Socio-economic Development Policies for Manipur and Nagaland: Strategies for Strengthening the Framework

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PREFACE

The North Eastern Region (NER) of India is a rich ecosystem of biodiversity and human talent. Unfortunately, the NER has suffered developmental neglect over several decades since independence. Many areas of the NER were also impacted by insurgent activity and security concerns.

To address these issues, the Government of India accorded special attention to the NER for bringing about meaningful socio-economic development of the area. During the tenure of the first BJP led NDA government of Prime Minister Atal Bihari Vajpayee, a separate department of North Eastern Affairs (thereafter the Ministry of DONER) was created. The budgetary allocations of 10% for the development of the North East from each ministry were also made to be non-lapsable. Additionally, efforts were made to provide educational and employment opportunities to the vast human talent both within the NER and also beyond. Today, the contribution of human capital from states such as Manipur and Nagaland in several sectors including the hospitality sector has come to be appreciated and acknowledged nationally.

Under Prime Minister Narendra Modi, the policy towards our neighbouring countries of South East Asia has been changed to an Act East policy in place of the previously enunciated Look East policy. The North Eastern Region acquires further importance as a gateway and critical component of such an Act East policy. The Prime Minister himself within the first 10 months of assuming office has visited the region twice and spent two nights there.

The Public Policy Research Centre established in September 2011 as an enterprise of the Bharatiya Lok Kalyan Nyas by Shri Nitin Gadkari (then President of the BJP), works towards articulating constructive policy solutions on various policy issues. Recognizing the government’s renewed focus and effort towards a more holistic and comprehensive developmental plan for the entire North Eastern Region, PPRC has come out with a brief research paper titled ‘Socio-Economic Development Policies for Manipur and Nagaland: Strategies for Strengthening the Framework’.

While preparing this document, PPRC Research Fellow, Ms Dnyanada Palkar has used the rapid appraisal method, a monitoring and evaluation mechanism endorsed by the World Bank and Asian Development Bank. This method entails developing a qualitative understanding of complex socio-economic changes in order to provide the context for interpretation of quantitative data. She has examined the various available policy documents on the North Eastern Region and thereafter undertaken a trip to both Manipur and Nagaland, the first two states selected for a series that is expected to follow.

A draft research paper was thereafter shared with a number of eminent persons who have had a close association with the North Eastern Region and its development. PPRC’s endeavour is that those interested in the development of the North Eastern Region might find this document a handy, comprehensive and bird’s eye overview with regard to some issues in the states of Nagaland and Manipur.
My compliments to Dnyanada for the effort. A grateful acknowledgement is also due to each and every eminent and experienced personality who made available time to interact with our team and provided inputs that have made this research paper all the more meaningful.

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Nalin S. Kohli
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Pursuing Socio-economic and Political Progress: An Integrated Policy Framework for Nagaland and Manipur

1. Introduction:

Nagaland and Manipur are frontier states, sharing land borders with Myanmar – a country that has only recently come through a period of intense civil turmoil. Nagaland and Manipur have been victim to unrest and violence within their borders, even without the frontier problem to compound the same. Nagaland and Manipur, much like the rest of the North Eastern Region (NER), have had both a physical and psychological disconnect from India - this is manifest in the erratic and mismanaged development of the states. Coupled with an unstable security environment, the states remain mired in uncertain circumstances with no concrete policy framework for tracking and accountability in governance.

The development of the North Eastern states and their integration with the rest of the county, at a fundamental level has been hindered since the formation of the Union. These states are important to India from the perspective of infrastructure, security and foreign policy. The states share borders with China, Bangladesh, Myanmar and Bhutan. This has made them essential stakeholders in India’s ‘Look East Policy’. The importance of the participation of the states in this context has to be emphasized with a view to upcoming projects such as the India-Myanmar-Thailand trilateral highway (connecting Moreh in Manipur to Mae Sot in Thailand) or Kaladan Multi-Modal Transit Route (between Kolkata, India and Sittwe to Lashio, Myanmar and Mizoram in India).  

The Government of India as well as state governments have implemented policies and development initiatives in order to ensure that the states of the North East are at par with the rest of the country. Despite the funding and assistance received from the central government, often development and infrastructure projects do not produce desired results on the ground. Major development and infrastructure projects in the region are carried out

1 India, Myanmar, Thailand trilateral highway may start soon, Economic Times, October 22nd, 2013. 
with finances received from the central government (on account of all states in the region being Special Category States) under a 90:10 structure, where 90% of the funding is a grant to the state and the remaining 10% is a loan.

The issue that both academics and officials have outlined as an obstacle to efficient governance and development in Nagaland and Manipur is vested interests in serving narrow political purposes, thus allowing not only insurgent activities but also inter-tribal conflict to continue unhindered. This ties in to the constant call for stimulus packages by the Chief Ministers of the states. The continuous refrains of the North East being a neglected or backward region which requires financial assistance from the centre are incorrect. Plan and non-Plan outlays to the states over the past 5 years evidence the fact that there has been no dearth of funding. Annual plan outlays for Manipur have gone from an expenditure of 1336.50 crore rupees (in 2007-2008) to an approved outlay of 3500 crore rupees (in 2012-2013) and a proposed outlay of 4398.43 crore rupees (in 2013-14). Similarly for Nagaland annual plan outlays stood at an expenditure of 845.63 crore rupees (for 2007-08) and approved outlay stood at 2300 crore rupees (for 2012-13).

The states of the North East are the main stakeholders in India’s ‘Look East’ policy. The ‘Look East’ policy has transformed into the ‘Act East’ policy under the Modi government’s active approach in foreign policy matters. The Act East policy is to be pursued based on “commerce, culture and connectivity” and engaging the ASEAN nations on these fronts. The government’s Act East focus is on reaping the long-term benefits of economic and strategic partnerships with the Asia-Pacific maritime region. However, immediate neighbours (Myanmar) and regional neighbours (Thailand, Singapore and Malaysia) can be better engaged through Manipur and Nagaland. Trade and connectivity with East and South-East Asia will be most easily conducted through these states. Trade routes through the North East help cut down on time and costs related to transporting goods across borders. However, as elaborated in the above points, insurgent activity and lack of infrastructure in border areas of Nagaland and Manipur create significant hurdles to the implementation of infrastructure projects like the India-Myanmar-Thailand Trilateral Highway project. Experts are of the opinion that the project is “neither cost-effective nor safe”, but this myopic view cannot be taken as the final verdict. The long term economic benefits of such a project cannot be ignored. However, these benefits can only be availed of when security issues in the region are suitably addressed.

This study has been conducted with a view to providing an analysis of the current condition of development and security policies in Nagaland and Manipur, identifying the loopholes in implementation on the ground and suggesting solutions to the same via an integrated policy framework to help optimize and improve economic and social conditions in the states.

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Strategies for Strengthening the Framework

An integrated policy framework will address not only economic and security concerns but also the socio-cultural aspects that influence policy decisions and outcomes. The latter is a critical factor that is often poorly addressed in policy analysis but is a significant driver of policy efficiency. The interaction between citizens and the government as well as between different arms of the administration determines how well policies are implemented on the ground.

1.1 Methodology and Limitations:

This study was conducted using the rapid appraisal method, where a qualitative understanding of complex socio-economic changes is used to contextualize and interpret the quantitative data (either already present or collected through more formal methods). The research questions that guide this study are:

- What are the factors that have hindered socio-economic and political progress in Manipur and Nagaland?
- What is the interaction between these factors and can these be addressed with targeted policy interventions?
- What policy interventions will help revitalize existing policies and expedite the implementation of new policy initiatives? Can old and new policies work in tandem to bring about socio-economic and political progress in Manipur and Nagaland?

Meetings and consultations with current and former administrative officials in Nagaland, Manipur and Meghalaya (North Eastern Council) on the policies in action on the ground in both states and improvements required were the primary source of information for this study. Data on the economic, social and security conditions of the states was sourced from government and ministry websites and records. The qualitative data collected in this study was sourced from academic literature on the North Eastern Region, official datasets and meetings with academics, regional experts and government officials. Observations made during a brief field visit to the region also find mention in the content of this report. The emphasis on qualitative analysis is to help focus on existing structures and improving their output. Quantitative frameworks can be put in place for measuring the outcomes of qualitative policy suggestions. Quantitative data on social and economic indicators from government sources is considered reliable. However, given the vested interests in the states as well as their history of conflict, no guarantee of their accuracy is given. Data for most North Eastern states is often dated, that is figures from 2011 onwards are estimates or provisional. Policy interventions have been suggested with due consideration to these limitations.

The information gathered provides an overview of the policy situation in Nagaland and Manipur. The focus on development, infrastructure and security is to be able to address the lack of progress and stability in both states through a comprehensive look at current policies and governance, while suggesting an integrated policy framework to help improve the same. This report will provide a short background on the North Eastern Region in the literature review section. The next section will discuss issues of importance, namely development, infrastructure, security and human capital. Policy suggestions and the integrated policy framework will be

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presented in the concluding section. The report will conclude with the framework suggested, to show how processes and governance can be optimized in order to help improve the economic, socio-cultural and political environment of both Nagaland and Manipur.

1.2 Literature Review:

There is an extensive body of literature on the states in the North Eastern Region of India. The NER consists of eight states – Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. Surprisingly however, all eight states are collectively referred to as the ‘North East’ in most articles, reports and studies on the region. This is partly because of the geography of the nation, where all eight states are located in what is distinctly recognized as the North East of India connected to the rest of the country by the Siliguri Corridor, more commonly known as the ‘chicken’s neck’. The populations of most of the states are tribal and are often recognized as the collective tribes of the North East. No attention is given to the distinction between intra and inter-state tribal communities. Clubbing such diversity under the common heading of North East leads to a dilution of the identity of the varied tribes of the states. This is one of the first hurdles that need to be crossed when studying the region or the states in it. The assumption that different states and people can be lumped under one heading, leads to the act of developing one-size-fits-all policies. Such action damages the socio-cultural fabric of the NER by trivializing distinct identities. This lumping together of different states under one heading also hinders the study of the individual circumstances of each state, since a common identity or set of circumstances is ascribed to the entire region.

Academic and public discourse on the North Eastern states is analysed by Pradip Phanjoubam and Professor Bhagat Oinam in Beyond Counter-insurgency (edited by Sanjib Baruah). The development problems, chicken neck syndrome and the evolution of a perception of past events in public opinion are discussed at length by Pradip Phanjoubam. Professor Oinam addresses the myths and civilizational baggage associated with the NER as well as the nation-state and territorial claims in the region, which the author emphasizes, can be addressed by establishing a dialogic discourse. Moving from discourse to policy, the approach of regional experts and policy makers has been to continue to look at the entire region as one that can be addressed as a whole. As mentioned previously, the region does have certain characteristics that bind it with a common thread. However, while addressing the issues of a region as a whole, ignoring the component parts would mean flawed policies are drawn up as a ‘one-size-fits-all’ approach is followed. Sanjoy Hazarika has rightly stated in the concluding chapter of Stranger of the Mist, that “embracing regional, economic, environmental and security concerns can transform the jungles of unrest into communities of prosperity.” This would be effective when economic, environmental, security, social and cultural concerns are addressed with regard to the individual peculiarities of each state in the region.

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This does not mean that the region does not share certain common geographical, social and political characteristics. Most states in the region are hill states, Sikkim and Arunachal Pradesh being exceptions with their mountainous terrain. Almost all the states have diverse tribal populations and five out of the eight states share borders with neighbouring nations. This makes them frontier states with similar security concerns. Among the common security concerns are the insurgent groups active in Nagaland and Manipur. The historical origins of insurgent groups, their evolution over time and the interactive arena between the state, militants and civil society has been analyzed in detail by scholars like Dr. Nani G. Mahanta (Guwahati University), Dr. C. Joshua Thomas (ICSSR-NERC), Prof. Sajal Nag (Assam Central University), Prof. N. Joykumar Singh (Manipur University), Dr. Pushpita Das (IDSA) and Jaideep Saikia in India’s North East: New Vistas for Peace. Sanjoy Hazarika’s detailed analysis of the conflicts in the North Eastern Region informs one of many of the details of the formation of frontier states and ideologies in Strangers of the Mist. The book also provides a comprehensive background of how the rest of the nation has developed a sort of blind spot with regard to the NER. The issues raised by most of the scholars have the common thread of the alienation and disconnect that the region and its people have been subject to in the social and political spheres. Addressing this disconnect has long been the main objective of academic and public discourse on the NER. However, this has rarely translated from words on paper to action on the ground.

The NER is a strategically important area with regard to national security and relations with immediate neighbours. The formulation of the Look East Policy put the NER in the limelight, as it would be an important stakeholder in the implementation of this foreign policy. Nagaland and Manipur, both on the border with Myanmar have trade, security and strategic concerns. In the edited volume, Look East Policy and India’s North East: Polemics and Perspectives, these concerns are discussed in the context of Indo-Myanmar relations. The effects of an increasingly globalized economy necessitate the development of a state’s economy as a component part of a nation, in order to facilitate international trade and economic relations. This is the situation that Manipur finds itself in now but faces the challenge of an erratic development pattern and inefficient governance. The nature of the developmental, administrative and economic issues Manipur faces, have been elaborated upon in detail in the book.

Population and Development in North East India edited by Bimal J. Deb, presents studies that define the relationship between changing demographics and development patterns. Manoj Kumar Singh (Lecturer, People’s College, Mokokchung) presents a picture of the growth of population in Nagaland and how the increase in population and its density puts pressure on the already fragile infrastructure of the hill state.11 P. C. Dutta (Department of Statistics, Hailakandi College, Assam) has emphasized that policy planning in the region must necessarily take into account the economic demography of the region or the demographic dividend available for economic growth in the North Eastern states. Policy initiatives must recognize the heterogenous composition of the population in the North Eastern states and keep in mind the environmental concerns in the region (with respect to population pressure on natural resources).12 Elangbam Nixon Singh and G. P. Prasain analyze population growth trends in Manipur and find that apart from changes in birth

and death rates, migration from the countries bordering the state (Bangladesh and Myanmar) makes it necessary to tailor policies to counter any adverse effects on population composition.\textsuperscript{13} Rajmani Singh and A. Ratan Sharma draw out a clear picture of the demographic profile of Manipur over the years. They also explain the strain that a burgeoning population creates on economic development.\textsuperscript{14}

Apart from the above academic sources, reports such as the Human Development Report of North East by the Ministry of Development of the North Eastern Region were referred to for data on development indicators such as literacy rates, population composition and GSDP growth rates. Sarkaria and Punchhi Committee reports on centre-state relations and the dynamics of governance in the federal structure of the nation were also referred to for tracing the relationship between the central and state governments as well as between the government and the people.

The following sections of this report will elaborate on the issues and problem areas in Manipur and Nagaland. The final section of this report will outline an integrated policy framework which will address these issues, in order to facilitate efficient and streamlined policy implementation and establish good governance practices.


2. Development and Infrastructure:

Despite being frontier states and areas with geo-strategic importance, Nagaland and Manipur have not seen any major progress with regard to infrastructure, socio-economic environment and human capital. Conflict in both states has reduced over the past decade but the decrease in violence has not spurred economic, social or infrastructural growth. There are several factors that are responsible for this lack of growth and development. The perception that states like Nagaland and Manipur are volatile areas prevents investors, contractors and even government agents from considering the states as potential investment or project sites. The consequent lack of capital inflow means that the states remain dependent on central government funding for pushing their development or infrastructure related projects/initiatives. This perpetuates a cycle of dependency that is neither healthy for the states nor for the central government.

2.1 Connectivity: Highways and Railways

Transport is the backbone of the economy of any area. As mentioned in the introduction, certain statements with regard to connectivity, especially roads and highways are made based on literature as well as observations made during field research. An example of how the states lack infrastructure can be seen in the National Highways network that exists in Manipur and Nagaland. The following table shows the number and length of highways in both states.

<table>
<thead>
<tr>
<th>State</th>
<th>Number</th>
<th>Route</th>
<th>Length (kms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manipur</td>
<td>39</td>
<td>Manipur/Nagaland border-Maosongsang-Maram-Karong-Kangpokpi-Imphal-Thoubal-Wangling-Palel-Sibong-Indo/Myanmar border</td>
<td>211</td>
</tr>
<tr>
<td></td>
<td>53</td>
<td>Manipur/Assam border-Oinamlong-Nungha-Imphal</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>150</td>
<td>Manipur/Mizoram border-Parbung-Thanlon-Phaiphengmum-Churachandpur-Moirang-Bishnupur-Imphal-Humpum-Ukhrul-Kuiri-Manipur/Nagaland border</td>
<td>523</td>
</tr>
<tr>
<td></td>
<td>155</td>
<td>Passam to Manipur/Nagaland border</td>
<td>5</td>
</tr>
<tr>
<td>Nagaland</td>
<td>36</td>
<td>Nagaland/Assam border-Dimapur</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>39</td>
<td>Dimapur-Cichuguard-Kohima-Viswema</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>61</td>
<td>Kohima-Narhema Tseminya-Wokhal-Mokokchung-Chantongia-Merang Kong-Nagaland/Assam border</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>150</td>
<td>Kohima-Chizami-Nagaland/Manipur border</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>155</td>
<td>Mokokchung-Tuensang-Sampurre-Akhegwo-Meluri (upto Manipur border)</td>
<td>125</td>
</tr>
</tbody>
</table>

Table 1 National Highways in Manipur and Nagaland Source: Ministry of Development of North Eastern Region

Of the above mentioned national highways, the main artery and best maintained highway in Manipur is NH-39, which connects most of the major towns in the state. NH-39 is often blockaded by Manipur separatist groups or by Naga organizations when they are protesting. The highway is the primary supply route for the state and any blockade of this route means an almost complete halt in economic activity in the state. NH-150, also known as Tipaimukh road is problematic as well. From 2000-2005, due to the activities of the United National Liberation
Front (UNLF) the construction of this highway was held up. It was only due to the recognition that blockades on NH-39 would necessitate alternate supply routes, that the construction of NH-150 received a push from the Chief Minister and Governor of Manipur in 2006. Despite the road being operational since 1999 (when it was declared a national highway) maintenance and repair work is often held up owing to unrest and security issues in Ukhrul and Churachandpur districts. Certain important stretches of the highway remain unconstructed, such as the Jiri-Tipaimukh road which saw no progress as of January 2013. The state government refusing to release their share of funding for the construction was cited as the reason for the stand still.\(^{15}\)

Similarly in Nagaland, NH-36 and NH-39 are the lifelines of the state, connecting Dimapur to Assam in the east and the state capital Kohima in the west. NH-36 is the entry point for most vehicles with supplies coming in from Assam. This highway and the extension of NH-39 in


Nagaland have been subject to blockades in the past. Militant organizations like the Karbi People’s Liberation Tigers (KPLT) and United Naga Council have effectively shutdown economic activity in Nagaland by blocking both highways, from both sides of the Assam-Nagaland border. Nagaland has an alternate route to the Assam-Nagaland border through NH-61, however given that NH-36 and NH-39 are the primary supply routes, re-routing vehicles or providing security convoys becomes a drain on the administration. The state will be getting four new highways, namely NH-702, NH-702A, NH-702B and NH-702C, wherein existing roads in the states will be declared highways. However, given how long it has taken for a connecting highway like NH-150 in Manipur to be operationally repaired and maintained, the time required to do the same for the new highways can only be speculated about.

The topography of Nagaland is predominantly hilly and Manipur has a valley plain surrounded by rugged hills on all sides. Ukhrul, Senapati, Tamenglong, Chandel and Churachandpur are the hill districts with Imphal (East and West), Bishnupur and Thoubal as the valley districts in Manipur. As hill states, both Nagaland and Manipur require more planning and careful implementation when it comes to laying out infrastructure, especially roads. This is one of the major reasons (apart from security) that highways are a tedious undertaking. Highway maintenance should be relatively easier in valley districts such as Imphal and Bishnupur. However, in Manipur the general state of repair of national highways is not up to the mark. NH-39 within the limits of Imphal district is well-maintained, however the approach road to Imphal city from the Airport is poorly maintained and the repair work on that particular stretch of roughly 10 kms has been going on for the past two years.

NH-36 along its Dimapur stretch in Nagaland is in a similar state of disrepair. The Dimapur-Kohima stretch of NH-39 is kept in good condition at all times as it serves as the lifeline between the largest city and the state capital. However, if the NH-39 is followed into the interiors of the state, the road’s neglected condition is very apparent. There are only so many highways that the Border Roads Organization (BRO) can take care of, therefore to rely on one agency to carry out all the roadwork in a state would be putting pressure on an already strained system. Given the hilly terrain of the entire state, it is difficult to access interior areas and as a result bring them the resources required for development.

Nagaland and Manipur do not have any broad gauge railway lines connecting them to neighbouring Assam, Mizoram or Arunachal Pradesh. The only railway station connecting Nagaland to Assam is at Dimapur, close to the Assam-Nagaland border. The rest of Nagaland and all of Manipur are only connected by highways and air, to other major cities in the region and the country. It is only natural that Nagaland and Manipur have witnessed painfully slow rates of economic and social development, given the limited access routes even to major cities and towns. Under the current government, this problem of limited access has been recognized and the laying of broad gauge railway lines between Dimapur and Kohima, as well as between Jiribam

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and Imphal\textsuperscript{18} (with Jiribam being connected to the to-be-constructed broad gauge junction at Silchar in Assam) has been initiated.

![NORtheast Frontier Railway Map](image)

\textit{Source: North East Frontier Railway, NFR 2012.\textsuperscript{19}}

By the time this report is written, the conversion of metre gauge lines in Barak valley, specifically the Lumding-Silchar and Karimganj-Silchar routes would be complete. These would then continue to Agartala in Tripura, connecting major cities in Assam and Manipur to the capital of Tripura (in order to facilitate goods transport, once the Kaladan Multi-modal Transit Route is operational). This would provide a significant boost to intra-regional trade. Work on all proposed railway projects has been swift, but most projects are slated to be completed in early 2015 or 2016. The completion of these projects has not been reported as yet. An example of this being the shutting down of railway lines from Silchar and Karimganj all the way up to Agartala and Bhairabi (Mizoram) in order to allow metre gauge to be converted to broad gauge tracks (under Project Unigauge, Indian Railways)\textsuperscript{20}. The conversion of meter gauge in states like Assam and Tripura is expedited, but this is not the case in a state like Manipur where there is no railway penetration. An experienced government official pointed out that the broad gauge line to Imphal is being laid rather slowly owing to the unyielding terrain of hill districts like

\textsuperscript{18} ‘Jiribam-Imphal railway project on fast track’, The Times of India, June 10\textsuperscript{th} 2014.  
\textsuperscript{19} http://timesofindia.indiatimes.com/city/guwahati/Jiribam-Imphal-railway-project-on-fast-track/articleshow/36354072.cms
\textsuperscript{20} ‘6 months’ time for broad gauge conversion’, The Times of India, September 28\textsuperscript{th} 2014.  
Tamenglong and Senapati in Manipur. This is another instance where topography was cited as the cause for delay and slow pace of work.

There are however still issues that could hinder the new railway projects being taken up by the Central government in the states of the NER. Land acquisition for laying tracks in Nagaland (as well as in Meghalaya) has not been smooth, despite the State government facilitating the process. Road transport lobbies are apprehensive about their business and there have been local demands for greater compensation for community land acquired for railway tracks\textsuperscript{21}. Despite the realization that the new broad gauge railway from Dimapur to Kohima would benefit the state economically and make travel and transport of goods easier, people in Nagaland are not cooperative in helping the projects along. The Naga people’s reaction is very similar to the reaction of the Garo and Khasi in Meghalaya, wherein they are rejecting proposals for projects that will provide connectivity as they fear that their way of life will be disrupted. This fear of the arrival of non-tribals and consequent exploitation or loss of traditional lifestyle prevents them from capitalizing on the opportunities that connectivity would bring. Dimapur, on the Assam-Nagaland border is a town which feels very much like an extension of Assam, due to the presence of Assamese people, Bengali migrants, some Meitei and a mix of Naga who live and work in the city. The atmosphere of Dimapur is different from that of Kohima, in so far as the Naga in Dimapur feel displaced in their own state with the influx of outsiders. (This phenomenon is explored in section 2.3.)

Air connectivity for both states is primarily through an airport each at Imphal (Manipur) and Dimapur (Nagaland). Imphal’s Tulihal International Airport is the second international airport in the NER after Guwahati and the third largest as well. Flights from Imphal to all major cities in the NER are frequent. Dimapur air force base is the lone airport in Nagaland. Only flights from Dibrugarh and Kolkata by Air India to Dimapur operate here. The number of airlines flying to and from Dimapur should be increased, in consultation with airlines, Airports Authority of India and the people. However, air travel is not a major priority for most of the people in Nagaland, given the socio-economic conditions prevalent in the state.

Connectivity brings the opportunity for increasing trade with neighbouring states as well as with neighbouring countries. Manipur is already known as the Gateway to South East Asia and living up to the epithet would stand the state in good stead both economically and culturally. Nagaland can optimize on its tourism gains, especially during the festival period which begins with the Hornbill Festival in December and ends with harvest festivals in February and March. The economic gains and practicality of better connectivity has to be communicated to the people in both states. Their fears regarding the presence of outsiders in their state must be allayed by addressing their social and political concerns.

2.2. Capitalizing on Resources:

2.1.1 Industry:

Industry in Nagaland and Manipur has received impetus under the North Eastern Industrial and Investment Promotion Policy (NEIIPP, 2007). The sectors or industries that are provided with tax exemptions, subsidies and service incentives are mainly hospitality, services, education, biotechnology and energy production.\(^{22}\) The decision to implement such a policy was taken at the time because the states of the NER witnessed a less than 4 percent annual rate of industrialization compared to the national average of 8 percent.\(^{23}\) The focus on these sectors was in the hope that with the boost given to these fundamental industries, associated industry-formation and development would occur. This however depends greatly on the ability of investors, contractors and administrators to build confidence and take calculated risks in a region where uncertainty is the norm.

However, impact assessment studies and reports on the outcomes of the NEIIPP in the NER have highlighted that the policy has been largely unsuccessful. The problems with connectivity and infrastructure in Nagaland and Manipur (as elaborated upon in the previous section) were cited as deterrents to industrialization by a report on the impact of NEIIPP by Mott MacDonald India.\(^{24}\) The study also showed that there was significant overlap in the NEIIPP and incentives provided by the state governments of both Nagaland and Manipur.\(^{25}\) This makes the process confusing for investors and industrialists. It also provides potential for misappropriation by utilizing incentives from the central as well as state policies. Since being implemented, the policy has benefited Assam and Meghalaya (the states with better connectivity and a pre-existing, British era industrial base) the most as both states drew 91% of the investments made under the policy.\(^{26}\) Investor confidence (in other states, especially Manipur and Nagaland) has remained low due to the frequent changes to the policy. The changes being effected to counter misappropriation of policy benefits were focused on the amount of benefits being misappropriated, rather than deterring misuse of said benefits.\(^{27}\) This is evidence of the vested interest in siphoning funds from policy initiatives and using loopholes in policies to the advantage of interest groups. This creates an environment that does not allow for the growth of industry or encourage investment. Development either slows down or comes to a stand-still as a result of the lack of both.

Registration of industrial units under NEIIPP (2007) was suspended with effect from December 1\(^{st}\) 2014 by the Department of Industrial Promotion and Policy.\(^ {28}\) A further clarification that the

\(^{22}\) NEIIPP, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 2007: pg 5.


\(^{25}\) Ibid.


\(^{27}\) Ibid.

\(^{28}\) Circular, Department of Industrial Promotion and Policy, Ministry of Commerce and Industry, December 1\(^{st}\) 2014. [http://dipp.nic.in/English/Schemes/NER/Suspension_Registration_NEIIPP_16December2014.pdf](http://dipp.nic.in/English/Schemes/NER/Suspension_Registration_NEIIPP_16December2014.pdf)
Policy and all schemes under it had not been withdrawn or cancelled was issued on December 5th 2014, with an added comment that "allocations for the schemes under the NEIIPP have been fully utilized and liability have been incurred far in excess of plan and annual allocations." If claims were made and benefits paid out in excess of allocated amounts, there should have been some translation of this policy into noticeable development on the ground. However, this has not been the case in either Nagaland or Manipur. This is further corroboration of the fact that vested interests have some hand in misappropriation of scheme funds.

Nagaland and Manipur both have handicraft and sericulture as their major industries. A profile of Nagaland’s small scale industries (Nagaland has no large scale industries) in Kohima district is as follows.

<table>
<thead>
<tr>
<th>NIC Code No.</th>
<th>Type of Industry</th>
<th>No of Units</th>
<th>Investment (in lakhs)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Agro based</td>
<td>7</td>
<td>10.5</td>
<td>28</td>
</tr>
<tr>
<td>22</td>
<td>Soda water</td>
<td>Nil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Cotton textile</td>
<td>Nil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Woolen, silk and artificial thread based cloths</td>
<td>10</td>
<td>10.0</td>
<td>20</td>
</tr>
<tr>
<td>25</td>
<td>Jute and jute based</td>
<td>Nil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Readymade Garments and Embroidery</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Wood/wooden based furniture</td>
<td>27</td>
<td>54.0</td>
<td>162</td>
</tr>
<tr>
<td>28</td>
<td>Paper and paper products</td>
<td>Nil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Leather based</td>
<td>Nil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Rubber, plastic and petro based</td>
<td>4</td>
<td>8.0</td>
<td>8</td>
</tr>
<tr>
<td>31</td>
<td>Chemical/Chemical based</td>
<td>Nil</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Mineral based</td>
<td>1</td>
<td>2.50</td>
<td>6</td>
</tr>
<tr>
<td>33</td>
<td>Metal based (steel fabrication)</td>
<td>32</td>
<td>80.0</td>
<td>128</td>
</tr>
<tr>
<td>35</td>
<td>Engineering Units</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Electrical machinery and Transport equipments</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>97</td>
<td>Repairing and Servicing</td>
<td>11</td>
<td>11.0</td>
<td>22</td>
</tr>
<tr>
<td>01</td>
<td>Others</td>
<td>3</td>
<td>6.0</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>95</td>
<td>386</td>
<td></td>
</tr>
</tbody>
</table>

Source: Department of Industries and Commerce, Kohima (2010-11 Figures)

The numbers show that as recently as 2011, Kohima the main district and state capital of Nagaland lacked any electrical machinery, transport equipment or chemical based industry. Dimapur and Kohima both have several steel fabrications industry units. Since steel fabrication is the enterprise with highest investment, associated industries like electrical machinery and

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29 Circular, Department of Industrial Promotion and Policy, Ministry of Commerce and Industry, December 5th 2014. [http://dipp.nic.in/English/Schemes/NER/Suspension_Registration2_NEIIPP_16December2014.pdf](http://dipp.nic.in/English/Schemes/NER/Suspension_Registration2_NEIIPP_16December2014.pdf)
transport would provide a significant boost to this already established industry. However, the ineffective NEIIPP, lack of infrastructure and connectivity have prevented the establishment of major industries. In Imphal, which is the main district and state capital of Manipur, the dominant industry is handloom and textiles products. This industry receives the second largest investment as can be seen from the numbers in the following table. Agriculture and allied activities (under NIC Code 01) see the largest investment. This is owing to Imphal being a valley district. Hill districts’ industrial profiles would be different.

<table>
<thead>
<tr>
<th>NIC Code No.</th>
<th>Type of Industry</th>
<th>No of Units</th>
<th>Investment (in lakhs)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Agro based</td>
<td>11</td>
<td>212.2</td>
<td>66</td>
</tr>
<tr>
<td>22</td>
<td>Soda water</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>23</td>
<td>Cotton textile</td>
<td>11</td>
<td>309.44</td>
<td>96</td>
</tr>
<tr>
<td>24</td>
<td>Woolen, silk and artificial thread based cloths</td>
<td>2</td>
<td>38.68</td>
<td>84</td>
</tr>
<tr>
<td>25</td>
<td>Jute and jute based</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>26</td>
<td>Readymade Garments and Embroidery</td>
<td>20</td>
<td>410.0</td>
<td>140</td>
</tr>
<tr>
<td>27</td>
<td>Wood/wooden based furniture</td>
<td>14</td>
<td>386.8</td>
<td>84</td>
</tr>
<tr>
<td>28</td>
<td>Paper and paper products</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>29</td>
<td>Leather based</td>
<td>1</td>
<td>19.34</td>
<td>6</td>
</tr>
<tr>
<td>30</td>
<td>Rubber, plastic and petro based</td>
<td>11</td>
<td>230.74</td>
<td>66</td>
</tr>
<tr>
<td>31</td>
<td>Chemical/Chemical based</td>
<td>1</td>
<td>180.0</td>
<td>6</td>
</tr>
<tr>
<td>32</td>
<td>Mineral based</td>
<td>9</td>
<td>174.06</td>
<td>54</td>
</tr>
<tr>
<td>33</td>
<td>Metal based (steel fabrication)</td>
<td>3</td>
<td>58.02</td>
<td>36</td>
</tr>
<tr>
<td>35</td>
<td>Engineering Units</td>
<td>12</td>
<td>232.08</td>
<td>72</td>
</tr>
<tr>
<td>36</td>
<td>Electrical machinery and Transport equipments</td>
<td>3</td>
<td>50.0</td>
<td>18</td>
</tr>
<tr>
<td>97</td>
<td>Repairing and Servicing</td>
<td>8</td>
<td>154.72</td>
<td>48</td>
</tr>
<tr>
<td>01</td>
<td>Others</td>
<td>70</td>
<td>1206.01</td>
<td>420</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>176</strong></td>
<td><strong>5038.61</strong></td>
<td><strong>1196</strong></td>
</tr>
</tbody>
</table>

Source: Department of Industries and Commerce, Imphal (2010-11 Figures)\(^{31}\)

In comparison to Nagaland, Manipur’s main district at the very least has a few electrical machinery and transport equipment industries. This provides some support to the small scale industries present in the state, especially the handloom-textile industry. The numbers provide an outline of the big picture with regard to the condition of industry in both states. Manipur has a bit more variety in its small scale industries, whereas Nagaland still struggles with industry establishment. The cause for this in great part is the terrain of both states. As mentioned before, Imphal being a valley district has better connectivity via its airport and roads for its industries. In hill districts such as Tamenglong and Churachandpur, lack of connectivity would mean an industrial profile similar to Kohima. In Kohima, the serpentine Naga Hills make most of the state

\(^{31}\) Brief Industrial Profile of Imphal East District (Manipur), Ministry of MSME, Government of India, 2011.
inaccessible and thus unviable to investors and industry. This has been taken note of by the administration but the implementation process needs to be optimized and made more efficient.

NEDFi or the North East Development Finance Corporation Limited, is a public limited company set up in 1995 and registered as Public Financial Institution in 1996 and a Non-Banking Financial Company with the RBI in 2002.\(^\text{32}\) It provides financial assistance to micro, small, medium and large enterprises and also provides consultancy and advisory services. In 1998-99, the North East Division of the Ministry of Home Affairs sanctioned a one-time grant of Rs. 20 crore for the Techno Economic Development Fund (TEDF).\(^\text{33}\) NEDFi has conducted over 60 studies since 2001 in techno-economic industry and infrastructure development under TEDF. Just under 10 of these studies refer to industry development in Manipur or Nagaland, either individually or in groups with other states of the NER.\(^\text{34}\) There have been no new studies since 2010 and it would be a worthwhile endeavour to focus some feasibility studies on the infrastructure for large scale industries like hydro power generation, renewable energy, mineral deposits and forest products. Studies on the development of small and medium industries marketing would also be helpful to both states. The Ministry of DONER could partner with NEDFi for this purpose.

2.2.2 State Finances:

<table>
<thead>
<tr>
<th>State</th>
<th>Gross Fiscal Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011-12 (RE)</td>
</tr>
<tr>
<td>Manipur</td>
<td>15.5</td>
</tr>
<tr>
<td>Nagaland</td>
<td>5.8</td>
</tr>
</tbody>
</table>

*Note: Figures are percentage of GSDP. RE = Revenue Estimate. BE = Budget Estimate*

<table>
<thead>
<tr>
<th>States</th>
<th>States’ Own Resource</th>
<th>Transfer from the Centre</th>
<th>Total Revenue Receipts</th>
<th>% Share of Own Resources</th>
<th>% Share of Central Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manipur</td>
<td>921.6</td>
<td>7697.7</td>
<td>8619.4</td>
<td>10.69</td>
<td>89.30</td>
</tr>
<tr>
<td>Nagaland</td>
<td>518.1</td>
<td>6776.8</td>
<td>7294.9</td>
<td>7.10</td>
<td>92.89</td>
</tr>
</tbody>
</table>

*Source: State Finances – A Study of Budgets of 2013-14, RBI*\(^\text{36}\)

A look at the accounts of both Manipur and Nagaland shows that both states run a gross fiscal deficit. It is clear on examining the composition of revenue receipts, that the states’ share stands at 10.69% for Manipur and 7.11% for Nagaland\(^\text{37}\), which indicates that they are still heavily dependent on central grants and financing. This does not provide a favourable picture of the


\(^\text{34}\) List of studies conducted by NEDFI under TEDF. [http://www.nedfi.com/?q=node/195](http://www.nedfi.com/?q=node/195)

\(^\text{35}\) ‘Table IV.22 Deficit Indicators in Comparison with FC-XIII Targets’, State Finances: A Study of Budgets of 2012-13, Reserve Bank of India. [http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/00SF090113FUL.pdf](http://rbidocs.rbi.org.in/rdocs/Publications/PDFs/00SF090113FUL.pdf)

\(^\text{36}\) ‘Composition of Revenue Receipts (NE States) BE 2013-14’, Ministry of DONER. [http://mdoner.gov.in/content/composition-revenue-receipts-%E2%80%93-ne-states-be-2013-%E2%80%93-14](http://mdoner.gov.in/content/composition-revenue-receipts-%E2%80%93-ne-states-be-2013-%E2%80%93-14)

\(^\text{37}\) Composition of Revenue Receipts – (NE States) Budget Estimate 2013-14, Ministry of DONER. [http://mdoner.gov.in/content/composition-revenue-receipts-%E2%80%93-ne-states-be-2013-%E2%80%93-14](http://mdoner.gov.in/content/composition-revenue-receipts-%E2%80%93-ne-states-be-2013-%E2%80%93-14)
condition of the economy. It also points to a gap in the use of funding provided to the state. A state is spending more than it earns and still has nothing to show for it by way of improved socio-economic conditions. This is symptomatic of a systemic lapse. This economy has to be made viable by providing the skills and infrastructure for industry development. Simply pumping funds in will not serve the purpose. Funds pumped in are often used to fill in gaps like the payment of salaries to government employees (from government school teachers to the clerks in courts) who get paid every few months, which is an attestation of mismanagement. If it could, it would have made a difference in the socio-economic situation of Nagaland and Manipur today. However, as detailed above, no such difference has manifested in the states. Both states have a good base of small scale industries; developing medium and large industries by integrating processes and supply with small scale industries would benefit small, medium and large industries as well as the states themselves. The studies for this purpose as well as frameworks for setting up large scale industries will be best done by NEDFi in consultation with Ministry of DONER and MHA, as explained previously in this section.

2.2.3 Power and Energy

Energy in both Manipur and Nagaland is hydro-electric. Manipur’s main source of hydroelectric power is Loktak Lake, the NER’s largest freshwater lake. The current generation capacity of Manipur in hydro is 105 MW\(^{38}\). The demand-supply gap in electricity has been growing since 2006 in Manipur (refer graph below).

![Graph showing demand-supply gap in electricity]

Source: Power Sector Reforms, Power Department, Government of Manipur.\(^ {39}\)

The state government’s power department had stated in its presentation on reforms in the power sector that one of the proposed hydel projects is the Loktak Downstream HEP near Tousang Khunou village in Tamenglong district\(^ {40}\). This hydel plant received forest clearance in January 2012. Stage-II forest clearance was carried out in March 2013 upon the issuance of NOC (FRA 2006) by the state government. Drilling at the barrage and power house site began in February 2013 while road construction from Loktak lake to Leimatak river has been an on-going project.

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\(^{38}\) Power Sector Reforms, Power Department, Government of Manipur, April 2013: pg. 5.

\(^{39}\) Ibid: pg 9.

\(^{40}\) Loktak Downstream HE Project, Electricity Department, Government of Manipur.

http://manipurpower.nic.in/hydelgen.html
Road construction began in 2013 but continues to be carried out even today (pictured in image). The slow pace of work holds up projects and their potential benefits, while also slowing down the pace of public activities, especially daily commuters.

Nagaland has no major electricity generation capacity and with just 25.54 KW capacity in hydro and 0.50 KW capacity in diesel\(^1\) (as of 2013), the state has to purchase electricity to meet its needs. In 2013, the state purchased 457.47 million KWH of energy. Dependence on surrounding states for its energy needs means that Nagaland cannot back up its industries’ energy needs. Regulating daily energy needs for both the public and small scale industries means that most districts have load shedding. Power and energy are essential for improving the quality of life of citizens as well as for industrial activity. However, as described above, both states experience significant issues with demand and supply and with prospective projects that could help ease the demands placed on restricted resources.

The above section described the problems faced by Manipur and Nagaland with regard to connectivity, industry and energy. The existing lack of infrastructure, misappropriation of funds, an unyielding terrain and slow pace of work all contribute to hindering progress and stability in both states. The next section will trace the building of human capital in both Manipur and Nagaland, elaborating on the initiatives taken by state and central governments in this regard. The issues faced by the public and the narrow response of the government to these issues will be discussed.

\(^1\) Statistical Handbook of Nagaland 2013.
2.2.4 North Eastern Council and its Role in Infrastructure Development:

The following is a short note on the North Eastern Council and its role in implementing infrastructure and development projects in the NER. This mention of the NEC is important as this body has played an important role in improving the economic and social profile of the NER and if the issues that plague it are suitably addressed it can contribute in a more efficient manner to the progress of the NER than it has been doing of late.

**North Eastern Council**

The lack of impetus provided to industry in the states is a major cause of the lack of jobs in both states. In the section on Industry it was explained that both Manipur and Nagaland have significant hurdles to industrial development, the most crucial one being infrastructure. The North Eastern Council is responsible for most of the development and infrastructure related projects in the region. The NEC has to its credit, facilitated the growth of several electricity, education and transport and communication sector projects. They have sanctioned several projects and streamlined provision of funds. This helped the NER develop post-1974, economically and socially, in a far more organized manner. However, over the past decade the role and functions of the NEC have diminished since the introduction of the North Eastern Council (Amendment) Act 2002. The advisory role of the NEC was lost in translation and it has been reduced to a nodal agency for provision of funds. Their role in reviewing projects and making state governments and agencies accountable for fund utilization is now only words on paper.

The NEC has faced issues with decreasing project output over the years, as most implemented projects are not maintained and the Council has no power to review the functioning or maintenance of the same. Often state departments identify and make project proposals without adhering to strict guidelines, which in the planning process of the NEC leads to significant delays and often either reduced funding or dropping the proposals. This has caused a lot of dissatisfaction in both the NEC as well as the state governments. The conflict resolution and security coordination functions of the NEC were discontinued. However, these are vital to the implementation of infrastructural projects in the frontier regions of Manipur and Nagaland.
2.3 Human Capital: Failure to Follow Through

2.3.1 Demographic Composition:
The composition of the population in Manipur and Nagaland, by gender, religion and age has changed significantly over the last two decades. The population distribution of ethnic groups in Manipur as of 1991 was:

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Population</th>
<th>% share in Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meiteis, Pangans and others (non tribals)</td>
<td>12,04,616</td>
<td>65.57</td>
</tr>
<tr>
<td>Tribes</td>
<td>6,32,533</td>
<td>34.43</td>
</tr>
<tr>
<td>Nagas</td>
<td>3,36,161</td>
<td>18.72</td>
</tr>
<tr>
<td>Thadou Kukis</td>
<td>1,21,994</td>
<td>6.64</td>
</tr>
<tr>
<td>Zomis*</td>
<td>93,305</td>
<td>5.07</td>
</tr>
<tr>
<td>Hmar</td>
<td>35,767</td>
<td>1.95</td>
</tr>
<tr>
<td>Kom</td>
<td>13,004</td>
<td>0.87</td>
</tr>
<tr>
<td>Gangte</td>
<td>12,793</td>
<td>0.70</td>
</tr>
<tr>
<td>Mizos</td>
<td>8,240</td>
<td>0.45</td>
</tr>
<tr>
<td>Aimol</td>
<td>2,108</td>
<td>0.11</td>
</tr>
<tr>
<td>Suhte</td>
<td>746</td>
<td>0.04</td>
</tr>
<tr>
<td>Purum</td>
<td>388</td>
<td>0.02</td>
</tr>
<tr>
<td>Ralte</td>
<td>250</td>
<td>0.01</td>
</tr>
</tbody>
</table>

*Note: Includes Paites, Vaipheis, Zous, Tedim Chin and Sintes.
The Meitei majority along with Pangans and other non-tribal groups have inhabited the valley districts of Imphal East, Imphal West, Bishnupur and Thoubal. The tribes have inhabited the hill districts of Ukhrul, Senapati, Tamenglong, Churachandpur and Chandel. The non-tribal populations are homogenous and Hindus by religion, except Pangans who follow Islam. The border town of Moreh is among the only town (apart from Imphal) of the state that is multi-cultural with a population of Tamils, Chinese, Myanmarese and rare Punjabis and Nepalis. This is owing to the town being a centre of trade along the Indo-Myanmar border. Tribal populations in the hills are mostly followers of Christianity (introduced by the British), though some still follow traditional animist faiths.

In Nagaland, most of the state is inhabited by Naga tribes and the population is fairly homogenous except for the cities of Kohima and Dimapur. Kohima and Dimapur have a fair number of Bengali immigrants, Assamese and a mix of other tribes as Dimapur lies on the Nagaland-Assam border and Kohima is the capital of Nagaland. Both cities see a significant amount of movement, some of which is from tourism as well. While the state is almost entirely Christian, however Kohima and Dimapur have significant Hindu and Muslim populations that have been growing.

2.3.2 Population – Education and Change:
The tables below illustrate the population growth since 1971 and the sex ratio since 1991 for both Manipur and Nagaland.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manipur</td>
<td>10,72,753</td>
<td>14,20,953</td>
<td>18,37,149</td>
<td>22,93,896</td>
<td>28,55,794</td>
</tr>
<tr>
<td>Nagaland</td>
<td>7,74,930</td>
<td>5,16,449</td>
<td>12,09,546</td>
<td>19,90,036</td>
<td>19,78,502</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State</th>
<th>Sex Ratio (females per 1000 males) 1991</th>
<th>Sex Ratio (females per 1000 males) 2001</th>
<th>Sex Ratio (females per 1000 males) 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manipur</td>
<td>958</td>
<td>978</td>
<td>992</td>
</tr>
<tr>
<td>Nagaland</td>
<td>886</td>
<td>909</td>
<td>931</td>
</tr>
</tbody>
</table>

Source: Census 2011


Basic indicators of development such as literacy, sex ratio, infant mortality rate and maternal mortality rate have been positive in the North Eastern states over the past decade. In the case of indicators like literacy and sex ratio (Manipur’s literacy rate is 76.9% and Nagaland’s is 79.6% as compared to the national average of 73%\textsuperscript{47} and Manipur’s sex ratio is 936 and Nagaland’s is 943 as compared to the national average of 918\textsuperscript{48}), states like Manipur and Nagaland show better numbers than national averages. This should be symptomatic of a healthy society. However, the complex dynamics of the region mean that the numbers of basic indicators while promising do not tell the entire story or reveal the big picture. In Manipur, literacy rates have gone up from 70.5 percent in 2001 to 76.9 percent in 2011 and in Nagaland they have gone from 66.6 percent to 79.6 percent.\textsuperscript{49} This is a positive sign with regard to literacy however the drop-out rates in primary and secondary education in both states tell a different story.

Nagaland has one of the highest dropout rates in secondary education in the country, with a drop-out rate of 7.1 percent in 2013-14 at the primary level, which is a reduction from the 11.4 percent drop-out rate prevailing in 2009-10. However, the 2013-14 rate of 7.1 percent is almost 2 percentage points higher than the 5.5 percent drop-out rate recorded in 2012-13.\textsuperscript{50} This is further indication of the erratic patterns that seem to be characteristic of the states in the NER. In the case of Manipur, a similar pattern can be seen where the drop-out rate of 10.5 percent in 2009-10 was brought down to 9.9 percent by 2013-14. However, the improvement is less than 1 percentage point and the 2013-14 figure of 9.9 percent is almost 1.5 percentage points higher than the 2012-13 drop-out rate of 8.6 percent.\textsuperscript{51} Nagaland is among the states with a very high drop-out rate at the secondary education level as well, though Manipur does marginally better in this regard.\textsuperscript{52}

Children and youth receive education, but must drop out at either the primary or secondary education levels – either due to lack of resources in the family or due to the need for an extra pair of hands at work in the fields. For states that need their human capital to be healthy and prosperous in order to progress, such statistics and conditions are very discouraging. Even for those youth that make it to higher levels of education, the lack of jobs means a disproportionate number of educated unemployed people. This causes dissatisfaction among the youth which then turn to other avenues, such as drugs, trafficking or work as insurgent cadres in order to earn for themselves and their families. While these should not be options they should have to resort to, in states with economies that have been unsuccessful in making space for growth, those are the only options they have. There are very few institutes for vocational training in Manipur and Nagaland. It is with vocational skills and training that educated youth will be able to find better job opportunities. Often, as mentioned above the job opportunities are to be found in cities and states outside the NER. This disconnect between the NER and the rest of the nation deepens, as skilled

\textsuperscript{49} \textit{ibid}.
\textsuperscript{51} \textit{ibid}.
youth leave the region (which needs them the most) and neither industry nor development receive incentive for growth.

The per capita income and GSDP of Manipur and Nagaland are given in the table below.

<table>
<thead>
<tr>
<th>State</th>
<th>Per Capita Income</th>
<th>GSDP Growth (% at 2004-05 prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009-10</td>
<td>2010-11</td>
</tr>
<tr>
<td>Manipur</td>
<td>22,359</td>
<td>23,298</td>
</tr>
<tr>
<td>Nagaland</td>
<td>40,057</td>
<td>40,957</td>
</tr>
</tbody>
</table>

Source: Planning Commission 2013

The table shows that while per capita income has seen a steady rise in Manipur since 2009, GSDP growth rate has dropped over the span of four years from 7.63 to 6.24. A similar trend is witnessed in Nagaland, however the drop in GSDP growth rate (less than a percentage point, from 4.36 to 3.93) has not been as much as that in Manipur. This points to the fact that while the average productivity of individuals has gone up, it has not contributed to the growth of the state domestic product. This disparity could be due to the unemployment rate or due to the lack of growth in industry. Whatever the cause for the disparity, it will need to be addressed if the states’ development potential is to be harnessed. In an increasingly competitive and skill specific economy, it would do well to look into skill development initiatives and vocational training institutes for improving the skill sets of youth, mid-career professionals and even skilled labour.

The states of the NER have been receiving significant amounts of central assistance on almost all schemes and policy initiatives for human development, such as education, health and employment. Literacy rates in both Manipur and Nagaland have improved over the past decades. Overall literacy has seen a significant improvement and so has female literacy. The Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Rashtriya Uchchhatar Shiksha Abhiyan (RUSA) have all had the requisite funding and push from the central and state governments. This has translated into a growing young, educated workforce. However, the follow on to education is employment. This is the area where both Manipur and Nagaland face an issue. Neither state is able to provide the opportunities for employment or skill development that most of its educated youth seek.

Over the past decade, the lack of employment opportunities has caused the youth from these states to move to metropolitans like Delhi, Mumbai and Bangalore. Once in these cities, these young people often find that they have to deal with more than just the responsibilities of a new job and adjusting to a new place. They find that they have to deal with the ignorance of the people around them, who fail to recognize that those they are interacting with are citizens of the same country. These young people have no guidance on how to deal with this sort of ignorant behaviour. It is necessary to educate the youth (both those from the NER as well as those from other regions of the nation) not only in prescribed syllabi, culture and the diversity of India but also in recognizing conflict situations and strategies to respond to the same.

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Close on the heels of the murder of Nido Tania, a student from Arunachal Pradesh, a committee chaired by M. P. Bezbaruah was set up, which presented a report to the MHA detailing how the security of persons from the North Eastern states living and working in metro cities could be ensured.\(^{54}\) Among the many issues that came up during the consultation process that the committee conducted was that those from the North Eastern states showed a tendency to interact with only their own state’s people. This exclusivist behaviour widens the rift between people from the NER and people from other parts of the nation. As ignorant as the people of other states are, those from the states of the NER show no initiative in dispelling any pre-conceived notions regarding themselves and their lifestyles, or indeed of bridging the communication gap. Such alienation perpetuates an isolationist attitude among the people of the North Eastern states. This perception of ‘outsiders’ as negative or unwelcoming people then spreads even to those in the states themselves, for that is all they hear from their friends and relatives in other metro cities. This perception can be changed only when dialogue between the people of North Eastern states and people from other states is established.

### 2.3.3 Labour and Employment:

Labour in Manipur and Nagaland is available, but is not necessarily skilled due to the lack of professional or vocational training institutes. Labour force participation and unemployment figures in both states are:

<table>
<thead>
<tr>
<th>State</th>
<th>Labour Force Participation Rate (persons aged 15 above, 2013-14)</th>
<th>Unemployment Rate (persons aged 15 and above, 2013-14)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Manipur</td>
<td>72.7</td>
<td>32.4</td>
</tr>
<tr>
<td>Nagaland</td>
<td>65.3</td>
<td>34</td>
</tr>
</tbody>
</table>

*Source: Report on Employment and Unemployment Survey 2013-14\(^{55}\)

One of the common arguments made is that unemployment among locals is high because illegal immigrants from neighbouring Myanmar and Bangladesh provide cheap labour. The presence of Bengali labourers in Dimapur (Nagaland) is clearly observable. In Manipur however, the migrants that cut into the labour market are Chin and Rohingya people that come across the border from Myanmar. The socio-cultural aspect of such movements of people comes from the fact that these communities’ traditional territories are spread on both sides of the Indo-Myanmar border. As a result, any movement of people from one side of the border to the other is scarcely reported as the locals simply say that their kin are visiting or staying with them. This makes it difficult for authorities to distinguish Indian citizens from their Myanmarese kin. This complicates the demographic profile of the state as well as increases pressure on an overburdened labour market.

In Nagaland in 2007, the income from skilled labour stands at Rs. 266.97 crore and income from unskilled labour stands at Rs. 183.59 crore in the unorganized services sector.\(^ {56}\) According to a

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report of the evaluation study on Employment of Non-Nagas in the State, the Directorate of Evaluation of Nagaland mentions that the state had launched initiatives at the time (2006-07) under the Chief Minister’s Corpus Fund for employment generation and capacity building. This had 5,000 beneficiaries at the time, but the need for developing more sectors for employment (rather than just increasing the number of jobs) has been acknowledged. The report has also highlighted that the services sector needs to be developed but given the state’s economic position, the creation and maintenance of professions like doctors, engineers and software specialists cannot be supported by it. This is one the major causes of the movement of youth from states like Nagaland and Manipur (where the situation is quite similar) to other states and cities in the country to pursue gainful employment in the field of their choice. This is one the issues that both Nagaland and Manipur need to address – the development of infrastructure for supporting service sector professions which the states need to sustain healthy economies. Both states also need to focus on setting up vocational and professional training institutes in fields like horticulture, renewable energy, nursing, hospitality in order to boost the chances of the educated youth in the state. This will help tap into the potential of the educated/skilled labour pool so that they may contribute positively to the development and progress of their own state.

The gender gap in employment is also an issue of concern. The figures in the table show that female labour force participation is only half that of male labour force participation. Often this is a result of girls not completing their education or not being able to pursue skill development training. The lack of service sector jobs, lack of development of other avenues of employment or even entrepreneurship, oversaturation of government sector and the fact that each government job comes at a price – means that the educated youth that do make it through the education system in these states are left with little choice. This is the kind of situation that insurgent/militant groups capitalize on when they recruit new cadres. This leads to various security concerns (which are elaborated on in section 3), and is also a major contributor to the apathy and resentment that students and youth have towards government and administration. It is apparent that there is a gap in the demographic dividend available to the states and capitalizing on the human resource available. This must be taken note of and policy decisions to remedy the same must be taken and implemented at the earliest.

58 Ibid.
3. Security:

3.1 Insurgency and State Security:

The states’ internal security apparatus consists mainly of state police and paramilitary forces like the Central Reserve Police Force (CRPF), Assam Rifles and Border Security Force (BSF). Both state police and paramilitary forces’ function has been maintaining security within the state and combating insurgent cadres and their activities. The most active insurgent groups in Nagaland are the National Socialist Council of Nagalim (NSCN) – which split into factions in 1988 namely, Isak-Muivah (NSCN-IM) and Khaplang (NSCN-K). The NSCN is considered to be the ‘mother of all insurgent groups’ in the North East. The longest running peace process negotiations of the Union of India have been with these Naga insurgent groups. Dr. Namrata Goswami gives a succinct history of the Naga tribes and the etymology of the word ‘Naga’ in her chapter ‘The Naga Rebel Groups’ Narratives of Dissent’ in India’s North East: New Vistas for Peace. The reason that Naga insurgency holds such significance is because it was one of the first post-independence, nationalist/secessionist movements in India. However, the NSCN in recent years has seen an overall downswing in activity, especially since the split and operationalization of the factions.

Similarly for Manipur, the major threat comes from what is known as the CorCom or Coordination Committee, which consists of six valley-based underground organizations. These six outfits are Kangleipak Communist Party (KCP), Kanglei Yawol Kanna Lup (KYKL), People’s Revolutionary Party of Kangleipak (PREPAK) and its progressive faction (PREPAK-Pro), Revolutionary People’s Front (the political wing of the Manipuri People’s Liberation Army), United National Liberation Front (UNLF) and United People’s Party of Kangleipak (UPPK). These outfits have been agitating for an independent Manipur, since the establishment of the UNLF in November 1964. In fact the UNLF has maintained that its mission has been to liberate Manipur from “colonial occupation in the larger context of liberating the entire Indo-Burma region, for a common future.” Apart from these outfits, there is also the spillover of Naga insurgent groups from Nagaland in to Manipur, especially in the hill districts along the inter-state border. Due to the activities of Naga groups in the hills, they have come into conflict with the Kuki tribes of these hills and this interaction has also made the call for a Kukiland even stronger. The demand for Kukiland creates direct conflict with Naga groups’ demand for Nagalim, as the territories claimed in each case overlap. Conflict between the Isak-Muivah and Khaplang factions has also contributed to the violent activities in the state. All these factors make the security conditions in both Manipur and Nagaland very fragile.

Peace talks with insurgent outfits like NSCN-IM have been a protracted affair, having begun with ceasefires in 1964, 1968 and then from 1997 to date. The group has however increased its armed cadre from 3,000 in 1997 to about 5,000 in 2014. This means that despite the ceasefire agreement and on-going peace negotiations, the group continues to carry out activities (mostly

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those related to collection of funds for their operations) which could range from extortion to trafficking and illegal taxation.\textsuperscript{63} These activities cannot be proved as sources of funding due to the lack of evidence. However, the local populace, administrators and media persons in the states attest to being pressured to pay a certain amount from projects, businesses and individual incomes to the insurgent cadres as their ‘share’. The UNLF, PLA and PREPAK in Manipur have not responded to the peace process. The CorCom does not recognize the Constitution and as a result will not come to the table for peace talks with either the central or state government. Central and state governments signed a Suspension of Operations agreement with Kuki rebel outfits (the Kuki National Organization and United People’s Front) on 22\textsuperscript{nd} August, 2008.\textsuperscript{64} Officials have maintained that over 30 militant organizations in Manipur have joined the peace talks since 2008.\textsuperscript{65}

This long drawn out peace process has not prevented other activities such as extortion and trafficking from occurring. State security forces have also been burdened with dealing with intermittent violence as well as bomb blasts and abductions. There is a relationship between politics and insurgent activity. This has been studied and presented in the form of a logistic regression for probability of militant attacks by Bethany Lacina in her chapter ‘Rethinking Delhi’s North East India Policy’ in Beyond Counter-insurgency edited by Sanjib Baruah. The study finds that the highest probability for occurrence of a militant attack is on days of election and national holidays, with a co-efficient of 2.32 and 1.57\textsuperscript{66} respectively. This serves as a reminder that insurgents are trying to make a political impact in order to make their presence felt. Activities such as extortion, trafficking and blockades which affect economic activity are but tools to put political pressure on the state.

In the peace process, state security, namely state police and Assam Rifles (AR) handle interactions with and the surrender of insurgent cadres. This keeps the state police tied to combat operations, on their own or jointly with the paramilitary force of the AR. This has caused a strain on the police force’s capacity, with regard to the functions required for maintaining peace and order at the local level. State police forces have had no reduction in their combat operations. Skills such as investigative methods, technology and forensics have not been developed, since mid and lower level officers need to be combat-ready at most times. Local security has to coordinate with the AR in response to insurgent activities, mostly for ‘combing operations’ however there is negation of unified command in the field. This is because the AR, as a paramilitary force is in the state of Manipur upon the invitation of the state government (since the declaration of Manipur as a disturbed area in 1978 and the implementation of the Armed Forces Special Powers Act of 1958 in the state). AFSPA was repealed from seven assembly constituencies following the Thangjoum Manorama Devi case in 2005. However the army and

\begin{footnotesize}

\textsuperscript{63} Ibid.


\textsuperscript{65} ‘Over 150 Manipur rebels surrender’, The Telegraph, September 9\textsuperscript{th} 2013. http://www.telegraphindia.com/1130910/jsp/northeast/story_17330230.jsp#.VRu1yyUF9U


\end{footnotesize}
AR continue joint operations in Manipur with the help of the state police. This is where the state police play a major role in maintaining security in the face of insurgent activities.

One of the issues that the state police in both Manipur and Nagaland have been experiencing is with the surrender and rehabilitation of insurgent cadres. Since the peace talks have been initiated with several militant groups, reports of several insurgents surrendering their arms and themselves to the state have been increasing. Media reports have brought to light that in order to feign efficiency in combat operations and the surrender of insurgent cadres, security forces resort to false flag operations. For example, two men who were hired as labourers but who would have been made part of a surrender program by the AR 1\textsuperscript{st} Battalion, had they not made their way out of the AR camp.\textsuperscript{67} Such reports and incidents highlight two possibilities. One, that the security apparatus is ill equipped to carry out such responsibilities as are assigned to them or two, that they are unwilling to tackle insurgents head on because they want to maintain the status quo in order to keep their work in the states relevant.

The Hegde Committee report on extra-judicial killings in Manipur, presented in 2013 stated that the functions of the Manipur state police included joint operations with AR in combating insurgency and conducting searches and investigation regarding insurgent activity after gaining information from sources. The report has highlighted the fact that there are several lapses in standard operating procedures from Manipur State Police Commandos (CDOs) and the accompanying AR officers. Empty rounds or cases of bullets are not collected or accounted for which leads to uncertainty in determining the number of shots fired.\textsuperscript{68} Such information can often provide crucial evidence as to the number of bullets fired by security forces and those fired by purported underground (UG) cadres of insurgent groups. Joint operations are often carried out based on information gained from sources. These sources are apparently graded according to their veracity and those with the highest grading are not cross-checked, but actions taken based on the information provided right away.\textsuperscript{69} The ‘guides’ that lead the convoys of the security forces often travel in the first car which is the AR car with no ‘guide’ for the CDOs car. The guides often cannot identify the “place or the suspect during the operation”\textsuperscript{70} which results in the death of suspects without verification. This has caused several problems in combat, combing, search and rescue operations.

Once underground cadres have been captured or they have surrendered the state police do not have clear directions on how they are to be rehabilitated into society. A society that may view them with suspicion or that may be entirely indifferent to them. Police officials detailed that funding is available however the infrastructure to assimilate or rehabilitate these cadres is absent. Vocational training would be an important aspect of assimilation or rehabilitation, but skill development and vocational training institutes are few in number. Attempts to assimilate these cadres into local security forces, in order to utilize their knowledge of insurgent field activities,

\textsuperscript{67} ‘Two claim they were made part of surrender drama’, Imphal Free Press, 24\textsuperscript{th} February 2013. http://kanglaonline.com/2013/02/two-claim-they-were-made-part-of-surrender-drama/


\textsuperscript{69} Ibid, pg. 82.

\textsuperscript{70} Ibid, pg. 83.
have boomeranged and created more issues than they have solved. Cadres have been found to jeopardize security operations by passing information on to their underground connections.

The Ministry of Home Affairs has noted in its major initiatives in the North East that in the eight states a total of 16,710 extremists have been arrested, 7,513 have surrendered and 2,627 have been killed between 2007 and 2014. These statistics cover all extremist groups in all eight states of the region. However, the most active groups are found in Assam, Manipur and Nagaland. Despite the number of cadres that have been captured, killed or that have surrendered, outfits like the NSCN-IM have seen their armed cadre swell from 3,000 (in 1997) to 5,000 (in 2014) as detailed by a police official.

Source: Ministry of Home Affairs

[Image of a graph showing the number of extremists arrested, killed, and surrendered from 2007 to 2014.]

Source: Ministry of Home Affairs[71]

The MHA commands paramilitary forces like CRPF and the Assam Rifles. In the coordination of security within the state, police require backup and often call for the AR in such situations. Recently, close on the heels of the bombings in Assam, there was civil unrest in Ukhrul district in Manipur, where the police needed back up and requested backup from the AR. However, the AR could not respond to the urgent call for several hours as AR required MHA clearance to provide backup. This resulted in the unrest escalating, with the police forces being unable to effectively contain it. Since it was civil unrest, no one was hurt. However, had this been a confrontation with insurgent group cadres, things could have been much worse. Such situations require urgent action and in the absence of requisite manpower and preparedness, they can devolve into more dangerous circumstances. The opinion of police officials in this regard is that due to the inability of AR to respond quickly in such emergency situations, operational decentralization would be helpful. Establishing a direct line of communication between state police and the MHA in the event that such emergency situations crop up would help in efficient coordination of action on the security front.

The functioning of a police headquarters in both Manipur and Nagaland is heavily dependent on the intelligence received by their officers in the field. Intelligence sharing is common between the police forces of different states. The best example of this is successful combing operations carried out by Assam Police and Nagaland Police, in Karbi Anglong district of Assam which led to the capture of a senior ultra of the Karbi People’s Liberation Tigers (KPLT) in mid-February this year. Intelligence sharing is conducted smoothly between police departments, but is slow between military, paramilitary and state police. Improving channels of communication for prompt intelligence sharing between all security forces would help boost internal security in both Nagaland and Manipur.

3.2 Drugs and Arms Trafficking:

Manipur shares a 398 km and Nagaland shares a 215 km border with Myanmar. Both states have a large quantity of narcotics and arms smuggled across the length of this porous border. The construction of an Indo-Myanmar border fence or Indo-Burma barrier had been suggested in 2001, in order to tackle the drugs and arms trafficking across the border. The Indo-Burma barrier has been in the works since 2003 but due to border disputes between India and Myanmar with the ownership of 9 border pillars being contested it has faced delays. Several NGOs and communities across states (mainly Nagaland, Manipur and Mizoram) such as the Lushais, Chin, Naga and Kuki people have protested against fencing. Their claim that it would affect communities living in the regions straddling the border is valid. A further concern with the construction of this fence was from political parties that protested against it on the grounds that with its construction, India would be losing land to Myanmar. The central government at the time had assured that no such thing would occur. However since December 4th 2013, the construction of the border fence by BRO has remained suspended until a time that an amicable solution can be found to this issue with the Myanmar government.

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The quantity of drugs transported via the trafficking routes from the Golden Triangle (Myanmar-Laos-Thailand) across the Nagaland-Manipur border with Myanmar is significant. Some records of the Narcotics and Affairs of Border department of the Manipur Police provide a glimpse of the scale of drug trafficking. The following table provides the quantity of narcotic drugs and psychotropic substances that the Manipur Police has been able to detect and seize since the inception of the NAB in 1987 (figures are current up to June 2014).

<table>
<thead>
<tr>
<th>Drug/Substance</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heroin</td>
<td>36.73 kgs and 300 mg</td>
</tr>
<tr>
<td>Opium</td>
<td>57.32 kgs and 130 mg</td>
</tr>
<tr>
<td>Ganja</td>
<td>40,843.9 kgs</td>
</tr>
<tr>
<td>Methamphetamine</td>
<td>80 kgs and 400 tablets</td>
</tr>
<tr>
<td>Diazepam ampoules</td>
<td>1,644</td>
</tr>
<tr>
<td>Phensedyl and other cough syrup</td>
<td>14,126 bottles</td>
</tr>
<tr>
<td>Relipen tablets</td>
<td>75,000</td>
</tr>
<tr>
<td>Spasmo-proxivon (SP)</td>
<td>354 strips/2,43,981 capsules</td>
</tr>
<tr>
<td>Nitrosen tablets (N-10)</td>
<td>140 strips/4,900 tablets</td>
</tr>
<tr>
<td>Modified empty gas cylinder</td>
<td>10</td>
</tr>
<tr>
<td>Ephedrine</td>
<td>30 kgs</td>
</tr>
<tr>
<td>Brown sugar</td>
<td>2.48 kgs</td>
</tr>
<tr>
<td>Pseudophedrine</td>
<td>41.314 kgs (27,416 strips/16,48,064 tablets)</td>
</tr>
</tbody>
</table>

Source: Narcotics and Affairs of Border Cell, Manipur Police

Nagaland Police have had similar hauls, though the quantity brought in through the border with Nagaland is lesser owing to less viable routes as compared to Manipur’s border town of Moreh. Moreh is a town that was known as multicultural until 1991 when Naga and Kuki groups staked their claim to the town, which had up to that point been settled by Meiteis, Punjabis, Tamils, Chinese and Burmese (all who came across the border from Rangoon when the junta began taking over in Myanmar around 1960). The 2011 Census put the population of Moreh at 16,000 but this has been disputed by the Meitei Council which claims it is 35,000 while the Kukis claim the figure is 20,000. The conflict over control over trade in the town has made it a cradle for Kuki and Naga violence. Despite this, it remains a thriving transit point for drugs and arms coming from across the border. The proposed Integrated Check Post (ICP) at Moreh has not materialized. Despite this, Customs officials from the Local Customs Office claim that they and the Assam Rifles have been doing their best to keep track of the trade.

In Nagaland, the districts on watch for drug trafficking are Mon, Mokokchung and Tuensang with the main transit point being Noklek in Mon. Kohima is also a transit point for drug consignments coming in from the hill districts in Manipur. It is a misconception that the drugs come only from outside our borders. The hill districts – Ukhrul, Senapati, Tamenglong and Chandel grow and supply a substantial portion of the marijuana, opium and heroin that

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73 Narcotics and Affairs of Border Cell, Manipur Police. [http://manipurpolice.org/nab.htm](http://manipurpolice.org/nab.htm)
75 Ibid.
constitutes the narcotics trade in the region. The farmers growing these depend on the trade for their livelihoods as the “government’s initiatives to commercialize farming are yet to take off”.

This leaves them with growing such crops as the easiest option to earn an income. This pattern may also explain why the hill regions and interior villages in both Manipur and Nagaland do not grow other cash/commercial crops. If the alternative is something that will give them easier returns on their labour and time, they will choose the crops that guarantee some livelihood.

Underground cadres play a significant role in transporting drugs (their use of drugs is not pronounced according to police officials). However, some insurgent cadres do seem to crack down and kill drug addicts and peddlers. Regional experts are of the opinion that this is merely a ploy for convincing locals that the insurgent groups have social well-being as one of their goals. Arms’ trafficking is carried out along the same routes as drugs. However, the supply and demand for arms comes from different actors. In the case of insurgency however, drug trafficking and gun-running go arm in arm, as the drug trade brings in funds for arms purchases and arms deals finance the drug trade. The cycle is vicious and considered very difficult to break. In towns like Moreh however, the drugs and arms trade is not the only source of funding for militant groups. Trade in items like Burmese teak, cement and heavy machinery brings in a lot of revenue for militant groups.

The customs office and Department of Commerce and Industries in Manipur have expressed their concern over this trade. Most of the trade in Moreh is based on the barter mechanism and is carried out within 40 km stretches from the border. Both have suggested that a Special Economic Zone be set up to encourage border trade and connections with South East Asian trade lines.

“The setting up of Special Economic Zone at Moreh aims at;

a) Exemption from Customs duty, Central Excise Duty, CST, etc.

b) Promotion of economic activities by curbing the illegal activities and capturing revenues

c) Promotion of clusters of small scale tiny units to create employment opportunity and develop export.

d) Creation of infrastructural facilities like communication including helicopter service, banking, post office, residential complex, power, water, etc.

e) Strengthening of Counselling cum Grievances Redressal Cell and activating the State Level Export Promotion Committee (SLEPC) with the creation of Single Window Clearance.”

Encouraging legal trade along the India-Myanmar border may serve as an effective mechanism for curbing the illicit trade. This is a solution that can be implemented, but only with efficient development of infrastructure and significant political will can this be achieved.

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Trafficking routes are shown in the following map.

The movement of refugees and illegal immigrants across the border is among the top security concerns of the state security apparatus. Despite state police, paramilitary forces like Assam Rifles and Border Security Forces working in tandem, there has been a steady flow of refugees coming in from Bangladesh and Myanmar. Chin and Rohingya refugees coming in from Myanmar are a greater concern for Manipur and Nagaland, as both states share frontier borders with this neighbouring nation. The most prominent solution to cross border movement has been putting up border fencing. However, owing to the lack of manpower patrolling fenced borders is a challenge and often cannot be done in a uniform manner. For example, as of 2013 of the 46

battalions of Assam Rifles in both states, only 15 are deployed for border security. This is seen as a symptom of the lack of attention policy makers in Delhi give to issues along the India-Myanmar border.

Influx of refugees and illegal migrants not only changes the demographic composition of the states but also places greater strain on economic opportunities and resources. This is therefore a security concern that needs to be effectively addressed in order to facilitate efficient governance of border areas. Since border fencing comes with its own problems, an alternative solution that has been suggested is creating a National Register of Citizens (NRC, similar to Assam, in the process of being updated since October 2014) and ensuring that citizens are registered in this database along with regular updates of citizen details. This can be done under the aegis of the Digital India mission for ease of implementation, registration and access. This initiative could also be carried out in partnership with the Office of the Registrar General and Census Commissioner, in coordination with the National Population Register. Illegal migrants would be the loudest voice of protest to such a move. However, two possible advantages of such an initiative are that people of the states realize that they are recognized as citizens of India. Secondly, a record of the ethnic communities in both states will be created which can be tallied with the number of people in both states and the participating labour force, which would help weed out the illegal migrants. The socio-cultural aspect of this however must be paid attention to, as cross-border communities like the Nagas and Chin do not recognize government borders in order to remain in touch with their kin on either side of state lines.

This section focused on insurgency in Manipur and Nagaland, drugs and arms trafficking, illegal immigration and the functions of security forces within the state in dealing with it. Some of the issues that security forces face in their counter-insurgency operations have been detailed above. The data provides a picture of the effectiveness of security operations with the states. The next section will detail another aspect of security in the region, human security.

### 3.3 Human Security – Political Aspects:

Human security is the security of an individual, which when provided to him/her, allows them to constructively contribute to the social, political and economic advancement of the state. The United Nations Development Program’s Human Development Report of 1994 aptly notes that “freedom from want” and “freedom from fear” are important characteristics of human security. The components of human security include economic, food, health, environmental, personal, community and political security. Previous sections of this report have discussed economic and health security in the context of development. This section will focus on the personal, community and political security aspects of human security and its effect on governance and policy implementation in Manipur and Nagaland.

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3.3.1 Addressing Socio-cultural Insecurities:

The tribal forms of governance, in the forms of *hohos* (traditional council of chiefs of the Nagas) and similar decision-making structures among the Meitei and Kuki peoples of Manipur have survived from the pre-colonial era. These governance and decision-making structures have determined the course of the lives of these people for several generations. These traditional cultural structures have been juxtaposed with the superstructure of federal governance style, wherein traditional tribal councils have been replaced by or become peripheral to the Union and state governments. This is often perceived as a threat to identity and existence by several tribes. The top demand in most agitations, protests and negotiation processes has been either complete autonomy, or the granting of a greater degree of self-governance. This pattern highlights the emphasis that tribes place on their distinct identities and as a result on their right to self-determination.

When assimilating a people into a nation, acknowledging their ethnic identity is the key to making them feel secure within the purview of the nation’s government. It is crucial that people feel respected and not ignored. Insecurity breeds fear which in a political context generates backlash from those experiencing it. The following explanation of causes of ethnic conflict will help throw some light on this phenomenon.

3.3.2 Theories of Ethnic Conflict:

The primordialist approach to ethnic conflict emphasizes that “tendencies towards xenophobia and intolerance are more natural to human societies than liberal politics of interest”83. The inherent ‘otherization’ of those that do not belong to a homogenous group creates the potential for ethnic conflict. This approach also highlights the fact that identifying with a historical tradition creates a strong emotional bond with an idea of identity and hence legitimacy. These are the factors at play in the case of most Naga, Kuki, Meitei and other tribal claims in both Manipur and Nagaland. The Sixth Schedule of the Constitution provides for autonomous councils for districts and regions in Assam, Meghalaya, Mizoram and Tripura. Similarly, Article 371 of the Constitution recognizes the customary laws and practices of Naga tribal councils (*hohos*) in the special provisions for the state.

However, there are grey areas in these customs and their usage especially in different Naga tribes. This becomes an issue during decision-making, wherein hohos could take a decision but these may not be effectively administered within the state structure owing to the juxtaposition of federal governance on a tribal council’s governance (as mentioned earlier). This can become cause for resentment on both sides, wherein the tribal people perceive the lack of action on their decisions as an affront, while government officials and administrators perceive the inflexible position of the tribal people as non-cooperative behaviour. Senior journalists from Manipur have noted that the current generation in Manipur suffers from an identity crisis – wherein young children are not taught the national anthem but they do recognize the foundation days of whichever militant groups are active in the area. Their perception of nationality and where their

loyalty should lie is completely skewed as a result. The participation of the state in the political fabric of democracy thus remains nil. In the federal system of politics, people from the NER assume that the system is skewed against them. This mistrust can and has hindered governance and policy implementation in the state.

In an area like the NER topography and lack of industry also create a competition for resources. This tends to exacerbate ethnic tensions already present in the region. Hill tribes are territorial with regard to resources and people from valley areas tend to have control over transport and connectivity. This brings up various fronts on which tribes can come into conflict with one another. An example of this has been explained in the previous section on insurgency, where Kuki tribes and Naga tribes came into conflict over territorial claims each made for Kukiland and Nagalim that overlapped each other. This complicates the conflict in the region as it no longer remains a state-insurgent conflict, but also takes on the shape of inter-tribal conflicts. The incident of two warring tribes in Tuensang district of Nagaland was a bone of contention for the state, wherein local outfits like the Kedahge of Federal Government of Nagaland (FGN) and BJP Nagaland unit called for peace and mutual understanding between the two tribes. Police and district administration were asked to exercise caution in dealing with the situation so as to “ensure understanding and mutual co-operation amongst various tribes of the state”84. When it comes to security, traditional practices like head-hunting, practiced even now among certain Naga tribes (especially in villages in the interiors) pose a complex problem to the state. The state must intervene as the practice itself is a violent activity, however any intervention by the state will be seen as an infringement of the traditional ways of the tribes. A balanced standard operating procedure to address these issues must be developed and security forces sensitized and trained in implementing the same.

Ethnic conflict is often manipulated by political actors to their own advantage. The political entrepreneurs approach explains this very well. Institutional inability to regulate inter-ethnic conflict creates conditions in which political actors manipulate ethnic emotions in order to mobilize groups of people for their own political purposes.85 This means that political actors serve their own vested interests by exploiting people that are already embroiled in conflict for protection of their rights and customs. In Manipur and Nagaland, there are both tribal and non-tribal populations. The interests and goals of each of these may not be mutually inclusive all the time. This is another cause of conflict. From the perspective of economic security, those that are socio-economically privileged (even within tribal communities), capitalize on the opportunities available to them. Their growing privilege causes stratification and class formation within tribal communities. This class of privileged tribals becomes the one with vested interests. They then use tribal interests as a euphemism for personal interests. This tends to skew all political and economic debates on the topic of conflict.

Vested interests have intervened in several development initiatives as elaborated in previous sections. This issue needs to be addressed and can be effectively dealt with when central and state governments succeed in convincing the various tribes and people of Manipur and Nagaland

that their socio-cultural practices, communities as well as personal and political interests will not be jeopardized. Once the people are convinced, only then will there be any progress in negotiations with insurgent groups and other civil outfits that protest government activity in these states. The state and central governments need to also ensure that the tribes, insurgent groups and civil outfits understand that in order for efficient governance to be carried out, their cooperation will be essential. Once the government gains the confidence of the people and the people of Manipur and Nagaland trust those in the administration, while also holding them accountable to their functions, productive outcomes from efficient policy implementation can be achieved.

3.3.3 Inter-play between Traditional and Modern Governance Structures:

Traditional governance structures like hohos or village councils play a very important role in allowing people to feel secure in the identity and authority that come with traditional customs. It allows them to feel that their voices are heard, understood and respected within their own context. The difference between traditional and modern governance structures in Manipur and Nagaland is highlighted by the fact that Manipur has a relatively successful Panchayati Raj system in place. However, Nagaland is distinct even among the North Eastern states because the 73rd Amendment Act does not apply to it and it enjoys special status under Article 371(A). Article 371(A) specifies that “no Act of Parliament in respect of,

i) Religious or social practices of the Nagas
ii) Naga customary law and procedure
iii) Administration of civil and criminal justice involving decisions according to Naga customary law
iv) Ownership or transfer of land and its resources

shall apply to the state of Nagaland unless the Legislative Assembly of Nagaland by a resolution, decides so.”

Thus with protection of customary law and practices, the tribes in Nagaland could be certain of their traditions and culture being left to their authority and protection. However, this does not seem to have allayed their fears regarding the administration of the state.

Manipur, on the other hand, transitioned from being a kingdom with village councils led by khulakpas being traditional governance units to a state with a relatively successful Panchayati Raj institution. However, the Panchayati Raj institutions are restricted to the valley districts as the hill districts (which have the tribal Naga and Kuki populations) have retained their traditional tribal governance customs under Article 371(C) of the Constitution. The administration of the Hill Areas of Manipur is conducted as per the Manipur (Village Authorities in Hill Areas) Act, 1956. None of the areas of Manipur come under the auspices of the Sixth Schedule of the Constitution, though it has been recommended by the National Commission to review the working of the Constitution (under the Chairmanship of Justice M. N. Venkatchaliah) in its

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report (dated 3\textsuperscript{rd} March 2002) that the Sixth Schedule be extended to the Hill Districts of Manipur.

Gram Panchayats exhibit a healthy level of efficiency in most areas in Manipur. There have been women sarpanchs and there are women members in the panchayat samitis as well. However, the male members or male family members surrounding women in these roles influence their decisions, hijacking their voice in the process. Once this problem was recognized, certain women pradhans asserted their authority and voice, expressing their opinions. Other issues with decision-making at this level are related to the allocation of funds (with only meager funds being available to gram panchayats to begin with). A gram sabha or panchayat will have a certain number of seats reserved for SCs/STs. The tribal communities are often excluded in decision-making, as the few STs that hold seats in a panchayat do not think that their voice could make a difference in the decisions taken in a body where the majority was Meitei. The distinctions in decision making and the experiences of members, pradhans and upapradhans have been well documented by N. Vijaylakshmi Brara in her chapter ‘Brushed under the Carpet’ in *Inclusion and Exclusion in Local Governance: Field Studies from Rural India*. The chapter lays out the difference between decisions taken and funds allocated based on the presence of women, SCs and STs in the panchayats.\textsuperscript{88} At the grassroots these issues of discrimination, misappropriation or diversion of funds and extortion of funds from panchayats by underground cadres cause insecurity and resentment among the people.

Prior to the 73\textsuperscript{rd} Amendment, BDOs (or Block Development Officers) played the important role of being the interface between village level gram panchayats and district authorities. Since the Amendment however, the abolishment of middle level panchayat samitis has meant that BDOs no longer have any statutory role.\textsuperscript{89} This has led to the loss of an important official link between the grassroots level and government authorities. Too many layers of governance without effective communication channels lead to a system where duplication of processes causes inefficient outcomes. Manipur’s women are a visible part of society, as evidenced by the presence of Meira Paibis and their representation (ironically, under reservation) in governance and decision-making bodies. It was in the recognition of their activities as ‘the ones who keep watch’ that they were accepted as members of panchayats.\textsuperscript{90} Tribals do not yet enjoy such acceptance, the recognition they receive is limited and only grudgingly so.

Indigenous structures or movements like the Meira Paibis are highly respected, but of late their waning influence has become an issue of concern. This decrease in respect for traditional women’s power bases has been blamed on “transition of governance from feudal institutions to the yoke of democracy”\textsuperscript{91}. People harbour such animosity towards institutions that they do not recognize as their own. Establishing dialogue with them to explain that both traditional and modern governance structures can co-exist is important.

\textsuperscript{89} Ibid: pg 310.
\textsuperscript{90} Ibid.
\textsuperscript{91} Yenning, ‘Is the Meira Paibi Movement Facing Extinction?’, The Sangai Express, April 29\textsuperscript{th} 2015. 
In Nagaland, village councils and village development boards (VDBs) function as the decentralized local governance institutions of the state constituted under the provisions of the Nagaland Village and Area Council Act, 1978. Gaonbusas are ex-officio members of the village councils. Dhobashis are government agents that deal with customary laws and preside over dhobashi courts. Village councils usually settle disputes though their decisions can be appealed at dhobashi or district courts. Village councils are not the same as a tribal hoho (council of chiefs) and VDBs have all permanent residents of a village as members. A separate Managing Committee runs the affairs of a VDB and the village council chooses the members of this Committee. The VDB itself is a non-banking financial intermediary which is responsible for the implementation of projects/schemes under the State Plan and Centrally Sponsored Schemes such as the SGSY, MGNREGS, micro-finance, matching cash grants and more. This decentralized local governance structure is neither too far-removed from traditional governance structures like the hohos, but neither are they recognized as institutions that allow the people to retain autonomy in their affairs.

The Naga Hoho or apex tribal organization in the state has often made statements and appeals to both state and central governments and their agents in order to draw attention to important issues. The most recent incidence of this was in early February when the Hoho appealed to dissident factions of the Naga People’s Front (NPF) to reconcile their differences in order to end the political crisis in the state. Similarly, the tribal organization expressed its hope that the BJP government at the centre would help bring about an “honourable and acceptable political settlement of vexed Naga political issue”. Such statements or appeals imply that the Hoho can express its opinion and push for certain issues, but cannot have a say in decisions or outcomes. This is where the disconnect between the traditional and modern governance structures has caused a problem. As one government official rightly stated, the imposition of the superstructure of a state has caused traditional tracts of councils and tribal identities as associated with the geography of the land to be broken into units accepted by the state and central governments.

In both states, local governance structures and attempts at decentralization seem to have gained only limited success. This can be attributed to the multiplicity of identity that the people here deal with in their daily lives. They still have strong cultural affiliations to the traditional processes and structures used in the time of the Manipuri kingdom. Their cultural and religious identities, tribal identities, hill and valley identities are all layers of their identity that they attempt to reconcile with the modern structures and societal norms in their lives.

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92 Dr. K. G. Karmarkar and Dr. G. D. Banerjee, ‘Village Development Boards (VDBs) in Nagaland’, NABARD.
95 Ibid.
State and central governments need to carry out confidence-building measures with the people. Dialogue with the people will help them outline their ideas in this regard and help determine whether weaving identity into a place of trust in governance structures will help them interact better with the administration and the system. After all, if apathy has grown to the point that school children in Manipur are no longer taught the national anthem (as observed by a journalist), addressing the complaints of people with governance structures and processes is crucial. People of both states resent government without discrimination. That is, whether it is the state or central government, irrespective of which political party is in power, the people nurse a feeling of animosity towards government and governance structures. Some issues at the grassroots, such as diversion of funds and only meagre availability of funds in panchayats are causes for this. The conclusion that neither state nor central governments care to improve on-the-ground conditions for the people leads them to perceive government as apathetic and therefore resentment fester. Such resentment needs to be met with an active presence of genuinely concerned political and government actors in these states. If this is achieved without imposing authority on the people but welcoming them, it will counter the distrust and skepticism in people’s minds and provide opportunities for interaction between the people and political and government actors.

3.3.4 Class Formation in Tribal Communities:

Tribal communities are known to practice equal access to resources as the communities survive on participatory economic activity. The advent of technology and modernity in states like Nagaland and Manipur meant that traditional and cultural practices were replaced by modern practices. For example, jhum or shifting cultivation has been transformed into settled cultivation with modern agricultural practices through community driven development (CDD) initiatives like NEPED. This has its pros in the form of conserved land use, increased yield and diversity of crops. However the biggest drawback has been the transformation of what was a community resource (land) into private property, thus concentrating gains in the hands of a few.

Those that have become wealthier and gained higher socio-economic status have now become those in authority and often favour those that are connected to them. This creates the characteristic class divide, where those in privilege seek to expand it and those that have little struggle. It is also noted that the privileged few are those that make tribal interests a euphemism for their own vested interests. This elite layer of society then embodies that the personal is political, giving tribal interests as a reason for their lack of political will to change entrenched systems that benefit them. This class formation creates animosity towards the wealthy few, which with a mix of ideology easily turns in to the brew of militancy. However, as has been mentioned before in this report, conflict and politics go hand in hand in states like Manipur and Nagaland. Dealing with a lack of political will is scarcely possible with policy interventions. Dialogue and negotiation would be the only effective routes to finding a solution.

The socio-economic and political issues in Manipur and Nagaland have been discussed above. Major problem areas have been identified, which can be addressed through policy interventions. The following section will present a policy framework within which the issues detailed in previous sections can be addressed.
4. Integrated Policy Framework:

The states of Manipur and Nagaland have problems with regard to development, infrastructure, optimal use of resources and security. These issues have been discussed in detail in previous sections. This section will outline an integrated policy framework that will require institutions and administrators to work together as components of a whole in order to boost the economic, social and political performance of Nagaland and Manipur. A policy framework is a logical structure within which policies or guidelines for policy implementation are placed in different categories. This enables the tracking of interactions and connections between institutions and actors that are involved in policy planning and implementation and makes the framework an organic, evolving system. The framework helps establish the role of different institutions as well as actors within an environment. In Manipur and Nagaland, the various issues and the policies required to address them make both states complex systems.

The policy framework presented here aims to address the complex systems and their various interactions. It is qualitative and simpler than the eventual target implementation systems that state and civil actors must establish, to ensure functional and feasible policy implementation. The policy framework is categorized under governance, infrastructure and development and security. The policy recommendations are grouped under the above categories, but it must be noted that for any changes to be implemented and for these changes to have a positive impact, a coordinated effort by different institutions and actors is essential.

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The function of good governance practices is to ease or reduce transaction costs and minimize risk in the pursuit of socio-economic growth and development. Governance practices in both Manipur and Nagaland have been lackluster in this regard. Policy recommendations and action points for the same;

- The North Eastern Council which acts as an advisory body and has since the North Eastern Council (Amendment) Act 2002 been reduced to a nodal agency for disbursing funds for projects in the North Eastern states, needs to have its review, conflict resolution and security coordination functions restored. The North Eastern Council (Amendment) Bill 2013 which was tabled in Rajya Sabha on March 11th 2013 addresses this. The amendments to the North Eastern Council Act under this Bill include,

1. Inserting a new sub-Section (1A) under Section 4 of the Act to restore the function of the NEC to discuss any matter in which the states, or the Union have a common interest and advise Central and State governments regarding action to be taken in such a matter.\(^{100}\)

2. Under the original Act of 1971, the NEC also had security coordination in the region as one of its functions. The Inspector General of the Assam Rifles acted as ex-officio security adviser to the NEC. Since the amendments, this function was effectively removed from the NEC’s mandate. According to the Administrative Reforms’ Commission’s 7th Report, it has been proposed that the NEC be allowed to take up the role of security coordination as one its functions again.\(^{101}\)

3. Another one of the recommendations under the 7th Report was amending the Act to restore the original conflict resolution provision. This will allow for inter-State coordination with the direct nexus of conflict resolution.\(^{102}\)

4. The Bill proposes the nomination of two non-official members to the Council by the President, with a three year term of office that may be extended up to a period of two years.\(^{103}\)

The passage of this Bill will help initiate much needed change in the structure and functions of the NEC, which will lead to better governance and administration of infrastructural and developmental projects. An

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\(^{101}\) Ibid, pg. 12.

\(^{102}\) Ibid, pg. 13.

efficient NEC will have a positive impact on the political, economic and social conditions of all states in the North Eastern Region.

- The relationship between the Central government and state governments needs to be renewed. The dynamic that has existed thus far, that of the Centre providing funds and sending in security forces at the behest of state governments, needs to change. A mechanism to determine the urgency of a state government’s demand must be adopted. A regional expert emphasized that a fear of India balkanizing keeps the centre-state relationship locked in a status quo. This issue needs to be addressed by the NITI Aayog, if central and state governments are to coordinate economic and security policies to achieve economic and political progress in the NER.

- The focus in Manipur and Nagaland must be on the structures and processes that need to be put into place or improved, rather than the funds that are requested. For the allocated funds to lead to the desired outcomes, they must be appropriately utilized. Review and accountability mechanisms need to be put in place for tracking the utilization of funds. The NEC will be able to conduct this with regard to development and infrastructure projects, once its function of review is restored. When state governments request funds for a given activity, a schedule of the utilization of funds must be presented to the Ministry of DONER, NEC (if the funds were used for a development or infrastructure project) as well as made available in the public domain, to allow for transparency of process and accountability to the people.

- Guidelines must be complied with when state governments submit proposals for infrastructure projects to be implemented either with the help of funds from NEC or through the CPWD. Not only will this reduce delays in project approvals, but also improve the time span required for completing and reviewing projects.

- Governors of both Manipur and Nagaland, apart from a few exceptions have been former army, intelligence or IAS officials. In a federal system of government, this is seen as the central government placing their ‘eyes and ears’ within a state in order to monitor local government and the people. This creates a level of mistrust among the population. This practice needs to be revisited, if the people’s perception of government intentions is to improve.

- Traditional tribal and customary methods of decision making and representation have been preserved in some states. For example, Naga hohos or tribal councils still take decisions with respect to minor issues. Integrating these decision-making systems into the state government structure will help create greater coherence of thought (in
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**Infrastructure & Development**

The state structure in the NER has evolved to be concerned only with maintaining itself (as elaborated in the political entrepreneur approach to explaining causes of ethnic conflict). In order for it to become an entity that manifests social and economic benefits for its people, policy recommendations and actions points;

- The North East Industrial and Investment Promotion Policy 2007 has helped in attracting investment and providing a boost to industry in the NER. Registration of industries/businesses under new and existing schemes of the NEIIPP has been suspended, as the policy is currently under review. All stakeholders that will be affected by any change in the policy must be consulted during this process. The overlaps in benefits provided by the state governments and NEIIPP need to be sorted through. This will prevent the rampant misappropriation of funds from an otherwise sound and beneficial policy. Expanding the industries covered under the NEIIPP to include agro-based, handicraft and cottage industries would also be beneficial.

- Power shortage in Nagaland can be addressed by implementing hydro and thermal power plant projects in the state. Before such projects can be implemented, feasibility studies need to be conducted in order to tackle concerns over terrain and connectivity. Such feasibility studies need to be encouraged by government departments and external agencies. Decreasing Nagaland’s dependence on other states in the region for their energy needs will allow the state to focus on the development of its small and medium industries, which suffer due to power shortages in the state.

- Contractors and sub-contractors working on roads and highways in Manipur and Nagaland should be required to submit work plans and timelines for project completion. Security concerns and supposed inadequacy of funds are often cited as the causes for projects languishing. Such issues can be dealt with when dialogue or consultations are conducted between the people executing a project and security forces as well as the coordinating government agency.

- E-tendering and e-transactions to reduce ‘leakage’ or pocketing of funds for projects by authorities. This could be done under the Digital India initiative of the current government, by introducing the technology and tools required to transfer funds electronically from source (government institution/agency) to end (contractor/individual/company). This would allow for fund utilization to have clear tracking and would reduce misappropriation of funds by
Indigenously developed programs like NEPED (Nagaland Empowerment of People through Economic Development), which was implemented in two phases beginning from February 1995 (until March 2002 and then from April 2001) until today, need the constant support of state governments. Such initiatives not only empower the people of the state, but also contribute to the economy of the state. One of the issues addressed during the first phase of NEPED was adapting jhum or shifting cultivation to modern agricultural methods. As people centric development programs they address the problems people face with regard to their livelihood and allow them the ability to find solutions to the same.

Vocational training institutes are required in both Manipur and Nagaland in order to develop industry specific skills in the workforce of both states. In Manipur health services, physical education and hospitality require institutes to back these industries with vocational training centres. For example, the water sports facilities on the shores of Loktak Lake can be upgraded to training institutes for sports coaching, physical education and physiotherapy. Developing Information and Communications Technology (ICTs) in both Manipur and Nagaland will help keep the workforce in both states up to speed in modern industrial and business processes. The 2007 proposal for setting up more Industrial Training Institutes (ITIs) in the NER\textsuperscript{104} is still in the process of being implemented by the NEREC (North Eastern Region Education Council). This process must be sped up in order to provide much needed training to a rapidly growing workforce.

Harnessing innovative capabilities by promoting research and development based on the varied skill sets of educated youth in Manipur and Nagaland will help encourage young people to remain in their state and contribute to its socio-economic growth. The most effective way of encouraging such innovation is by having government departments’ partner with NGOs or state-run universities to come up with programs that incentivize projects on sustainable environmental practices, agriculture, industrial processes and integrating tribal or regional customs with modern methods.

Education quality in Manipur and Nagaland is a pressing issue. State governments need to consult with their departments of education and with the central government on improving the curriculum offered in schools. Teacher training programs should be expanded to enable teachers to impart comprehensive lessons to students in their

\textsuperscript{104} Biswajeet Saikia, ‘Situating Skill Training Facilities in North East India’, \textit{Dialogue}, Vol. 8 No. 4, April-June 2007.
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**Schools**

- Classrooms at different levels. An example of this is the primers on English language training in several schools of Nagaland, provided so that students develop greater fluency in the language.

- Connectivity of border areas to the major cities and state capitals is essential now. The building and maintenance of quality roads in Moreh (Manipur) and Phek (Nagaland) is important now, as they will serve as transit areas for bilateral and trilateral trade routes like the Kaladan Multi-modal Transit Route and the India-Myanmar-Thailand trilateral highway. Just as Dimapur-Kohima and Imphal-Silchar railway lines are being worked on at present, blueprints for railway line penetration up to Moreh and Phek need to be drawn up. Putting the infrastructure in place will help both Manipur and Nagaland capitalize on the trade and hence economic opportunity brought to them this way.

### Security

- Assimilation of surrendered or captured underground cadres of insurgent groups is necessary in order to prevent their return to the field. A program should be devised for placing these cadres in pairs or by themselves in paramilitary (different state battalions of BSF or CAPF) or state security forces outside the NER, for training, assimilation as well as broadening their outlook. This would open their eyes to the world outside their state while employing their skill set (especially if they were armed cadres) in service of the nation. It would also guard against the internal security of either state from being compromised as they would be far removed from their underground connections. As a police official aptly put it, it would be useful to disperse them “like drops in the ocean” so that they can contribute without being a liability and without affecting the ideological composition of a force.

- Insurgent activity in both Manipur and Nagaland has been scaled down over the past two years. This makes it a good opportunity to lay the foundation for comprehensive training programs for state police officers in forensics, intelligence gathering, data analytics and other similar skills which will help them carry out their functions in a more efficient and organized manner. Taking the emphasis off of combat will also help police officers to work smart rather than battle-ready.

- Border security needs to be taken up as a priority along the Eastern borders of Nagaland and Manipur. Check-posts along the border with Myanmar will not only help track but also stem cross-border narcotics and arms trafficking as well as the movement of people. Border fencing will not serve the purpose (at least not at a social and political level), regular patrolling of the border and manning of check posts will be essential. The geo-strategic position of both states on the Eastern frontier of the nation will mean this will be a responsibility shared...
between paramilitary forces like the BSF and the army.

- Regular intelligence sharing and maintaining open channels of communication between, state police, military and paramilitary must become common features of the standard operating procedures of these security forces. Any slip ups could lead to gaps in information which will allow insurgents, criminals and illegal immigrants to slip through.

- Compliance with standard operating procedure prior to, during and after combat operations must be made mandatory. Any security force, state police or paramilitary should report the details of combat operations including weapons and ammunition used, information gathered and the intelligence that was relied on in order to carry out the operation. This was one of the issues that the Hegde panel on extra-judicial killings in Manipur had found. This is an issue that the Ministry of Home Affairs and state Home Ministries need to look into jointly. A simplified model of reporting could be introduced, in order that it may be completed promptly and efficiently.

The above policy framework is focused on governance practices, infrastructure and development policies as well as the security structure and processes of Manipur and Nagaland. The framework suggests the focal points of policy review that require attention for attaining the goal of socio-economic and political progress in both states. Policy interventions detailed above will need to be implemented in a coordinated manner. For example, road construction to connect border areas with major cities like Kohima, Dimapur and Imphal will require coordination between government departments, contractors/companies executing the work as well as security forces that will guard on-going work from insurgent/criminal activity. Governance practices, when followed, will prevent misuse of funds and encourage timely completion of projects. Quantitative frameworks for measuring the success or failure of these policy recommendations (upon implementation) can be drawn up as the policies are put in place. Operating within complex systems, these policies will be adaptive, organic mechanisms that will change according to the interactions between institutions and actors involved in them. This process will require an evaluation model however the form and details of such a model would be better developed by those more closely involved at the grassroots in consultation with those in the administration.

The policy framework presented here is to show how processes and governance can be optimized in order to help improve the economic, socio-cultural and political environment of both Nagaland and Manipur. Progress in the socio-economic and political arenas of both states will contribute to allaying the insecurities of the people of both states. A healthy relationship between the people and the state will ensure improved security on our Eastern frontier, with efficient policy implementation on the ground.
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