

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

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## **Introduction**

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

Northeast for decades has remained a region infested with problems of security and poverty. My research seeks to understand development in the region and how it has reflected upon the social and political life of the people in the region. And, in this quest, my research would focus on two states, namely, Assam (the state with largest economy in terms of GDP in Northeast) and Manipur (the state with a encouraging HDI record) in order to understand the role of the state, the market institutions and the civil society in shaping of developmental policies and studying its effects.

## **Research Gap**

While a lot has been written on the economics and security of the Northeast, there is insufficient work on the politics of development that evolved in the period since 1980 when the Indian state started to officially look into the problems of these states in a distinctive manner. Many of the festering problems of this region are the result of the complex interplay of the political and

economic forces at work that the existing network of institutions is unable to resolve. The protracted problems of poverty, political alienation, insurgency and violence are the natural corollary of this intermeshing of forces. Politics of development is the chosen analytical category to express this complex interplay of the economic and political forces that cannot be separated for any sustained understanding of the developmental profile of either the regional in general or that of the states of Assam and Manipur in particular.

### **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 in 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 questions are open ended which enquire for more complex and lengthier responses. Besides the difference in form there exists a 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 sessions. 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 the same for all types 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, journalists, retired lawyers, youth political activists, 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 surveyors varied with the nature of the question asked. For instance questions regarding internal problems and financial issues of NGOs 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.

## **Chapter Summarization**

### **Chapter 1: State, Market and Civil Society and the Politics of Development**

In understanding the role of the state in the region a kind of paternalism is noticeable in the way the state has acted in the region. It has been noted that a process of course correction and reconstruction became an essential agenda of the state from colonial times. And in this process a clear demarcation between the state and its people has been visible where the institution of state

acted not as a product of the region but as one that wanted to make and re-make the region as a product of its own. This difference between the perspective of the people and state created a difference in agenda of the two, which vitiated with time, leading to contestation over the political space of Northeast. Even the Neo-liberal period is not out of this contestation, as under the new strategy the state has not been a retreating force in the region but a force of ‘excessive intervention’, which wanted to usher in the market to the region by overlooking several other aspects. The state sees opening of borders from point of view of trade and its linkage with the national economy for which it has promoted infrastructural development in the region. However, what kind of ‘social rates of return’ we can drive from this approach of the state is far from being clear. Without any proper evaluation of the problems it is difficult to answer this question. The various chapters have tried to explain this problematic.

Under the new narrative of market friendly societies in Northeast, the ideas of surplus economy, cash-cropping and monetization are gradually transforming the aspirations of the people and leading towards mass consumption. This in turn is creating new modes of partnering and cronyism in the region. The state, through its apparatus, accompanied by other social factors, are responsible for giving birth to a rentier and nouveau riche class in Northeast that acts as crony capitalist for a larger unregulated resource accumulation. In this process the old binaries are getting destroyed, threatening the traditional system and ecology. Eventually leading to the process whereby market is inserted as a prime requisite for societies in the region through rapid policy experimentation. By looking into the region, its nature of existence, the problems it encounters, and the parties involved in it, one can readily see the missing link between communities, people and the state on one hand, and development on the other. And it is here, where the role of civil society gains relevance in the region. In a land where contestation and conflict are deeply rooted, nothing remains transparent or sanguine and so is the case of civil society in Northeast. It is not a magic wand that can wipe out all problems but it can generate efforts towards resolving some of these issues. The civil society in Northeast gradually seems to move towards this direction. However, the mode of working and ways of articulating interest by a section of the civil society has raised skepticism about its motive and style of functioning.

Economic underdevelopment besides failing the region in developing its productive base has also eroded the capacity of the states in Northeast to provide public goods and welfare services to its people. The state reorganization process in Northeast has been more based on ethnic compulsion

where economic feasibility remained a distant factor while charting out the territorial limits of the states. Secondly, most of the states in the Northeast, except Assam and Arunachal Pradesh, are small in size. Moreover, all the states are economically backward, surviving under financial constraints. Corruption and politician-insurgency nexus makes 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. The rentier economy diverts central funds and the corrupt political elites siphon off wealth. This directly has a regressive effect on the livelihood of the people in the region. Underdevelopment also reduces the scope of employment, which makes the condition of human security vulnerable especially for the youth of the region who are often drawn towards political extremism out of desperation. In absence of proper economic opportunities, coupled with deprivation and accentuation of identity crisis, the propensity to violence increases and the youth under such situations are more drawn towards the acts of rebellion. This makes the societies of Northeast a fertile ground for insurgency. Insurgency has raged in the region intermittently for decades, starting from the time of independence, and the problem of violence continues to plague the Northeast. Some insurgency groups like the Nagas (is going for more than five decades) and Meities (for more than 40 years) have been existing for long, while some like the Mizo may have settled down after some decades only to make room for some other fraction to take its place. The state in its response to the problem of violence and insurgency increased its presence more in terms of armed uniform and with stringent laws (the likes of AFSPA), which has made economic development more complicated in the region. Thus the people of the region continue to suffer in the atmosphere of insecurity which in turn makes the path of development more difficult and distant.

## **Chapter 2: The Developmental Thinking on the North-Eastern States**

Policy makers of Independent Indian state continued to treat the region of Northeast as a frontier periphery partially carrying forward the articulation and legacy of the British Colonial state. Gradually in due process the post independent nationalist state established its hegemony over domestic capitalist class in the region. The image of the region was constructed around its geographical location, hostile topography and land locked existence, making it a frontier and hinterland to the development of the mainland India. Development initiatives in the early decades after independence were minimal, with limited attention given towards building

infrastructure in the region in order to improve connectivity with the rest of the country. In this process, the production base of the region was mostly overlooked. This negligence towards the manufacturing sector damped the prospects of industrialization in the region. On one hand, this made the professional class in the sphere of economy absent in the region and created a class of government officials, contractors and agents who benefitted from dole politics. On the other hand, as the production base in the region remained poor, the Northeast became a ceaseless dumping ground for goods from mainland India and the neighbouring countries.

Planning was introduced in the region with the formation of North Eastern Council in 1972 in the hope to induce development in the region. Undoubtedly the contribution of NEC cannot be ignored. However, in addressing the problems it facilitated mostly the ruling elites - politicians, bureaucrats and contractors, while people's participation and involvement remained on the margins. What was witnessed with the NEC coming into existence was an institutionalization and bureaucratization of development, while democratization of development in the region remained a pipe dream. More importantly, the NEC, from its inception, was seen with suspicion by the locals. It was often looked upon as a tool in the hands of the centre to subdue the authority of the provinces in the region. The funds that flowed into the region kept the region's economy donor-driven, forcing the Northeast into a recipient trap, where the strings of finances were pulled from outside the region.

The present strategy under neo-liberalism is still in an 'embryonic' stage. In the vision document produced by the government in 2008, the gap between the region and the rest of the country in terms of various developmental, productive outcomes and utilization of human capital has been aptly observed. The North Eastern Region Vision 2020 is the first of its kind document that puts forward a statistical catch up strategy where it is predicted that if the economy of the region grows at 13% on an average it will reach the national level of income by 2020. Thus the vision document has set an ambitious goal for the Northeast to catch up with the rest of India. 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 is decided in taking the developed as the parameter and the rest are told to mould their economy in the strength of the developed. Practically this is never going to reduce the disparity between developed and underdeveloped as the developed shall always enjoy an upper hand in such projection. More importantly any kind of ambitious projection and coercion of

market forces from above for that purpose are going to rupture the indigenous societies completely leading to 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 Northeast by harnessing people's choice, partnerships and capacities.

Essentially what comes out from the study of different policy paradigms to which the Northeast as a region has been subjected in the post-independence period is 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. To say these policies have completely failed shall be wrong though there remains a gap between its intention and actualization.

### **Chapter 3: Case Study Assam**

The study shows that in respect of the state's contribution towards the political economy of Assam from 1980s onward, the previous decades must be taken into consideration. The state in the initial post-independence era relied on the mechanisms leftover by the colonial rulers to carry forward its administration without deviating much in its perception and policy prescription. This had resulted in an untoward relation between the region and the state where the state was often accused of resource monopolization and seen unresponsive to the demands of the people of Assam. For instance, Assamese cries over infiltration fell into deaf ears in Delhi. And this led to mounting resentment among the people in the state. A major blow came in the form of state representation act of 1972 which cut short Assam in size; this was a big blow to Assamese psyche and their aspiration of making Assam a nation-province. Resentment, neglect, isolation and underdevelopment blended into an outburst in the shape of the Assam movement that continued for six years, followed by years of violence carried by the ULFA over the question of sovereignty. These years of political turmoil were times when the state on one hand negotiated for peace and on the other securitized its presence to hold the region from breaking way. Development was an agenda it promised but circumstances didn't permit the state to act towards it. Assam along with other states in Northeast didn't 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 the purpose of trade and the state response has also been slow in this respect. It was only in the



beginning of the 21<sup>st</sup> century with improvement in political condition that the state started to incentivize industry in Assam and promote trade and commerce.

The growth of the market institutions in the state seems to be lacking behind the national average. Different sectors in the state have registered a 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 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, decline 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 remains the topmost imperative for the state with a proper distributive mechanism in place. In terms of education, medical and employment opportunities, the need for improvement is evident.

Civil society in Assam has played an important role in churning its socio-political landscape in the past three decades. The contribution of the student's 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, reducing its acceptance to the society at large in Assam. The question of Assamese versus non-Assamese people had remained the pivot all along these years of struggle and contestation. 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 its disconnect with the common masses. The Civil Society movement contesting the nature of state induced development has opened a new chapter in the politics of the state. One of the positive sides of such a movement has been that it could cut across religious and ethnic divides in the state. In this regard the role of KMSS remains praiseworthy in the state. However, there is manifest lack of consistency on part of civil society organizations over questions of human rights, indigenous rights and land rights in the state. The role of NGOs in recent past has shown improvement with many organizations playing an instrumental role in uplifting the human capacity in the state. However, lack of trained persons, inadequate financial and government support are undermining the performance of the sector in the state.

## **Chapter 4: Case Study Manipur**

In Manipur there exists a contestation 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 determinants 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 year. Secondly, low tax base and economic dependency of Manipur on the centre 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 fiscal management or are consumed for infrastructural and administrative purposes to please the political elites in the state. The state's policy towards major sectors like agriculture and industry seems to lack a concrete and a 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 high income in the state. It also 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 of Manipur. More importantly the problem had overwhelmingly gripped the mindset of the policy maker. The central and state government's attitude towards the problem seemed to have limited efficacy and has failed to prevent the militarization of the state apparatus- resulting in extensive use of violence.

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 since then. Whatever increase the secondary sector had registered was contributed mostly by the construction sector while the development of the manufacturing sector remained considerably low. However, unregistered manufacturing has registered an increase, which reflects the process of informalisation of the economy. 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 Human Development Index, the state's performance in health and literacy remains praiseworthy but concerns remain with the income level in the state, this has been responsible for bringing down the HDI index of Manipur.

Due to the diverse ethnic composition of the state coupled with an unresponsive and corrupt political process, redressal of grievances 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 had created a problem for the state in its effort to properly allocate resources among the people, and this is where the civil society has filled the gap in the state. But the civil society has also been drawn into ethnic feuds, and it has failed to completely come out of the ethnic conflicts and intra-organization contestations. The inability of the state to mediate effectively between the contending groups has also eroded the capacity of the civil society. Civil Society's strength lies in its efforts to channelize the grievances of the people and act as a link between the people and the political process in the state. Through its contestation of the nature of the state-induced developmentalist agenda, the civil society organizations have shown that they can act as a counterweight against any program and policies of the state, which is perceived to be antithetical to the interests of the indigenous people. Thus, in this way, civil society groups have gradually evolved as a crucial and important actor in the politics of Manipur.

## **Research Findings**

### **1. What is the role of the state in the political economy of the two provinces?**

The Indian state in the post-independence decades has in its policy conceptualization treated the region as peripheral. It preferred to see the region as a resource bounty. This peripheral conceptualization remained predominant among state policy makers for decades to come, which was also accompanied by a sense of insecurity. This had prevented the state from exploring the economic viability of the region. This essentially led to development of a very weak and feeble productive base in the region and in respective two states of Assam and Manipur. When the state wanted to re-conceptualize Northeast in later years, especially under the Neo-liberal paradigm, the inherent weakness created constraints that became problematic to negotiate. It created a continuum between economic backwardness and development that resulted in new conflicts and invited resistance from the region.

- At its core, the Northeast suffers from the question of sovereignty. Different communities in the North-East have their respective ethnic moorings, which are reflected in their

distinctive 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 as understood by the mainstream, identifying it as the root cause of all problems. Thus, in order to deny space to ethnicity in bargaining over sovereignty, the state prescribed development as the only remedy to all illnesses.

- The 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 stakeholders of 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. This is of course a part of reality but there is another side of the story, as several studies from the region reflects how insurgents had been successful in drawing the attention of the state for the need of development in the region.
  - Indian state's emphasis on big ticket investment would certainly 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 cash crunched state exchequer, which shall make the region more reliant on international financial institutions and the centre for economic assistance, and make development a costly affair for the people in the region. This may lead to problem of equity and social justice in the region.
  - Problems of misappropriation, corruption, and under-utilization have somewhat derailed the trajectories of development in both Assam and Manipur, leading to problems of crony capitalism.
- 2. What role did the market institutions play in the developmental policies in the post-liberalized period?**
- The spectacular growth that India has registered in this period has not happened in the region.

- A sector wise analysis shows that the Northeast is highly dependent on agricultural activity but productivity has shot up due to lack of modernization, proper utilization, increasing land to 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 more pathetic as many industries had either closed down or exist in a sick state unable to compete with products from outside.
- The process of commercialization has made the region more dependent on products from outside the region. There has been entry of many foreign brands, and new shopping malls have emerged. Undoubtedly, this has led to an increase in employment in terms of service providers, but value creation within the region has hardly improved.
- Due to the presence of border disputes, security concerns, displacement and refugee problems, border trade across the region has remained limited and mostly informal in nature. This has also led to increase flow of cheap Chinese products into the region, which is suffocating the market space of local producers.
- The service sector in both Assam and Manipur has witnessed positive growth. This growth has mostly happened due to the performance of public administration, and construction services. This is of course a good sign for the region, but taking the fact that a lot of these activities are either funded by the Union Government or international funding agencies, its long-term sustenance is uncertain.
- Improvement in tourism and hospitality sectors is much required, which probably will in future with ease of communication and returning of normalcy. The banking sector has achieved considerable growth but 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 Northeast 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 IT foundation in North-East.

- With adequate government support, small states like Manipur have performed well in terms of education and health. Large states like Assam have struggled, particularly given its population pressure. Modernization and skilled personnel appears to be the need of the hours for which special attention requires to be given to the improvement of education standards and critical medical treatment facilities in the region,
- Low per-capita income remains a big problem in the region.

Market institutions require a 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?**

- Community and ethnic lines are deeply entrenched within societies of Assam and Manipur. These cleavages have also penetrated within civil society spaces of the respective states, which has somewhere fragmented the social mosaic and distorted the agenda of development, making it a community-specific phenomenon. The distinction between ethnic based organizations and civil societies are somewhat blurred in the two states.
- The role of the civil society in the two states has been pro-active in lending voice to the grievances of the mass, 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 concerns 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 society groups in Assam and Manipur in recent times have contested over the nature of development. And in this shift, they have sometimes been able to come out of the ethnic cleavages and contest the top-down idea of development in favour of the most neglected sections of the society who are on the verge of losing their livelihoods and indigenous ways of life.

- Different NGOs have been found to be drawn into the unholy nexus between politicians and militants. Siphoning development funds for anti-state activity had not spared civil society groups.

Besides many NGOs are also working tirelessly at the grassroots level by providing micro-financing support, holding skill development workshops, delivering government sponsored schemes, and community based programs to the people. Logistical gap and financial support appears a major challenge in front of many NGOs. On the other hand, corruption and ethnic moorings remains a cause of concern for civil society in the respective states to adopt a more solidified and coherent outlook.

#### **4. What explains the differences between the development profiles of the two states?**

- Both the states of Assam and Manipur exhibits a stunt process of development where common difficulties like unstable political conditions, infrastructural bottlenecks, technological backwardness and the 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 North-East in terms of development.
- Topographical handicap of small states like Manipur, where presence of plain land is very limited, makes it very difficult for big industries to be established there which reduces the prospects of industrialization. Especially in case of small states like Manipur, the market size remains small.
- Transportation and communication in Assam is much more developed than Manipur. In absence of proper railway communication and air transport, it makes movement of goods to and fro from Manipur a painstaking task.
- However, progress in Assam per say its capacity has not been praiseworthy. This study argues that Assam's improved indices in terms of development are more in the nature 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 out-performed Assam. Even in terms of access to medical facility and educational institutions, Manipur's role has been praiseworthy. This reflects that the

state's socio-economic assistance has percolated down the social ranks much better in Manipur than in Assam.

Low per-capita income remains a big challenge for both the state and over dependence on assistance from the Union government affects sustainability, which may jeopardize the centrality of development agenda in Assam and Manipur.

### **Conclusion**

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

**Signature of Supervisor**

**Dated:**

**Signature of Candidate**

**Dated:**