumption as it is a fact that insurgency had vitiated the space with violence which constrains economic activity in the several provinces. However, that is one side of the story. According to the study and also as opinionated by different scholars from the Northeast, insurgency in a way has facilitated development in the region by drawing the attention of the state towards the indifference the region has been subjected to. If we look into the budgetary allocation of the centre for Manipur and Assam after the insurgency erupted, we do find support for the argument.

From the study, it appears that the idea of development conceived by the state is parochial in nature and exists within a limited sphere of the construction sector and public administration. How deeply has this statist view of development penetrated the societies in Assam and Manipur at the grassroots? The state through its spending on public administration tries to preserve its institutions in the provinces from the problem of insurgency. Undoubtedly this kind of approach has led to increased employment in security services from the region, but that too within a limited capacity. More importantly, this kind of militarization of employment by the state in countering insurgency itself propagates violence when administered under the impunity of draconian laws like the AFSPA. As a result, it does not necessarily solve the problem but rather adds to it. Secondly, state-sponsored construction activities have emphasized establishing big-ticket projects like the construction of highways, dams, railways, airports and government buildings in these two provinces. These projects are important for the connectivity in the region, but there remains a question as to how much investment in the big-ticket projects helps in

bringing equity and social justice to the provinces. Does it help in improving the health quality in these provinces? Does it contribute to the development of human resources? Any simple answer to these questions concerning the region is difficult. Outright rejection of big-ticket projects is essentially not warranted because in the long term, these projects are expected to reap benefits for the region. However, these projects do not direct development to where it is required the most. More importantly, big projects incur huge investment costs which are shouldered by the government or international financial agencies. There is a question as to how long that will be feasible. Are the economies of Assam and Manipur capable of bearing and sustaining this financial strain? Will it not make development a costly affair for the people of the region?

The discourse of development in both Assam and Manipur seems to be stunted in a statist trajectory. State spending on administrative services or construction activity independently cannot produce economic growth and can only act as facilitator in the long run. For instance, spending on any administrative or security mechanism is a non-development expenditure on the part of the government and it does not lead to any further source of economic creation in the province apart from the fact of providing government employment. Maintaining law and order is a prerequisite for economic growth because political stability provides space for economic activity. However, in provinces like Assam and Manipur, we do not necessarily see that securitization has brought about economic vibrancy. Under such circumstances, the question arises over the utility of such expenditure when it has failed to deliver what it had promised to bring about.²⁵² Since the provincial governments are already reeling under financial constraints, and heavily dependent on the centre, over-expenditure on the militarization of administration reflects a desperation on the part of the state to hold on to the region by the might of its sword and not by the rights. Perhaps this perception from the region is most disturbing for the discourse of development itself.

For the state, spending on big-ticket projects is the best way of projecting the Northeast in general and Assam and Manipur's development in particular to the outside world. But if we look for its utility inward, the real results are limited. Firstly, communication alone is unlikely to improve economic activity without proper industrialization or an improved productive base of the provinces in the region. It does provide an impetus to the existing economic base, but this

²⁵² insurgency was much absent in North-East in 1958 when AFSPA was first imposed, but even after its imposition we witnessed the further deterioration of insurgency problem in the region in the 1980s and 90's, then what has its imposition affected too, the question remains?

impetus becomes insignificant when the economy is incapable to make use of it. Moreover, with better connectivity, the rate of business will increase but due to poor internal economics, businesses from Northeast would find it exceedingly difficult to compete with their counterparts from outside the region, who shall enjoy the lion's share of market holding and profit making. Secondly, without proper engagement with the neighbouring countries, the Northeast is never going to get rid of its bottleneck existence. Better communications may make way for smooth transportation but markets remain far away for robust business. Thirdly, projects like the construction of dams are imposed by the state. It not only degrades the environment of the provinces but also ruptures the livelihood of indigenous people in the respective states adding little value to their lives. For instance, if we take the example of the Loktak project in Manipur, 27,404.94 acres of agricultural land were lost and many communities had to be displaced. The electricity that is produced in the dam is not used by the local consumers but sold to outside states. Interestingly, Manipur has to purchase electricity from outside to meet its demands. This raises several questions about whose development these projects are catering to and who is paying for it.

Lastly, the large sum of money that has been dispatched for development in the provinces remains mostly underutilized and is subjected to misappropriation. Lack of proper monitoring, accountability, non-adherence to the projected timeline accompanied by an unholy nexus between politicians, bureaucrats, technocrats and the insurgent group has led to the criminalization of development in the region. This has not only led to siphoning of development funds but has also given birth to a rent-seeking class of new elites in the region. These elites have a stake to maintain and preserve the existing status quo and continue to cooperate with the state till it serves their purpose. Their purpose although remains antithetical to any cause of welfare resource distribution and therefore, derails every chance of development. For instance, the official record of Manipur shows the names of several insurgent groups, many of which are not present. But local political dispensation finds it handy to use their names as a bargaining tool for financial largesse from the centre. The Central government has tried to give special attention to the region by giving special category status to the provincial governments in the region. It formed NEC, later establishing a full ministry for the region in 2004. But when we look into the administrative setup then we see that the Ministry for North-East Development has been placed under the Ministry of Home Affairs. Thus, if any provincial government from the Northeast seeks a fund sanction, first it has to go to M-DONER which will then be forwarded to the Home

Ministry and then to the Finance Department. This process is unique to the region which has been termed by Prof. Amar Yumnam as politicization of economic issues and causes delay on the part of the centre when it comes to the region of North-East.²⁵³

Though the process of state formation in the two provinces has followed a different trajectory their economic existence and development have been marred by the above factors. The state's attempt to locate the region within the language of development has failed in providing any significant impetus to the economy of the provinces. Through policy projection, the state has tried to re-imagine Northeast at par with the rest of India. But such a projection remains highly utopian if we look at its record. The gap between the Northeast and the rest of India has not only remained but also widened in the decades after independence. Neither the 'Development Paradigm' nor the post-liberalized economy has left any significant imprint on the region. Thus, a lot remains to be done to recover the region from its backward and underdeveloped existence. The state in the past continued to relocate development as an effort to manage the political crisis in the region, this somewhere had hampered the prospect of development in the region. Development in this region became more of a tool for political crisis management and often lost its connection with the ordinary people. This has complicated the state agenda of development in the region and made the region reside on the fringe of national concern. However, the state's response in terms of policy is not a static entity. It evolves, with time and experience and so has been the case of the Indian state with the Northeast. The state looks to understand the past and work in the present for a better future. In which way the state and its agenda of development in the Northeast interplays remains to be seen and debated.

Observation in Brief

- The Indian state in the post-independence decades placed the Northeast region at a peripheral existence in its policy conceptualization. It preferred to see the region as a resource bounty. The peripheral conceptualization remained predominant among state policymakers for decades to come. This was also accompanied by a sense of insecurity, preventing the state from exploring the economic viability of the region. This essentially led to the establishment of a very weak and feeble productive base in the region, particularly in Assam and Manipur. When the state wanted to re-conceptualize the

²⁵³ Interview: Amar Yumnam, Former Vice chancellor Manipur University, 25th June 2022.

Northeast in later years, especially under the Neo-liberal paradigm, new conflicts and resistance challenged the continuum between its economic backwardness and modernity of development.

- At its core, the Northeast suffers from the question of sovereignty. Different communities in the Northeast have their respective ethnic moorings, which are reflected through their respective cultures. Around these cultural markers, they wanted to construct a political identity and a sovereign space for their ethnicity. This, however, came into direct conflict and contestation with the grand narrative of Indian nationhood. And whenever these contestations made violent overtures, the state responded with stringent laws and security measures. Moreover, the state saw all grievances in the region from the point of underdevelopment identifying it as the root cause of all problems. Thus in order to provide no space to ethnicity in bargaining over sovereignty, the state prescribed development as the only remedy to all illnesses.
- State while presenting development in an all-encompassing manner has been successful in diluting the language of contestation from strict cultural differentiation to that of seeking development patronage by the stakeholder in the region.
- Insurgency was seen by the state as antithetical to the process of development as it vitiates the civic space with violence and hinders development. Nevertheless, the insurgency has been successful in drawing the attention of the state to the need for development in the region.
- The Indian state's emphasis on big-ticket investment is undoubtedly going to improve the infrastructure and energy base of the region but it raises questions about the economic viability of these projects considering the weak nature of the economies in the region. There is a high probability of these projects becoming a burden on the already cash-crunched state exchequer, increasing more dependence on international financial institutions and centers for economic assistance. This may lead to problems of equity and social justice in the region.
- Problems of misappropriation, corruption, and under-utilization have somewhere derailed the projects of development in both Assam and Manipur. This has led to problems of crony capitalism.

2. What role did the market institutions play in the developmental policies in the post-liberalization period?

The economies of Assam and Manipur are relatively lagging behind the country in the post-liberalization period. The spectacular growth that India has registered in this period has not percolated to the region. A sector-wise analysis shows that the economies of these two provinces remain highly dependent on the primary sector which is the major source of employment in these states. But the underdeveloped nature of the sector only adds to its economic woes and low income for people involved in it. The secondary sector remains largely underdeveloped. The primary and secondary sectors' contribution to the NSDP declined in the post-liberalization period. The only sector that has shown remarkable growth is the tertiary sector, contributing about half of the total NSDP in both states.

The industrial process in Assam has largely remained confined to tea, oil and other resource-based industries. In Manipur, all districts come under the category of 'No Industries District'. Due to technological backwardness and the absence of entrepreneurship, the provinces lack industries on finished products. As a result, it remained dependent on imported items not only from mainland India but also from neighbouring countries. The government's effort handing out olive branches to insurgent groups since the late 1990s has brought most of them to the negotiating table and this has slowly improved the commercial and entrepreneurship environment in the region. However, to bring about the much-needed takeoff, a lot more is needed to be done.

Border trade is largely characterized by its informal nature. Importantly, most items traded are third-party products. The export items are mostly brought from mainland India to which Northeast has a very insignificant contribution and many of the imported items are Chinese or Thai products. Thus, the provinces in Northeast fail to reap any comparative advantage or benefit from the border trade. Even the market within the Northeast largely remains dependent on consumer products from mainland India. In conversation with stakeholders from the region, it appears that in recent times with the intrusion of forces of globalization, there has been the remarkable entry of foreign brands in the region, and new-fashioned shopping malls had come up. But essentially besides imparting a limited number of jobs this has only led to the commercialization of consumer goods and made Assam and Manipur more dependent on products from outside. These new outlets appear to be sign of modernity and progress but in

terms of contributing towards the local economy it seem to be not much of significance. For what is sold comes from outside and what is earned mostly goes beyond simply leading to an externalization of the market.

Infrastructural development and improving connectivity have become a buzzword in the neo-liberal framework. This buzz has largely remained confined to big projects of building transnational highways, airports and other high-cost induced projects. This has improved the region's connectivity with outside i.e. mainland India and neighbouring countries (with urban centers of North-East). This has undoubtedly eased transportation to and from the region more than what it was in the past but the Northeast as a region has failed to reap the benefit of it due to its feeble productive base. For instance, a state like Manipur which once was self-sufficient in terms of staple food like rice had become dependent on imports from outside the state. Assam which has ample water bodies for flourishing fish cultivation has to depend on imported fish from the western states of India. This shows that despite having a geographical advantage and records of self-sufficiency, these states are losing ground in the primary sector. The picture of the secondary sector is more pathetic in the neo-liberal era, as the study shows that both Assam and Manipur irrespective of their size and geography have failed to compete with products from outside. Many industries in these provinces had either closed down or existed in the category of 'sick industry'. Thus, better communication had not necessarily benefitted the region. Secondly, the connectivity projects have largely bypassed the interior of the region which has impacted the development of local industries at the village level. Besides, the region's geographical location makes any effort to integrate the Northeast with a larger market complicated as that requires building bridges with neighbouring countries. Political instability in neighbouring countries, the failure of India to develop a country-specific approach than regime oriented one, the overwhelming presence of Chinese influence and unresolved issues of the border dispute, displacement and refugee problems – these issues only created hurdles. Considerations of power and wealth tend to pull policymakers in two different directions and make Northeast and its provinces susceptible to violence and conflict which prevents business ecology from developing in the region.

Essentially what comes out from the study is that in terms of the comparative rate of return, no notable improvement in the economy of the two provinces can be witnessed in the post-liberalization period. The primary and secondary sector is on a perpetual decline in the region's

contribution to national income. The development scenario has not been overwhelmingly successful in creating any new avenues of employment. The growth in the region has been mostly catapulted by spending on construction and public administration which further brings about the question of its sustainability in future. The approach to development in the region seems to require more indigenous orientation rather than being prepared by experts who are not rooted in the space, their overall expertise notwithstanding. If the Northeast region continues to grow without using its human capital within the region then that might make Northeast not emerge as a partner but rather a pathway between economies of South East Asia and Mainland India.

Observation in Brief

- The spectacular growth that India has registered in this period has not resonated with the region.
- A sector-wise analysis shows the region is highly dependent on agricultural activity but productivity has been inversely impacted due to lack of modernization, proper utilization, increasing land-people ratio and financial constraints.
- The secondary sector remains largely underdeveloped mostly confined to plantation and resource base industries. In the post-liberalization period, the situation has become even more difficult as many industries had either closed down or existed in a sick state, unable to compete with products from outside.
- In the process of commercialization, the region is more dependent on products from outside the region. There has been the entry of foreign brands and new shopping malls. Undoubtedly this has led to an increase in employment in terms of service providers but value creation within the region hardly has improved.
- Due to the presence of border disputes, security concerns, displacement and refugee problem border trade across the region has remained limited and mostly informal in nature. This has also led to an increasing flow of cheap Chinese products into the region which is eating the market space of local producers.
- Service sector in both Assam and Manipur has resonated positive growth. This growth has been mostly shouldered on the performance of public administration, and

construction services. This is of course a good sign for the region, but a lot of these activities are either funded by the Union Government or international funding agencies. When the funding stops will the growth sustain? This remains a question.

- Improvement in the tourism and hospitality sector is much required, which probably will in future with ease of communication and returning to normalcy. The banking sector has achieved considerable growth but that requires more sustained improvement with greater focus on micro-financing.
- A lot requires to be done to include the province of Assam and Manipur in particular and North-East in general within the map of India's Information Technology (IT) hub. IT has been the engine behind India's remarkable growth in the post-liberalized era, which has given a complete miss to the region. The region is rich in human capital which can be utilized in setting up an IT foundation in the Northeast.
- With adequate government support small states like Manipur have performed well in terms of education and health. A large state like Assam requires much effort to be given on this front considering the increasing population pressure. Modernization and skilled personnel appears to be the need of the hours for these two sectors to improve the standard of education and address critical medical treatment within the region,
- Low per-capita income remains a big problem in the region.

Market institutions require much-sustained growth to improve the economy of the region and catapult the region from its declining rate of return.

3. What role did the Civil Society groups play in the politics of development of the selected states?

The societies of Northeast, Assam and Manipur in particular, reflect a deeply entrenched ethnic and community line and civil society has failed to move beyond these aspects. It is not that civil society organizations have maintained a very subdued or low profile in the selected states. On the contrary, civil society groups in many cases have taken the front seat and have been the pillar for the mass when let down by the political actors and processes. Ethnic cleavages are so prominent in the states that the space of civil society did not remain completely free of its influence. This has resulted in the growth of a fragmented civil society in both Assam and Manipur whose

contestation with the state often produced a counter-contestation from the other half of the civil society, in the process diluting the community's strength of bargaining with the state. Prominent civil society organizations in both the state of Assam and Manipur and even in the rest of Northeast who have played a leading role in the demand for a greater share of development largesse and political authority from the state have worked within the confines of the community or ethnicity they represent. For instance, the great Assam Movement of the 1980s reflects people's angst against the question of deprivation. This has largely remained an affair confined within the Assamese community producing fear in the minds of other tribes and communities who reside in the Brahmaputra plains. This in one way has provided the government an upper hand in countering the civil society movement in the region by playing one against the other. Secondly, this has distorted and displaced the agenda of development by making it an ethnic or community-specific issue.

In matters of conflict resolution, the presence of Civil Society in the Northeast has largely remained limited to a secretarial role, by which they have worked in the backyard preparing grounds for a talk or trying to find a negotiated settlement for peace in the region. The civil society conflict resolution process has helped in the infusion of values of human rights, democracy and justice in the region but somewhere it has failed to penetrate much deep into the society. Thus, the whole process of civil society in Assam and Manipur have mostly remained confined within the ranks of the organization, militant groups and government official while people have largely remained a spectator to the whole process. The proximity of civil society groups with militant organizations raised questions on impartiality and also left people in a state of limbo where it became difficult to differentiate between the two- the PCG in Assam is one such reminder of the case. This shows that civil society groups have essentially failed to democratize their space of existence, which has reduced their role in the coming years and has placed them not above susceptibility.

One of the important roles that civil societies in the selected provinces have played is about the contestation against the un-consented statist nature of development. This form of contestation has brought the role of civil society in two new ways. Firstly, civil society has been able to create a space for itself where all communities, irrespective of their cultural identities, who are on the verge of losing livelihood from this form of development, have tried to come under one

umbrella. Secondly, civil society has provided a voice to the most neglected and unheard sections of society and brought the most pertinent questions about the development debate alive.

Many NGOs have been found in Northeast to be part of the unholy nexus between politicians and militants. Many in the region are working at the grassroots level through community-based programs, skill development workshops, providing micro-financial support and taking government development schemes to people who need that. However, this effort has largely remained localized and its impact has not yet been so evident that will impact the economy at the macro level. This is because the region lays on the fringe of national concern the importance and the working capacity of many of the NGOs in the region has remained limited. The logistical gap and lack of financial support remains a major cause of concern for most of the NGOs working in Assam and Manipur which hinders their process of work. More importantly, the space of civil society in the region has been confined within a political discourse demanding more political authority and developmental share from the state. It is comparatively less in taking any new economic and entrepreneurship approach which would have added much more productivity to the economy and made the role of civil society much more development-oriented.

Observation in Brief

- Community and ethnic lines are deeply entrenched within the societies of Assam and Manipur. These cleavages have also penetrated civil society spaces which have somewhere fragmented the space and distorted the agenda of development making it a community-specific phenomenon. The distinction between ethnic-based organizations and civil societies is somewhat blurred in the two states.
- The role of civil society in the respective states has been proactive in lending a voice to the grievances of the mass in general who felt disillusioned by the political process.
- The role of civil society has been very instrumental in the region as a conflict resolution mechanism by acting as a negotiator for peace between insurgent groups and the government. But often reports of proximity with insurgent groups and close dealing of some civil society groups with politicians and business groups keeping the people in complete darkness have raised concern and suspicions about its role and intentions. It has also failed to democratize its space by not deeply penetrating the societies it represented.

- One of the interesting points observed is that many civil societies both in Assam and Manipur in recent times have been the contestation over the nature of development. They have been able to come out of the ethnic cleavages and contest the un-consented idea of development in favour of the most neglected sections of the society who is on the verge of losing their livelihood and their indigenous way of life.
- Different NGOs are part of the unholy nexus between politicians and militants. Siphoning development funds for anti-state activity has been evidenced.

Besides many NGOs are also working tirelessly at the grassroots level by providing micro-financing support, skill development workshops, and delivering government-sponsored schemes and community-based programs to the people. Logistical gaps and financial support appears to be major challenges in front of many NGOs. On the other hand, corruption and ethnic moorings remain a cause of concern for civil society in the respective states to adopt a more solidified and coherent

4. What explains the differences between the development profiles of the two states?

The economic profile of the region reflects the backwardness of the Northeast in comparison to the rest of India and particularly Assam and Manipur. Both economies reflect a dwindling state of existence where development has been a non-starter and neither has the market forces been able to invigorate its economic space. As already discussed, the trade liberalization that India witnessed in the post liberalization period, have failed to integrate the region of North-East in its ambit of prosperity.

The economic profiles of Assam and Manipur in terms of GDP do not surpass that of India's average. Common difficulties like lack of industrial base, unstable political conditions, infrastructural bottleneck and technological backwardness have impaired the productive capacity of both states. However, in comparison between the two states Assam stands to hold an advantage over Manipur. Historically, the concentration of industrialization and process of development in the region took place within Assam with the setting of tea plantation, oil extraction and timber trade during the colonial period which was carried forward by the post-colonial state without much disruption. Assam stood in an advantageous position in comparison to the rest of the Northeast. Thus, essentially when we start to compare the development of the two states of Assam and Manipur, we have to accept the fact that it is an uneven comparison.

Development in both states before the above-stated period was not even. Two factors necessarily come to the front. One is the physiological character of the states and the other is its proximity to mainland India. From the physiological aspect, Assam is not only one of the largest states in the region geographically but more importantly, the plains of Brahmaputra and Barak rivers provide the state with the physiological advantage of using the available fertile land for agricultural activity and industries. Manipur on the other is a hill grit state, a rough terrain where geographical difficulty naturally reduces the propensity for economic activity. The valley region of Manipur is too little in comparison to that of Assam. Secondly, Assam is the only state that is physically connected with mainland India. Thus, any kind of communication or transportation to the region through land cannot take place by passing Assam. These two factors have added to the concentration of industries in the Brahmaputra Plains starting from the colonial past. Essentially, the dividend that Assam enjoys in terms of the GDP is mostly because of the said factor. The post-liberalization era has necessarily not contributed anything substantial in making the state a production hub. This becomes apparent when we compare the state of Assam to that of other states of India outside the Northeast region. It becomes evident how the state has fallen behind the rest of the country. As development has remained largely a non-starter in the Northeast region as a whole, a traditional industrial base gives Assam an upper hand over other states in the region and the geographical location and size of the Brahmaputra and Barak valleys only adds to that advantage. However, the most distressing part of the story is that Assam has not only failed to use its advantage for its economic development but represents the same problems faced by other states in the region. Thus, Assam's higher GDP in comparison to Manipur is essentially not a reflection of efficiency and invigorated economic development; on the contrary, it just represents the quantification of development indices rather than any such qualitative improvement. The problem of development for both states remains mostly the same just that its size, population and resource base create the differentiation. This differentiation cannot be seen as one's mobilization from peripheral capitalism to central capitalism and in-mobilization of the other. Rather development of both Assam and Manipur is located in the periphery of the developmental state.

In terms of socio-economic indices like Birth rate and death rate, Manipur performs better than Assam which reflects a healthier growth of population in the state than Assam until the migration factor is taken into consideration, as it is one of the major reasons which is responsible for exponentially increasing population growth in the region that hurts the overall economic progress

of the two states. The low death rate and infant mortality rate of Manipur signify that it has outperformed Assam in terms of medical facilities. Even when we look into the question of population pressure on the existing medical facilities, we found that people to facility ratio in Manipur is better than in Assam. That is also the case in terms of primary medical assistance for Manipur. But both the state in terms of modernization of medical facilities requires more improvement to be achieved, as people from the region are more dependent on the outside for better and critical medical treatment. Secondly, in terms of literacy, Manipur is ahead of Assam but the difference between the two states is not a drastic one. The number of educational institutions in Assam is more than Manipur but proportionate analysis in terms of population shows Manipur seems to enjoy little age over Assam. The most dismal part of the analysis is that the per capita income of both states has fallen in comparison to the national level. This reflects the low economic base of the two states. The progress in socio-economic indices can be mostly contributed to the phenomenon of central assistance, but this leaves behind a big question on the self-sustainability of this progress. And under circumstances of falling per capita income any development achieved remains untenable and more of a factor that can be influenced from outside. This has jeopardized the centrality of the developmental agenda in Manipur and Assam in particular and the Northeast Region in general.

Observation in Brief

- Both the states of Assam and Manipur exhibits a stunted process of development where common difficulties like unstable political condition, infrastructural bottleneck, technological backwardness and lack of industrial base have hampered the process of development.
- Concentration of traditional plantation and resource-based industries around the Brahmaputra valley has given Assam an upper hand over other provinces in the Northeast in terms of development.
- Topographically handcuffed existence of Manipur where the presence of plain land is very limited makes it very difficult for big industries to be established there. This reduces the prospect of industrialization. Especially in the case of small states like Manipur, the market size remains small.

- Transportation and communication in Assam are much more developed than in Manipur. In the absence of proper railway communication and air transport, it moves goods to and fro from Manipur a painstaking task. While Assam enjoys the advantage of to direct link with mainland India. This gives Assam an advantage over the rest of the region.
- However, progress in Assam per se its capacity has not been praiseworthy. To my observation, Assam's improved indices in terms of development are more of a quantified representation rather than a qualitative improvement.
- In terms of socio-economic indicators like birth rate, death rate, and mortality rate Manipur has outperformed Assam. Even in terms of access to medical facilities and educational institutions, Manipur's role has been praiseworthy. This reflects state socio-economic assistance has been able to percolate better down the society in Manipur than in Assam. Though modernization and sophistication with the presence of properly skilled labour must remain the lookout for both states.

Low per-capita income remains a big challenge for both the state and over-dependence on assistance from the Union government brings about the question of sustainability which may jeopardize the centrality of the development agenda in Assam and Manipur.

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, underdevelopment of Northeast appears to be a big hurdle in its path. The years of development paradigm and post-liberalized era have essentially not succeeded much in contributing anything substantial that can churn the region out of its backwardness and place it within the same competitive plane with the rest of India. So, this complicates the whole process and derails 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 imposed from the top which requires more intellect and aspiration of the region to be more holistic in nature. The poor economics of the Northeast makes its people more vulnerable and susceptible to the economic whims of the outside which has every possibility of derailing the peace process within the region which can further lead to militarization of its space. 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 bears unending loss and suffering which perhaps can't be replenished by any material gains.

Bibliography

Government Documents and Report

- FICCI-KPMG. (2015). Emerging North-East India: Economically and Socially Inclusive Strategies. New Delhi: FICCI-KPMG
- Bethany Society. Annual Report 2007-08
- NEICORD. Annual Report 2007-08
- Report (2015). Basic Statistics of North Eastern Region, 2015. Shillong, Government of India, North-Eastern Council Secretariat.
- S.P. Shukla, Commission Report, Development of North Eastern Region
- NITI Aayog Report. (2017). Three Years Action Agenda: 2014-15 to 2019-20. New Delhi: Government of India.
- Mitsunori, M.S. (September 28, 2021). Jica's Policy in East India Development: Opportunities and Challenges. New Delhi: JICA India Office
- Assam Development Report (1990), Government of Assam
- Annual Report (2015), Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
- India Entrepreneurship Report, 2015
- Economic Survey Assam, 2014-15, Government of Assam, Directorate of Economics and Statistics
- Agricultural Statistics at a Glance, India, 2001, Directorate of Economic and Statistics, Department of Agriculture and Farmer Welfare, Ministry of Agriculture, Government of India
- Fertilizer Statistics, India, 2011-12, The Fertilizer Association of India
- Statistical Handbook Assam, Various Issues, Government of Assam, Directorate of Economics and Statistics

- Basic Statistics of NER, Various Issues, North East Council Secretariat, Government of India
- Statistical Report, Irrigation Department, Various Issues, Government of Assam, Directorate of Economics and Statistics
- National Accounts Statistics of India, Various Issues, National Statistical Commission
- Agricultural Economic Research Review, Volume 25, 2012, Agricultural Economic Research Association (India)
- Annual Survey of Industries, India, Various Issues, Ministry of Statistics and Programme Implementation, Government of India
- National Sample Survey Organization Data, Various Rounds, National Sample Survey, Government of India
- National human Development Report, 2001, Planning Commission, Government of India
- Provisional Population Papers 1 and 2-2011 Census. Government of India
- Infrastructure Statistics of Assam 2014-15, Government of Assam, Directorate of Economics and Statistics
- Rural Health Statistics Bulletin, 2015, Ministry of Health and Family Welfare, Government of India
- Statistical handbook of Manipur, Various Issues, Directorate of Economics and Statistics, Government of Manipur
- Economic Review Manipur, 1994-95
- Economic Survey Manipur, Various Issues, Directorate of Economics and Statistics, Government of Manipur
- Statistical abstract Manipur, 1998 & 2007, Directorate of Economics and Statistics, Government of Manipur
- Manipur State Development Report, 2006, Institute of Human Development, Planning Commission

- Annual Report, Various Years, North Eastern Development Finance Corporation Ltd.
- Economic and Political Weekly Research Foundation Report, 2003
- Sample Registration System Bulletin, Registrar General of India, 2015

Books

Ahluwalia, S. (2012). *Social and Economic Development in North East India*. New Delhi: Gyan Publishing House.

Amin, S. (1976). *Unequal Development: An Essay on the Social Formation of Peripheral Capitalism*. New Delhi: Oxford University Press.

Arun, A. (2001). Student Politics in Manipuri Society. In R. G. C. Joshua Thomas, *Constraints in Development of Manipur* (p. 47). New Delhi: Regency Publications.

Bandyopadhyay, A. B. (2005). Structural Change, Economic Growth and Regional Disparity in the North-East: Regional and National Perspectives. In A. Barua, *India's North-East: Developmental Issues in a Historical Perspective* (pp. 239-283). New Delhi: Manohar.

Barbora, S. (2018). *Peasants, Students, Insurgents, and Popular Movements in Contemporary Assam*. Kolkata: Mahanirban Calcutta Research Group.

Barua, A. (2005). History, trade and Development: An Exploration of the North-East Economy. In A. Barua, *India's North-East Developmental Issues in a Historical Perspective* (pp. 427-448). New Delhi: Manohar.

Barua, A. (2005). *India's North-East Developmental Issues in a Historical Perspective*. New Delhi: Manohar Publishers and Distributors.

Baruah, S. (1997). Politics of Subnationalism: Society versus Government in Assam. In P. Chatterjee, *Government and Politics in India*. Delhi: OUP.

Baruah, S. (2019). Student Politics in Assam with Special Reference to All Assam Student's Union: 1967-1985. *Journal of Xi'an University of Architecture & Technology*, XI (XII).

Bhattacharjee, G. (2016). *Special Category States*. New Delhi: Oxford University Press.

- Bhaumik, S. (2015). Insurgency, Ethnic Cleansing and Forced migration. In S. Bhaumik, *Troubled Periphery* (pp. 88-152). New Delhi: Sage Publication.
- Borthakur, B. (2012). Industrialization and Socio-Cultural Transformation of Rural Community in Assam. In D. Kumar, *Social Change and Development* (pp. 277-285). New Delhi: Rawat Publications.
- Bose, M. (1997). *History of Arunachal Pradesh*. Delhi: Concept Publishing.
- Bugra, A. (2017). Two Lives of Developmentalism: A Polanyian View from Turkey. In I. B. Hibou, *In Development as a Battlefield*. Geneva: Graduate Institute Publications.
- Chatterjee, P. (1995). *The Nation and its Fragments: Colonial and Post-Colonial Histories*. New Delhi: Oxford University Press.
- Chaudhury, B. (2015). The Nexus Between Development and Diversity. In S. Goswami, *Troubled Diversity: The Political Process in North East India* (p. 81). New Delhi: Oxford University Press.
- Das, A. K. (1982). *Assam's Agony: a socio-economic and political analysis*. New Delhi: Lancers Publishers.
- Das, G. (2012). *Security and Development in India's North East*. New Delhi: Oxford University Press.
- Das, M. (2012). *Peasant Agriculture in Assam: A structural Analysis*. Guwahati: EBH Publishers.
- Devi, K. (2020). Understanding Women Movements of NOrtheast India: A Review of assam and Minipur. In R. K. Singh, *State, Civil Society and Social Movements in Northeast India* (p. 50). New Delhi: Mittal Publications.
- Dutta, M. K. (2011). *Irrigation Potential in Agriculture of Assam*. New Delhi: Concept publishing Company Pvt. Ltd. .
- Gorky Chakraborty & Asok Kumar Ray. (2014). *Political Economy of Underdevelopment of North-East India*. Delhi: Aakar Books.
- Goswami, S. (2015). *Troubled Diversity: The Political Process in North East India*. New Delhi: Oxford university Press.

- H.B. Chenery, S. Robison and M. Syrigin. (1988). *Industrialization and Growth: A Comparative study*. London: Oxford University Press.
- Haokip, T. (2015). *India's Look East Policy and the North East*. New Delhi: Sage Publications India.
- Hazarika, J. S. (2016). *Geopolitics of North East India: A Strategical study*. New Delhi: Gyan Publishing.
- Hazarika, S. (2018). Assam: Battles for the Homeland. In S. Hazarika, *Strangers No More* (pp. 128-162). New Delhi: Rupa Publications.
- Hazarika, S. (2018). *Strangers No More: New Narratives From India;s North East*. New Delhi: Aleph.
- Hodson, T. C. (1908). *The Meitheis*. London : David Nutt.
- Hussain, W. Interaction on the North East. In T. Haokip, *India's Look East Policy and the North East* (p. 107). New Delhi: Sage Publications.
- Imokanta, K. (2016). Jesters of popular genres as agents of resistance through reflexivity. In A. N. (eds.), *Colonialism and Resistance: Society and State in Manipur* (p. 117). New York: Routledge.
- Isworchandra, H. (2013). Post Statehood Economy: A Critical Analysis. In H. T. Sharma, *Quest for Development in Manipur: Continuity, Constraints and Contradictions* (p. 61). New Delhi: Concept Publishing House.
- Jasantakumar, N. (2009). Land Problem and Ethnic Crisis in Manipur. In C. R. Dhanabir Laishram, *The Stitch: Ethnicity, Insurgency And Development of Manipur* (p. 49). New Delhi: Akansha Publishing House.
- Jeffery D. Sachs & Andrew M. Warner. (1995). Natural Resource Abundance and Economic Growth. *National Bureau of Economic Research* .
- kaviraj, S. (1994). On the Construction of Colonial Power: Structure, Discourse, Hegemony. In D. E. Marks, *Contesting Colonial Hegemony: State and Society in Africa and India* (p. 21). London: British Academic Press.

- Kaviraj, S. (1992). The Imaginary Institution of India. In P. C. Pandey, *Subaltern Studies: Writings on South Asian History and Society* (pp. 38-39). Delhi: Oxford University Press.
- Laishram, D. (2009). Questioning Political Solution in Armed Conflict of Manipur. In C. R. Dhanabir Laishram, *The Stitch: Ethnicity, Insurgency And Development of Manipur* (p. 89). New Delhi: Akansha Publishing House
- Misra, U. (2014). *India's North-East: Identity, Movements, State and Civil Society*. New Delhi: Oxford University Press.
- Mitsunori, M. S. (September 28, 2021). *Jica's Policy in East India Development: Opportunities and Challenges*. New Delhi: JICA India Office.
- Naqvi, S. (2015). *Economics of Development: Towards Inclusive Growth*. New Delhi: Sage Publications.
- Ningthouja, M. (2015). *Diametrical Nationalisms: Rulers, Rebels and Masses in Manipur*. New Delhi: Aakar Books.
- Ningthoukhongjam, U. (2007). *The Student Movement in Manipur*. New Delhi: Akansha Publishing House.
- Panikkar, K. (1995). *Culture, Ideology, Hegemony: Intellectual and Social Consciousness in Colonial India*. New Delhi: Tulika Publications.
- Parrat, J. (2005). *Wounded: Politics and Identity in Modern Manipur*. New Delhi: Mittal Publication.
- Polanyi, K. (1957). *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press.
- Prasenjit Biswas & Rafiul Ahmed. (2004). *Political Economy of Underdevelopment of North-East India*. New Delhi: Akansha Publishing House.
- Ray, B. D. (1990). *Identity and Tension in North East India*. New Delhi: Omsons.
- Routray, P. B. (2007). Manipur: The Nexus Again. *South Asia Intelligence Review* .

- Roy, N. C. (2017). Emerging issues of Human Development in Northeast India. In D. K. Upadhyay, *Rethinking Economic Development in Northeast India* (pp. 151-170). New York: Routledge.
- Sachs, W. (1992). *The Development Dictionary: A Guide to Knowledge as Power*. London and New Jersey: Zed Books.
- Sen, S. (2016). *A Socio-Cultural and Economic History of Assam*. New Delhi: Mahaveer Publication.
- Sharma, A. (2015). Trends of area, production and productivity of spices in the north-eastern region. *Journal of Spices and Aromatic Crops* , 24 (2), 112-118.
- Sharma, C. K. (2018). Dams, Development and Popular Resistance in Northeast. *Indian Sociological Society* , 67 (3), 1-17.
- Singh, A. T. (2015). *Rural Socio Economic DEvelopment in Manipur*. New Delhi: Rakesh Publications.
- Singh, K. G. (2011). *Security & Development: The Political Economy of Insurgency in Manipur*. New Delhi: Akansha Publishing House.
- Singh, L. N. (1998). *The Unquiet Valley: Society, Economy & Politics in Manipur (1891-1950)*. New Delhi: Mittal Publication.
- Singh, N. (2013). Food grain Economy and Food Security. In H. T. Sharma, *Quest for Development in Manipur* (p. 91). New Delhi: Concept Publishing Company.
- Singh, R. (1981). *Electoral Politics in Manipur: A Spatio-Temporal Study*. New Delhi: Concept Publishing
- Virmani, A. (2001). *India's BOP Crisis and External Reform: Myths and Paradoxes*. New Delhi: Indian Council For Research on International Economic Relations.
- Zaidi, S. (2017). Development of Elementary Education in Northeast India: Trends, Issues and Challenges. In A. Hazra, *Human development and Disparities* (pp. 21-54). New Delhi: Rawat Publications.

Journals

- A.Holmes. (2018). An Eassy in Praise of Scholastic Theology. *Lumen et Vita* , 27.
- B.B. Bhattacharya & S. Sakhivel. (2004). Regional Growth and Disparity in India: A Comparison of Pre and Post-Reform Decades. *Economic and Political Weekly* , 1071-1077.
- Baruah, S. (2003). Nationalizing space: Cosmetic Federalism and the politics of development in North East India. *Development and Change*, 34(5), 915-939.
- Baruah, S. (2019). Student Politics in Assam with Special Reference to All Assam Student's Union: 1967-1985. *Journal of Xi'an University of Architecture & Technology* , XI (XII).
- Bijoy Kumar dey & Kanchan Dutta . (2020). Micro, small and Medium Scale Enterprises in Assam: Some Aspects of Size, Growth and Structure. *Journal of Development Economics and Management Research studies* .
- Birthal, P.S., Jha A.K. and Singh D.K. (2006). Agricultural Diversification in North-Eastern Region of India: Implications for growth and Equity. *Indian Journal of agricultural Economics*, 61(3):328-340
- Buragohain, P. P. (2015). Status of Rural Health Infrastructure in Assam. *International Journal of Management and Social Science Research Review* , 210-218.
- Cernea, M. (2000). Risks, Safegaurds and Reconstruction: A Model for Population Displacement and Resettlement. *Economic and Political Weekly* , 35 (41).
- Devi, T. (2021). Changes in The Composition of Employment of the Service Sector in Assam. *International Journal of Creative Research Thoughts* , 377-384.
- Domingo, R. (2022). Rethinking the School of Salamanca. *Journal of Law and Religion* , 3.
- Deshmukhya P., Chakrabarty M.J. & Roy N. (2020). Impact of Service Sector on Economic Growth: Evidence from North East India, *Indian Journal of Economics and Business*, 19(1), 71-85.
- Deshmukh P. & Roy N. (2017), Understanding Service Sector Growth at Disaggregated Level: A Study of North East India, *Amity Journal of Economics*, 1(2), 71-87
- Focus: Newsletter of Bosco Reach Out. Vol XII. May-September, 2008

- Gogoi, S. (2019, February 21). Nellie Massacre: 36 years on, a reflection on victims of tragedy have been erased from public memory. *Firstpost* .
- Goyari, P. (2005). Flood Damages & Sustainability of Agriculture in Assam. *Economic & Political Weekly* , 2723-2729.
- Goyari P. (2007). Scarcity in the midst of Plenty: Irrigation Development for water abundant Assam, *Economic and Political Weekly*.
- Gupta, A. (2000). Manipur Assembly Election. *Economic and Political weekly* .
- Krugman, P. (1991). Increasing Returns and Economic Geography. *Journal of Political Economy* , 483.
- Misra, T. (1980). Assam: A Colonial Hinterland. *Economic and Political Weekly* , 1359.
- Misra, T. (1980). Assam: A Colonial Hinterland. *Economic and Political Weekly* , 1357-1364.
- Oinam Bhagat & Bimol A. Akoijam. (2002). Assembly Elections: Trends & Issues. *Economic and Political Weekly* , 519-524.
- P.S. Joshi, A. J. (2006). Agricultural Diversification in North-Eastern Region of India: Implications for growth and Equity. *Indian Journal of Agricultural Economics* , 61 (3), 328-340.
- Panchatapa Deshamukhya & Niranjana Roy. (2015). Understanding Service Sector Growth at Disaggregated Level: A Study of North East India. *Amity Journal of Economics* , 117-129.
- Panchatapa Deshamukhya, Jimut Bahan Chakrabarty & Niranjana Roy. (2020). Impact of Service Sector on Economic growth: Evidence From North East India. *Indian Journal of Economic & Business* , 71-85.
- Paul, B. (2014). Civil Society in Transforming Conflicts and Building Peace: with special Reference to Assam. *Research in Humanities and Social Science*, 55
- Paul P.K., Jana S.K. & Maiti A. (2019). An Analysis of Health Status of the State of Assam, India. *Research Review Journal*. 4(3), 1179-1188.
- Pegu, A. (2014). Do NGOs play towards Economic Development for the marginalized section? A Critical Analysis of NGOs in Majuli. *International Journal of Humanities & Social Science Studies*, I(III), 94-107

- Pranjit Kr. Paul, Sebak Kumar Jana & Adwaita Maiti. (2019). An Analysis of Health Status of the State of Assam, India. *Research Review International Journal of Multidisciplinary* , 1179-1188.
- Roy N. and Deshmukhya P. (2017). Understanding Service Sector Growth at Disaggregated Level: A Study of North East India, *Amity Journal of Economics*, 1(2), 71-87
- S, V. S. (2020). *Manipur: 4 Mapithel Dam protesters injured during 48- hour shutdown*. Imphal: East Mojo.
- Saikia, D. (2014). Unorganised Manufacturing Sector of Assam: Its Size, Structure and Growth in the Post-reform Period. *Dialogue* , 108-116.
- Sharma, A. (2015). Trends of area, production and productivity of spices in the north-eastern region. *Journal of Spices and Aromatic Crops* , 24 (2), 112-118.
- Sharma, C. K. (2018). Dams, Development and Popular Resistance in Northeast. *Indian Sociological Society* , 67 (3), 1-17.
- Singh, P. C. (2005). Manipur's Economy, Historical Roots and Structural Evaluation. *Eastern Quarterly* , 149-159.
- Vandergeest, P. (2003). Land to Some Tillers: Development Induced Displacement in Laos. *International Social Science Journal* , IV (I), 47.

Websites

- Assam Development Report. Retrieved July 17, 2019, from www.niti.gov.in
https://niti.gov.in/planningcommission.gov.in/docs/plans/stateplan/sdr_assam/sdr_assamexesum.pdf
- Bhaumik, S. (2003, may 5). *bbc.co.uk*. Retrieved september 21, 2019, from [www.bbc.co.uk:bbc.co.uk/2/hi/south_asia/3000991.stm](http://www.bbc.co.uk/bbc.co.uk/2/hi/south_asia/3000991.stm)
- Bhattacharya, J. (2020, April 12). *Bangladesh: New Boost to maritime connectivity with India*. Retrieved December 12, 2021, from www.orfonline.org
<https://www.orfonline.org/research/south-asia-weekly-report-volume-xiii-32/>

Chetia, A. (2019, November 22). *The Question of Citizenship: the Case of the Chakma and Hajong*. Retrieved December 10, 2021, from www.sprf.in: <https://sprf.in/a-question-of-citizenship-the-case-of-the-chakma-hajong-refugees/>

Choudhury, S. (2019, January 22). *indiatoday.in*. Retrieved May 13, 2020, from www.indiatoday.in: <https://www.indiatoday.in/india/story/if-you-remember-manipuri-women-only-for-nude-protest-against-army-think-again-1436411-2019-01-22>

Das, S. K. (2007). *Conflict and Peace in India's Northeast: The Role of Civil Society*. Retrieved August 20, 2019, from www.eastwestcenterwashington.org/publications: <https://www.eastwestcenter.org/publications/conflict-and-peace-india%E2%80%99s-northeast-role-civil-society>

Day Kumar Varun & Vaibhav Vikash, (2021, December 13). *Northeast needs to boost its economy. Even Assam has failed to participate in India's Growth*. Retrieved January 20, 2022, from www.theprint.in: <https://www.theprint.in/opinion/northeast-needs-to-boost-its-economy-even-assam-has-failed-to-participate-in-indias-growth/780676/>

Dey Kumar Bijoy & Datta Kanchan (2020, September). Retrieved May 17, 2021, from www.cdes.org.in: <https://www.cdes.org.in/up-content/uploads/2020/07/Bijoy-Kumar-Dey-and-Kanchan-Datta-pdf>

Ghosh, P. & Singh K. (2016). *Healthcare and Economic growth*. Retrieved May 17, 2020. www.livemint.com
<https://www.livemint.com/poitics/puylifv8thdi3/Healthcare-and-economic-growth.html>

Kotwal, D. (2018, July). *The Naga Insurgency: The Past and the Future*. Retrieved December 10, 2021, from www.idsa-india.org: <http://www.idsa-india.org/an-jul-700.html>

Gladding, D.I. (2018, April 25). *Lewis Expert Blog*. Retrieved February 22, 2020, from www.lewis.edu
<https://www.lewisu.edu/experts/index.php/rise-of-economic-nationalism-and-its-implications/>

India Entrepreneurship Report 2015. Retrieved July 17, 2019, from www.business-standard.com
https://www.business-standard.com/article/economy-policy/assam-people-substantially-dissatisfied-with-govts-role-on-promoting-entrepreneurship-survey-116042000921_1.html

Mohan Rakesh. *Economic Development of the North-East Region: Some Reflections*. Retrieved January 20, 2022, from www.rbidocs.rbi.org.in:
<https://www.rbidocs.org.in/rdocs/speeches/PDFs/51403.pdf>

Kokati Binita (2021, May 16). *Conflict and Development in Northeast India*. Retrieved December 3, 2021, from www.tni.org.in:
<https://www.tni.org.in/article/conflict-and-development-in-northeast-india>

Singh Gyanendra K. (2016, December 21). *The Economic History of Manipur*. Retrieved July 19, 2020, from www.brill.com:
<https://www.brill.com/view/journals/aas/15/4/article-p3p33.xml>

S, V. S. (2021, May 26). *How Manipur Paid Tributes to the Hunger Marchers of 1965*. Retrieved December 17, 2021, from www.eastmojo.com:
<https://www.eastmojo.com/news/2019/08/27/how-manipur-paid-tributes-to-the-hunger-marchers-of-1965/>

Appendix I (Interview Questionnaire)

1. From being an internal colonizer to granting of special status to the region what has been the role of the state in the political economy of the region?
2. Has the policy of capital infusion by state really helped in vitalizing the economic potential of the state?
3. How has the rebel economy weakened the institution of state in the region?
4. In the post-liberalized era has the state been able to invite private capital to the region to compensate for the dearth in capital investment?
5. How much has the question of development pre-occupied civil society space in the state?
6. Has the question of development been addressed by civil society from an identity perspective?
What is your observation?
7. The role of NGOs in the development of the state?
8. Are market institutions responsive to the question of development in the state?

Appendix II (List of Person Interviewed)

1. Subir Bhaumik, Journalist & Academic Researcher, Kolkata
2. Malabika Phukan, Retired Professor at Guwahati Law College, Assam
3. Rupam Ghy, Research Scholar and Student Political Activist, Assam
4. Mithun Sarkar, President, A Ray of Hope Society, Assam
5. Biju Borbarugh, Chief Functionary, Asha Darshan, Assam
6. Sushanta Talikdar, Editor, www.nezine.com, Assam
7. Mantuzur Rahman, Secretary, Char Nirman Samity, Assam
8. Sanjib Baruah, Member, Assam Eye Care Founadation, Assam
9. Rinku Mahanta Baruah, President, Society for Human Resource Organization and Improvement, Assam
10. Amar Yumnam, Retired Vice Chancellor Manipur University, Manipur
11. Suraj Langpoklakpam, Associate Professor, DM College, Manipur
12. Sristi Pukhrem, Researcher, India Foundation, New Delhi
13. Priyarani Watham, Entrepreneur, Manipur
14. JoyKumar Ruwndar, Secretary, Christian Social Development Organization, Manipur
15. Laishram Thanil Meitei, Secretary, Centre for Women Empowerment, Manipur
16. Mihir Bhonsale, Blogger, Southasiaobersver.blogspot.com, Former Editor at India News Network, Kolkata
17. Name Withheld, Government Serviceman, Manipur

Appendix III (Survey Questionnaire)

1. How do you rate the political condition of your state?
 - a. Condition improved
 - b. Condition Deteriorated
 - c. Same as before
 - d. Can't Say

2. Do you consider the role of the state towards development satisfactory?
 - a. Yes
 - b. No
 - c. Can't Say

3. How do you rate the Economic condition of the state?
 - a. Excellent
 - b. Very Good
 - c. Good
 - d. Medium
 - e. Poor

4. Has market institutions being able to cater to the needs of the people?
 - a. Yes
 - b. No
 - c. Can't Say

5. Are employment and other economic opportunity satisfactory in the state?
 - a. Satisfactory
 - b. Not Satisfactory
 - c. Can't Say

6. How do you perceive NGOs role in the state?
 - a. Positive
 - b. Negative
 - c. Insignificant

7. Major hurdle faced by NGOs in the region
 - a. Funding
 - b. Logistics
 - c. Public Response
 - d. Nothing in Particular

8. What are main Financial Source of NGOs in the region
 - a. Government Funding
 - b. Private Funding
 - c. Self Financing
 - d. Others