

Chapter 4

Manipur

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1. Introduction: Land and People

Manipur's relation with its neighbouring regions can be well captured through its different phases in history. Its continuous interaction over centuries with the neighbouring kingdoms and principalities has facilitated certain mode of trade and economic ties, movement of people from one region to another, and subsequently establishing cultural transaction. Highlights of few endemic changes can be traced in the kingdom's entry into the trade route of the colonial powers, and subsequently in becoming a constituent part of the Indian union.

Methodological Briefing

While historical mapping is considered a meaningful method to understand political diplomacy, trade relation and social change, several other methods (sociological, for instance) have also been engaged in the study. The paper is based on the data mainly drawn from secondary sources, both ancient and contemporary. Since the state has evolved as a distinct political entity between the Southeast Asia and South Asia, development of the political and economic institutions in the state are largely determined by the existing socio-political and economic conditions prevailing around the region. Unfortunately, the information and data related to trade and economic relationships during the pre-colonial period is not very clear except for some information on politics like wars and conflicts. However, there are sufficient information and data related to trade and economy of the colonial and post-colonial period largely left by the British political agents and also by contemporary writers.

In addition to the secondary data, some information mainly gathered from a small survey is also used to supplement the secondary data. It includes observation on the present trend of economic activities, not only in the markets but also in other economic sectors, which can enhance the development of the trade and commerce in the region. It also enables the writer to supplement small but emulating information on the account particularly on the restriction of trade and commercial

activities, which is not sufficiently highlighted today.

Mapping the Land

The present state of Manipur in the far north-eastern part of India is marked between latitude 23.83° North and 25.68° North, and longitude 93.03° East and 94.78° East. It is bounded by Cachar and North Cachar districts of Assam on the west, Kohima and Phek districts of Nagaland on the north, and Aizawl district of Mizoram on the south-west. Its entire eastern border is shared with Myanmar. Geo-politically it is not only a sensitive state but also carries strategic importance for international trade and commerce with the Southeast Asian countries. The National Highway 39 (Indo–Burma Road) runs towards Myanmar through the town of Moreh in Manipur. Another Highway 53 (Cachar Road) runs towards Silchar town of Assam. There are other state highways, such as, Imphal–Sugnu Highway, Tidim Road, Ukhrol Road.

Table 1: State Profile (Provisional Results – 2001 Census)

| | | | |
|------------------------------------|-----------|-----------|-----------|
| Number of Districts | 9 | | |
| Number of Town | 33 | | |
| Area in sq. km. | 22,327 | | |
| Total Population | Persons | Males | Females |
| | 23,88,634 | 12,07,338 | 11,81,296 |
| Urban Population: | 5,70,410 | 2,83,910 | 2,86,500 |
| Literacy (in percent) | 68.87 | 77.87 | 59.70 |
| Percentage of Urban population | 23.88 | | |
| Population growth (in per cent) | 30.02 | | |
| Density of Population (per sq. km. | 107 | | |
| Sex Ratio | 978 | | |

Manipur is geographically divided into two parts: the centrally situated valley and the surrounding hills. The valley constitutes about one-tenth of the total area while the hills consist of the remaining portion. The geographical division of hills and valley is a determinant factor in the socio-political and historical development of different communities. This also shows (i) plurality of settlement and emergence of ethnic identities, (ii) interdependence of the people both economically as well as politically, and (iii) cultural influences and assimilations among different ethnic communities.

Demographic Configuration

The major characteristic of the Manipur's demographic composition is that of 'pluralism.' The land is resided by several ethnic communities, viz. Anal, Chothe, Hmar, Liangmei, Mao, Maring, Meitei, Moyon, Monsang, Paite, Rongmei, Tangkhul, Thadou, Vaiphei, etc. These communities trace their origin to different parts of the world. While some trace their origin to southern China, to Yunnan province, many others trace it to Myanmar, Thailand and adjoining areas (Dena 1999). Migration from the western frontier, i.e. mainland India, started by the 15th century. Today, Manipur comprises of a number of communities and aptly represents the idea of plurality. It can well be projected as a miniature India.

There are many pockets of Manipuris, specially the Meiteis, Meitei Pangals, Hmars, and Kukis, not only in other parts of the country but also in the neighbouring countries of Myanmar and Bangladesh. Trans-state settlement finds several factors: (i) war related migration, (ii) religious pilgrimage, (iii) driven by economic consideration, (iv) political treaties, and (v) nomadic character of communities. Many Meiteis, for instance, who were taken to former Burma as war convicts during the Burmese occupation of Manipur (1819–26) have eventually settled in Myanmar. Many others who fled towards the west settled at the present Bangladesh in Sylhet, Mymensingh and Comilla districts. Pilgrimage related settlements are found at Nabadwip (West Bengal), Vrindaban and Mathura (Uttar Pradesh). The trade, commercial relationship, fertility of land and matrimonial alliances of kings have led to the settlement of Manipuri population in Assam (Cachar and Lakhimpur), Tripura, and Bangladesh. Ethnic communities like the Kuki and Hmar, partly due to bifurcation of political boundaries by the existing political powers and partly due to their nomadic character, are found settled all over the region cutting across districts, states and countries.

Both the internal as well as external migration is prevalent in the region. The push and pull factors have played important roles in the movement of people from the rural areas to the urban, hills to the valley and vice versa. External migration in the present time is marked by *Mayang* (mainland Indian) businessmen settling at different parts of Manipur.

2. Polity and Politics

Emergence as a Political Entity

Manipur's history as a political entity is traced around AD 33 with the ascending of Pakhangba as the first king at the throne at Kangla. The royal chronicle, *Cheitharol Kumbaba*, narrates of different principalities ruled by different tribes in the Manipur valley and the adjoining hills. Though initially there were nine principalities in the valley, it was later merged into seven. Each principality was governed by different tribes. During the period from the first century AD to the tenth century AD, integration of these tribes took place under the military might of the Mangang tribe. With the transformation of a tribal political form to a feudal structure slowly and gradually over time, these tribes, who went through various layers of social interactions and changes, got renamed as clans through totem and taboo.

In addition to these, several hills tribes were also absorbed within these seven clans of the Meitei state. These largely took place through migration. This phenomenon took place as late as eighteenth century AD. Potsangbam as a locality and also as a *pana* (administrative division) was formed by the hills tribes (Tangkhuls) who settled in the valley. Similarly, there had been migration from the valley to the hills as well. Oinam in the Senapati district is inhabited by communities whose origins are traced to the valley.

The beginning of eleventh century marked watershed in the history of Manipur with the introduction of the written constitution in the state. *Loiyamba Shinyen*, the state decree, supposed to have been issued by King Loyamba in AD 1110 (Sanajaoba 1988: 299) showed the level of political development of an Asiatic state. This also marked the consolidation of a feudal form of social system in the state. The next shift in state formation took place around AD 1698 with the coronation of Pitambar Charairongba (AD 1698–1709). Social transformation began with the process of hinduization, which came in full swing at the time of his son, Garibniwaz. It is during this period that migration of the Brahmins from India took place in large scale. Consolidation of military power took place at the time of Garibniwaz with his invasion of Burma and defeating the Toongoo dynasty (Kabui 1991). The next shift took place with Manipur's defeat at the hands of the British in 1891. That put an end to the ever-weakening state of Manipur of its sovereign power as a kingdom. The final shift came with end of

colonial power in the state. Manipur experienced a brief period of independence as a sovereign nation between 15 August 1947 and 15 October 1949 when the nation was merged to Indian dominion as a Part-C state. Till today Manipur remains a part of the Indian union with several disenchanting voices visualising it as a 'nation state.'

The boundary of Manipur has been fluctuating from time to time with the change in political power and relationships both in the domain of the intra-state and the inter-state. These changes can be traced historically marked by few major events. However, prior to going over those phases in history, we need to focus at two important perspectives to guide our course of study: one, traditional mode of boundary formation, and two, the conception of boundary in the modern state. Unless we make a clear-cut distinction between the modes of military and administrative functioning between the two, traditional state and the modern state, it may lead to committing possible logical fallacies in any research.

In the traditional political set up, relationship between the ruler and its subjects, between the conqueror and the vanquished, are marked by submission in the form of tribute either through 'cash' (gold), kind or labour. There were three forms of subjecthood that the people had to adhere under the king. Those were (i) *phammaiba*, (ii) *lallup*, and (iii) *loipot*. All the inhabitants as subjects of the king constitute the aristocrats, commoners and vanquished (applicable to the hill tribes). In accordance with their nature of relationship with the king as the subjects, each has to undergo and perform certain forms of obligation as duty towards the king (state). The king possessed the divine rights and each individual under his political control owe allegiance to him. The aristocrats were known as *phammaiba*. They were exempted from undergoing any physical labour. Their duties were to assist the king in both the day-to-day administration as well as military affair depending upon the nature of the job. This was characterised by hierarchy. Those subject-commoners who were directly under the administration of the king had to provide labour to the king in the form of *lallup*. This labour was compulsory for all the commoners between the ages of 16 to 60. This practice was considered as 'forced labour' by Maxwell, the political agent of Manipur (1892-), and the system was later abolished. However, this form of institution had several positive sides. It not only kept the subject responsible to the state but also was economically self sustained with king's rewards (land allocation) to the people in return for *lallup*. *Loipot*, on the other hand, was a means of administrative and revenue control of the king to his subjects, who are

not directly under his day-to-day administrative fold. These are the people, who have been conquered, defeated or controlled. Most of the hills tribes of Manipur, where Manipur king could lay his military expedition, fall under the category.

From the above form of revenue practice, we can gather the mode of administrative and military operation of the traditional political set up. The king was not to keep a permanent military post to mark the political boundary. This was simply not the practice. Instead suzerainty of the king and expansion of his territory was known through the number of tributes (*loipot*) he receives and regularity of the same. Thus the equation of power was more about one community/tribe defeating the other militarily, but not necessarily settling down in the conquered territory or militarily guarding the controlled land. The idea of territorial control is measured in terms of battles fought and subjecting others to accept defeat.

The second perspective is on how we see the modern state in the light of militarization, protection of boundary and permanency in settlement. Modern state is largely governed by the might of the military. History shows that political ideals like democracy and equality are practised only under the support of strong military set up. This is quite evident from the functioning of modern states like United States and India where voice of the military is not only seriously heard but given priority over and above any other perspectives, be it human rights, development, etc. This further leads to a practice of keeping the boundary under constant vigil. Creation of BSF in India is with this idea in mind. Protection of the boundary becomes all the more important with the existence of hostile neighbours. The case can be meaningfully highlighted in India's relations with Pakistan and Bangladesh.

In recent times, there have been attempts from few quarters to de-legitimise the political existence of Manipur and its boundary. The effort is initiated by engaging political categories and methods of the second perspective, that of the modern state, to explain the nature of the traditional kingdom. The weakness of these arguments lie in mixing up the two perspectives given above, that of the traditional kind and the modern practices.

The distinctive divide between the modern state formation and that of the traditional form in Manipur is marked by Yandaboo treaty (1826) signed between the British and the Burmese with several signatories, Manipur's King Gambhir

Singh as one of those. A more clearly defined boundary came into existence after the treaty.

Manipur and its Neighbouring Regions

Manipur's relations with its neighbouring kingdoms/states are available from written records like *Cheitharol Kumbaba*, *Ningthourol Lambuba*, etc. (starting from the 12th century). Parallel records are found in *Buronji* of the Ahoms and *Rajmala* of the Tripuris. *Cheithrol Kumbaba* records the State's relations with other princely kingdoms in the Northeast (Ahom, Cachar and Tripura). Manipuri kings and his subjects maintained harmonious relations with the people of Cachar (now in Assam) and Brahmaputra valley. Contacts were established with East Bengal, Tripura and Orissa.

Tripura was known to the Manipuris as Takhel. It is situated to the south of Sylhet, which was the transit point for the Manipuris towards mainland India. Bengali migration in Manipur took place through Tripura. There were wars between Tripura and Manipur in 1533, 1634 and 1696. In 1534, a canal called Takhel Khong was dug in Manipur to commemorate the victory of Manipur over the Tripuris. The canal served as a useful boat-way and a water reservoir. Assam was known to the Manipuris as Tekhao. It was the Dikhou river that runs near Sibsagar from which got the derivative name of 'Tekhao.' There were diplomatic and trade relations between the two kingdoms, subsequently, the road to Assam was improved in 1536.

Manipur's contacts with the Mughals trace to the time of Jahangi (1605–22). Tobacco plants and tobacco smoking spread in Manipur in 1610 from Bengal, which was a part of the Mughal empire. The first *hookah* imported was called *mangalphu* (Mughal pot). Chillies spread to Manipur through Mughal empire during the reign of Khagemba (1597–1652). King Khagemba got his name, which etymologically means 'conqueror of the Chinese,' after he captured a Chinese town in 1631, as recorded in *Ningthourol Lambuba*. Royal chronicles further records that two Mughal brick makers arrived in Manipur in 1671. This could perhaps be first experience of the Manipuris with brick-making technology.

King Garibniwaz, considered the greatest of the Manipuri kings, had the largest number of war engaged with China and Burma. During his 32 years reign there were about 64 wars fought. Hostile relationships with countries in the eastern

front, like China and Burma, in the beginning of the 18th century may have led the Manipur king to come in close contacts with the Hindu states like Ahom and Tekhao in the west. The king himself adopted Hinduism as the state religion in AD 1714. This further intensified Manipur's contact with other neighbouring Hindu kingdoms, like the Ahom, Tripura, Cooch-Bihar, Sylhet, etc. Matrimonial and military alliances were forged with these Hindu states. This process of two and half centuries of hinduization had not only a significance impact on Meitei society, but led to the emergence of a closer political and economic relationship with these regions that exists till today in some form or the other.

Though royal chronicles record relations among princely kingdoms of the North East Region, those are more about matrimonial relations among royal families; of war and treaties, of royal presents and diplomacy. Subaltern perspective does not find a place. This also suggests that trade relations among these kingdoms were nominal and did not percolate to the grass root requirements of the people.

Habitation and local administration of ethnic communities other than the Meiteis largely remained untouched though many of them either paid tributes or had close diplomatic ties with the Manipuri kings. Tribes like Tarao in the Indo-Burma region were closely associated with the Manipuri kings. So were Tangkhuls, Rongmei, Chothe, Chiru, Koirao, Koireng, and Thadou.

Land, Ethnic Divide and Insurgency

The idea of 'land' for each ethnic group is the immediate extension of their body-self. But the boundary of the land was extremely limited with each tribe confining it to their world of exclusivity. This pattern got changed with the emergence of new collective identities during the early twentieth century. Naga identity formation and the violent turn it took in 1940s, followed by the Mizos are some examples of the new pattern. By the beginning of twenty-first century, things are getting clearer. It is the idea of self-determination that drives each insurgent group, mostly based on ethnic origin looking for a land of their own.

The idea of 'nativity' is often brought in against the migrants to settle the issue of migration. As long as land was in plenty, beyond the control of a tribe, beyond the matrix of its handled technology and worldview, neither migration nor settlement was seen worth considering an issue. Under the factors given above, such as rise in population and limitation of resources, nativity has been brought forth to oust

the 'foreigners.' The problem of migration and settlement were directed not only toward the mainland Indians, particularly the business class as has happened in 1970s, but got extended to ethnic rivalry. Naga–Kuki clash was the beginning of this trend. This was followed between the Kukis and the Paites in the district of Churachandpur. Fear became the focal point of conflict. The fear in the Paites was that of being demographically overshadowed, land being snatched, and politically dominated by the increasing Thadou Kuki migration in the so-called 'Kuki homeland.' Fear, thus, led to another bloody conflict. It is difficult to understand if the 'fear' was imagined, created, or real. Yet the politics of dominance and subservience still goes on. Dimension of the conflicts goes on a larger scale when these armed insurgent groups take side based on ethnic lines. In the process unarmed civilians were the casualties. In such an ethnic strife, identity of an individual becomes immaterial. Each is seen as belonging to either of the warring tribes. A third category cannot be thought of (Oinam 2003).

The disturbing note is the continuation of the same trend set in the Naga–Kuki conflict. Fear in the Paites, whether founded or unfounded, was triggered by the issue of land and power. Abrupt increase of Thadou Kuki population in Churachandpur district was seen as a beginning of their share of land being captured by the Thadou Kukis and politically outnumbering other tribes. Similar tension is visible between the Meiteis and the Nagas. This turns out to be a chain-like phenomenon and perhaps signifies the Manipur as a conflict zone.

The development of trade and commerce in the North East, in general, and Manipur, in particular, cannot succeed without addressing the issue of growing 'militarism' and various ethnic conflicts in the region. These are directly or indirectly related to the problem of development that the state is facing today. About fifty-five years of insurgent history in the region that started from late 1940s in the Manipur hills and 1960s in the valley has literally made the state's economic life at a stand still. Violence meted out by both the state and non-state forces have only intensified the crisis.

The insurgent economy in the region needs to be understood prior to initiating any major economic programme. The trade transactions within the state operate through NH 39 and NH 53, which connect Manipur with the rest of the world. NSCN (IM) and other insurgent organizations have consolidated their supremacy on these two lifelines that makes the state entirely at the mercy of these groups. Extortion in the National Highways is conducted unabated even when army and

paramilitary forces are stationed along the highways. The total budget of the insurgents in the entire North East in a period of one year is estimated at Rs.3600 crore approximately. Other organizations that operate in the state include Peoples' Liberation Army (PLA), United National Liberation Front (UNLF), Peoples' Revolutionary Party of Kangleipak (PREPAK), Kangleipak Yawol Kanna Lup (KYKL), Kangleipak Communist Party (KCP), United Kuki Liberation Front (UKLF), Kuki National Army (KNA), Zomi Revolutionary Army (ZRA), Peoples' United Liberation Front (PULF). There are several other small organizations. The main source of income for the organizations is through extortion, from the highways, business communities, and the government employees.

For most of the insurgent organizations recruitment is done on ethnic line. This mode of recruitment is an easier way to strengthening military power. At the time of ethnic crisis, involvement of these insurgent organizations taking sides with their respective ethnic group has been witnessed. This has not only diluted the modern liberal discourses, which they have been using to justify their stand, but have created animosity and conflict among themselves. The concepts like nationalism, self-determination, democracy, etc. are too high an ideal to be internalised at the face of blood and kinship. As of present, the insurgent outfits, more than they target the Indian State, are drawn towards inter-ethnic rivalry.

These insurgent organizations since are based on ethnic line; it becomes very natural for them to voice the interest of their respective community. NSCN (IM) looked out initially for a sovereign Naga State based on Naga nationhood. PLA, UNLF and PREPAK seek to have the pre-merger status of Manipur before it was annexed to India. Their claim is that Manipur was a sovereign nation state before it was forcibly annexed by the Indian state in October 1949. These organizations are often charged as being Meitei-centric. So are the KNA and ZRA looking for an independent Kuki homeland and a united Zomi nation state. Interestingly, each tribe as a part of formulating its political ideology starts seeing nationhood in each one of them. This further leads to see their immediate neighbours as potential threat and enemy.

The above-mentioned trend finds reasons to the following. One, modern education imparting liberal political ideals have impacted far-reaching influences in terms of collective identity formation. Two, the boundary of land as the extension of the self is getting expanded without limit. Three, though many of the

terms such as Nagas and the Kukis were introduced by the British constituting several otherwise unrelated tribes for administrative convenience, over a period of time, these terms have enabled the tribes to generate collective consciousness of oneness. Four, rise in population on the one hand and scarcity of resources and land on the other. Five, subsequently migration and settlement have become an issue of protest and contention. In brief, consolidation of groups on ethnic line and conflicts arising out of survival and possession of land are the highlights of the present day ethnicity and insurgency not only in Manipur, but also of the entire region.

3. Agriculture, Industry and Traditional Economy

Agricultural Activities

Agriculture is the base for subsistence in the state. People in the hills practice slash and burn cultivation whereas those in the valley practise wet rice plantation. The agricultural method and technology that have been adopted in the valley is fairly developed as compared to those of the neighbouring communities. There are three fundamental forms of rice cultivation in the valley: (a) *Pung-hul* or dry seeds cast in well-ploughed dry ground, (b) *Pam-phel* or shoot seeds sown in well-ploughed wet land and (c) *Ling-thok-pa* or transplantation of seeds from the nurseries.

At the production side, the yield per hectare increased from 2153.38 kg in 1988–89 to 2513.22 kg in 1993–94. But in the hills, it remains fairly low at 1670.88 kg/hectare in 1992–93. The institutional and technological strength are to be given more emphasis. The intensity of cropping remains more or less stagnant during the 8th Five Year Plan (1992–97). Multiple cropping is confined to 25% of the agricultural land only. The value of agricultural and allied activities accounts for 42.94% of the State Domestic Product of Manipur in 1993–94 while the secondary sector account for 8.29% only. While the service sector accounts 48.77% much of it will depend on the industrial development, which is poor at the present stage. The domination of the primary sector remains more or less unchanged or marginally changed (Mohindro 1998).

Land Holding

Before the British introduced a new land holding act, people's association with the land was under a different land holding practice. Ideationally, the land belonged to the king. But in practice, a department called *Lourung Sang* was established to look into the possession of land by the subjects. At the village level, the headman acted as the king's agent. He looked after the cultivation, and was responsible for collection of the tax payable in kind by each cultivator in the village. The distribution of land was directly related to *lallup* (labour as service) provided to the king. In return, the subject received one *paree* (approximately 2.5 acres) of revenue free land from the state (Hodson 1999: 61). Traditionally, lands were distributed equally among all the common people. Coming of the British put an end to the system with the introduction of *patta* system. With Manipur becoming part of India, the Land Holding Act of the country is applied to the state, with special provision for the hills.

Table 2: Number of Land Holdings and their Operational Areas by the period of 15 years in Manipur

| Category of Land Holding & Sizes of Land (hectare) | 1985–86 | | | 1990–91 | | |
|--|---------------------|-------|-------------------|---------------------|-------|-------------------|
| | No. of Land-holding | % | Area (in hectare) | No. of Land-holding | % | Area (in hectare) |
| Marginal (below 1.00) | 67,314 | 48.18 | 36,552 | 68,598 | 48.29 | 37,820 |
| Small (1.00–1.99) | 48,225 | 34.51 | 66,211 | 49,062 | 34.53 | 67,135 |
| Semi-Medium (2.00–3.99) | 21,093 | 15.10 | 54,477 | 21,452 | 15.10 | 54,892 |
| Medium (4.00–9.99) | 3,038 | 2.17 | 15,524 | 2,916 | 2.05 | 14,611 |
| Large (10.00 and above) | 55 | 0.04 | 873 | 43 | 0.03 | 523 |
| All Sizes | 1,39,725 | 100 | 1,73,637 | 1,42,071 | 100 | 1,74,981 |

Source: *Statistical Handbook of Manipur*, Directorate of Economics & Statistics, Government of Manipur, Imphal, 1999. pp. 118–9.

Recently, due to increase in population, tremendous pressure has been exerted to the traditional practice of equal distribution of parental land to the male offspring. The division has caused fragmentation in land holding and decline in the average size of land holdings in the valley.

Industry

Since Manipur is predominantly an agricultural state, contribution of the manufacturing sector to the overall economic growth of the state is very low. According to the State's 10th Five Year Plan Document, it is estimated to be less than 10%. Government of Manipur plans to focus on the development of small scale and agro-based industries, of which sericulture is among the top priority areas. It is not only labour intensive but also can generate employment for the rural population. The 9th Five Year Plan also provides special focus on this industry. The main objective was to increase the area of silkworm-food-plants grown in a systematic way to enable increase in the annual production level of silk yarn from 216 MT (1996–97) to 324 MT in (2001–02). During the 9th Plan, sericulture project with funding from Externally Aided Agency, Overseas Economic Cooperation Fund (OECF) of Japan was taken up. The project is to be implemented in two phases in 10 years. The total estimated cost of the project is Rs.490.51 crore with the target of producing 60 MT of silk yarn and the employment of 9090 families. The total silk yarn production is projected in the 9th Plan is 1300 MT.

Industrial Licences

The North East could manage to get only a few industrial licences compared to other states. It could get distributive share of assets of Central Undertakings only of the order of Rs.146 crore as against Rs.50,483 crore of Maharashtra. In the absence of sound planning of sustaining nature, the industrial undertaking under the government suffers annual negative rate of growth of 13.6% during the period from 1990–91 to 1995–96 (RBI 1995–96). The negative rate of return increased from 0.29% in 1988–89 to 34.38% in 1992–93 with a total loss of Rs.323.77 lakh.

The sector on Foreign Direct Investment requires special attention keeping in view liberalization policy of the Government of India. During the period of 1991–97, while Maharashtra managed to get 889 cases of FDI with Rs.14,744,93 crore and 542 of Foreign Technical Collaboration (FTC), Assam got 4 cases FDI

with Rs.1.50 crore. Manipur is yet to enter this competition. This is largely because of the restrictions imposed on foreign investment and collaboration by the Government of India.

Fiscal Statement

Manipur's fiscal condition is poor, its own-tax revenue accounts for only 1.3% of the Net State Domestic Product and non-tax revenue for 2.27%. The state depends largely on the loan and the advances of the Central government that accounts for 34.6% of the total liability of Rs.845 crore.

Tourism

For improving Manipur's economy, tourism continues to be one of the most important segments among various industrial sectors. It can, not only generate income, but also create employment. Manipur's numerous ethnic groups, rich culture, salubrious climate, exotic greenery, and rich flora and fauna can attract tourists not only from various parts of the country but also from foreign countries. The major hindrance lies in lack of government initiative towards developing infrastructure. Added to it are the problems of insurgency and ethnic conflicts.

Few sites of tourist attraction are Loktak lake (the biggest fresh water lake in the entire North East India), Keibul Lamjao National Park (the only habitat of brow antlered deer locally called 'Sangai'), INA Memorial at Moirang (where the tri-colour flag of India was hoisted for the first time in Indian soil), Siroy Lily National Park in Ukhrul, Khongjom War Memorial (where the last war of Manipur's Independence was fought against the British). Manipur as the place of origin of the game of polo has so far attracted several foreign tourists.

Traditional Handicraft and Industries

The traditional handicrafts and cottage industries of the 19th century Manipur consisted of carpentry, blacksmith, weaving, jewellery, pottery etc. (Dun 1886: 62-4). In the year of 1881, out of the total industrial population of 3,042, the state had 1163 salt-makers, 410 potters, 326 silk weavers and 110 carpenters (Singh 1998: 24). These workers belong mainly to the Loi communities of Manipur (Dun 1886: 63). European records narrate of low volume but high quality production. In 1879 the political agent of the then Manipur remarked: 'The more I see of them,

the more I am impressed with the excellence of Manipur cotton manufactures, which are all of first rate quality and very cheap, when their weights are considered' (Dun 1886: 63). Between all the traditional handicraft and industries, cultivation of silk had better potential for the development of industries. Manipuris were also known for its carpentry work in the neighbouring provinces of Cachar and Sylhet, especially for their finer skill. The silver glass and electroplate were also manufactured in the state. However, it could not develop in the form of an industry as the productions were in small scale meant to serve the local demands, particularly the king, his family and nobility.

Role of Lois in the development of traditional industries is of immense importance. Each Loi village (the village of Scheduled Caste community) is known for a specific traditional industry. For instance, the Sekmai village is known for producing high quality alcoholic liquor; Khurkhul, Leimaram and Fayeng villages for fine quality of silk yarn. Andro, Chairel and Thongjao are also known for its expertise in pottery. Waikhong is also known for its best quality of salt in the state.

Manipur has mineral resources like copper, lignite, and limestone. It also has forest-based resources of an annual output of 68 lakh tonnes approximately of bamboo, 25,000 tonnes of firewood, etc. (Horam, 2000: 40). About one lakh acre of forest areas are covered with oak trees, which can well serve as a host for the *tsar* (silk) industry. Various fruits like orange, pineapple and maize are grown, which can serve as resources for developing an agro-based industry.

At present, Manipur is facing serious crisis of maintaining its middle-scale and small-scale industries. Industries like sugar mill, cement factory, food processing, rice mill, oil mill, saw mill, hand made paper, printing, etc. are turning out to be sick. The handloom and handicraft industry that serves as the pride of the region is fast declining. Cement, paper, plywood industries, etc., which has great potential, could not successfully develop. Reasons behind these are the poor accessibility and transport system, limited market and produce, lack of technological support to the skill and poor management. In spite of the rich mineral and forest resources, the region is yet to have proper industrial development.

Banking System

Manipur, at present, has 18 banks with a network of 172 branches. While All Scheduled Commercial Banks (ASCB) and Public Sector Banks (PSB) have 86 and 57 branches respectively, Regional Rural Banks (RRB) has 29 branches. Out of the total 143 branches of ASCB and PSB, 71 branches (49.65%) are located in Imphal, the capital city of Manipur and remaining 72 branches are located in small towns in other remaining 7 districts. The average population covered by a bank is 21,360 as against all India average of 12,000 in 1994–95 (*10th Plan Document 2002–07*; Government of Manipur).

The table below shows the level of ineffective and inefficient networks in commercial banks. The spread and distribution of the banks is not adequate. The banks are not willing to open, not only to the remote and backward places but also to the licensed places. Out of the total 59 licenses given by Reserve Bank of India (RBI) till 1995, 22 have been either surrendered or cancelled by the commercial banks. According to the state's 10th Plan Document, the credit disbursement from commercial banks in the state is alarmingly low. It is also known that over the last three years the net credit given by the banks, especially the commercial banks, has been declining. Most of the banks have been unable to recover and accumulate the previous advances. Other problems faced by these banks at present are difficult security conditions, lack of will on the part of the banks, ineffective presence and/or non-functioning of the branches in the outlying areas. Therefore, the activities in sectors of utmost priority get neglected.

A large section of the population has very little knowledge about the saving facilities provided by modern financial institutions. These institutions are absent in the remote areas far from the reach of a large section of the population. For them, the traditional self-help organizations locally called *Marup* by the Meiteis, are the only institutions providing banking facilities to all the individuals in the region.

Table 3: District wise Area, Population, No. of Bank and Density

| Name of Districts | Area (sq. kms) | Population | Density (Person per sq. km) | Public Sector Bank | | Regional Rural Bank | | All Scheduled Commercial Bank | |
|-------------------|----------------|------------|-----------------------------|--------------------|-----------------------------|---------------------|-----------------------------|-------------------------------|-----------------------------|
| | | | | No of Office | Areas per one Bank (sq.kms) | No of Office | Areas per one Bank (sk.kms) | No of Office | Areas per one Bank (sq.kms) |
| Senapati | 3271 | 208406 | 64 | 7 | 467.28 | 5 | 654.2 | 12 | 272.5 |
| Tamelong | 4391 | 86278 | 20 | 2 | 2195.5 | 3 | 1463.66 | 5 | 878.2 |
| Chandel | 3313 | 71014 | 21 | 4 | 828.25 | 1 | 3313 | 5 | 662.6 |
| Churachandpur | 4570 | 176184 | 39 | 7 | 652.85 | 1 | 4570 | 8 | 571.25 |
| Thoubal* | 514 | 293958 | 572 | 2 | 257 | 6 | 85.66 | 8 | 64.25 |
| Bishnupur* | 496 | 180773 | 364 | 2 | 248 | 3 | 165.3 | 5 | 99.2 |
| Imphal* | 1228 | 711261 | 579 | 32 | 38.37 | 7 | 175.42 | 39 | 31.48 |
| Ukhrul | 4544 | 109275 | 24 | 1 | 4544 | 3 | 1514.66 | 4 | 1136 |
| Total | 22327 | 1837149 | 84 | 57 | 391.7 | 29 | 769.89 | 86 | 259.61 |

Note: * These three Districts are Meitei dominated Districts and these are situated in the valley.

Source: *Census of India, 1991* and *The Statistical Reports of Manipur 2000*.

Marup: the Traditional Saving Credit Institution

An interesting aspect of the village socio-economic organization in the Meitei society is the *Marup* system, a type of co-operative saving and credit institution. It originated as one of the most important institutions for mutual help in a locality at the time of death, marriage, birth and other personal crises. It stands as an institution for socio-economic security in every stage of one's life. However, these people commonly view the system broadly as social, whose main purpose is to strengthen social solidarity. But over time it has expanded its activity much more than the social sphere and covers most of the economic sphere of the individual.

The operational part is that each member of the organization contributes some fixed amount on a regular basis (weekly, bi-weekly or monthly), and the sum collected each time is given to different members in rotation, as he or she wishes to finance a ceremony or buy needed items. Once a member has received his/her turn of the receiving the sum, he/she is not eligible for subsequent distribution but

is expected to continue making regular contributions until all the members also have had a turn at receiving the equal sum. The nature of distribution may be on the basis of rotary or on emergency requirement. There are various types of such Marup in Manipur such as *Thouni Marup*, *Keithel Lukmai Phambi Marup*, etc. These operate either within one locality, work place, or among a group of acquaintance.

Anntang–Pham: Kuki–Chin Practice of Community Help

It is a traditional system of the mutual help among the villagers of the Thadou Kuki of Manipur. This system is widely practiced in many parts of Meghalaya, Mizoram and Manipur (particularly in Churachandpur District). In Mizo, it is known as *Bu-phai-tham*. It is a system of collection and distribution of the rice to the local poor. The word *Anntang–Pham* in the Kuki–Chin dialect stands for ‘handful of rice.’ In Manipur, it is widely practiced among the Kuki–Chin tribes, viz. Paitei, Simte, Zou, Thangal, etc. It is a traditional system where every woman in every family takes out handful of rice from their respective houses and put the same in a particular wooden box kept by the side of the door for collection. This collected rice will be stored in the local community granary, which belongs to the church now. The rice is sold among the poor in the village at a very low price during the time of scarcity. The fund so collected from this system is utilized in the organization of the community festival. This not only helps the local poor but also addresses the interest of the rich. It also fulfils the collective interest of the village community by utilizing the fund for a common purpose.

Government Finance

All the states of the North East are largely dependent on Government of India’s direct funding. This applies equally to Manipur. An overwhelming portion of the overall receipts comes from the Central Government. Due to several reasons, state revenues are very low, which makes these states solely dependent on the Union Government. In addition, non-plan revenue expenditure is high in most of the states. The share of gross transfers from the Central government to aggregate disbursements has been the highest in Mizoram where the average for the years between 1985–86 and 1990–91 was about 95%. During the same period, for Assam it was 73%. For Arunachal Pradesh, Manipur, Mizoram and Nagaland, it is about 80%. In Meghalaya and Tripura, the ratios are little lower (Sachdeva 2003).

Besides, the states are largely dependent on the Central government's transfer and devolution of resources. The transfer and devolution of resources from the center to the states are essentially through three channels. They are: Statutory transfers (comprising tax sharing and grants-in-aid) through the Finance Commission recommendations, Plan grants through the Planning Commission guidelines, and the Discretionary grants through the Central ministries, primarily for Central government sponsored schemes.

In spite of the various categories through which funding is being made, neither the Planning Commission nor the State government comes out with any long-term policy for economic sustenance by the states themselves. Constant Central Government funding has turned the states literally into beggars. With insurgency creating a state of uncertainty and chaos, it is all the more difficult to have a proper planning for development in the state. This also discourages private entrepreneurship and foreign industrial collaborations.

4. Infrastructure and Trade

Infrastructure

As per 10th Finance Commission Report (1995–2000), the state of infrastructure in Manipur is found fairly low at 70.38 as against the all India average of 100, while those of Punjab, Kerala and Goa are 219.19, 205.41 and 192.29 respectively. At present, new comprehensive infrastructure development schemes, such as, Assistance to States for Development of Export Infrastructure and other activities (ASIDE), has been formed for the North East states. The earlier schemes like Critical Infrastructure Balancing Scheme (CIB), Export Promotion Industrial Park Scheme (EPIP), Export Promotion Zone (EPZ) and Export Development Fund Scheme (EDFS) are merged in the new scheme. The outlay of this scheme has two components. One, 80% of the fund is earmarked for allocation to the states on the basis of the approved criteria, which is the state's share in exports. Two, the central component and un-utilized portion of the funds of 20% is allocated to the states in the past years. This is used for meeting the requirements of inter-state projects, capital outlays of EPZs, activities relating to promotion of exports from the North Eastern Region as per the guidelines of Export Development Fund scheme (EDF) and other activities which are considered important by the

Government of India from the regional or the national perspective.

Transport & Communications

Manipur being surrounded by high hill ranges is yet to have railway lines both within as well as to connect with other states. The State is served by three National Highways, viz. NH.39, NH.53 and NH.150. The National Highway 39 passes through Imphal and Mao in Manipur, and Kohima and Dimapur in Nagaland. This Highway (Dimapur to Imphal), also known as Dimapur–Imphal Road, further extends from Imphal to Moreh, then runs towards Tamu of Myanmar and is called Indo–Burma Road. Imphal is also connected with Silchar in Assam by National Highway 53.

**Table 4: Length of Road by Types of Surface in Manipur
as on 31st March 1999**

| Classification of Road | Cement Concrete | Black top | Water Bound Macadam | Unsurfaced | Total |
|--------------------------------|-----------------|-----------|---------------------|------------|---------|
| National Highway | ----- | 438.00 | ----- | ----- | 348.00 |
| State Highway | ----- | 880.00 | 218.00 | 60.00 | 1603.00 |
| Major District Roads | ----- | 462.00 | 210.00 | 219.00 | 740.00 |
| Other District Roads | ----- | 405.00 | 86.00 | 306.00 | 882.00 |
| Inter-Village Roads | ----- | 592.00 | 939.00 | 987.00 | 3348.00 |
| Other Minimum Needs Programmes | ----- | 142.00 | ----- | ----- | 142.00 |

Source: Government of Manipur, *Statistical Handbook of Manipur*, 1999 Directorate of Economics & Statistics, Govt. of Manipur, Imphal, pp. 218–220.

There are also state highways, district roads, inter-village roads and municipal roads. But the surface condition of roads in Manipur, specially the rural and hilly areas, is below the mark due to poor surface structure, lack of bridges, frequent flood, etc. Therefore, in order to develop the inter-village transport and

communication system at minimum required level; it requires some more wide and thickly constructed roads for heavy vehicles with goods and commodities. In the olden days various rivers flowing in the state served as both inter-village and inter-state waterways in the state. Most of such principal rivers are the Imphal River, the Iril River, the Thoubal River, the Barak River and the Khuga River. However, these rivers are not navigable except for country boats.

Imphal is connected with all the district headquarters of Manipur through state highways. The main channels for surface communication in the state are these highways, viz. New Cachar Road, Old Cachar Road, Tidim Road, Mayang Imphal Road, I.T. Road, Ukhrul Road, Imphal–Sugnu Road, etc. Indian Airlines and some private airlines connect Imphal, the capital city, with other parts of the country.

At present, road density per 100 sq. km in Manipur is only 32.4, which is very low compared with the all India average of 62. Recently the Union government has given its approval for the extension of the Superhighway Project from Silchar to Imphal. And recently under the World Bank's road plan, it was proposed that a total length of road of 1000km would be freshly built while 600 km would be built over the existing roads under the project.

Inner Line Permit:

In 1873, in order to check the exploitation of the tribes, a traffic regulation was made for Nagaland by the British Government (Bengal East Regulation–I, Section–V) between the hill areas and the low plain lands of the state by introducing an Inner Line Permit. According to this Act no outsider could go without an official pass beyond Dimapur. Therefore, any one who wants to visit Manipur *via* Nagaland requires Inner Line Permit from the Union Ministry of Home Affairs (for Foreigners) and from the SDO (Civil), Dimapur (Nagaland) (for any Indian). However, there is no restriction for any Indian citizen visiting Manipur by air and by way of Silchar through Cachar Road.

Irrigation & Power

This sector includes major, medium and minor irrigation, flood control, and power. There are seven major and medium irrigation projects, which includes Sinda, Thoubal and Khuga Multi-purpose Projects, Loktak Lift Irrigation Project,

Khoupum Dam, Imphal Barrage and Sekmai Barrage Medium Projects. These have an irrigation potential of 1022.4 sq. km. of which 580 sq. km. have been created so far. Minor irrigation projects, particularly in hill areas, have an estimated irrigation potential of 1670 sq. km. of which only 270 sq. km. has been created till now, with two-third of it being utilized for irrigating agricultural fields.

Manipur is endowed with a rich hydropower potential. With the commissioning of the Loktak Hydro Electric Project in 1983, the power position in Manipur has improved, though the state is still facing the plight of power shortage. A number of mini hydel plans and diesel-generating sets have been installed to electrify the administrative head quarters in the hill areas. Power distribution is not able to cope up with the requirements of the domestic consumption, street lightening and industry. About four-fifth of the villages are electrified but power supply in most of them is minimal. The per capita power consumption is only 140 kwh as against the all India average of 330.6 kwh. Non-conventional sources of energy like biogas, solar and wind energy are being explored to meet the power requirements in the state (Maisnam 2002).

The power supply of the state depends upon the Central Sector Generating Stations (CSGS) located in the North Eastern Region (NER). As per the 16th Electric Power Survey of India, the maximum availability of power from CSGS during 2000–01 at peak hour is around 87 mw, which is against the peak demand of 142 mw. The situation got deteriorated when there is outage of any generating unit(s) in some stations. So, in spite of the potential, there is always 38% shortage of power in the state. This limits the scope of development of industries in addition to normal difficulties in domestic front.

Power shortage in Manipur remains unabated. Against the total demand of 90 mw the State manages to get about 48mw. Further the state electricity department presently owes a total of Rs.80.4205 crore to various power corporations, while unpaid dues from the State's electricity consumers amount to Rs.36,39,64,349. At present the power department owes a total of Rs.6,53,362 crore to the North East Electrical Power Corporation (NEEPCO) for power purchased from it. It also owes Rs.11,194 crore to the National Hydroelectric Power Corporation (NHPC) as well as transmission charges amounting Rs.13,9628 crore to the Power Grid Corporation of India.

As far the other infrastructures like safe drinking water is concerned, out of the total rural population of 13.20 lakh, 36% have been covered by the Rural Water Supply Schemes (1994). But 31% are reported to be unaware of the safe drinking water, 25.6% report availability of unsafe drinking water. In addition to the availability of the drinking water facilities in the rural sector, launching of awareness campaign for 'safe drinking' water has become equally imperative. When the State fails in certain sectors of basic human requirements, it must own the moral responsibility to impart its citizens the ways and means of managing the requirements by themselves.

Trade and Commerce in the Pre-Colonial Period

The trading and the commercial relationship between the native state of Manipur and her neighbouring states were mainly done through two gates: Eastern, i.e. former Burma and China (Yunnan province), and the Western, i.e. Cachar and Sylhet (now in Bangladesh).

Towards the eastern frontier, Manipur had various 'limited' trade and commercial relationship. The main trading partners in the east were the Burmese and the Chinese. Trade transactions were through Kabow valley. The main article imported was salt, and in return silk, wax and ivory were exported. In 1868–69, silk formed an important export item from Manipur to Burma. The silk producers were mainly migrants from Kabow valley (Brown, 1873). This trade, however, did not form a significant feature of 19th century Manipur. This was frequently terminated because of the emerging antagonistic relationship with the neighbouring kingdoms. Another reason for limited trade was the state policy that levied tax discouraging the local traders from having links with the outside traders.

Trade and Commerce in the Colonial Period

The British brought drastic changes in the economy of Manipur especially in the sphere of trade and commerce. In the pre-colonial period, trade with other countries were restricted by imposing heavy tax on various items. Colonial administration, on the other hand, pursued a consistent policy of encouraging and facilitating free movements of goods both within and across Manipur. As early as 1880s the political agents insisted the Manipur State Durbar to reduce taxes on a numbers of imports and exports. Along with this policy, various efforts were

made to improve the transport and communication, particularly the construction of a cartable Imphal–Dimapur road which was connected with the North Eastern railway line at Dimapur and also the renovation of two important old roads, Imphal–Cachar Road and Imphal–Tamu (Myanmar) Road. The policy coupled with development of road and transport facilitated the growth of both exports and imports in Manipur. The administrative records of the period provide an interesting insight into the dynamic nature of the trade during the colonial period. According to the British Administrative Report of Manipur (1906–07), from a mere few thousands rupees worth of exports and imports during the pre-colonial period, Manipur registers an astounding growth of trade amounting to Rs.3,44,940 and Rs.5,68,335 of imports and exports respectively in 1906–07 (See *Administrative Report of Manipur 1906–07*: 5).

In the beginning of the colonial period, tea seed used to be an important commodity of export, which the government played monopoly with. In 1894–95 out of total export of goods worth Rs.1,86,866, the share of tea was Rs.1,74,049. But gradually, the export of tea declined, and by 1920 it did not play any significant role in the trade of Manipur. The main reason for decline in this trade was that instead of encouraging tea plantation in the State, the government of the colonial Manipur with the help of authorized agent, imported tea seed from then Burma and later it was exported to Assam with huge margin of profit. Another important reason was the restriction made by the Maharaja in the plantation of tea in the State, to the extent of stopping a British political Agent (1877–86) from growing tea at his official bungalow (Dena 1991: 83).

Next to tea, cattle constituted an important item of export. Interestingly, major portion of the cattle exported from Manipur were from the then Burma. In 1907–08, out of the total cattle of 5753 exported from Manipur to Cachar and Golaghat in Assam, 3,240 cattle were from then Burma. After the Government of Manipur introduced export duties on cattle export in 1913–14, the trade gradually decreased. In 1926–27 out of 3,636 cattle exported to Assam, 2799 buffaloes and 109 ponies were from Burma. This trade was mainly done by the Mohammedans from Surma valley. Another important trade through Mao pass was the rice. Till 1920, export of rice was monopolized by the state with the help of contractors who supplied Manipuri rice to different Assam Rifle battalions at Kohima, Lakhimpur, Aizawl, Lokra, Darrang and Itanagar, and also at different civil areas of Assam. After 1920 the market of the Manipuri rice was expanded beyond North Eastern India. Rice from Manipur was usually transported by bullock and

hand carts to Dimapur railway station. From there, it was sent to different parts of Assam, Punjab and Rajasthan. It was against this uncontrolled export, resulting in food scarcity in Manipur, that gave rise to famous ‘Women’s Uprising’ against the state, popularly known as *Nupi Lal* in 1939 (See *Appendix*).

Table 5: Total Number of Persons (male & female) Depending on traditional Industries

| Total Workers and Dependents | Total Workers and Dependents | Real Workers | Real Workers |
|------------------------------|------------------------------|--------------|--------------|
| 1911 | 1921 | 1931 | 1951 |
| 48,431 | 56,195 | 10,379 | 6,446 |

Source: *Census of India*, Vol. 3 Assam, part-II, 1911, 1921, 1931 and census of India, 1954 Assam, Manipur and Tripura, vol. XII, part II B.

The main items imported from Assam in those days were oil, betel nut, dried fish, cloths, salt, utensils, etc. Most of the consumable goods except the agricultural products were (and are still) imported in Manipur. As a result Manipur became an important market for the outside manufactured goods both during and after colonial period. The colonial policy towards the external trades in Manipur had direct repercussion on the decline of traditional handicrafts and artisan productions in the state. Colonial external trade in Manipur brought de-industrialization of the traditional handloom, handicrafts and other household industries in the State.

Internal trade:

As a common feature of the North Eastern states as well as countries of Southeast Asia like Myanmar, China and Thailand, Manipur, too, has had its internal trade carried out by the womenfolk. They buy and sell items of daily consumption in the market exclusively known as *Ima Keithel* (literally, “Mothers’ market”). The retailers as well as sellers are all women. The most important market that evolved historically is the *Khwairamban Keithel* or *Sana Keithel* at Imphal. By 1881 census, out of the total members of 15,433 persons depending on trading and commerce, women accounted for 14,861 persons (96.29%).

Trade in the Post-Independence Period

For the independent North East India, its trade relations with the neighbouring countries began quite late. Since India's independence in 1947, trade relations of the North East states with neighbouring countries were virtually stopped. Instead, its connection was enforced only with the mainland India. This is with the background that 98% of the border of the region is shared with countries like Bangladesh, Myanmar and China, and only 2% of it with the mainland India. It was only in the 1990s that initiatives were taken up to open its international border. In 1994, India and Myanmar signed a border trade agreement. It allows foreign trade transaction in freely convertible currencies or in currencies mutually agreed upon by the two countries. Both the governments agreed to open border trade through the following points: Moreh (Manipur) in India and Tamu in Myanmar; Champai (Mizoram) in India and Hri in Myanmar. Moreh-Tamu border trade began in 1995. The Group of Ministers' Report recommended the setting up of a composite check post at Moreh. Another point identified is Lungwa in Nagaland. Additional trading points are also expected in Arunachal Pradesh, Nagaland, Manipur and Mizoram.

Legal Trade with Myanmar: Under the agreement, the border trade at Moreh is regulated through two gates. One gate is for the movement of goods according to the Indian EXIM policy. Exemption of duty has been granted in excess of 5 per cent *ad valorem* on the import of the specific items, if the goods have been produced in Myanmar and are imported into India through the notified Land Customs Station. The items are as follow: rice, pulses and beans, mustard and rapeseed, groundnut, fresh vegetables and fruits, garlic and onion, reed broom, sesame seeds, betel nuts, turmeric, dried ginger, coriander, dried chilly including powder, poppy seeds, wood in the rough (whether or not stripped or barked), timber squared, and wood sawn or chipped lengthwise, slices of a thickness exceeding 25mm. The second gate is for exchanges of goods by head loads. These goods are allowed to exchange for personal consumption only by the residents staying within 40kms on the either side of the border. Twenty-two items are allowed for exchange.

Illegal trade with Myanmar: The major trading activities in the region are through the illegal trade. The volume of illegal trade is expected to be several multiple of the legal border trade and would exceed 5% of the combine domestic product of the North Eastern states. The volume of the informal trade in 1996-97, 1997-98

and 2000–01 are Rs.220.5 crore, Rs.181.14 crore, and Rs.224.59 crore respectively. At Moreh, the annual estimated volume of unofficial trade is about Rs.1,500 to Rs.2,000 crore, and at Champai it is about Rs.500 crore. This is much more than the volume of unofficial trade at the Tripura border with Bangladesh, which range from Rs.500 crore to Rs.1000 crore.

Tentative list of items actually traded at North East borders

Main imports from Moreh (Manipur) border: Electronic goods, synthetic blankets, man-made fabrics, car batteries, inverters, emergency lamps, locks and padlocks, precious and semi precious stones, walking shoes, soaps and toiletries, silk yarn, iron and brass scrap, cloves, betel nut and teak.

Main exports from Moreh border: Automobile parts, drugs and pharmaceutical, cement, cycle and cycle parts, chemicals, fertilizer, cotton yarn, handloom lungis, stainless steel utensils, wheat flour.

Main imports from Champai (Mizoram) border: Synthetic fabrics, synthetic blankets, torches and batteries, electronic goods (TV sets, air conditioners, VCRs, high frequency radio sets), hardware items, beverages, semi precious stones, metal scrap, rice, live pigs.

Main exports from Champai border: Tea, Maltova, Nescafe, Horlicks, baby foods, wheat floor, medicines, bicycles, cotton yarn, sanitary fittings, stainless steel utensils.

India is an important destination of Myanmar's exports and accounts about 13% of the country's total exports in 2001. Following the trade agreement between the two countries, there has been sudden increase in formal trade across the Moreh–Tamu sector, the trade volume reaching Rs.46.88 crore and Rs.57.53 crore in 1996–97 and 1997–98 respectively. But in the next year, the volume fell sharply reaching only Rs.6 crore accounting for only 2.25% of the India's exports to Myanmar and 0.05% of imports from Myanmar. In 2000–01 and 2002–03, India's exports to Myanmar are respectively 0.13% and 0.14% of India's total export. The imports are 0.73% and 0.55% respectively. (Sachdeva 2000: 152)

Most of the commodities imported to India do not originate from Myanmar nor are the exported goods consumed in Myanmar. China is the major exporter in

most cases. Commodities like iron and steel scrap, synthetic blankets, electronic and other consumer goods are exported to India via border trade through Myanmar mainly to pay Myanmar's imports of commodities like wheat flour, cotton yarn, chillies, etc. Some products like lungis, spices, motor parts, etc. are used in Myanmar. Some items like teak wood, rice, gems, etc. are directly brought from Myanmar. Precious stones, for which Myanmar is traditionally known, comprise about 40% of the value of goods that entered India in 1996. The composition of informal imports to India across border of the North Eastern Region with Myanmar in 1996 is given below:

| <i>Items</i> | <i>Percentage of total value</i> |
|---|----------------------------------|
| 1. Textiles (including blankets and garments) | 19.87 |
| 2. Food & beverages (including alcohol) | 19.02 |
| 3. Animals (pigs to Mizoram) | 2.40 |
| 4. Electronic goods | 9.79 |
| 5. Precious stones and gold | 43.09 |
| 6. Miscellaneous | 5.83 |

The emphasis should be on creating conditions, both at the policy level and the ground level, for converting the unauthorized trade into authorized trade. At Moreh, apart from infrastructural problems, large number of check posts on the National Highways 39 and 53 create hindrance in having a free trade. Traders claim that the expenditure on transportation from Moreh to Dimapur is about Rs.50,000 per truck, which includes hire charges, payments to various underground groups, and money paid to various police and forest check posts. Similarly, transport expenditure from Imphal to Guwahati is more than Rs.35,000 per truck (Sachdeva 2000: 100). Unless further changes are made at policy level, visualised free trade is still a distant dream.

Related with the illegal trade is the exchange of money. Exchanges other than barter trades are made in Indian rupees. The official banking system is weak on both sides of the border. Myanmar currency, the Kyat, is weaker than its officially projected rate. Myanmar has a dual exchange rate, official rate and open market rate. But at the border, it is freely convertible with Indian rupee. These unofficial channels function very smoothly. The exchange rate between the Indian rupee and the Myanmar Kyat is arrived at by mutual agreement between the traders everyday. It is reported that there are 'recognised' moneychangers. On an average, Rs.50 crore is expected of being converted everyday at Moreh (Manipur) alone.

An unauthorized trade works on the basis of a strong network that involves traders, police, forest department and militants.

Drug trafficking as an illegal trade is a big source of income for many. It is reported that the NSCN–IM apparently instituted a 20% tax on all drug trafficking in the late 1990s. Myanmar was long considered the primary opium producer until the end of 1990s. In 2001, Myanmar temporarily regained its position as the opium producer. Further, Burmese opium and heroin production is suppose to raise to a sale value of US \$340 million in 2001, which accounts for 67% of world production and 90% of Asian production.

There is a sharp rise in the illegal weapon market, the trade being organised from the three Indo–Chinese countries (Vietnam, Laos and Cambodia) and Thailand. It is reported that militants in the Indo–Myanmar region transport small and light arms, heavy and modern weaponry. The LTTE has considerable influence in this network. From the Phuket region in Thailand, at the extreme south of the Burmese Merguis Islands, they had also set up a port for the export of illicit goods and controlled piracy in the Bay of Bengal, right up to Sri Lanka all through 1990s.

5. India's Look East Policy

It began in the early 1990s during the regime of the Indian Prime Minister, Narashimha Rao. Subsequent Indian governments supported the initiative. The country's key foreign and defence strategists have begun to give importance to this programme. Economy has been the prime mover of India's Look East Policy. The efforts began to pay off in 2002 when the ASEAN heads of government and the Indian Prime Minister met in the summit in the Cambodian capital of Phnom Penh.

The Backdrop: Basis for Such a Perspective

After India's independence in 1947 and subsequent integration of the states of the North East, international borders in the region remained virtually closed. The recent need for opening these boundaries has emerged because of the following reasons: one, the need for broadening the connection of the region with the mainland India, and two, India's interests in Southeast Asia.

The North Eastern Region (NER) shares 98% of her border with neighbouring countries. Only 2% of its border is with the mainland India. As a result, cross-border exchanges form an important parameter in the development strategy of NER. Unlike other regions of India, NER is far away from national markets and closer to the international markets. So the region has greater development interest in the neighbouring countries. So the imperative is to see the possible relationship the country can have with neighbouring countries, viz. Bangladesh and Myanmar. In formulating a policy for enhanced trade relations, the past and the existing trading practices, both legal as well as illegal, need to be studied in detail.

NER with Bangladesh

The development interest of NER in Bangladesh also lies in latter's geo-strategic location. Transit through Bangladesh can greatly enhance the accessibility of NER, particularly for Tripura, South Assam, Mizoram and Manipur, to mainland India. Further, Bangladesh could serve as a transit point to global markets through Chittagong port. Bangladesh, too, has its own development interest in NER. Scarcity of mineral resources, except natural gas, has been a major cause of hindrance in the development of Bangladesh. The NER with its mineral resources, agricultural and forest resources, hydro-power potentials, can be of help to the development of Bangladesh.

Table 6: Length of the Borders between North Eastern State of India and Bangladesh

| <i>Border Between</i> | <i>Length (in Km)</i> |
|-----------------------|-----------------------|
| Assam–Bangladesh | 350 |
| Meghalaya–Bangladesh | 400 |
| Mizoram–Bangladesh | 350 |
| Tripura–Bangladesh | 856 |
| Total | 1956 |

Source: Das & Purkayastha, 2002. *Annual Report, 1999–2000*, Ministry of Defence, Govt. of India

Table 7: Length of Land Border between North Eastern Region and Neighbouring Countries

| <i>Border Between</i> | <i>Length (in Km.)</i> |
|---------------------------------|------------------------|
| North Eastern Region—Bangladesh | 1956 |
| North Eastern Region—Bhutan | 650 |
| North Eastern Region—China | 1000 |
| North-Eastern Region—Myanmar | 5249 |
| Total | 8855 |

Source: Das & Purkayastha, 2002. *Annual Report, 1999–2000*, Ministry of Defence, Govt. of India

The importance of Bangladesh in NER's development agenda is evident from the wide length of border, historically developed pattern of production, transport and trade linkage between them. The NER shares about 1956 km border with Bangladesh that touches Assam, Meghalaya, Mizoram and Tripura. The region has age-old socio-economic ties with Bangladesh. Although the partition had disrupted the structure of flow of goods and services between these two areas, communication channels were not completely abandoned. Now the old road links and waterways are being used in many places for export-import trade between Bangladesh and NER. In fact, the land border between Bangladesh and NER are more accessible and cost-effective than the borders with other neighbouring countries. Moreover, as far as the infrastructural linkage is concerned, the region has better transportation linkages in terms of both surface transport as well as waterways with Bangladesh than other neighbouring countries (Das 2001: 80).

NER with Myanmar

In India's relation with Southeast Asia, Myanmar occupies a very important position. Among the North Eastern states of India, Manipur shares the longest border with Myanmar. Overall India shares a 1643 km long border with the latter. In the past, India's relation with Myanmar had seen many ups and downs. An agreement on boundary between India and Myanmar was signed in 1967. A maritime boundary between the two was defined by a Maritime Delimitation Agreement (1986). More recently, the relationship between the two has improved because of a number of reasons, viz. the need to improve trade and commerce with the neighbouring Southeast Asia in order to stimulate economic growth in India, the need to combat drug trafficking from the Golden Triangle region, the

need to obtain support of the Yangon regime in order to check the activities of the North East based insurgents in Myanmar, ASEAN's own policy of 'constructing engagement' of Myanmar, the need to improve Sino-Indian relations and hence the requirement to meet China in Myanmar (Singh 2003: 113).

India and Myanmar had signed a border trade agreement in 1994. Moreh (Manipur)–Tamu (Myanmar) border trade began a year later in 1995. A plan was made to set up a composite check post at Moreh. However, additional trading points were suggested in Arunachal Pradesh (Tirap and Changlang districts), Nagaland, and Mizoram to facilitate development throughout the region. To this effect, an Indo–Myanmar border trade office is being opened at the office of Manipur Handloom and Handicraft at Imphal (Manipur).

India is Myanmar's biggest export market and it absorbs one fourth of its exports. Bilateral trade between the two countries had grown from \$87.4 million in 1990–91 to \$323.43 million in 2001–02. India's exports were \$37.57 million and imports were \$285.86 million. Myanmar exports primary and semi-finished iron and steel, pharmaceuticals. It imports pulses, beans, and wood products from India. During 1997–98, commodities estimated worth Rs.20,65,23,810 were exported to Myanmar while Manipur imported commodities worth Rs.33,96,22,340. Foreign goods worth Rs.31,70,51,137 were exported to Myanmar through Manipur and goods worth Rs.15,17,84,094 were imported during the period 1996–97. It is reported that out of the 22 items agreed to import by Myanmar, most of the items are not available in Manipur. The import is always more than the export.

India is helping Myanmar in the development of its infrastructure, which would later on boost the trade relation between the two countries and with the rest of the Southeast Asian countries. On Feb.13, 2001, India's Union Minister of External Affairs inaugurated the 160km long Tamu–Kalewa–Kalemyo road. The Nation Highway 39, which terminates at Moreh was extended. It now links Moreh to Kalemyo in Central Myanmar. Kalewa will get further linked to Mandalay once the Monywa–Yargyi–Myoma–Kalewa Road project is completed. Monywa is already connected to Mandalay. Later, India signed a Memorandum of Understanding with Myanmar by which it undertook the responsibility for the maintenance of the road for the first six years. Later, a trilateral project was signed, which would connect Moreh (Manipur) to Mae Sot (Thailand), passing through Bagan (Myanmar). India has also undertaken the Kaladan River Project

for which Rail India Technical and Economic Services completed a survey in June 2002. Gas pipeline is planned along the Kaladan River from Nengpui in Southern Mizoram to Sitwe Port. A multi-nodal transport from Mizoram to Sitwe can provide an alternative outlet to the sea for the North East India in addition to transit through Chittagong.

Military Considerations

More covertly India's interest is guided by military considerations. First, China's helping the Myanmar government with telecommunication network in the northern Myanmar is seen by India with suspicion. The fear is not completely unfounded. China and Myanmar have exchanged high level visits where Myanmar's northern cities like Mandalay are undergoing slow demographic changes with Chinese immigrants from the Yunnan province. There are also plans to build a 1,350 km railway through Laos, Myanmar and China (Kunming) going up to Thailand (Bangkok). The rail network from Myitkyina near the Chinese border to Yangon via Mandalay has brought remote areas together and opened up Myanmar to Chinese economic expansion. Development of infrastructure serves both the purpose of expanding trade and military. Constant feeling of the Chinese presence all along the Myanmar border is linked with reports about military bases of the North East insurgents along the Indo-Myanmar border. Reported news of UNLF and PLA of Manipur, and United Liberation Front of Assam (ULFA) having their military camps in Myanmar has created concerns to India. The history of Shillong Accord where Nagas surrendered arms provided by the Chinese to the Government of India is not very old.

Two, United States' recent engagement with Bangladesh showing a possible shift in its military base from Pakistan in the possible deterioration of Afghanistan crisis is equally cautioning for India. Bangladesh, since its inception in 1971, has turned hostile towards India. Though it is partly because Bangladesh wants to get away from India's big brotherly attitude, there are serious factors involved. Bangladesh's fear of its economy being exploited by a bigger neighbour like India cannot be brushed aside. Added to this is the constant safeguarding from possible political arm-twisting by India. As a part of its policy, Bangladesh has denied harbouring any camps of the North East insurgents, such as PLA, PREPAK and ULFA. India's response of 'Look East' to the new geo-political developments emerges out of the twin concern. The policy may also be seen as an outcome of India's desperation to have friendly neighbours.

Summits/Initiatives

There are number of bi-lateral and multilateral agreements that provide the foundation of India's growing relations with Southeast Asia. Of the multilateral relations are the Ganga–Mekong Cooperation (MGC) and the Bangladesh, India, Myanmar, Sri Lanka, Thailand Economic Cooperation (BIMST–EC). There is also the Bangladesh–China–India–Myanmar Regional Economic Forum (BCIM), an exercise in the second track of diplomacy that has its root in the Kunming Initiative of 1999.

BIMST–EC:

As far as the BIMST–EC is concerned, it is less India centric. From the beginning, the areas where cooperation were sought comprise of tourism, agriculture and natural resources, transportation, telecommunications, energy as well as new sciences and techniques. During the 3rd BIMST–EC summit held in July 2000 in New Delhi, India identified five short-term objectives, which India considered as important for economic ties, especially with Myanmar. They are, harmonization of custom procedures, increase mobility of individuals through easier visa access (tourist or business), renovation of transportation routes and communication channels, exchange of information at the ministerial level and improvement in economic and particularly banking ties between the countries.

MGC:

The objective of MGC is to link the countries situated on the shores of the Indo–Chinese River, the Mekong, with India. After it failed to take concrete steps for some years, despite the support of the Asian Development Bank, Cambodia gave fresh impetus to the idea. In fact, Phnom Penh was attempting a rapprochement with New Delhi, while parting with Chinese, with which Cambodia has had chaotic relation. First meeting took place in Vientiane, the Laotian capital, on November 10, 2002. The agenda in this meeting consisted of consolidating cultural and tourist exchanges between the six countries.

The Archaeological Survey of India (ASI)

ASI had been financing the restoration and the maintenance of a number of

Indo-China's archaeological sites, especially the Angkor temples and several Laotian Buddhist monuments. The second meeting was held in Hanoi, Vietnam, on July 27–28, 2001. Despite cultural cooperation, the meeting failed to make much headway in the field of economic.

The importance of taking into account the North Eastern Region in this larger links with the Southeast Asian countries is reflected in the S.P. Shukla Commission, appointed by the Indian Prime Minister to look into gaps in infrastructure needs and basic minimum services. The commission noted that with the softening of the geo-political rigidities following understanding with China, Myanmar and most especially, with Bangladesh, the North East is no more a burdensome peripheral region somewhere out there, but is poised to resume its dynamic role as a bridge to the booming economics of South-East Asia and South-West China to mutual benefits. This, of course, is easier said than done.

Tran-Asian Highways

As far as the road link is concerned, the Asian Highway Project has an important implication for the North Eastern states of India. The project is a part of the Trans-Asian Movement (TAM). TAM is an initiative to integrate the countries of the Asian Continent through network of roadways and railways. Of the two priority routes identified as part of the Asian Highway, one passes through Iran, Pakistan, India and meets Nepal at Banbasa from which it re-enters India at Siliguri and further reaches Imphal via Bangladesh and then extends to Myanmar. Another part of this project is the regional and sub-regional routes. Here major corridors are identified, and they form a regional transport network that connects all significant regional ports, capital cities and major underserved areas with significant potentials for trade. One of the corridors identified, as high potential corridor, is the far North East India–Bangladesh. Another is the Guwahati–Shiliguri–Raiganj–Calcutta corridor. The corridor with high volume transport and trade flows is the Kathmandu–Birganj–Kolkata. As a part of this project, India has requested Myanmar for granting access to its territory through the Kaladan River to reach Akyab port in the Bay of Bengal. Though the river begins 50 km away from Aizwal, it covers a long stretch of nearly 150 km in Myanmar before meeting the Bay of Bengal at Akyab. It is opined that if the proposal is accepted India will be able to transport goods by river from Kolkata to Mizoram from where they can be further carried to other places through roadways (Chanda & Gupta 2001: 19).

Kunming Initiative

Kunming Initiative is the result of the conference held on August 17, 1999 at the province of Yunnan. The conference resolved to establish regional cooperation between China, India, Myanmar, and Bangladesh through interaction among academicians, governments and leaders of business and industry. The basic objective was to strengthen regional economic co-operation among contiguous regions of Eastern/North Eastern India, Bangladesh, China and Myanmar. The main thrust of the initiative is to improve the communications between the south-western region of China and the North Eastern Region of India by developing appropriate roads, railways, waterways and air links. More specifically, a call was made to revive the ancient Southern Silk Route between Assam and Yunnan, i.e. the Stilwell Road, or the Old Burma Road. Here it should be noted that Yunnan has self-interest in reviving this ancient route as that will provide direct access to Indian and western markets, which otherwise would involve a 70,000 km detour round Hong Kong and Singapore.

The Stilwell Road stretches from Ledo in Assam to Myanmar, across the Phangsu Pass and joins Bhamo in Myanmar and then it extends to Yunnan province of China. The road covers a distance of 1668.8 km from Ledo to Kunming. However, the distance from Ledo to Kolkata is about 1704 km. The North Eastern states of India have unanimously demanded re-opening of the road to increase the volume of trade with Southeast Asian countries. If the Stilwell Road is reconstructed from Ledo in Assam to Myitkina in Myanmar, a mountainous 400 km stretch, this road can be extended to the Moreh–Tamu–Kalewa crossing on the Chindwin River. India have constructed a road in 2001, and a bridge over the Chindwin can extend the road as far as Mandalay, which is on the Myanmar's railway system. Another Indian North Eastern state, Mizoram, which shares as much as 720 km of border with Bangladesh and Myanmar could be linked to Akyab (now called Sittwe) in Myanmar, and if Bangladesh agrees, Agartala in Tripura could be connected to Chittagong. That will open up the entire North Eastern Region of India, making it the commercial outlet for the eastern trade (Maitra 2003).

The second meeting of the Kunming Initiative, henceforth known as BCIM (Bangladesh, China, India, Myanmar), took place in New Delhi on December 5–6, 2002. Talks were held on the development of regional infrastructure and trade, enhancement of tourism capacities, and improvement in mutual understanding

between its members. This initiative also sets itself the objective of implementing major economic projects based on long-term plans. The four partners sought to resolve and put aside their political problems so as to give more importance to trade. The initial measures were directed at improving the cross-border trade and the development of resources in the region. However, India has not put this organisation at the forefront despite calls by its North East states to revive the old route to Yunnan. It seems to prefer BIMST–EC and Mekong–Ganga Cooperation.

This initiative is, in fact, a source of worry to India, for much of the present North Eastern Region is in the state of turmoil. India has not forgotten Chinese invasion of 1961. Smuggling is another vexing problem. A significant part of this smuggling involves drug trafficking. It is also feared that cheap Chinese goods will flood the Indian markets. Further the Chinese have been aggressively taking over trade in Myanmar. Further fear is that if the Silk Road or the Stillwell's Burma Road is re-opened, they may take over the markets in the North Eastern region of India. However, there are stronger reasons for taking this initiative positively. This initiative will open a new vista of opportunities for the North East states. Geographically this region shares more international boundaries than with its internal mainland India. Opening up of the border will connect many of the border communities with their ethnic cousins living across the border. The people on both sides should have cultural affinities as well as commercial contacts.

Border Trade and Ethnic Problem

Several ethnic communities reside in the region irrespective of international and state-controlled borders. Kachins reside in the extreme northern part of Myanmar. They are christianized in the nineteenth century and account for 3% of the total population of Myanmar. They are ethnically closer to their neighbours to the south, the Nagas. Nagas claim that they are scattered all over India and Myanmar and that they must get united to form a united Naga nation. On the Indian side, southwards to the Nagas, lives the ethnic group, the Mizo. They are largely spread over the states of Mizoram and Manipur, as well as in the Chin State in Myanmar. The Chins and Mizos are considered as blood sisters. The Kukis in Manipur are close to the Mizos and claim kinship ties with the Burmese Chins and even demand common homeland for the three ethnic groups. They are better known by Kuki–Chin–Mizo group. At present, Mizoram authorities plan to put an end to the migrations of the Chins in the state, which has led to the latter's effort to promote close ties with the Kukis of Manipur.

In Myanmar, Kachins, Chins and the Roingyas are fighting against the military regime of Yangon. The Kachin Independence Organisation (KIO) and its armed branch, the Kachin Independence Army (KIA), founded in 1961, has long controlled the extreme north of Myanmar as well as the Burmese side where the Nagas are inhabiting. They dominate the famous Stilwell Road. It is reported that the KIA continues to organize the illegal activities and still supports the Mizo rebels, for instance, allowing the latter to use the Stilwell Road. It is further reported that the Naga militants (NSCN-IM), too, receive their help. In return, they take refuge in the Naga inhabited areas of Arunachal Pradesh. In May 1990, an Indo-Burmese Revolutionary Front was formed uniting militants groups from both side of the Indo-Burma border, viz. KIA, NSCN-IM, ULFA, UNLF and PLA. Later the front broke off (Egreteau 2003: 61-2).

The problem of the Chins calls for speedy and effective handling for the proposed trade links in the Southeast Asia passes through the Chin State. The Indo-Myanmar Friendship Road (financed by India) passes from the border crossing point of Moreh (Manipur State, India) and Tamu (Sagaing Division, Myanmar) down to the Chin cities of Kalewa and Kalembo in the Chindwin valley. Besides, the Chins continue to support the Indian Mizos and Kukis claiming their ties with them and fighting for the common home land. There are reports about some Meitei militant outfits having bases in Tamu and Kalembo (Egreteau 2003: 63).

As for Manipur, which is surrounded by the Chin State and Sagaing Division in Myanmar, and Mizoram, Assam and Nagaland in India, the State is torn by the ethnic unrest. In fact, the region has been in turmoil for a long time marked by several cultural and territorial demands of different ethnic communities. As much as the Nagas, the Kukis has been demanding the integration with the Mizos and the Chins in Myanmar.

Beside cultural and territorial demands, the ethnic groups compete to gain control over the trade routes. The clash between the Kuki militants and Naga militants was ignited by tussle over the control of trade in Moreh. In an attempt to control Tamu trade, it is reported that the activists of the Kuki National Army burned down the Namaphalong market complex with 400 shops at Tamu. Naga militants' attack on the Kuki village near Moreh on June 1, 1995 is another instance of ethnic rivalry. The Kuki-Tamil violence is another case in point. There are about

17,000 Tamils living in and around Moreh, and some across Tamu. There are also smaller population of Punjabis, Marwaris, and Nepalese. They control the Burmese trade, both legal and illegal. The rest of Moreh is made up of the Meeteis and the Kukis (Verghese 2002: 123–4).

6. Conclusion: Challenges and Prospects

Despite the grand design for development in the region, it remains a point for caution that the North East India cannot become effective partners in the whole initiative taken by the Government of India merely because the region is passed through by the trade routes and is in the midst of the sub-regional economic groupings. Looking at the trade with Southeast Asia, the commodities exported by India consist of items that are not produced in the North East states. If trade is to be carried out to benefit the region, goods of North East origin must find proportionate place in the transaction. Otherwise, North East will merely serve as a transit point. Unless goods and produces of the North East fulfil the requirements (quality, or instance) to be in demand in the national and international markets, proper policy and planning have to be choked out.

India's North East, after almost fifty-seven years of the country's independence from the British colonial rule, is yet to have a proper development policy, which should not only provide socio-economic stability but empower the region towards a self-sustaining economy. Main hurdle, however, is the present state of turmoil in the region in general, and Manipur State in particular. Added to the ethnic conflicts and insurgency, political instability is another major problem. This directly or indirectly creates hindrance in economic planning, development and social stability. However, it would be improper to wait for the political stability to emerge first. With the nature of the Indian state, its formation and complex psychological distances between the centre and the periphery, problems of mistrust, conflict and instability are not going to be easily overcome through political reforms. Time has come now for reversing the gear, of directly going for reforms on economy and trade, which in turn may shape a different kind of political culture, perhaps better than the one being currently experienced.

The state has abundant resources of bamboo and cane, and local artisans produce variety of bamboo and cane products. Though the produces are of export quality, there are hindrances, such as, high cost of transportation, finished products

lacking designs, etc. There is need for new inputs of technology to develop substitute for cane and wood by bamboo. The region has been identified as the area having good scope for food processing industry. Besides, there are fruit crops, vegetable and tuber crops. Among the fruit crops is pineapple, orange, banana, guava, jackfruit and many other local varieties. These go waste due to lack of storage and processing and proper transport facilities. In Manipur orange is grown at Tamenglong district in a large scale. However due to lack of the above-mentioned facilities, the produce either gets spoilt or is sold at low market value, largely exploited by the middleman. Annually, more than two lakh tones of spices are produced in the region. Principal among them are ginger, turmeric and black pepper. Like the rest of the region, tea and livestock are another potential produces of Manipur. Tourism is another sector where the State can contribute substantively.

Another area in which the State should address is the issue of militarization, which must be handled seriously. There is a need for a dialogue with complete cease of violence meted out by both the state and non-state actors. Government of India, if it is serious about the North East, must stop looking at the region from a militarist perspective. The idea of ‘national security’ is too hyperbolic a concept to be nurtured too long. It only shows the hardening of a stand which do not allow voices of the dissent. The idea is too fascist that it destroys the very idea of democracy which the country claims to cherish and nurture. The strength of the country should lie not in *denying* but in *accommodating* alternate voices, those of the marginalized.

Government of India is fairly undecided about the response it has to give to the recent economic and political developments that are taking place in the region. While on the one side, it does not wish to completely open the border in the North East because of ‘security reasons,’ it cannot be a silent spectator to China’s major economic presence in Myanmar. India cannot overlook the proposal of connecting the two countries with a better road system. On the other hand, this is an opportunity for New Delhi to tackle the military bases of North Eastern insurgent groups which it claims are being harboured in Myanmar. Similar is the difficulty with Bangladesh, which has not been very friendly. It is openness which is expected of the Government of India and that it is not guided by doubt and mistrust which flows from a peculiar mindset called “national security.”

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Appendix

Nupi Lal: Manipuri Women's Agitation

In the year of 1939, amidst the Second World War, Manipur witnessed a great mass movement against the colonial and feudal authorities of the State. The movement, which was carried solely by womenfolk, was popularly known in the history of Manipur as the '*Nupi-Lal*' or Women's Agitation. Thus, the movement is a particular kind of women's movement, which challenged the colonial policy of the British.

The deep-rooted cause of the movement according to various writers was directly related to the new developed socio-economic and political condition in the state immediately after British occupied Manipur. Another factor was the economic exploitation by the feudal authority like Maharaja aided and abetted by the intrigues of a section of colonial exploiters. The new socio-economic and political system introduced by British caused a widespread dissatisfaction among the people of Manipur. With the help of Marawari (traders from mainland India) coupled with the introduction of motor vehicular transportation and rice mills, Britishers began to export rice in large quantity from the state and supplied it to different army Battalions at Kohima, Lakhimpur, Aizawl, Lokra, Darrang and Itanagar, and also at different civil areas of Assam. Gradually, the Marawaris who had bigger capital had established their monopoly over the trade in the state. And gradually quantity of export of rice was increased for every year. It increased from 36,436 maunds in 1898-99 to 1,55,014 maunds in the year 1925-26 (Singh, 1992: 78-79).

This new economic trend provided a negative impact to the womenfolk who play important role in the economic life of the state. As a result the women grain dealers were not able to carry out their usual trade, and at the same time common people also could not get rice from the market. Consequently, the women, particularly the grain dealers and paddy huskers, were deprived of their means of livelihood. All available stokes of rice were being brought by the Marawaris for milling, after which those were exported outside. With the installation of rice mills, most of female who were rice dealers and working in the traditional rice industries of rice pounding, flour grinders, etc. lost their jobs. It would be more interesting to note that the number of women depending on traditional food industries of rice pounding, flour grinding etc. had suddenly declined from 1,171

in 1921 to 249 in 1931 (Singh 1998: 1938–39). This decline was precisely because of the installation of rice mills which had replaced many of the traditional method of manual paddy husking done by women.

The immediate cause of the movement was the serious damage of the standing paddy crops by the excessive rain during July–August 1939. Again, in the mid-November heavy rain coupled with a severe hailstorm adversely affected crops ready for harvesting (Singh 1992: 80 and Singh 1998: 137). This factor coupled with the heavy export of rice had led to a great alarm of famine like situation among the people. Gradually the price of the rice was also increased from Rs.1 and 12 *annas* to Rs.2 per *maund* (local unit equivalent to 40 Kilogram)

Thus from the above facts it is clear that the outbreak of the movement was really based on genuine fear of the scarcity of rice in the state and apprehension arising out of the uncontrolled export of rice from the state. This fear was again aggravated by heavy hailstorm and flood that caused damage to the crop in the year immediately before the outbreak of movement. The immediate cause of the movement, therefore, was the sudden rise of the price of rice, non-availability of rice in the market, monopoly of trade by Marawaris and consequently resulting in the deprivation of women from their rights to rice trade. In this regard Robert Ried rightly remarks that ‘... the occasion for this was the economic grievances arising out of a rise in the price due to the excessive exports coupled with a genuine fear of shortage means starvation, because it is impossible to import rice at a price which Manipur can pay. The heavy in turn were the result of the numerous rice mills ... sprung up in Manipur’ (Ried 1942: 91).

The actual outbreak of the movement occurred on December 12, 1939. On this day thousands of women from market gathered around the Durbar (highest Manipuri original, appellate court, both in civil and criminal) at Imphal petitioning for the immediate ban on the export of rice from the state. While the Durbar was on session they started shouting slogans: ‘Stop the export of rice immediately,’ ‘Stop the running of rice mills,’ etc. The authorities instead of convincing the women decided to take up some repressive measures against the women. Then the women became aggressive and turned their attention toward mill owners. The mill owners had already given their written promise that they would not run their mill further. However, mills continued to run. In turn, the agitators destroyed some of the mills for violating the agreement. They also decided to boycott the bazaar. The boycott of the bazaar became a matter of

concern to the authorities since the economy of the state would suffer if women refused to co-operate. This strategy of 'Bazaar Boycott' was the most forceful action of the movement. To see the uncontrollable situation, British authorities decided to use repressive measures against leader. Accordingly, four of the important women leaders were arrested in January 1940 and put them in jail. However, women continued boycotting the bazaar. The agitation came to an end in 1940 when Imphal was hit by the Second World War.

Thus, the outbreak of the 'Nupi Lan' was a great landmark in the history of Manipur. Although the movement was launched by the womenfolk, it brought forth a constitution and administrative reform in the region. The boycott of the market certainly convinced the state authorities that the women of Manipur could take up any form of agitation once they were fully convinced of their goal. This was apparent from how the colonial authorities during those days regarded the outbreak as the most important event of the year 1939.