

RETHINKING DEVELOPMENT: A POLEMICAL VIEW OF DEVELOPMENT IN NORTH-EAST INDIA

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Abstract

The landlocked state of Manipur, which has been deduced to a peripheral state by the geo-political economy of Indian state, has been in constant dialogue for its development for last 60 years. However, the nature of dialogues being discursive, leads to framing of superficial development policies and programmes. Ironically, the path feinted for developments by the state, such as the 'Capital Project', are too comprehended by the people at large as indicators of development and progress. Contextualizing, such frivolous centrally and state funded development projects need critical questioning vis-à-vis the on-going mode of development in Manipur. In addition, to question to why none existence of any pragmatic solutions to the deepening malaises, along with striping out the unregulated local market scenario which functions as an agency of exploitation. Finally, as a denizen of Manipur, the concluding notes discussed on the viable ways and the role that the state need to act upon.

Keywords: Capital Project; Manipur; MLR & LRA; Neo-Liberalism; Special Plan Assistance; Social Responsibility.

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1.Introduction

For more than six decades, since India realised her status as an independent state and with it the entire North Eastern Region¹ (henceforth NER) becoming the peripheral region to the core geo-political economy of India, the people of the region has been contemplating development in synch with the developmental process of India through the planned Five-Year Plans. However, the envisioned approaches to the road of development became susceptible to contestation and contradiction on both sides. As on the one hand, the entire NER plunged into insurgency and secessionist movements in articulation of once being a sovereign nation, which the Indian state annexed² for its geo-political reconfiguration and the nation-making project without seeking any form of consent from the people of the region. On the other hand, the unwavering internal security framework of the state for systematic suppression of such movements, such as the enforcement of the infamous Armed Forces (Special Powers) Act, 1958. Caught between the two paradoxes, the developmental aspiration of the people of the region is entrap into the incessant discourses of – ‘development through peace’ and ‘peace through development’. Consequently, two variation in the developmental process is unmistakably observe. First, a sharp regional variation has taken root between the centre and the peripheral NER, not only evident in the process of developmental discourses but also in other socio-cultural domains of the Indian social system. Secondly, the discursive nature of the two paradoxical developmental discourse only led to framing superficial policies and programmes, which have proved futile for decades without any visible sign of progress. For instance, the current ‘ten per cent’³ government of Manipur has undertaken the construction of the ‘State Capital Project’ (SCP), Mini Secretariat Complex under the Special Plan Assistance (SPA)⁴, with cost amounting to 694.06 Crores. The question is, when the state is facing the rampant problem of unemployment and relative social ills, is it advisable to utilise the funds for the cosmetic infrastructural development projects in the name of development and modernisation of infrastructure rather than channelizing the resources that can generate employment in the state. These projects were not the first and probably will not be the last. Historically, the construction of the BT flyover at the heart of the Imphal city was also much subjected to criticisms from the academician, intellectuals, and activists on the question of its relevance but nonetheless built without serving much of its intended purpose due to myopic urban planning and parochial interest of the ruling party. Unabashedly the state Planning Department pompously pronounced that the SPA funds are “...to meet infrastructure gap...,”

projects relating to infrastructure development & employment generation scheme.” State’s definition of infrastructure development and employment generation does not subscribe to the idea of developmental economics, leading to torrential expenditures on construction of already established office buildings and other none productive institutions at the cost of economic enhancing resources, particularly through encroachment of the fertile agricultural land in the valley areas. There has been protest against such multi-crore projects, but mostly from the victimised and displaced sections of society, like the victims of ‘Lei-Ingkhol’ affected by the SCP, Khuga Dam victims, Mapithel Dam victims, to name few. However, due to authoritarian nature of the state and use of its repressive state apparatuses such protest does not live long to see its accomplishment. At the same time, the general mass ironically sees and interpret such atypical ornamental modernisation projects abound in the state as symbolic representations of development and economic triumph. Therefore, the problem takes us all back to the same old question of what is development in Indian context, with special reference to Manipur and other states in the NER.

2. Background Question on the Issue of Development

‘Development’ has always been the central motif of debate and contestation in the socio-political and economic affairs of the state; the course of action has induced social scientists to re-conceptualize developmental thinking itself. Naissance of modern development thinking, historically, began in the cradle of the transitional phase of Western Europe to industrial capitalism from traditional agrarian society (Medick 1976), which was preceded and augmented by the colonial mercantile economy of the European nations. Classical political economists, who were the vanguards of development economics, like Smith, Ricardo and Marx have addressed the relative problems of economic growth resuscitated by the political economy of the industrial age (Bell 1907; Tucker 1961; Martin 1991). Likewise, symposium of subsequent theories such as Growth theory, Big Push theory, Rostow’s Stages of Growth, or even Dependency theory, essentially confer of economic growth. Time and again, re-conceptualization of development thinking was required to encompass the changing economic, political and social scenario of the human society, thus “economic growth was combined with political modernization, that is, nation building, and social modernization such as fostering entrepreneurship and ‘achievement orientation’” (Pieterse 2010:6). Additionally, as argued by Cowen and Shenton, ‘development’ in

the nineteenth-century Europe was remedies for the shortcomings and maladies of progress (Cowen and Shenton 1996:130). As progression of the theories, during mid-1980s, following Amartya Sen's work on basic capabilities and legal entitlements,⁵ 'capacitation' became the explicit meaning of development. The conception is extended further in the Human Development Report (HDR) of United Nations Development Programme (UNDP) by associating and securing the concept of development to human. Development in HDR is "enlarging people's choices"⁶ whereby, "human development is the end and economic growth a means",⁷ by means of enabling and equipping the people for economic freedom and social security through state's interventions. However, radical theories such as neo-liberalism and post-development has sternly challenged and criticized to the notion of state's intervention for being authoritarian engineering and staged management of the market forces.

Existence of such diversely assorted yet pragmatically relative theory of development advocates in itself its importance based upon the socio-economical preferences and priorities, and the political sensibility of the circumstances in the spatial history of human society. However, the success of any development theory depends upon its accomplishment as a guiding principal of policy framework and implementation. The existing theories may not be exhaustive to understand 'development' *per se*, but it has been inclusive in accommodating the changing needs of the society. At the same time, it is also to say that we constantly need to keep an open eye beyond the conventional paradigm of development.

3. Manipur's Economy: A Sectorial Analytical Understanding

The on-going modalities of development experienced in Manipur did not come from internally cohesive needs of the people, but rather through the structural sieving route of centrally sponsored schemes approved and funded by the Planning Commission of India, and few through state's own planned development projects. The structural development approach is being validated by the state owing to the low per capita Net State Domestic Product (NSDP) of Manipur, which is comparatively very low to the per capita Net National Income (NNI) of India throughout. To have an overview statistical assessment of the state's economic scenario the following tables are prepared. Table 1 gives a comparative per capita NSDP of Manipur against

the all India per capita NNI in the Eleventh Five Year Plan (2007-08 to 2011-12) and the first year of the Twelfth Five Year Plan (2012-13) at current prices.⁸

**Table 1. Per Capita NSDP at Current Prices of Manipur (in rupees)
Against All India per capita NNI**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Manipur	23,093	24,773	27,095	29,281	32,865	36,290
All-India Per Capita NNI	35,825	40,775	46,249	54,151	61,564	68,747

Source: Central Statistics Office (2004-05 Series) as on 27.02.2013⁹

**Table 2. GSDP and NSDP Growth Rate of Manipur and Comparative to
All-India GDP and NDP at Current Prices (as on 01-03-2012).**

Year	GSDP (₹ in crore)	Growth % Over Previous Year	Gap % between All India GDP	NSDP (₹ in crore)	Growth % Over Previous Year	Gap % between All India NDP
2004-05	5,133	NA	NA	4,603	NA	NA
2005-06	5,718	11.40	(-) 2.7	5,138	11.62	(-) 2.53
2006-07	6,137	7.33	(-) 9.27	5,503	7.10	(-) 9.68
2007-08	6,783	10.53	(-) 5.38	6,049	9.92	(-) 6
2008-09	7,399	9.08	(-) 6.67	6,614	9.34	(-) 6.3
2009-10	8,314	12.37	(-) 2.49	7,436	12.43	(-) 2.24
2010-11	9,198	10.63	(-) 6.87	8,228	10.65	(-) 7.21
2011-12	10,188	10.76	(-) 4.92	9,115	10.78	(-) 4.94

Source: Directorate of Economics & Statistics, Government of Manipur; and Central Statistics Office.¹⁰

**Table 3. Percentage Contribution of GSDP and NSDP of Manipur
by Major Sectors at Current Prices**

Year	GSDP				NSDP			
	Primary Sector	Secondary Sector	Tertiary Sector	Total	Primary Sector	Secondary Sector	Tertiary Sector	Total
1	2	3	4	5	6	7	8	9
1999-00	26.91	22.29	50.80	100.00	28.09	21.39	50.52	100.00
2000-01	29.56	21.63	48.81	100.00	30.87	20.31	48.82	100.00
2001-02	28.76	21.72	49.52	100.00	30.22	20.37	49.41	100.00
2002-03	28.95	23.56	47.49	100.00	30.34	22.65	47.01	100.00
2003-04	29.61	25.78	44.61	100.00	31.22	24.76	44.02	100.00
2004-05	28.83	28.23	42.94	100.00	30.58	26.90	42.52	100.00
2005-06	26.84	30.52	42.59	100.00	28.00	30.02	41.98	100.00
2006-07*	26.30	31.00	42.61	100.00	27.42	30.59	41.99	100.00
2007-08#	26.27	31.29	42.44	100.00	27.40	30.80	41.80	100.00

*Quick Estimates #Advance Estimates

Source: Directorate of Economics & Statistics, Manipur (table prepared and referred from Economic Survey Manipur, 2008-2009)

From table 1, we can see that in the financial year 2008-2009 there has been a growth of 7.27% in the per capita NSDP from the last financial year, 9.37% in 2009-2010, in 2010-2011 it underwent a growth of 8.07% and 12.24% in 2011-2012, but again falls down to 10.42% in the first financial year of Twelfth Five Year Plan. Besides the fluctuation, the per capita NSDP of the state is meagre and continuously plummeting comparatively to the all India per capita NNI throughout. In 2012-2013 financial years, Manipur suffers a shortfall in the per capita by minus 47.21% from the all India per capita NNI. This is to say that an average Indian earns twice as

much as to that of an individual in Manipur, also when compared with other north eastern states of India, Manipur's performance is in the lowest rung with Sikkim occupying the top slot with Rs. 1,21,440 in the financial year 2011-2012 which is 72.94% more than Manipur's per capita NSDP. The underperformance of Manipur's NSDP in 2006-2007 to that of all India NDP is whopping minus 9.68%; again, in 2010-2011 it was minus 7.21%. If we look at table 2, Manipur has suffered constantly in both its Gross State Domestic Product (GSDP) and NSDP performances compared to all India Gross Domestic Product (GDP) and Net Domestic Product (NDP). Consequently, escalation of Below Poverty Line (BPL) level in Manipur was already anticipated even before the Suresh Tendulkar Committee Report¹¹ on poverty estimation came out under the aegis of Planning Commission. The BPL population percentage in Manipur has shot up from 37.9% in 2004-2005 to 47.1% in 2009-2010, while the Planning Commission celebrates the declined of all India poverty ratios to 29.8% in 2009-2010 from 37.2% in 2004-2005. These facts materialize the impression that contemporary development discourses of the state have marginalised the larger interest of the people. Undeniably, therefore, there is a need to evaluate the development approach adopted by the state critically, in order to put a hold to the persistent structural retrogression of Manipur's economy.

Development has always been not simple, spatial socio-economic and political issues are inextricably intertwined with it. Understanding development in Manipur also requires comprehending the hegemonic political and historical relation within Manipur and with the Indian state, which, I will discuss while talking market dynamics in Manipur. Appreciating development in Manipur requires realizing the principal focus of development discussed in the larger theoretical frameworks, which of course is economic growth, nevertheless, it will be erroneous to swathe it as economic development, as "economic growth is one aspect of the process of economic development" (Sen 1983). The later has a holistic appeal towards development, specifically as an endeavour for economic freedom and security, and social well-being of people through policy interventions; whereas economic growth is restricted to the growth in GDP of the nations' economy by means of market productivity. When contextualizing economic growth in Manipur, we also need to examine and understand the contributing factors/sectors of our economy. Economists have classified and defined population's engagement of economic activities based on the continuum of distance from the natural environment in

utilization of raw materials, broadly into primary, secondary and tertiary sectors. In recent times, further distinction is embarked on the traditional tertiary sector into 'quaternary' and 'quinary' service sectors due to the growing heterogeneous specialization within the sector. Let us try to analyse the economic sectors of Manipur.

3.1 Primary Sector

Agriculture in a developing economy is an indispensable asset of development, which is scrupulously true in a geo-politically landlocked state like Manipur. For decades, prior to the advent of British colonialism and subsequent Indian hegemony, Manipur had a self-sufficient agrarian economy (McCulloh 1980; Brown 2001) and it has been the main source of income and livelihood for the people. Agriculture has been carrying forward the economy of Manipur, shouldering the lion's share of 45.60% to NSDP of Manipur at constant prices in 1980-1981, until the tertiary sector took it over in 1990-1991;¹² since then there is perpetual decline in the agricultural output of Manipur, by 2003-2004 it came down to 23.73%¹³. Comparative study on the annual rice production and consumption reported 30% shortage in state's requirement (Sangai Express 2013a). The steep fall that has relentlessly impinged on the agricultural productivity of Manipur is predominantly due to three factors.

3.1.1 The Geo-Topographical Features of Manipur

Of the total geographical area (TGA) of 22,327 square kilometres, barely 6.73% (150310.72 hectares)¹⁴ of the area is available for agricultural use. This is mainly because of the fact that only 10.02% (2,238 km²) of the TGA of Manipur is fertile alluvial valley areas strewn into four districts and inhabited by 59.82% of the total population of Manipur with decadal growth of 15.33% (2011 census). In addition, there is an extensive disparity between the hills and the valley in terms of its agricultural land share and productivity. The hill areas occupying 89.98% of TGA of the state has merely 26.82% share against the valley's share of 73.18% in the total agricultural area.¹⁵ Comparative yielding capacity between the terrains is also mostly distinctive, for instance in 2003-2004, rice production in the hill was 1,852.51 kilograms per hectare whereas in the valley area it was 2,859.85 kilograms per hectare.¹⁶ However, 10 to 20% of agricultural land of the state shrunk in the last decade (Hueiyen News Service 2010), owing to the rapid population growth, urbanisation and the myopic centralised (read as valley centric)

infrastructural development approach of the state, which in itself is a threat to agricultural sustainability.

3.1.2 Compartmentalised Land Law System of Manipur

For decades, uniform implementation of the *Manipur Land Revenue and Land Reforms Act, 1960*, across Manipur has been voiced mainly from valley dwelling academicians, civil societies as well as from within the political parties. Despite, after several attempts to amend, such as the Sixth and Seventh Amendment Bill, the government is yet unable to implement the law homogeneously in all the nine districts of state. Particularly Section 158 of the Act, which restricts transfer of land to non-Scheduled Tribes, has literally shoved the population explosion in the state to implode within the agriculturally fertile valley areas limiting the scope for the non-tribal valley people to settle in the surrounding hill areas, whereas no such restriction are there for the people from the hills. Thus, jostling to the agriculturally fertile and productive valley areas for settlement and other commercial activities, consequentially furthermore problematizing for future sustainability of agriculture in the state.

3.1.3 Institutional Botch

Agriculture and allied activities has been always the backbone of any developing economy. At the same time, it provides about 52.19% of employment to the total working force of Manipur, therefore contributing a major share in the GSDP as per the Economic Survey of Manipur, 2008-2009. Suggesting that agriculture is the livelihood proposition of most Manipuris, also depending on its performance the State Domestic Product (SDP) varies. Despite its crucial contribution to the state's economy, the state failed to look critically into the vitality of agriculture and its allied activities. Factually arguable, as on the one hand the National Agricultural Policy (NAP), 2000, plans to increase the agricultural output by 4% per annum and on the other hand the agricultural productivity, especially the staple diet of Manipuris – rice, “has decreased to 13 thousand tonnes from 452 thousand tonnes during 1990-91 to 439 thousand tonnes during 2001-02” (Singh 2006: 353).¹⁷ The primarily failure is due to the actuality that most farmers in the state rely on the seasonal rainfall as main water source for agricultural activities as the irrigation system is in underdeveloped stage which the state has failed to appropriately address.

Likewise, other quarters of the Primary sector, such as Forestry and Logging, and Fishing quarter suffered the same fate of exhaustion and reduction. As per the *Indian State of Forest Report 2011*, the total forest cover area of Manipur as on January-February 2009 is 17,090 square kilometres, which is 76.54% of the TGA of the state with a net loss of 190 square kilometres compared to the earlier record of December 2006-January 2007 (Forest Survey of India 2011: 176-180). Another, reports from state authority claimed the net loss of forest area as on October 2010 to be 1038.65 square kilometres against the State of Forest Report of 2003 (Hueiyen News Service 2011). The key factors accounted for the declined in the forest areas were the practice of shifting cultivation in the hill areas and encroachment of reserved forests both in the valley as well as in hills. According to Final Technical Report, December 2007 of *Nationwide Forest Encroachment Mapping Using Remote Sensing and GIS* of Manipur, 28.76% of the 'Existing Reserve Forest' area of 1,467 square kilometres is being encroached.¹⁸

The same goes with the Fishing quarter too, the total water bodies comprising of ponds, tanks, natural lakes, marshy areas, seasonal and perennial swampy areas, rivers, reservoirs, low lying paddy fields, of the state as on 1990 record was around 1,00,000 hectares which has shrunk to 56,461.50 hectares in 2007-08 (Directorate of Economics and Statistics 2009). As per the *Annual Administrative Report 2010-11*, of Fisheries Department, the figure has receded by point margins to 56,461.15 hectares, out of which 32.94% is under fish culture operation by the end of 2010-2011. Presently, fish productivity of Manipur is 19,200 tonnes out of the state's requirement of 29,939.32 tonnes,¹⁹ the remaining shortage of 35.87% is being imported from different states like Assam, West Bengal, and Andhra Pradesh, and even from neighbouring countries like Myanmar (Fisheries Department 2011). It will be worthwhile to also mention that for years, Mining and Quarrying quarter has consistently shown as a non-productive sector in the GSDP of Manipur. However, any Manipuri cannot accept that there is no 'stone-quarry' in the state. There are sand and stone quarries in all the districts of Manipur from which the state Forest Department has been collecting royalties and taxes for decades (Sangai Express 2011a). The accountability of such collection of taxes needs critical examination. In addition, there are reports of unauthorised taxes being levied from farmers by police personals stating it as a 'conventional practice' (Sangai Express 2013b).

3.2 Secondary and Tertiary Sector

Growth in the secondary sector of state's economy is almost stagnant since 2005-06, spottable in table 3. Scholastic studies have often argued the backwardness of the economy of Manipur due to the failure (and to an extent the non-existence) of the industrial sector in the state. The validity of such arguments is discernible due to the failure of major industrial projects like Manipur Spinning Mill Cooperation, Khandsari Sugar Mill, and Manipur Cement Limited (better known as Hundung Cement Factory) undertaken. According to *Economic Survey Manipur 2008-09*, the state government citing various reasons like financial crunch, paucity of funds, acute infrastructural and transportation bottleneck, shortage of power, lack of entrepreneurial activity and technical skills required for industrialisation, has decided to close down the following Public Undertaking Industries, namely. a) Manipur Cycles Corporation Limited, b) Manipur Cement Limited, c) Manipur Spinning Mills Corporation Limited, d) Manipur Pulp & Allied Products Limited, and e) Manipur Food Industries Corporation Limited. Construing the trend, it will not be iniquitous to pronounce that the industrial scenario in Manipur is rather in the process of de-industrialisation than industrialisation. Recent developments, however, suggest the state's initiation to revive and re-operationalize already defunct industries and to institute new industrial projects to position Manipur back into the industrial map of India, as expressed by the Minister of Industries. The minister reprimands the industrial backwardness of Manipur because of the anachronous industrial policies of North East Industrial and Investment Policy, 2007 (Hueiyen News Service 2013). As initiative measures, the state government is already in negotiation table with a private firm Super Ores Factory to revive the Hundung Cement Factory (Sangai Express 2011b). The upcoming new projects are the Timber Park in Thoubal district, Rs. 75 crores Mega Handloom Cluster Project at Lamboi-Khongnangkhong, and up-gradation of the existing Industrial Estate at Takyel; also the Central Government has given approval for construction of industrial estate in every district. However, for us, the people of Manipur have to wait and watch whether such initiation of the state is repetition of history or a break from the history itself.

For various reasons of the sluggish growth, the state's industrial sector has been severely reproached. Besides, the establishment of Manipur Spinning Mill Cooperation and Khandsari Sugar Mill in 1973, Manipur's dream for industrialisation came along with the institution of State Industrial Policy of 1982, which was the first attempt to collate the perception of state

government in matter relating to the industrialisation of Manipur. It laid primary emphasis on development of large and medium scale industries. The Industrial Policy of 1996 which was framed keeping in view of the Indo-Myanmar Border Trade have also not managed to increase the tempo of industrialisation in Manipur as reflected by the sluggish growth and falling role of workforce in the industrial sector in the half decade that follow. It is also clearly reflected in ailing public sector undertakings. The persistence industrial backwardness in Manipur has been blamed on infrastructural bottleneck, viz. lack of proper transport and communication, power shortage, paucity of funds, lack of entrepreneurship and technical skill and more importantly neglect in the Five Year Plans. With the advent of the ideology of privatization and the virtual withdrawal of industrial entrepreneurial support system, Manipur is yet far away from real industrial development.

The systemic failure of the industrial sectors of Manipur can also be looked from the economic imperialism of the Indian state. For long, Manipur has been the market ground for the Indian industries. The people of the state has to entirely depend for all the basic amenities to luxuries, from toothpaste to bathing soap, utensils to cooking oil and spices. The Indian state has created a system of dependency for the people of Manipur. The practice of colonial economics has been evident in many of the colonies around the world. There are ample of scholarships and documents suggesting such practices, one of the classic examples is in the home itself, where vernacular weavers of India were force to give up their work due to the influx of cheap textile product from Britain or even the sabotaging efforts at industrialization in the periphery (Egypt, Turkey, Persia are cases in point; Stavrianos 1981).

Tertiary or the service sector of Manipur's economy is no better than any other sectors, though, it has contributed a larger share in the NSDP of the state since 1990s, but gradually it has been declining since then also. As given in table 3, in 1999-2000 it contributed 50.52% in the NSDP of the state but it has been gradually declining, in 2003-2004 it came down to 44.02% and in 2007-2008 it receded to 41.80%. Both industry and service sectors are complimentary to each other, one cannot exceed when the other fails. Major issues in the service sector of Manipur is the problem of underemployment or what some economists termed as overstaffing or hidden unemployment or labour hoarding. For instance, in the failure of 15 State Public Sector

Undertakings (SPSUs) in Manipur due to lose incurred, overstaffing was one of the reason (Mishra 2002). Consequently, funds that could have been utilised for the development purpose are being exhausted in paying the salaries for those underemployed employees. Therefore, it is not surprising to encounter for government employees who are casual, muster roll, ad-hoc not to be paid for more than a year or so.

4. The Monopolistic Market Dynamism of Manipur

As discussed in the sectorial analysis of Manipur's economy, the low per capita NSDP of Manipur comparative to the per capita NNI of India is mainly due to stagnation in the economic growth of the state, which translated in the form of ever shrinking primary sector, the primordial secondary sector and the inefficient tertiary sector of the economy. However, another very important factor which we most of the time neglect to critically evaluate in analysing the economic scenario is the market dynamics and the system involved in creating such dynamism. Market dynamics, as understood, stands for the changing price signals generated through the continual interaction between the forces of supply and demand in a given market. In an open market system (mostly), where the market dynamics is operational, market cartel by firms and interest groups is a rare incidence; thus leaving ample of scope to the consumers. Post economic liberalisation India (read as marginalised Indians) envisaged the coming of hypothetical economic freedom; the people of Manipur too believed the imminent of pristine world market system which will equip them to partake in the free (open) market system accessible by anyone without any predisposed hegemonic conscientious from the prevailing ubiquitous market system itself. On the contrary, the trajectory of such credence overshoot for our not utter understanding of the self-perpetuating political and intellectual hegemony wield upon the people of the state. For instance, the hype generated over the Look East Policy (LEP) was "widespread structural transformation in terms of paradigmatic change in the socio-economic landscape of Manipur", however, in reality it was "a foreign policy response of the Indian Government to the unfolding global power equations of the Post-Cold war era... *using Manipur as cipher ...for opening up of India's economy to global capitalism. LEP, in short, is a composite policy aimed at accomplishing greater economic and political tie with the countries of South and East Asia*" (Singh 2009: xiii-xiv; *italic my emphasis*). Therefore, to understand the development process in Manipur, we also require judiciously comprehending and evaluating the mode in which the

market is in operation. For which, dialectical movement of thought and perception is essential from the all the sections of the Manipuri society.

Manipur, for decades, has heaved to political imbroglios by the flummoxing forces from within the state and from outside. Seizing advantage of the confounding engineered political scenario market opportunist in the state has cornered and commandeered the market under their incarceration; therefore, leaving little room of choices and preferences for the people contrary to what economic liberalisation or LEP packaged themselves. The presence of unflattering and unregulated, and highly monopolistic market system in Manipur is undeniable because of two evidently reasonable facts. Firstly, the historical significance of the 'Hunger Marchers' Day', which is being observed every year on 27th of August, signifying the student movements against severe artificial famine created by the big Marwari traders in league with the ruling state politicians during the 1960s (Kshetri 2006). Secondly, whenever there is any economic blockade or bands,²⁰ the true disposition of the market is discernible in the form of transient vicious inflations, raising the price of the essential commodities up to four to five times against the usual price tag and maximum retail price (MRP). During 2011 economic blockade, the price of petrol went up to Rs. 200 per litre and a filled LPG cylinder costing Rs. 2000 against the regular price of Rs. 64 and Rs. 399 respectively (NDTV Correspondent 2011). However, the price deviation is not limited only during bands and blockades, commodities²¹ which are being imported from other states of India are priced double or triple times of what it is marketed in the country. Though, no comparative study has not been done so far, however, any shopper who frequently shops between the streets of Paona Bazaar and Thangal Bazaar in Manipur and the remaining states of India can validate such arguments. It will also be not wrong to argue about the non-existence of competitiveness in the market itself thus curtailing the freedom of choice to the buyers; it is an irony to see the competition is just among buyers, rather than where it should be.

Inasmuch as any economy is not self-reliant, Manipur is a case of ultra-dependent states of India. For every titbit, Manipur has to depend on industrially advanced states of India because of the state's backwardness in the industrialisation process. Contextualizing the premise, Manipur as a peripheral to the core hegemonic Indian state will remain as a dependent state in terms of resource dependence. Therefore, the prognosis of the existing method in which the market is

operational necessitate perpetual checking and intervention from the state and from various section of the society; if not, in the long run it will adversely affect the economy of Manipur; besides the fact that market economy has its own idiosyncratic sets of characteristic to which people always fall back. Contrary to radical theoretical perspectives like Neo-liberalism and Post-development thinking which argued of state's interference as anathema to economic growth and development, Manipur (encompassing all the socio-political and economic turmoil) indeed is a 'special case', and the people of this state urgently require intervention from the state. The market distorting forces operational in Manipur is because of the state's failure to intervene; several questions against the accountability of the state in the matter are questionable. For instance, where is the State's Market Intelligence Department? Where was Chamber of Commerce at the time of transient vicious inflations in the state? Does the state government have long-term solution to check the constant economic blockade causing economic instability? The directories of questions that can be prepared against the palatable accountability of Government of Manipur are endless.

5. Social Responsibility: An Answer to the Impediment of Progress

For the survival of humanity is hope, as we all believe in, therefore it is imperative that every one of us wants to think that there will be economic growth and development someday bringing peace and prosperity to the land. The important question, to bring so, is how and from where to begin transforming the impediments to progress. One of the chronic obstacles of development in Manipur, to begin with, is what according to Keynesianism known as the notion of 'liquidity preference theory'. Inasmuch as the presence of various antagonistic anti-people elements, fractional yet authoritative insular interest groups has made Manipur extremely susceptible to political instability causing widespread disruption in the socio-economic affairs of the state. Constant monetary demands and extortions from both the non-state agencies as well as from the state at gunpoint by various insurgent organisations and unspecified factions led to discouragement in the development of entrepreneurial skills. Willing entrepreneurs and investors are also compelled to stash their wealth as 'liquid assets' dispensable at their will rather than investing it for the development of various small or medium scale industries and service sectors. Beyond the factors discussed, there are also other generalised features of 'liquidity preference' discussed by Keynes as three 'liquidity preference' motives of emergencies, difficulties and

depressions (Keynes 1935). It is also noteworthy to elucidate the localised socio-cultural factors prevailing in the state such as the preference of government jobs over any other employment, which partly is induced by the economic backwardness of the state on the one hand, and the arrangement of status evaluative system on the social security note on the other. Consequently, all these factors dissuaded the growth of entrepreneurship; lack of entrepreneurial regime in the state can be accounted as one of the factors to why there is sluggish growth and infrastructural bottleneck setting drawbacks in the development of economy of Manipur.

Economic meltdown is imminent if such trend continues forever in Manipur, there has to be capital investment from the various sections of the society if there has to be economic growth. But, clutched under the perilous trepidation of extortion and security threats, it is unlikely for the people to come out of their comfort zones and venture into the world of investment without the fear of being exposed to the knowledge of extortionists. Therefore, the state requires to create a conducive environment to bring out the entrepreneurial skills of the people, at the same time taking up greater responsibility in initiating and organising investment for those who are willing to partake in such social equipping. However, such social equipping also has to focus primarily on ‘social investment’ – education and health, as “‘human capital investment’ can be useful in helping to focus on the relationships between a healthy and skilled workforce and productivity growth” (Watt 2000: 40). ‘We’ as individuals of a community/society has to transcend beyond our obstinate individualistic characteristics and evolve as a society interdependent of each other. In Keynes’ own words, “there is no such thing as liquidity of investment for the community as a whole. The social object of skilled investment should be to defeat the dark forces of time and ignorance...and to pass the bad...” (Keynes 1935: 139). On the concluding note, Manipur being the peripheral state of India with political frailty inducing economic backwardness, the protagonistic role of the state (read as government of Manipur) as both contributor/provider and as formulator/regulator of policies in the interest of the people cannot be destabilized as the neo-liberalist or post-development theorists argues.

Notes:

¹By NER, the author is referring to the original seven northeast states of India excluding Sikkim.

² A contested term from the geo-political standpoint of the State on its appropriateness, whether 'merged' or 'annexed'. However, for the paper in concern, to delineate the argument put forward by many 'secessionist movements' in the NER, the term is contextualised to reason out for such movements.

³ A term picked up from the fund siphoning charges made by the Tangkhul Naga Contractors' Long against the Okram Ibobi led government who allegedly taking bribe of 10% from contractors for issuing work orders in Ukhrul district of Manipur. The published news article under the heading *Corruption charges on Ibobi* can be viewed from http://www.telegraphindia.com/1091019/jsp/northeast/story_11629043.jsp

⁴ SPAs are Additional Central Assistance (ACA) provided by the Planning Commission of India to special category States under Central Plan Assistance (CPA) in order to assist financially for undertaking important State specific programmes and schemes to support State's Five Year/intervening annual plans. ACAs are one time assistance provided by the Government of India. The special category states under ACA are the seven States of North-Eastern region (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura), Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttarakhand.

⁵ Based on his much celebrated essay *Equality of What?*

⁶ HDR 1990

⁷ HDR 1996

⁸ Current prices for the financial year 2012-2013 as on 1st March, 2012.

⁹ Data obtained from http://planningcommission.nic.in/plans/finres/fr_2013_14/fr_manipur1314.pdf

¹⁰ Table prepared by the author to suit the need of the paper; however, the data were collected from the *Ministry of Statistics and Programme Implementation*. Accessed from http://mospi.nic.in/Mospi_New/upload/State_wise_SDP_2004-05_14mar12.pdf

¹¹ From *Press Note on Poverty Estimates, 2009-10*, released by the Planning Commission in March 2012. Accessed from http://planningcommission.nic.in/news/press_pov1903.pdf

¹² For the data given, please refer table 8.1, in the chapter 8 Agriculture Development, Poverty, And Food Security of Manipur State Development Report prepared by the Institute For Human Development, New Delhi, pp 107-124. February 2009. Retrieved from http://planningmanipur.gov.in/pdf/MSDR/Chapter%208_Agri.pdf

¹³ Refer table 1.2a of Manipur State Development Report, 2009

¹⁴ The figure is based on 1989-1990 figures released by Manipur Remote Sensing Application Centre, in table 8.4. http://planningmanipur.gov.in/pdf/MSDR/Chapter%208_Agri.pdf

¹⁵ *ibid.*

¹⁶ Calculated using data from table 8.15. The data SAM 2004 p.137 in Draft Manipur State Development Report (Revised) as on 23 October 2009

¹⁷ For further elaboration on the reason for decreasing crop productivity in Manipur, refer the full article by the author.

¹⁸ Estimation of the existing Reserve Forest area is based on *Forest Survey of India Report, 2005*. <http://moef.nic.in/downloads/public-information/ft-r-gis-manipur.pdf>

¹⁹ Manipur's fish requirement calculated by the Fisheries Department of Manipur is 27,500 tonnes based on their projected population of 25 lakhs. Nevertheless, I have taken the liberty to calculate the fish requirements of the state relative to the present population of Manipur (2011 census), the calculation is based on the *National Nutritional Standard* of 11 kilograms per capita consumption of fish. However, the figure may come down considering the fact that not everyone in the state eat fish, or may went up because of the fact that the people of Manipur consumes more fishes than any other states of India, fish being the staple diet of Manipuris.

²⁰ The frequency of economic blockades and band as recorded in 2011 was 123 days and 20 days respectively. The reported article can be access from <http://e-pao.net/GP.asp?src=20..010112.jan12>

²¹ The referred commodities does not include all the essential commodities, however, certain commodities like, computer table, electronic items, sanitary fittings, and list of other items are priced much higher. Often the shopkeepers justify such price deviation due to the undocumented taxes collected by various organizations dotted in the stretch of national highway 39.

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