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Rahman, Jiyaur and Sheereen, Zeba

Aligarh Muslim University, Aligarh India

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Economic Implications of Intra-State Conflict: Evidence from Manipur State of India

Jiyaur Rahman¹ and Zeba Sheereen²

¹Research Scholar, Department of Economics, Aligarh Muslim University, Aligarh, India

²Associate Professor, Women's College, Aligarh Muslim University, Aligarh, India

Abstract

Manipur is one of the eight states in North-East India. The economy of the state is primarily dependent on agriculture which contributes a major share to the total state domestic product and provides employment to about 52 per cent of the total workforce in Manipur. Other sectors which contribute to the economy of the state are allied activities of agriculture sector, industry sector comprising small and cottage industry and service sector. The state is inhabited by various ethnic groups having their own distinctive cultural affinity which can be broadly divided into Meiteis, Naga Tribes and Kuki-Chin-Mizo Tribes. The state has experienced many conflicts between them. Tensions between them are mainly for control of resources and land, but in recent times politics has been involved which give tensions a new and dangerous dimension altogether. Today more than 30 armed groups operate in Manipur. The study undertakes a special concern about the economic implications of ethnic conflicts in Manipur state. The valley life is frequently disturbed by the oft occurrences of bandhs, strikes and economic blockade. This affects the economic condition of people of Manipur and thereby makes them poor.

Key Words: Ethnic groups, Conflict, Economy, Agriculture, Manipur

1. INTRODUCTION

Manipur is one of the eight states of the North-East India. It is located in the slopes of the Sub-Himalayan Ranges at latitude 23°50' N to 25°42' N and longitude 92°58' E to 94°45' E. Literally, Manipur means “the Land of Jewel”. The state is surrounded on all sides by hills and the centre is a small oval-shaped valley. It shares the boundary with Nagaland in the North, Mizoram in the South and Assam in the West among the Indian states and shares the international border with Myanmar in the East as well as the South. It covers an area of 22,327 sq.km. which forms 0.7 per cent of the total land of India. Being a hilly area, the altitude of the state above the Mean Sea Level (M.S.L) varies from 790 metres to 2,020 metres. The capital city of Manipur i.e., Imphal stands at an altitude of 790 metres above the M.S.L. About Ninety per cent of the total area of Manipur i.e., 20,089 sq.km. is covered by hills which comprises five districts namely, Senapati, Tamenglong, Churachandpur, Chandel and Ukhrul while the remaining 10 per cent of the area i.e., 2,238 sq.km. is a small valley constituting four districts viz., Imphal East, Imphal West, Bishnupur and Thoubal.

According to 2001 census, the population of Manipur is 22.9 lakh (of which 11.6 lakh are males and 11.3 lakh are females) which constitute only 0.22 per cent of the total population of India. As on 1st March 2011, the population of the state is estimated to be 27.9 lakh (Economic Survey Manipur, 2008-09). The density of population of Manipur as per 2001 census is 103 persons per sq.km. as against 82 persons per sq.km. according to the 1991 census.

In Manipur maximum numbers of people live in rural areas constituting about 74.89 per cent of the total population while the people living in urban areas constitute only 25.11 per cent of the total population. The increase of population in the decade of 1991-2001, is estimated to be 5,51,845 persons (30.04 per cent). The decennial growth, sex ratio and literacy rate are higher than the national average.

The purpose of the study is to analyse the economic effect of intra-state conflicts in the state of Manipur. The sources of data used in this study are secondary level data. For a better understanding of the study the paper is divided into five sections. Section 1 gives a brief introduction of Manipur and the methodology used during the study. Section 2 describes the economic conditions of the state while section 3 chronicles the details of the major intra-state conflict in Manipur. Section 4 discusses the effect of intra-state conflict on the economy of Manipur. Finally, Section 5 summarises the study and offer concluding remark.

2. ECONOMIC CONDITION OF MANIPUR

Agriculture plays a significant role in the economy of Manipur. About 52 per cent of the total workers are engaged in cultivation. Two types of cultivation i.e., Permanent cultivation and Terrace cultivation are prevalent in Manipur. Permanent cultivation is mainly practised in the valley districts whereas the hill districts practices the terrace cultivation where jhuming and shifting cultivation is widely adopted. The principle crops grown in the state are rice, maize, oil seeds, potato and pulses. Rice is the staple food of Manipur and hence it is the largest cultivated crop in both the hills and plains of the state. So, rice contributes the maximum share to the states' foodgrain production accounting about 95 per cent while the other crops contribute a negligible share. In fact, the total production of foodgain in the state is determined by the production of rice. For instance, the decrease in the foodgrain production of Manipur to 415.0 thousand tonnes in the year 2008-09 from 421.8 thousand tonnes in 2007-08 is the effect of the fall of rice production from 406.2 thousand tonnes in 2007-08 to 397.0 thousand tonnes in 2008-09.

The prospects of agriculture in Manipur depends largely on the timely occurrence of rain and the cultivation in the state is almost entirely mono cropping because the irrigation system is not yet fully developed in the state. The state is also found to be very slow in the adoption of high yielding varieties (HYVs) of seeds whereas the country, India to which it belongs had already adopted HYVs of seeds since the mid 1960s in order to boost agricultural production. Also, the majority of farmers in Manipur are small and marginal farmers. According to Agricultural Census 2000-01, the area of operational holding is only about 172 thousand hectares operated by 149 thousand farmers. The Table 1 shows that the average size of operational holdings for state has slightly decreased from 1.23 hectares in 1990-91 to 1.15 hectares in 2000-01. The area operated in small and marginal holdings accounted for 59.88 per cent in 2000-01.

Table 1: Distribution of operational holdings in Manipur State

| Size of holding | Category of farmer | No. of operational holding ('000) | | Area operated ('000 Hect.) | | Average size of operational holding (Hect.) | |
|-------------------------|--------------------|-----------------------------------|---------------|----------------------------|---------------|---|-------------|
| | | 1990-91 | 2000-01 | 1990-91 | 2000-01 | 1990-91 | 2000-01 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Below 1.0 | Marginal | 69.00 | 75.00 | 38.00 | 40.00 | 0.55 | 0.53 |
| 1.0-2.0 | Small | 49.00 | 49.00 | 67.00 | 63.00 | 1.37 | 1.29 |
| 2.0-4.0 | Semi-medium | 21.00 | 22.00 | 54.00 | 55.00 | 2.57 | 2.47 |
| 4.0-10.0 | Medium | 3.00 | 3.00 | 15.00 | 14.00 | 5.00 | 4.86 |
| 10.0 & above | Large | Neg. | Neg. | 1.00 | Neg. | 12.16 | 11.3 |
| All holdings | | 142.00 | 149.00 | 175.00 | 172.00 | 1.23 | 1.15 |

Neg.: Negligible

Source: Agricultural Statistics At-A-Glance, 2011, Agricultural Census Division, Ministry of Agriculture, Government of India.

All these factors together are responsible for the low agricultural production in Manipur while it could have been otherwise. Despite all these, the agriculture sector contributes a major share to the total state domestic product and provides employment to about 52.19 per cent of the total workers in Manipur. As a matter of fact, the state domestic product fluctuates according to the performance of agriculture sector.

The allied activities of agriculture include livestock/poultry, horticulture, forestry, fishery, etc. Livestock/poultry plays an important role in the state's rural economy. The primary aim of developing animal husbandry is to increase animal based products like milk, meat, egg, wool and skins etc.

Horticulture is another important allied sector of agriculture which also contributes to the economy of the state. Owing to the varied agro-climatic conditions of Manipur, it has plenty of scope and potential to grow various horticultural crops. The major fruits grown in the state are pineapple, lemon, orange, banana, guava, peaches etc. In recent years, cultivation of horticulture crops is being developed on commercial scale in many places of the state. The growing of fruits and vegetables on small plots of land provides additional income to the farmers undertaking crop husbandry enterprises.

Another allied activity of agriculture sector is forestry. About 75 per cent of the total geographical area of Manipur is covered by forest. Despite the vast forest resources, it contributes a negligible amount i.e., Rs. 144.14 lakh during 2006-07 and Rs. 55.98 lakh revenues during 2007-08. This is because of the government's decision of forest conservation

and restriction on cutting trees in the forest areas with a view to maintain ecological balance and thus environmental protection.

Industry is also an important sector which contributes to the economy of Manipur though there is, at present, no industry worth mentioning. There is no development of big industries in the state the reasons being a hilly area with difficult landscapes, varying climatic conditions and inadequate infrastructural facilities. So, the industry sector in Manipur consists of the small traditional oriented industries like the khadi and village industries, handlooms and handicrafts, sericulture and pottery etc. Sericulture and Pottery are among the oldest industries in Manipur. They are important labour-intensive and agro-based industries generating employment opportunities for the rural people with lowest investment cost. Thus, they help in the improvement of economic conditions of the people of the state.

Handloom and Handicraft are yet another significant cottage and home industries which also provide employment to the people of Manipur. Handloom is the largest cottage industry of the state. Almost all the handloom weavers in the state are self-employed artisans conducting their works in their own homes with the assistance of their family members in pre-loom and post-loom processes. They produce clothes mainly for everyday or household use and other traditional ceremonial dresses etc. Though not large in amount, yet it supplements their meager income from agriculture. On the other hand, handicrafts, with its unique features occupy a significant place amongst the various crafts of the country, India. Among the handicrafts products of Manipur, cane and bamboo craft are the most wide-spread one because of availability of sufficient raw materials. Moreover, there is a huge demand of these crafts in the local market as well as outside the state in India and overseas. The important handicraft products exported from Manipur state are cane basket, shoes, hand bag, stool, table lamp, cane pot, mat, and reed arm chair. Thus, it also has a share in the economy of Manipur.

Another important sector which has a share in the economy of Manipur is the service sector. It comprises construction, transport, storage and communication, trade, hotels and restaurants, banking and insurance, real estate, public administration etc. This sector contributes the highest share to the total Net State Domestic Product at Factor Cost (NSDP_{FC}). In due course of time, with the increase of awareness among the people through literacy and education, media and advertisements etc., their interest of works are shifting gradually from agriculture sector and allied activities or industries to the service sector. Therefore the share of this sector is increasing every year. Its share to the NSDP_{FC} during the

year 2004-05 was 68.54 per cent which rose to 69.20 per cent in 2006-07 and further increased to 69.94 per cent during 2008-09 from the year 2004 to 2009.

Table 2: Components of Net State Domestic Product at Factor Cost (NSDP_{FC}) By Industry of Origin (At Current Prices) in Manipur

| Year | | | | (Rs. Crore) |
|----------------|-----------------------------------|------------------|-------------------|--------------------|
| | Agriculture and Allied Activities | Industry | Services | Total |
| 2004-05 | 1156.6 (25.28) | 282.8 (06.18) | 3136.0 (68.54) | 4575.4 (100.00) |
| 2005-06 | 1275.5 (24.94) | 295.4 (05.75) | 3548.8 (69.31) | 5119.7 (100.00) |
| 2006-07 | 1363.1 (24.82) | 328.7 (05.98) | 3801.2 (69.20) | 5493 (100.00) |
| 2007-08 | 1477.8 (24.28) | 423.6 (06.96) | 4185.2 (68.76) | 6086.6 (100.00) |
| 2008-09 | 1617.0 (23.61) | 442.0 (06.45) | 4791.7 (69.94) | 6850.7 (100.00) |

Note: Figures under bracket shows percentage share

Source: Handbook of Statistics on the Indian Economy, 2010-11, Reserve Bank of India, Mumbai

Consequently, the share of the agriculture and allied activities to the total Net State Domestic Product at Factor Cost (NSDP_{FC}) decline while that of the service sector increases. The share of the agriculture and allied activities to the total Net State Domestic Product at Factor Cost (NSDP_{FC}) in the year 2004-05 was 25.28 per cent which declines to 24.82 per cent in 2006-07 which further declines to 23.60 per cent during 2008-09. Table 2 shows the contributions/share of different sectors to the NSDP_{FC} of Manipur state.

Thus, the share of agriculture and allied activities is decreasing yet its contribution to NSDP_{FC} is still considerable whereas the share of industries has become almost negligible.

3. NATURE OF CONFLICT IN MANIPUR

Before the invasion of Britain, Manipur was one among the oldest independent kingdoms of Southeast Asia. It had its own civilisation, traditions and cultural heritage. It remained an independent kingdom for more than 2000 years till Manipur lost her independence to the British India in the year 1891. Eventually, it became a princely state under the control of government of British India. When India attained independence in 1947, Manipur was also declared independent but the state was annexed to the Union of India on 21st September, 1949 resulting to a merger agreement signed between Maharaja

Budhachandra, the then king of Manipur and the Indian government. In consequence, Manipur became fully a part of Indian Union only on October 15, 1949. It was given the status of a union territory in 1956, and was declared full-fledged state in 1972, after more than 20 years of its annexation. This long wait for statehood as observed by Jacob was not appreciated by the majority of Meiteis giving rise to secessionist tendencies among a section of the Meiteis. This saw the emergence of a number of separatist groups in the state (Jacob, 2008).

The state of Manipur, despite being very small in size, is inhabited by various ethnic communities having different tradition and cultural identity. These ethnic groups are broadly divided into hill communities and valley-based communities. The valley based communities who are recognized as non-tribals include the Meiteis and the Meitei-Pangals (i.e., Muslims of Manipur) while the tribal groups of hill communities are categorized as Naga Tribes and Kuki-Chin-Mizo Tribes. These two major tribes are again subdivided into many small groups. The recognized Naga tribes include Anal, Chiru, Chothe, Kabui, Kacha Nagas, Koireng, Kairao, Lamkang, Mao, Maram, Maring, Monsang, Moyon, Sema, and Tangkhul whereas, Zou, Vaiphei, Simte, Paite, Aimol, Gangte, Thadou, Shuhte, Ralte, Kom, Hmar, etc are identified as the recognized groups of Kuki-Chin-Mizo tribes (Shimray, 2001).

The factors responsible for the existence of these distinct ethnicities in Manipur as observed by Shimray are:-(i) distinctive social and cultural identities manifested by all social groups in the state; (ii) limited social and cultural interaction between the different ethnic groups despite the physical and linguistic affinities among them and (iii) heightened importance of historical and religious differences in political struggles as against the dominance of larger and more powerful ethnic groups (Shimray, 2001).

Manipur has been marked by violence for many years now. Violent incidents between police/military and the insurgent groups occur frequently in the state. Hardly few days passes without an incident related to insurgency in Manipur nor are the general population free from the dictates of the insurgents who claim to fight for their liberation (Jacob, 2008). Besides this, there also occur clashes between the ethnic groups. As Oinam states, this is due to the process of identity formation by more than 30 communities and tribes harping on exclusivity, integration and dominance (Oinam, 2003).

Every ethnic group in the state, however small they may be, they cherish their own identity and want to protect and preserve their tradition and cultural heritage at any cost. Phanjoubam also observed that, Manipur is today an ethnic cauldron but one in which the different ethnic

groups have not been able to evolve a common identity. Tensions between them are mainly for control of resources and land, but in recent times politics has been involved which give tensions a new and dangerous dimension altogether (Phanjoubam, 2007).

Manipur has seen many ethnic clashes among which four major ethnic crises occur in the recent past decades:-

- Kuki-Naga clash in the 1990s
- Meitei-Pangal clash in 1993
- Kuki-Paite clash in 1997
- NSCN(IM) ceasefire extension troubles in 2001

3.1. KUKI-NAGA CONFLICT

The notorious and shocking clash between the Kuki and the Naga began in mid-1992. This conflict resulted to the eventual destruction of over thousands of homes and villages of both communities. As mentioned earlier, Manipur has nine districts, four in the valley which are inhabited mainly by Meiteis and Pangals and five in the hills, of which four are dominated by the Nagas and the remaining one is dominated by the Kukis and other kin tribes. The Nagas consider themselves as the original settlers of the hills of Manipur and hence they believe that many of the hills of the state are their traditional homeland and that the Kukis living in these districts are in a way their tenants. So, the Naga insurgents have been collecting 'house-tax' from every household residing in these hill areas since its inception. But some of the Kukis living in the periphery of Moreh, a small town in the Indo-Myanmar border, apparently refused to pay this 'tax' to Naga insurgents as they did not approve the concept of Naga Nationalism in these hill areas. In consequence, the clash between the two ethnic groups started in Moreh in early May 1992. The situation was grave at that time and in such a tense situation, as Shimray affirms, the killing of one Kuki called O Haokip on June 3, 1992 in a shoot-out between Kuki underground men and Naga insurgents near Moreh triggered the Kuki-Naga clashes (Shimray, 2001).

During the time of conflict, the Kukis did not have a very well-organized militia of their own whereas the Nagas had already established insurgency for over 50 years then. As a result, the outcome was undoubted and the Kukis remained the main victims. But the Kukis too became more organized in the years that follow and formed their own insurgent group after which they retaliated the former actions of Nagas causing a great damage amongst the Naga villagers. The Kuki-Naga feud had been over for a few years now but the bitterness remains.

There has been a multiplication of militant organizations amongst the Kukis since then. Among them mention can be made of the Kuki National Front (KNF) and its factions, Kuki National Army (KNA), Kuki Liberation Army (KLA), Kuki Revolutionary Army (KRA) etc (Phanjoubam, 2007). Both the Naga and Kuki communities have reached a crucial stage in the assertion of their culture and identity. The Nagas want to be united under one (i.e., Nagalim) while the opinion of the Kukis remain undivided. Some Kukis support the territorial integrity of Manipur, while many other wish to have a separate Kukiland (Haokip, D.M. 2008).

3.2. MEITEI-PANGAL CLASHES

Manipur witnessed an aberration in the history of ethnic relations between the Meiteis and the Meitei-Pangals (Manipuri Muslims) for the first time on May 3, 1993. The incident astounded and shocked the people of the state. The two communities had co-existed peacefully and no such clash had ever happened before between these groups. Though the incident lasted only for two days and the state regained normalcy in a weeks' time, altogether 97 Meitei-Pangals were killed and several of their settlements were burnt down. But, among the Meiteis only two were killed. The conflict resulted to a large damage mostly on the part of the Meitei-Pangals. Even though the clash did not last long nor did the bitterness remain, the state saw the emergence of a militant organization for the first time in the Meitei-Pangal community. As a consequence of the conflict, the minority Meitei-Pangals formed a militant organization named People's United Liberation Front (PULF) in 1993 (Phanjoubam, 2007).

3.3. ETHNIC CLASHES BETWEEN THE KUKIS AND PAITES

The Kukis and Paites are kin tribes. They were even known collectively by a generic nomenclature - Khongsais a decade before by the valley dweller Meiteis. Small tribes like the Paite, Vaiphei, Simte, etc. had been remaining aloof from all armed movements but the rise of Kuki militancy after the Kuki-Naga clash posed a threat to their independent existence and they started feeling insecure and unprotected (Phanjoubam, 2007). There was also fear for surrender of their identity to take Kukis since they are dominant and more powerful. So, these minor tribes decided and subsequently formed their own armed organization called Zomi Revolutionary Organisation (ZRO) in 1993. The ZRO did not agree with kuki militants' idea of demanding for 'Kuki Homeland' (Shimray, 2001). This led to the killing of 10 villagers at Saikul village in Churachandpur district by the Kuki militants in June 24, 1997. Following this incident the ZRO founded its armed wing named the Zomi Revolutionary Army (ZRA)

in 1997. The clash lasted for a year and caused many killings, displacements and utter confusion. The conflict went beyond the Kukis and Paites and forced all tribes of the district i.e., Churachandpur to get involved. The conflict affected the economy, education, social system, religion, emotional and political life of the people of Churachandpur (Haokip, R.C. 2008).

3.4. TROUBLES CAUSED BY CEASEFIRE EXTENSION BETWEEN NSCN (IM) AND GOVERNMENT OF INDIA

On June 2001, Manipur witnessed yet another violent incident. The conflict was regarding the issue of the ceasefire extension between the Government of India (GoI) and the NSCN-IM (National Socialist Council of Nagaland-Isak-Muivah) to all the Naga inhabited territories. The tension involved the majority Meiteis and the Nagas though in an indirect way.

In mid-2001, the GoI and one of the leading Naga militant group, NSCN (IM) signed a Memorandum of Understanding (MoU) in which the two parties agreed upon the further extension of the ceasefire agreement they had signed previously in 1997, “without territorial limits”. The inclusion of the clause “without territorial limits” in the agreement caused the Meitei to feel that the territorial integrity of Manipur is in danger. The contention among the Meiteis was that the agreement was an implicit acknowledgement of the demand of NSCN (IM) for a “Greater Nagaland” (integration of all Naga-inhabited areas of Assam, Manipur, Arunachal Pradesh and Nagaland) which would result to the disintegration of the territories of the state. This apprehension caused turmoil in the minds of the Meiteis which finally led to the eruption of a huge agitation in the Imphal valley. The protest against the decision of GoI reached a critical stage on June 18 when agitators burned down the Manipur State Legislative Assembly and many other official quarters of legislators. Eighteen people lost their lives during the agitation. Instead of subsiding, the protest seemed to grow stronger. Then, the GoI withdrew the clause “without territorial limits” from the agreement of the ceasefire extension. Only then, the agitation subsided gradually.

The agitation was not against the Nagas, nor was the violence directed towards them, though in some cases their properties in and around Imphal was damaged. Some of the Nagas left the valley for fear of violence. Though few of them returned after some time, some others remained for a long time in the relief camp in Senapati while some of them sold their houses and plots in Imphal and shifted permanently in the hills. June 18 is now observed as the

“Martyrs’ Day” by the Meiteis and this marks the division between the two communities (Maring, 2008).

With each and every clash Manipur saw the emergence of some new insurgent groups which add to the number of insurgent groups already existed in the state. With this increase of militant groups the state becomes more vulnerable to conflicts and violence not only between the military and militants but also among the ethnic groups with the support of their respective militants behind their backs.

Some of the major militant/insurgent groups active in Manipur are People’s Liberation Army (PLA), United National Liberation Front (UNLF), People’s Revolutionary Party of Kangleipak (PREPAK), Kangleipak Communist Party (KCP), Kanglei Yaol Kanba Lup (KYKL), Manipur People’s Liberation Front (MPLF) and Revolutionary People’s Front (RPF) (Annual Report, Ministry of Home Affairs, 2010-11).

The following table shows the number of insurgency related incidents in Manipur over the last seven years.

Table 3: Insurgency related Killings in Manipur

| Year | Incidents | Extremists arrested/Killed/Surrendered | Security Forces Personnel Killed | Civilians Killed |
|-------------|------------------|---|---|-------------------------|
| 2003 | 243 | 365 | 27 | 50 |
| 2004 | 478 | 772 | 36 | 88 |
| 2005 | 554 | 1186 | 50 | 158 |
| 2006 | 498 | 1097 | 28 | 96 |
| 2007 | 584 | 1443 | 39 | 130 |
| 2008 | 740 | 2112 | 16 | 137 |
| 2009 | 659 | 1896 | 19 | 81 |

Source: Various issues of Annual Report, Ministry of Home Affairs, Government of India.

As the above table shows, insurgents related incidents have doubled the number in 2009 to that of 2003. These led to the increase in number of arrests, killed and surrender from 365 people in 2003 to 1,896 person in 2009. During these seven years i.e., from 2003 to 2009, more than 700 civilians were killed in the state. This indicates the increase of violence and unwanted incidents in the state.

4. IMPLICATIONS OF INTRA-STATE CONFLICT ON MANIPUR’S ECONOMY

Manipur remains a poor state despite being rich in mineral and other natural resources. Progress in this state is rather slow and lagging behind as compared to other states

of India. The major reasons for this are lack of basic infrastructure facilities, militancy and the ethnic clashes among many others. The state has been witnessing a large-scale violence and the resulting displacement and damages including burning down of villages and destruction of other public and private properties in large scale apart from the loss of many valuable lives since 1960s. The ongoing conflicts in the state (whether it is between government and militants, ethnic groups, government and social organizations, etc) thwart the normalcy in the state. Thus, development in the Manipur is closely related to the ongoing conflicts and social tensions in the state.

Manipur, as hinted earlier, is a small state and the existing trade, both external and internal is small in scale and is essentially to meet the local demands. The internal trade is dealt chiefly in food items and is carried out among the people of hills and valley mostly by women. The hill people bring products such as tea leaves, firewood, bamboo shoots (*usoi* or *soibum*) vegetables, charcoal and fruits down to the plains and sale them in its open markets while they buy essential things like *ngari* (fermented fish), fish, dal, salt, onions, oil, potatoes and clothes from the valley in return. Thus, the people of hill and valley supplement each other and become inseparable through these economic ties. Any disturbance whether in hill or valley affects the lives and business of both the communities and resulted to a major economic crisis. This leads the people of both hill and valley to suffer immensely.

The state, Manipur is connected with the other states of India through two national highways- NH-39(Imphal-Dimapur-Guwahati highway) and NH-53(Imphal-Jiribam-Silcher highway). External trade is carried out through these highways and thus, they are the lifelines of the state as there is no railway line in Manipur. Transportation of every necessary thing is carried via these highways. If, by any chance, the two highways are blocked, the lifelines are cut resulting to many difficulties and hardships of the people of the state. Thus, the two highways are inextricably linked with the socio-economic conditions of Manipur.

Both the national highways of Manipur run through the hilly areas mainly populated by the two major ethnic groups of the state- the Naga and Kuki tribes. Though the violent clash between these tribes had concluded few years before, bitterness still remains in their hearts and there is still discontentment between them. They have not been able to establish a friendly relation till now. Their opinions remain widely different and contradictory in many respects as well as aspects. Their conflict not only affects them but also the whole state. Many times their conflict results to economic blockade of the two highways which affects the

trades and commerce which in turn affect the socio-economic condition of the whole state. One such instance is the blockade of the two national highways imposed by the Kukis in 2011 starting from August 1, in demand for Sadar Hills (a hill area mostly populated by the Kukis) to be a full-fledged district. In opposition to this demand, the Nagas imposed a counter blockade upon the two highways on August 21, 2011. The argument of the Nagas was that the population of Sadar Hills also include the Nagas though not much in number. The blockade resulted to the failure of trade and commerce. Within few days price of many things started rising and rose further to a never imagined height as the blockade advanced. For example: one LPG cylinder cost Rs. 2,000, price of Petrol rose to Rs. 200 per litre, one litre mustard oil cost Rs. 130, one kg onion cost Rs. 90, etc. With the price hike of every essential thing, the condition of the people of Manipur especially the daily wagers was awful except for some rich people.

On the 92nd day of the blockade the government of Manipur announced the consideration of Sadar Hills' district. Eventually, the Kukis had lifted the blockade. But the Naga Students' Federation (NSF) opposed the decision claiming that the government did not consulted them before taking the decision which is a violation of the MoU signed 1992 between the two parties regarding the protection and safety of the Naga populated area and continued to hold the blockade. Consequently the people of Manipur continue to suffer because of not only the scarcity of basic needs like foodstuffs, medicines, fuels, etc. but they were also financially drained because of the price hike. The blockade lasted for 121 days. Then, the United Nagas Committee (UNC) announced to lift the blockade temporarily on 29 November, 2011, few days before Prime Minister Manmohan Singh visit in Manipur on 3rd December, 2011 on the hope of impressing and attracting the attention of the Prime Minister. With the lifting of the economy blockade, the people of Manipur could able to breathe a sense of relief but the loss occurred during the blockade is irretrievable.

This is just one instance of the implications of the economic blockade imposed upon the two national highways. Unfortunately, such blockade has now become a frequent occurrence in the state of Manipur because of the ongoing conflicts in the state. Blockade is imposed upon the two national highways whenever there is any disagreement between the government and any of the major ethnic communities; whenever the government fails to consider or agree their demands; whenever there is clash among the ethnic groups, etc. because of the frequent blockade of national highways, the people of Manipur have to face the price hike of necessary items frequently because of which all their earnings are spent with no leftover for

saving for the use of other accessorial purposes. Beside the economic blockade of the national highways, the clashes also cause the imposition of bandhs and strikes frequently in the state which also interrupts the smooth running of the internal trade carried out among the people of Manipur. Thus, the ongoing conflicts directly or indirectly result to the disturbance of the internal and external trade which poses a serious blow on the socio-economy of the people of Manipur.

5. CONCLUSIONS

Manipur, despite being a small-state is inhabited by more than 30 communities and tribes assimilated under two major communities-the hill and valley community. All these communities have very different and distinct traditions and cultural heritage and thus they possess distinct identity of their own. These differences compounded with their strong assertion of their groups' individual identity often subject them to conflicts and violent clashes among themselves. As a result, the imposition of bandhs, strikes and economic blockade of the national highways is a frequent phenomena in the state because of which the smooth running of administrations, educational institutions, trade and commerce etc. which are the sources of social, political and economical improvements are hampered seriously. In short, the normal functioning of the state is interrupted and disturbed quite often due to which progress in every field including the economic progress is lagging behind.

The conflict that occurred within the state of Manipur cause the loss of many lives, destruction of settlements and damages of private as well as public property. This is followed by resettlement and reconstruction. Thus, the meager income of the people are spent and wasted which can well be avoided if not for the clashes. As a consequence, the financial conditions of the people, instead of improving become worse. Besides, the government also becomes more concerned with the maintenance of law and order which become unstable because of the ongoing conflicts and less in the development of the state. Developments, improvement of economy, normal functioning of the state socially, politically and economically are all interrelated and interdependent. Disturbance or improvement of any of these affects each other. The intra-state conflicts of Manipur which is a social condition affects the political system and the economy of the state and hence the development of the state too.

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