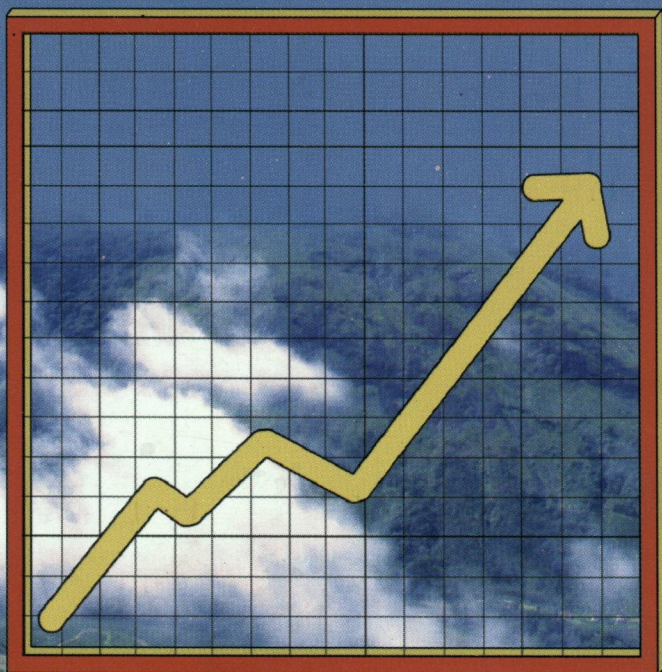


# ECONOMIC GROWTH OF MIZORAM

Role of Business and Industry

K.C. Kabra



339.954166

KAB

This book attempts to examine the role of business and industry in the economic growth of the state of Mizoram. Tracing the factors that led to the development of business and industry in the state, it analyzes the role of government in the promotion and regulation of business and industry.

It also extends an elaborate discussion on the role played by financial institutions and public sector undertakings (PSUs) in the development of industry in Mizoram, the taxation policies, and the problems faced by the business and industry in the state.

**K.C. Kabra** is a senior faculty in Commerce at the North-Eastern Hill University, Shillong. He did his M.Com. and Ph.D. from J.R. Nagar Rajasthan Vidyapeeth University, Udaipur. He was awarded UGC-JRF and IFCI-RF in 1991. Dr. Kabra has published research papers in various journals of repute, and participated in a number of seminars and conferences.

**ECONOMIC GROWTH  
OF MIZORAM  
ROLE OF BUSINESS AND INDUSTRY**

**Dr. K.C. Kabra**

*Faculty Member*

**Department of Commerce  
North-Eastern Hill University  
Shillong (Meghalaya) - 793022**

**CONCEPT PUBLISHING COMPANY, NEW DELHI-110059**

Cataloging in Publication Data--DK

Courtesy: D.K. Agencies (P) Ltd. <docinfo@dkagencies.com >

**Kabra, K. C.**

Economic growth of Mizoram : role of business and industry / K.C. Kabra.  
p. cm.

Includes bibliographical references (p. )

Includes index.

ISBN 13: 9788180695186

ISBN 10: 8180695182

338.954166  
KAB

1. Industrial policy--India--Mizoram--History. 2. Mizoram (India)--  
Commerce--History. 3. Industrialization--India--Mizoram--History.  
4. Mizoram (India)--Economic policy. 5. Mizoram (India)--Economic  
conditions. I. Title.

DDC 338.954 166 22

All rights reserved. No part of this work may be reproduced, stored in a  
retrieval system, or transmitted in any form or by any means, electronic,  
mechanical, photocopying, micro-film recording or otherwise, without the  
prior written permission of the copyright owner and the publisher.

ISBN-13: 978-81-8069-518-6

ISBN-10: 81-8069-518-2

First Published 2008

© K.C. Kabra



005588

5558  
4/1108

*Published and Printed by*  
Ashok Kumar Mittal

**Concept Publishing Company**

A/15-16, Commercial Block, Mohan Garden  
New Delhi-110059 (INDIA)

Phones : 25351460, 25351794

Fax : 091-11-25357103

Email : publishing@conceptpub.com

# CONTENTS

<i>Preface</i>	v
<i>Acknowledgements</i>	vii
1. Introduction	1
2. Business in Mizoram	14
3. Industry in Mizoram	86
4. Financing of Business and Industry in Mizoram	176
5. Taxation of Business and Industry in Mizoram	244
6. Problems of Business and Industry in Mizoram	291
7. Suggestions to Promote Growth of Business and Industry	320
<i>Appendix</i>	344
<i>Bibliography</i>	346
<i>Index</i>	354

# 1

## INTRODUCTION

### **Business and Industry in Mizoram: An Overview**

The Northeastern region, one of the least developed and most problematic part of India consists of eight small states, namely Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim. It is geographically isolated from the rest of the country and is linked through a narrow stretch of land near Siliguri in West Bengal.

The Northeastern region at the same time is the most densely administered region of the country today. Most of the states were carved out of Assam to fulfil certain ethnic aspirations. Financial and economic viability was not a consideration. It was presumed that the Central Government would bear a substantial burden of governance. As a result, out of the ten special category states of the country receiving most liberal funding from the Central Government, eight states are from this region.

All the states except Assam are small. Tripura is smallest in area and Mizoram is lowest in population. Population is scattered and people live mainly on hilltops. This makes connectivity, in terms of roads, communication, water supply and electricity very expensive. Construction of a kilometre of road in the Northeastern hills costs almost twice as much as in plains. The linkage this region had with rest of India till pre-partition was lost in post-partition, and unfortunately, till today, could not be built-up again to replace the system completely. Therefore, anything brought from elsewhere in India to the region costs more, and at the same time, anything produced in the region costs more to sell anywhere in India.

Constitution of India provides certain reliefs to the hill areas and hill states pertaining to land, tax and funding from Centre. Land in these areas cannot be sold to non-tribals and because of the land mortgage problem, banking sector finds difficult lending to small and medium enterprises (SMEs). These states receive in the form of budgetary support

about 90 per cent grants and 10 per cent loan from the Centre, whereas other states receive only 30 per cent grants and 70 per cent loan from that source. Tribals residing in the tribal areas declared as exempted areas from paying income tax. Only the non-tribals working and engaged in business in these tribal areas are subject to tax. Except for Assam, agriculture is not subject to tax in these states.

Incomewise, Northeastern states have not done well. Their per capita Net State Domestic Products (NSDPs) are lower than the all India average. While, India's GDP was growing at an average rate of over six per cent in real terms, Northeastern states' economies were growing at a lesser rate. Barring Assam, manufacturing sector is very small. In the secondary sector, higher growth noticed in few states in some years was mostly due to higher construction activity (mainly roads and government buildings) financed by the Central Government in certain years. The largest contributor to the national income of these states is the tertiary sector, which is mainly composed of public administration and other services. Further, the income from these sources does not come under the purview of tax. Owing to the above factors, the tax base of the Northeastern states is small.

The Northeastern states are no exception to the problem of fiscal profligacy in varying degree. Their revenue resources are not enough to pay for salaries, pension and debt servicing. Growth in their revenue does not commensurate with their expenditure. Financial resources have to be diverted to control insurgency. Besides, there are frequent natural calamities in the form of flood, landslides, etc. In case of rural development, the Central Government funds 75 per cent of the cost of programme and the states have to bear 25 per cent only. However, most of these states cannot even mobilize this 25 per cent of the funds and as a result, much of the rural development funds remain unutilized.

During 1998-99 to 2000-01, in spite of being special category State, Mizoram had continuously high gross fiscal deficit at 11.6 per cent, 13.2 per cent and 12.1 per cent of NSDP respectively as against 1.6 per cent, 6.4 per cent and 7.1 per cent in Assam, 4.6 per cent, 25.7 per cent and 8.3 per cent in Manipur, 5.8 per cent, 7.4 per cent and 8.7 per cent in Meghalaya and 3.4 per cent, 7.6 per cent and 10.2 per cent in Tripura respectively. This reflects not only lack of efforts to raise revenue resources but also imprudent management of public resources<sup>1</sup>.

In spite of most liberal funding from the Centre, the benefits of development have not percolated to the lowermost strata of the society in these states. These states have failed to deliver as they have developed

oversized administrative machinery, which consumed most of the resources in payment of salary, perks and pension. Practically, meagre fund was left for development works. Leakage of resources and wasteful expenditures continues unabated. Serious efforts have not been made towards mobilization of resources locally. Non-plan and revenue expenditure swelled; plan and capital expenditure dwindled<sup>2</sup>.

The development scenario in the Northeastern states brings into sharp focus that dense administration cannot ensure increased capacity to govern. No amount of liberal funding can ensure development unless there is efficient productive investment with clear vision, professional morality and combined will of political elite and bureaucrats to bring the change.

### **Mizoram—The Locus**

Mizoram (previously known as *Lushai Hills*), the land of highlanders, an extension of the Himalayas consisted of unformed young rocks with steep, rugged hills with an average height of about 900 metres, very little flat land and plateau, profusely lacerated and flushed by six major rivers that are largely non-navigable. It is an elongated diamond/tongue shaped mountainous region situated in the southern part of North-East India and is sandwiched between the Chin Hills of Myanmar on the east and south, Chittagong Hill Tracts of Bangladesh and Tripura on the west, with its northern frontier touching Cachar (Assam) and Manipur. Among the Indian States, Mizoram is a small and new State set up in 1987. It consists of seven long north-south traversing parallel ranges with intervening valleys, which form a panoramic physiographic feature of hogs back. Nearly 72 per cent of its boundary forms international border with Bangladesh (318 km.) and Myanmar (404 km.). Its diagonals are of about 250 km. north-south and 125 km. east-west, covering an area of 21,087 sq. km. with a population of 8,91,058 (2001 census). The entire region falls under the direct influence of southwest monsoon with an average annual rainfall of about 254 centimetres. It is not only endowed with natural resources of diverse range of mountainous ecosystem, but also is rich in pristine natural green thick forests occupied by variety of flora and fauna. Mizoram has a mild and pleasant climate of 11°C to 21°C in winter and 20°C to 30°C in summer. The State is divided into eight districts with its capital at Aizawl. The languages in use are Mizo (*Zotawng*), English and Hindi.

Of 21,087 sq. km. area of the State, about 83 per cent is covered by forests of which 7,127 sq. km. is reserved forest, 3,568 sq. km. is protected

under control of District/Village Councils, and 5,240 sq. km. is unclassified state forest<sup>1</sup>. Firewood, bamboo, timber, orchids, and medicinal plants are found in abundance. But, the steepness of the ranges and transport bottlenecks are main constraints in the way of scientific forestry. Bamboo grows in abundance all over the State. In time to come, if properly harnessed, it can form a useful resource for industrialization. There has been no trace of any minerals of commercial value in the State. According to the Survey and Planning Report on Industrial Development in Mizo Hills District (Mizoram) 1963, coalmines were reported in Chawngte, Bairabi and Bilkhawthlir. Salt springs were also in existence for many years in eastern, western and northern side of the State. However, in the absence of minerals of any specific value, people have to depend upon agriculture and its allied activities like, pisci-culture and weaving.

The Blackwood's expedition (1844), the Lister's expedition (1850), the *Lushai* Expedition (1871), and the *Chin Lushai* Expedition (1889-90) launched by the British were punitive in nature to teach a lesson to the marauding *Lushai* (Mizo) that they must remain peaceful and abjure violence. Punishment to the guilty participators in the raids, deliverance of British subjects carried away into captivity and necessity for establishing security of the frontiers were the main considerations. The British deliberately followed the policy of "Kick and Kiss" towards Mizo. As the East India Company was a financial institution, money was the most important consideration in administration. It would not have put money in the hills of Assam, if the investment yielded no result. The expedition to check Mizo Chiefs' raids on their tea gardens, rubber plantations, etc., was also financial in nature, as the raids caused damage to their properties. Because of this consideration, the British introduced the Inner Line Regulation, 1873, which put blanket ban on entry into the *Lushai* Hills<sup>4</sup>. It was thought that the sophisticated laws of the civilized society would disturb the social and political harmony of the people and complexities of sophisticated civilized life would harm them. Their customary laws were better suited to them. These simple hill men were to be kept confined to their environs free from outside interference. Lewin enunciated it as: "*Let us not govern these hills ourselves; but administer the country for the well-being and happiness of the people dwelling there in... their mode of government may be described as a democracy tampered by despotism*"<sup>5</sup>. With this in view, Indian Penal Code, 1860 was not made applicable to Mizo. The *Lushai* Hills District Regulation, 1889 drafted by Shri B.C. Carey, the then Political Officer of Chin Hills, permitted the Chieftdom to continue and prohibited operation of Indian laws into the

*Lushai* Hills. The Assam Legislature also had no jurisdiction over the *Lushai* Hills and there were no representatives of Mizo in Assam Legislature owing to the provision of Government of India Act, 1919 declaring the district as 'Backward Tract'. This provision disabled the Assam Legislature from making laws for the *Lushai*. Only one Governor, Robert Reid, visited *Lushai* Hills and took some interest in it. Similarly, the Government of India Act, 1935 declared *Lushai* Hills District as an 'Excluded Area' debarring Mizo of sending their representatives to the Assam Legislature and enabling the Governor of Assam to discharge his functions according to his discretion. This provision deliberately debarred the Mizo from participating in the government<sup>6</sup>. Thus, the *Lushai* Hills District was ruled directly by the Superintendent of the district and Chiefs according to the established *Lushai* customs known as 'Mizo Hnam Dan' under the nominal supervision of the Governor of Assam.

The government also did not like the entry of lawyers to Mizo Hills' District. Any rebellion of any kind was ruthlessly suppressed. Being cut off from rest of India, Mizo lived in 'cage of' economic stagnation. The economic development of Mizo Hills was neglected totally. It seems that they (British) wanted to keep the people of these areas as primitive as possible<sup>7</sup>. The foreign Christian Missionaries, who were the only advisors of the Superintendent, disfavoured the economic upliftment of the Hillmen as the conversion was not complete and the economic development was fraught with the dangers of coming of plains' people to the hills. The Chiefs paid insignificant revenue to the Government and the administration also spent very little for the economic upliftment of Mizo. It was A.G. McCall, the Superintendent of *Lushai* Hills (1939-40) who at first realized the danger of economic neglect of Mizo and was sorry to see the abject poverty, he demanded more funds, advocated change in *jhum* cultivation, setting up of cottage industries and use of electricity. He liberalized timber trade with plains of Chittagong and Cachar, allowed the tradesmen from the plains to come and settle at Aijal, Lunglei and Demagiri, and advocated improvement of road communication<sup>8</sup>. His wife helped in organizing social welfare activities among Mizo women. Thus, the *Lushai* Hills District, though placed under the British influence since 1871 and in direct control since 1890, was ruled through the Chiefs and virtually no attempt was made to improve its economy.

British annexed Mizoram in 1871-72 after military expedition. It was made part of the then Assam *vide* Government of India Notification No. 591-E.B. Dated 1<sup>st</sup> April 1898.<sup>9</sup> During Pre-British time, the inhabitants of the State had limited trade relations with outside world

through their market centres. After annexation, due to exigencies of the State, currency was introduced and gradually the trade developed. Till the separation of Myanmar and Bangladesh from India, it had well-established trade linkages with Arakan hills of Myanmar and Chittagong hills of Bangladesh, even when barter system of exchange was in vogue.

The independence of India in 1947 introduced democracy in this primarily tribal region. Gradually the interior areas were opened and road construction was undertaken. However, the people at large could not benefit much from the national planning and development. For a long period, it remained cut off from the mainstream of Indian Union. It was connected with rest of India by one single road and that to still remain blocked during rainy season owing to landslides. Situation gradually changed with Mizoram becoming a Union Territory in 1972 and finally, the 23<sup>rd</sup> State on 20<sup>th</sup> February 1987. This journey from a tribal homeland to full membership of Indian Union is very interesting and full of events. After the attainment of statehood, putting its history back, Mizoram has tried hard to change its economy, and education has played a significant role in this process. Leaving other 27 states behind, it has emerged as the second most literate State (88.49 per cent literacy) in India after Kerala (2001 census).

Mizo "children of the hills" is the generic name and includes nearly 300 clans and sub-clans, viz. *Biate, Chawngthu, Chawte, Hmar, Khawring, Kiangte, Lai, Lushai, Mara, Ngente, Paite, Pautu, Pawi, Ralte, Rawite, Renthlei, Sailo, Zote*, etc. of the analogous hill tribes living in the *Lushai Hills* (now Mizoram). These clans bear the name of their ancestral father. The Mizo are of Tibeto-Mongoloid stock and their homeland had been Shan State in Burma after they left Chhinlung in Central China. Mizo were formerly head hunting savages with a pagan faith. Now, they are Christians. The founder of the *Lushai* clan was the tribal Chief Zahmuaka. Mizo migrated from the Chin Hills of Myanmar probably in the middle of the 16<sup>th</sup> century.<sup>10</sup> Mizo led a simple life with minimum requirement. They were known to be honest, simple, sincere, courteous, considerate, unselfish, outspoken, sturdy, courageous, industrious and helpful to others even in times of inconvenience.<sup>11</sup> The primitive Mizo society was an ethnic group closely knitted by blood relationship and so they were bound to have a deep sense of feeling for others who were also their kith and kin. Because of this, Mizo beggars are not found even this day. They are a close-knit homogeneous society with no class distinction from social, religious and economic point of view and no discrimination on grounds of caste, sex, and status.<sup>12</sup> Whatever distinctions exist is functional only.

Though, the society, in the past, was more or less homogeneous, yet, there was lack of entrepreneurship. The *Lushai*, like other hill tribes of the North East, are by nature averse to physical labour. The abundance of nature made them so. The *Lushai* aristocracy took pride in warfare, raids and hunting but was averse to labour. During 1890, there was emphasis on road making, but, labour was the problem and hence, it could not be taken up at desired level. The labour force has always been either from the neighbouring Cachar district of Assam or from upper India. Among the people, there is a great love for white-collar jobs. Mizos are quite intelligent, capable of learning but lagging on specialization in the field of their work. Majority of the people in Mizoram do not have saving habit. People love to spend money till they can spend. This resulted in low level of capital formation and consequently investment and with this, rapid development cannot be expected.

The absence of authoritarian rule and egalitarian relationship among people gave Mizo society a sense of cohesion and equality. Land distribution by the Chiefs in the past and by the Village Councils since the abolition of Chieftainship under the Assam *Lushai* Hills District (Acquisition of Chief's Rights) Act, 1954 has been largely need-based. This acted as a check on privatization of land as property. Land being the basic resource of livelihood the community collectively owns it in Mizoram. Due to low pressure of population and consequently high land-man ratio with low level of technology, the economy has remained almost self-contained. However, there exist some influential families who possess large land area in the name of gardens and plantations under special garden pass 'Huan pass'.

The backbone of Mizo economy has been agriculture through *Jhuming*, which made the Mizo till recent past a migrating tribe. They shifted from one village to another at regular intervals and this practice led them to possess very little property.<sup>13</sup> Whatever they had was simple to replace and could be carried easily without the help of transport facility.

Owing to scarcity of food, hunting played a vital role in Mizo life. In Mizo economy elephant tusks were the medium of exchange and its bones and skins were valuable articles of commerce. These items had a very good market in the neighbouring plains.<sup>14</sup> Hunting led them to possess flintlock guns<sup>15</sup> (mostly old muskets) imported from Myanmar and Chittagong during later half of 19<sup>th</sup> century.

Scarcity of cultivable land and food coupled with lust of wealth made Mizo raiding the enemies' villages in the neighbouring territories to carry off slaves or captives and loot as much as possible.<sup>16</sup> They considered

raids as wars and a matter of prestige. They knew the art of war, use of iron implements, and molding of brass pipes.<sup>17</sup> Even, they knew the skill and art of systematic construction of buildings and towns before they settled in present Mizoram. Mizo Hills remained unexplored till 1800.<sup>18</sup>

With the increase in the number of marts, Mizo became dependent more and more on the produce of the plains for their necessities of life. They also got accustomed to peaceful trading, which brought a tremendous change in their political and social outlook. Barter trade gradually died out and coins came into circulation.

### **Business and Industry**

Business and industry form the backbone of an economy. Countries with strong economies have well developed business and industry and *vice versa*. Business and industry generate products and services, which go into consumption of people. The surplus generated goes into investment and sustains the development process. Employment generation also takes place in business and industry, which provides livelihood to people. The government also receives revenue in the form of taxes, levies, fees, duties etc. that may be utilized for meeting expenditure on government services and also for carrying out developmental programmes.

The traditional economies, however, heavily depend upon agriculture. Land is the main resource in these economies and agricultural produce is the source of livelihood. Most of the people in such economies are dependent on agriculture directly or indirectly. The nature and scope of business and industry also depend upon the state of agriculture in such economies. The small scale and cottage industries using farm and forest produce as inputs have been a special feature of these economies. The shift from agrarian economy to industrial economy marks the beginning of the process of development. This transformation is a slow process and takes place over a period of time through sustained efforts.

The concept of business has undergone a tremendous change across the globe during last two decades. With globalization, the boundaries of business have widened. Manufacturing and marketing of products and services are not limited within the geo-political limits of a country. The whole globe becoming one market-village has made business a boundary less activity. Recognizing the strengths, weaknesses, opportunities, and threats, resource utilization for production of goods and services is made to obtain better quality products at competitive prices. This focuses attention on strengths and opportunities, doing away with the weaknesses

and threats. The concept has assumed increased inter-dependence among the countries of the world and has led to emergence of multinational companies (MNCs). The genesis lies in a country specializing in production of few goods: exporting the goods that provide it comparative cost advantage in exchange for what others can produce at a lower cost. Gradually, countries are removing restrictions (barriers and hurdles) on foreign trade. In such a situation, no country can remain in isolation for a long period of time. It has to join the mainstream across the globe. Liberalization, Privatization, and Globalization (LPG) processes are the result of the above-mentioned developments in the world's economy.

To ensure free flow of goods and services in a regulated manner, the World Trade Organization (WTO) has emerged as a nodal agency. The WTO is a large multilateral trade forum with 144 member countries. It holds the key in directing the policies and trends of world trade. With India becoming a WTO member from 1<sup>st</sup> January 1995, there has been an increasing pressure from both the developed and developing countries to open up Indian economy for foreign goods and services.

It is high time for Indian entrepreneurs in general and the people and the state government in immediate vicinity of foreign countries in particular to equip themselves to face the challenges, of global market. There has been a plea for creation of a 'Bay of Bengal Growth Triangle' to have joint studies and coordinated investment plans to tap natural resources of the region comprising the Northeastern States of India, Bangladesh, Nepal, Bhutan, and Myanmar. Though, it appears very difficult to achieve because of complexities involved, recently some studies have suggested creation of a growth quadrangle involving Northeastern states of India, Myanmar, Southwest China, Northern Thailand and Bangladesh. The idea is to have coordinated market development that may remove many of the problems arising out of small sized markets and pave the way for rapid development of trade and commerce. Declaration of certain areas as free trade zones has also been suggested.

Following the above, the BIMST-EC (Bangladesh-India-Myanmar-Sri Lanka-Thailand Economic Cooperation) Agreement was signed. The Indo-Myanmar border trade formally opened on 12<sup>th</sup> April 1995,<sup>19</sup> as a follow up measure of the Border Trade Agreement (BTA) signed between the two countries on 21<sup>st</sup> January 1994, at New Delhi. The Government of India and the Government of Myanmar have agreed to open the border trade between the two countries in three sectors, viz., Moreh (Manipur), Champhai (Mizoram) and Lungwa (Nagaland) in India

as against Tamu (Sagaing Division), Hri (Chin Division) and Paletwa (Rakhine State) in Myanmar respectively. Of these, presently Moreh centre is facilitating border trade officially and Champhai has been just opened. The bilateral agreement had identified 22 items of trade that are to be traded on head-load basis under barter system of exchange besides other usual items of trade under Export-Import (Exim) policies of the two countries.<sup>20</sup> This augurs well for the future.

During pre-British time, Mizo had limited trade relations with outside world through their market centre. For the first time, regular markets in *Lushai Hills* (Mizoram) were established in 1871-72 to handle the volume of rubber trade.<sup>21</sup> Trade was carried on through trade marts established on the confluence of navigable rivers like the Tipaimukh Bazaar on Barak River, Sonai Bazaar (*Lushai hat*) on Sonai (*Tuirial*) River, Chengsil (*Jhalancherra*) Bazaar on Dhaleshwari (*Tlawng*) River, Pakwamukh Bazaar at south of Bhairabi at the junction of Pakwa and Gudur rivers. On Bangladesh side, Bepari Bazaar on the Sylhet border and Kasalang Bazaar (half way between Demagiri and Rangmati) on the Chittagong border were well-known trade marts.<sup>22</sup> Through these marts, the Pawis, Maras and *Lushai* had been selling rubber to the Chittagong traders. On Myanmar side, the markets were Yazagyao, Kalemyo, Indin, Sihaung, Myintha, and Gangaw. There was also small trade in metal bells, silver beads, and other ornaments of Indian manufacture,<sup>23</sup> which found their way through the Mizo Hills from Chittagong to Akyab. Before independence the exchange that took place with the markets outside the State was a sort of exchange for production for use and sustenance. It did not appear to have brought a transformation from production for use to production for exchange. This may be as a result of inadequacy of transport, communication and capital. The former restricted the scope of exchange and the later the growth of surplus. Thus, the production of material basis of the economy was halted or strangled, and this in turn resulted in thwarting the development of the productive power. Transformation of natural resources into products of higher order through improved technology was not possible in this situation. This provided hardly any opportunity to the people to own property. Absence of private property made the society less stratified.

The situation changed significantly after the separation of Myanmar from British India and Indian independence in 1947. The age-old ethnic and historical relationship changed overnight and people were forced to search for new trade relationship with people of lower Assam. Gradually, Silchar and Guwahati in Assam and Kolkata emerged as major trading

centres for Mizoram, the routes became longer and goods became costlier in the process. During early phase, business was in the hands of Bengali traders and Marwari businessmen, which was gradually taken over by locals.

There existed no industry worth the name in Mizoram before independence. During early phase of planning; industrialization could not be emphasized upon, as there was neither a resource base nor the necessary infrastructure. Industrialization started initially with cottage, tiny and village industries in the urban areas. Lately, some modern small-scale industries were set up in Aizawl and some large district towns.

The survey of existing literature leads to the conclusion that most of the earlier works related mainly to history, culture, social system, and customs of Mizo. Recently there have been some research works and publications covering various aspects of economy of Mizoram. However, no work dealing with Business and Industry in Mizoram has come to the knowledge of the author. Most of the works are based on the information drawn from plan documents and government publications. Business, particularly the private sector has remained completely out of focus. Whatever factual information is available about business from diverse sources is scanty and scattered. No work has covered the border trade. Some works discussed the location and government's developmental activities for industry. But, the aspects like organization, policy, roll of incentives, entrepreneurship, etc. have not been discussed. There has been no study covering the development and functioning of public sector enterprises in the State. Banking including commercial banks and cooperative banks has been mostly the recent development. The activity of these institutions is limited to district towns. Moreover, except for the general banking facility, other developmental and promotional activities have not been emphasized. There has been no study examining the activities of financial institutions in the State. Taxation has a limited role in the State's economy. Central taxes like income tax, excise duty, etc. are not levied on tribals in the State. The scope of state taxes is limited to state sales tax (now VAT), profession tax, entertainment tax, land revenue, registration fee and stamp duty. No study of the role significance and contribution of taxation have been done.

The book covers the following aspects:

- Trace the growth of business, development of business related infrastructure and allied services, border trade and examine the role of government in promotion and regulation of business in Mizoram.

- Trace the growth of industry, industrial infrastructure, determine the developments in industrial structure and entrepreneurship, its present status and appraise the role of government in promotion and regulation of industry in Mizoram.
- Assess the role of financial institutions including development banks, commercial banks, cooperative banks, direct financing by State in the growth of business and industry in Mizoram.
- Survey the policy and measures of taxation, their present status, contribution to State revenue and implications for business and industry in Mizoram.
- Identify the problems of business and industry in Mizoram and suggest remedial measures.

### NOTES

1. CMIE—Public Finance 2002 and Economic Survey 2001.
2. Editorial Perspective, *India's North-East*, Dialogue, Vol. 4, No. 1, July-September 2002, p. 7.
3. Northeastern Council, *Basic Statistics of NER*, 2002, p. 45.
4. Acharya, N.N., *Modernisation of Mizoram*, Proceedings of the NEHA, Aizawl, 1984, p. 222.
5. Charterjee, Dr. Suhash, *Mizoram: Encyclopedia*, Vol. III, 1990, pp. 568-71.
6. Roy, A., *Mizoram: Dynamics of Change*, pp. 45-47.
7. Constituent Assembly Debates, September 6, 1949, Vol. X, No.27, p. 1015.
8. Allen, B.C., *Assam District Gazetteers*, Vol. X, Part III, Lushai Hills District, p. 38.
9. A.S., For A., May 1898, Nos. 13-46. Quoted in Lalrimawia's *Mizoram: History and Cultural Identity*, Spectrum Publications, Guwahati, 1995, p. 56.
10. Soppitt, C.A., *A Short Account of the Kuki-Lushai Tribes*, Tribal Research Instituted Aizawl, 1976, (Reprinted) p. 7. Quoted in Lalrimawia's *Mizoram—History and Cultural Identity*, Spectrum Publications, Guwahati, 1995, p. 14.
11. Parry, N.E.: *A Monograph on Lushai Customs and Ceremonies*, Firma KLM P. Ltd., Kolkata, 1976, p. 19.
12. Lianzela: *Economic Development of Mizoram*, Spectrum Publications, Guwahati, 1994, p. 6.
13. Heerion Lloyd, *On Every High Hill*, Liverpool, p. 17. Quoted in Lalrimawia's: '*Mizoram: History and Cultural Identity*', Spectrum Publications, Guwahati, 1995, p. 3.
14. BJP, April 12, 1855, No. 95; Verner, Superintendent of Cachar to the Secretary, Government of Bengal. Quoted in Lalrimawia's: *Mizoram: History and Cultural Identity*, Spectrum Publications, Guwahati, 1995, p. 3.

15. Quoted in Lalrinmawia's: *Mizoram: History and Cultural Identity*, Spectrum Publications, Guwahati, 1995, p. 3.
16. Lalrinmawia, *Mizoram: History and Cultural Identity*, Spectrum Publications, Guwahati, 1995, p. 5.
17. Hranglien Songate, *Hmar History*, Hmar Chanchin, Imphal, 1956, p. 7.
18. Lalrinmawia, *op. cit.*, p. 8.
19. Editorial, Indo-Myanmar Border Trade, *Northeast Trade Line*, Vol. I, No. III, February 2003, p. 5.
20. Reserve Bank of India, A.P. (DIR Series) Circular No. 17, October 18, 2000.
21. —, *The Lushai: 1878-1889*, Firms KLM P. Ltd., Kolkata, for Tribal Research Institute, Aizawl, Reprint 1978, p. 41.
22. A. Machenzie, *The North East Frontier of India*, Mittal Publications, New Delhi, Reprint 1999, p. 363.
23. Bertam S. Carey and H. N. Tuck, *The Chin Hills*, Tribal Research Institute, Aizawl, 1976, p. 215.