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# INDIA'S NORTH-EAST

THE PROCESS OF CHANGE  
AND DEVELOPMENT

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**R.K.SAMANTA (Ed.)**

The concept of change and development is a dynamic one apprehending each and every aspect of human existence. Development of any society stems from its integral socio-cultural process. It takes within its ambit the natural environment, social relations, education, production, consumption and welfare. The primary objective of development is to satisfy the essential material needs of the society, but not at the cost of local environment and people's culture.

People change as they move from a condition of lower to higher self-esteem. And when people change, the society to which they belong also change, and the country moves with them too. But this change and development process did not take place in north-eastern region of India over the decades, though this region is endowed with rich resources of land, water, forests, minerals and beautiful people with lots of stamina and deep rooted culture. It also boasts of egalitarian tradition in control of land and land based resources. Any one would have thought that such a typical region would have been the cherished pride of the country; instead, it is the most backward and undeveloped one.

The reasons may be many as indicated before by several academics, social workers and political leaders but systematic studies with supporting evidences and pragmatic solutions by the scholars are lacking. Therefore, the book *India's North-East—The Process of Change and Development* is a modest effort of the academics and scholars living and working since decades in the north-eastern region to bring together the various viewpoints of change process for development in the region. The compilation is aimed through exploring the reasons for backwardness of this region and providing strengths and means to overcome the limitations of change and development in the region.

**R.K. Samanta** (b. 1948), who served as Director (Agril. Extn. and Commn.) in National Institute of Agricultural Extension Management (MANAGE), Hyderabad, India, is presently the Zonal Coordinator, Transfer of Technology Projects of Indian Council of Agricultural Research (ICAR), Bangalore, India. By training, Dr. Samanta is Agricultural Extension Management and Communication Specialist having degrees in B.Sc. (Ag.) Hons.; M.Sc. (Ag.) and Ph.D. (Agril. Extn.) and trained in India and USA at Cornel, Syracuse and the Ohio State Universities.

Dr. Samanta has to his credit 16 books (authored and edited) and more than 130 research papers, professional communications and book chapters in the fields of agricultural extension, communication, training, management and rural development.

# INDIA'S NORTH-EAST

## THE PROCESS OF CHANGE AND DEVELOPMENT

*Edited by*  
**R.K. Samanta**



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# 1

## INSURGENCY AND ECONOMIC DEVELOPMENT IN INDIA'S NORTH-EAST

*B.B. Dutta*

### I

Insurgency is not a very well defined term. The word got wide currency only in recent times and refers to a phenomenon which has not been subject to much scientific attention. In the Indian context, the studies are poorer. Very often we find, insurgency is being inter-changingly used with the terms like terrorism, extremism, guerilla warfare etc. "The authors (at least most of them) appear to have been more concerned with the question of the territorial integrity of the country"<sup>1</sup>, putting all violence more or less under one category. This apparent indifference to the study of understanding a type of phenomenon by analysing and unravelling its social, political and ethical contents can and do contribute to the weakening of the very unity and integrity for which we seem to be so contemptuous of the insurgents or insurgencies. Though the theme of this paper is not insurgency itself, we shall try to describe the phenomenon as objectively as possible by identifying its attributes so that the idea conveyed by the term is well defined. We must be clear in our mind as to the inter-relationship of various factors.

If we observe sharply the phenomenon we have in mind characterised by revolt against established authority, we may

notice the following characteristics :

- (i) There exists a deep seated distrust and discontent among a segment of indigenous population against the central authority on "certain issues and interest"<sup>2</sup> which alienate them psychologically from those in authority.
- (ii) At certain point in the phase of demands and protests, one or more groups of consciously mobilised people seek to transform the phase to resistance and take to arms to achieve independence.
- (iii) The segment of indigenous or local people who feel psychologically alienated generally belong to a broad ethnic group which is numerically not too large.
- (iv) The geographic locations of these psychologically alienated people are invariably on the borders or periphery of the country.
- (v) Powers across the borders are willing to aid and abet and generally there exists some affinity between the populations living on both sides of the borders.
- (vi) The process is never initiated by those who are in power but by those who feel deprived.
- (vii) A well-knit organisation is visibly seen to be guiding the movement and its command structure is so well defined that talks, negotiations, and even signing of memorandum of understanding with the insurgents is possible.
- (viii) Insurgents generally enjoy the passive or active support of the mass people and they do not like to annoy or harm them though their wrath may fall on individuals who are suspected to be betrayers or informers.
- (ix) The insurgents do not normally damage the economy of the region they want to liberate. Any damage caused to the economy may be incidental, but definitely not a part of the methods or means.
- (x) The duration of the insurgency movement is generally long as its paths are tortuous.<sup>3</sup>

All these attributes enumerated above create a very special type of political situation in the history of social movements in any country, which we describe by the term insurgency.

If in a particular situation, any one or more of these attributes are missing, we may not call it an insurgency movement but use other terms, (we have a number of them), to describe the phenomenon. For example, insurgency is to be distinguished from terrorist movement which can occur in any part of the country, can and do annoy the local population and is not credited with a political outfit defined well enough to ensure that talks or negotiations can be conducted. They can and do damage the economy of the places they operate in by blowing off bridges and trains, disrupting other lines of transports and communications extorting money and killing people indiscriminately to create terror. They may talk about independence or autonomy, but their operations suggest that they talk of those goals only to achieve some kind of political respectability for what they are doing instead of shaping and asserting themselves as a sustained political force. Terrorism is an expression of blinding anger rather than that of a political strategy with an ideology behind it. Terrorism, of course, can continue for quite long as terrorism begets terrorism—revenge being the only guiding force. But sooner or later it has to die out. If terrorism operates in a situation where the conditions for an insurgency movement are present, then, sooner than later, the insurgency will take over.

Insurgency is not guerilla warfare which is merely a particular type of fighting. Depending on their particular geographic locations, and other factors, the insurgents will choose their methods which need not be always the guerilla warfare.

Insurgency is not rebellion. A rebellion is an attempt by a group of people to overthrow the establishment and wrest power—political or economic. It has nothing to do with political ideology and it may be initiated by any group of people from any field of activity—civil or military, from any place. The general mass remains rather uneducated about the purpose until at a later time when the cause or causes of rebellions are gradually understood. A rebellion is a short, sharp and passing phase leaving behind little impact on the society at large.

Insurgency is also not a revolutionary movement. A revolutionary movement shall invariably culminate in a

revolution which ushers in total and all pervading changes in the social, economic and political structures of the nation. Revolution cannot occur only in a part; it involves and embraces the whole; it sets in motion changes that radically influence each and every component of the social edifice.

Insurgency, in all probability, is not likely to develop into a revolutionary movement. And yet it cannot be denied that it has, in certain situation, some potential for a revolutionary movement. It may throw challenges of a kind that may necessitate a radical change in the entire political structure. However, the insurgency movement is generally more likely to come to terms with the established authority at some point of time of the struggle achieving more autonomy for the people whose causes they espouse thereby effecting partial change in the structure of the polity. Insurgency is therefore a political movement with a social base and have definite attributes that separate it from other types of movements.

## II

### The North Eastern Canvas

With a history of centuries of economic stagnation and foreign domination when a vast country like India with its varied geography and complex demography awakes to freedom and democracy, the journey is bound to be a stormy one. And more so, when it has as sensitive a region as the North East—its sensitivity further heightened by the partition of Bengal in the eastern region as a corollary to the partition of the country on the basis of religion.

The second world war (1939-1945), its battle fronts extending upto Burma-Manipur-Nagaland belt, woke up the Hills. On the cessation of hostilities, the Indian Independence and British withdrawal looked imminent. That animated the administration and politics of the region. The British administrators anticipating the inevitable, started to play their last round of imperial game. The Reid plan, the Coupland plan, the North Eastern Agency plan were all products of exercises to determine the future

political and administrative pattern of the excluded and partially excluded Areas and some-times imagination covering the areas beyond. Christianity as the religion (the church too played a role), English as the common language, British Crown or the League of Nations as the guardian power were all thought of. Indeed the tribal setting, the Hill setting with a history of isolation offered a very fertile canvas. The partition of India made it even more fertile. The union government of free India which was bleeding and reeling under the consequence of partition responded to the events in the North Eastern Hills with apprehension, calculating every step from the point of defending the unity and integrity of the country.

As the forces of progress—social, economic and political—gather momentum and expectations keep on rising, critical evaluations of progress in terms of region, religion, caste, tribe, language are made and various types of movements with differing intensity and magnitude are born. In such a context, national relations continue to be a constantly developing reality that keeps on posing new questions, new tasks, new problems, pointing to new equations.

The questions, the tasks, the problems acquire a new orientation when they arise from the north eastern region of India with so many unique features of its own. With an area of 2.55 lakh Sq.Km., 70 per cent of which is hilly and with more than 80 per cent population living in the rural areas, it presents a unique ethnic picture. There are as many as 209 scheduled tribes. Arunachal has 101 (including sub-tribes), Assam 23, Manipur 28, Meghalaya 14, Mizoram 5, Nagaland 20 and Tripura 18. The region has a concentration of scheduled tribe population that forms 21.76 per cent of the population. The Scheduled tribe population forms an overwhelming majority in Mizoram (93.52%), Nagaland (84%), Meghalaya (80.54%) and Arunachal Pradesh (69.78%). The Scheduled tribe population is in minority in Assam (10.9%), Manipur (27.30%) and Tripura (28.45%). Of 266 lakhs people (as per 1981 census), 75% are in Assam which comprises 31% of the region's land area, indicating a very uneven spatial distribution of population. Arunachal with 32.4% of the region's land area has only 2.37% of population.

The region has a long international border with Bangladesh

(formerly East Pakistan), China, Burma and Bhutan. People of the same stock or ethnic affinity live on both sides of the borders.

Most of the hilly and the tribal areas of the region were unaffected by the development that took place in the rest of the country and remained isolated for long long years. The clan or tribe-structured tribal societies of the region continued to remain more or less self-governing local communities while the British followed the policy of silent economic exploitation with as little interference as possible; *dominated isolation* from the mainstream being a part of the strategy of exploitation. This contributed to the growth of a psyche of isolationism and explains why repeated assertions were made to strengthen the composite state of Assam and not to break it so that the united Assam could provide strength and stability to the frontier.

The narration of events leading to insurgency, the issues and the time periods involved in respect of each state have to be understood against this perspective.

### (i) Naga Insurgency

Insurgency first began in Naga Hills which gave it the distinction of being the pace setter in the north east. The Nagas speak languages belonging to the Tibeto Burman group and are of the Mongoloid origin. "When the Nagas refer to Nagaland, they mean the entire area inhabited by Nagas which has been partitioned by the British between two sovereign states i.e. India and Burma. In India though geographically a compact area, the Naga inhabited territory has been placed under four states, namely, Nagaland, Assam, Manipur and Arunachal Pradesh. Except in Nagaland, Nagas are a minority in all other states."<sup>4</sup> This brings up the issue of unification of all Naga areas into one political unit following the British withdrawal from the sub-continent. Simultaneously, the next important stand taken by the Nagas were that they had never surrendered their freedom completely in the face of adverse circumstances and that they were never under India which ethnically, geographically and otherwise has no closeness to them and therefore, following the British withdrawal, they become a completely free people. It was in 1832, they point out, "Capt. Jenkins and Lt. Pemberton escorted by Raja Gumbheer Singh's

Manipur troops forced a passage through Naga Hills."<sup>5</sup> That was the beginning of the British domination and the division of Naga inhabited areas, increasing Kuki settlement in Naga villages as a part of deliberate policy, and the ultimate capture of the Angami Territory converting it into a British District in 1861. All these do not suggest, they argued, that Naga Hills are a part of India. When the second World War ended in 1945 and India's freedom looked imminent, the Nagas formed in 1946, The Naga National Council (NNC) which according to V. Elwyn was the "natural extension of the traditional system of the Naga village/tribe to the ultimate scale—the whole of the Nagas."<sup>6</sup> The NNC declared independence on 14th August 1947 which the Govt of India did not recognise and went ahead with settling up and expanding state machineries in Naga Hills.

The period between 1947 and 1954 saw each side trying to convince the other to its standpoint. The NNC proposal seeking a "Protected State Status" for Naga Hills with India as the guardian power for a period of 10 years after which Nagas would decide their future was not acceptable to the Government of India. The Nine-Point Akbar Hydari Agreement also fell through. The NNC leaders' meeting with Gandhiji in July 1947 bore no fruits. The NNC leader A.Z. Phizo was arrested in July 1948. The Government of India claimed that the majority of the Nagas wanted to be with India. The NNC would not agree and invited India to join a plebiscite which India refused but the NNC carried out in May 1951 to prove their point. The Nagas boycotted the first General Elections of 1952. The NNC started 'Civil Disobedience Movement'. The Nagas welcomed Nehru's visit on 30th March 1953 and organised a big reception in honour of the Prime Minister who was accompanied by the Burmese Prime Minister U. Nu. The elders left the reception as officials announced that no representation should be submitted. In 1954, stray incidents of skirmishes between government troops and Nagas were reported.

In 1955, the insurgency began. The Ministry of Defence summed up the events in its 1956-57 statement:

"Early in 1955, due to hostile activity by the misguided Nagas, the law and order situation deteriorated in the Tuensang

area of the North East Frontier Agency (NEFA). It was stabilised with the help of the Army units working in close cooperation with Assam Rifles. But disturbances spread into the Naga Hills and could not be contained even with the help of the Army. Therefore on 2nd April 1956, the responsibility of maintaining law and order in the area was handed over to the army.<sup>17</sup>

On 22nd March 1956, the NNC inaugurated its government—the Federal Government of Nagaland (FGN). Within months, it raised an 'army' called the Naga Home Guard. As a counter, government of India extended all help to loyal Naga Officers and men to form Naga People's Convention. In December 1957, the Naga Hills and Tuensang Area (NHTA) was made an autonomous district under a Commissioner. But the administration could not make much headway.

In 1959, at the Naga People's Convention at Mokokchung, Kevichusa, a senior Angami civil servant got adopted a draft proposal for statehood to Nagaland comprising 'NHTA' and the contiguous Naga areas of Manipur and Assam without the prior approval of the government of India.

The state of Nagaland was formed in 1963 and was placed under the External Affairs Ministry preceded by a Sixteen Point Agreement signed by Dr. Imkonglimba on behalf of the NPC. As it differed from the Kevichusa draft, Vizol & Kevichusa dissociated.

The NNC, the Federal Government of Nagaland and its army were declared unlawful associations by the government on 31st March 1972 and the state of Nagaland was transferred from the External Affairs Ministry to the Union Home Ministry.

On November 11, 1975, when India was under a national emergency, the government of India and members of the outlawed Federal Government of Nagaland signed the "Shillong Accord" by which the F.G.N. accepted the constitution of India. A.Z. Phizo, President of the NNC at London, Isaac Chisi Swu and T. Muivah, General Secretary of the NNC who were camping in Eastern Burma denounced the Shillong Accord.

In 1980, Isaac C. Swu and T. Muivah broke away from Phizo and formed the National Socialist Council of Nagaland (NSCN) with Socialist leanings which came to be known as 'Eastern Faction'. The F.G.N. under Phizo with its pro-west

leanings was labelled as 'Western Faction'. The NSCN is very active, though, of late it has broken up with Kaphlang's Burmese Naga group. With Phizo's death in 1990, the NNC is on a very low key but not yet completely dead. The NSCN continues its hot and cold operations in Manipur and Nagaland.

## (ii) Mizo Insurgency

The Mizos belong to the Kuki-Chin Ethnic group and live in the southern tip of the North Eastern corner of India. They are also present in varying number in Manipur, Assam, Tripura contiguous with the boundaries of Mizoram. In Burma, wherefrom they came, their kinsfolk are still there. It has an international border with Burma and Bangladesh.

Mizoram is a densely forested area with more than 90 per cent of the land under unclassified forests. In the pre-British days, they were semi-nomadic moving from one village to another practicing 'Jhuming'. In the last part of the 19th century at the time of the British occupation, there were living not less than 20 different clans who spoke different dialects. When the British stopped the inter-clan and inter-village quarells, the pioneer educationists adopted the *Duhlien* dialect as the medium of instruction in schools and in literature. At present this is the language spoken by all the clans and sub-tribes except in Pawi-Lakher. They adopted christianity as their religion.

The British wrongly named the district as Lushai Hills following the name of the then dominant sub-tribe Lushai. Traditions reveals that the term 'Mizo' links the tribes and sub-tribes together. This is why after independence the District was named as 'Mizo District' (from 1st Sept. 1954) by a legislation enacted by the Indian Parliament.

At the time the British came, each village with its area of land for cultivation was an independent unit with a chief (Lal) as its head. As the mode of cultivation was jhuming, the Chief was a notional owner of the land as there was no private ownership of land. He was always willing to move elsewhere if his villagers so desired. Land disputes between villages often generated inter-village warfare. The British limited the increase in the number of chiefs by drawing boundaries for the existing ones and recognising each chief as the owner of all lands within his boundary. It also sought to introduce

settled cultivation without interfering with jhum cultivation. Land settlement was introduced in 1893 and the chiefship was made hereditary. The eldest son of the chief was to inherit thereby the custom of dividing the deceased chief's area among the sons was stopped. But the hereditary chiefship was, however, subject to good behaviour, and physical and mental normality of the inheritor. The chiefs had Elders or Upas to advise them in village administration.

The British recognised the chiefs as the spokesmen of the Mizo people and constituted 'Chiefs Council' with 22 representatives. Being an 'excluded area', there was no political party as political activity was not allowed in such areas. Hence, the government of India Reform Act of 1919 and 1935 did not touch them. They continued to remain under the personal administration of British Officers and the hereditary chiefs. When the Mizos in early 1920s wanted to form an organisation and ask for inclusion of Mizo Hills under the 1919 Reform Act, the leaders were put behind the bars. Similarly, when a section of Mizo youth wanted representation in the Provincial Legislature of Assam constituted under the 1935 Reform Act, it was ruthlessly put down. Anticipating the end of the British Raj in India, Mr. McCall, a District Officer in Lushai Hills (1932-43) attempted two things: (i) to educate the local ruling chiefs in the art of administration and (ii) draw up a plan by which the hill areas of the eastern India and northern Burma could be brought into one political unit and put under the trusteeship of the League of Nations. Mr. Macdonald who succeeded Mr. McCall, "drew up a plan for the future constitutional set up of Mizo Hills which in area would include a part of Burma and would have access to the sea in the Bay of Bengal. This land would have maximum autonomy and very few subjects like defence, external affairs and few others could be in the hands of the Indian government."<sup>8</sup> With this purpose, Mr. Macdonald "constituted a District Conference or Mizo Council with representatives of Chiefs and commoners on a fifty-fifty basis."<sup>9</sup>

The Mizo formed their first political party—The Mizo Union in April 1946. The Mizo Union opposed the District Council on the ground that it was a chief dominated body and its first General Assembly held in Sept. 1946, gave itself the authority to decide the future of entire Mizo people keeping the District

Officer out of picture. The Assembly further decided that Mizo Hills for the time being should remain a part of India subject to the condition that after 10 years the position should be reviewed. But significantly, it did not decide to join Burma nor did it decide for declaration of independence.

In 1947, at the time of independence, a section of Mizos' under the leadership of Lalnawia, President of the United Mizo Freedom Organisation (UMFO) wanted integration of the Lushai Hills with Burma. But the demand did not generate much support from the people.

Gopinath Bordoloi, Premier of Assam, sought in 1947 the support of the Mizo Union for exclusion of Assam from the Grouping Plan (Grouping with Bengal) and offered his support for representation of Mizo people in the making of the Indian constitution and also assured autonomy for Mizo Hills.<sup>10</sup>

The Mizos were not represented in the Constituent Assembly as they had no representative in Assam Legislature. But the Assam Sub-Committee of the Advisory Committee, (the Advisory Committee formed to advise on the constitutional proposals to be made for the governance of the hill tribes and other special matters) under the chairmanship of Bordoloi invited the Mizo Union to send two representatives. The Assam Sub-committee's task was to report on the system of administration of the 'excluded' and 'partially excluded' areas. The Mizo Union accordingly sent the names of C. Saprawnga and Khawtingkhuma, who were co-opted.

Mr. Sakhrie, Secretary of the Naga National Council had visited Mizo Hills in 1946 when the Mizo Union held the first General Assembly and spoke of the Naga determination to fight for political independence. Again, at the time the Sub-Committee of the Constituent Assembly (April 1947) visited Mizo Hills, A.Z.Phizo, the President of the NNC and other Naga Leaders visited Aizawl. Phizo wanted the Mizo people to join the Nagas for independence and offered that the Mizo language will be the official medium of the state of United Naga and Mizo Hills. The Mizo Union, against this background, submitted a memorandum to His Majesty's Government and the government of India and the Constituent Assembly of India

on April 22, 1947 demanding *territorial unity* and solidarity of the Mizo people; renaming Lushai Hills District as Mizoram and its people as Mizos; full self-determination within the Province of Assam; year to year financial provision until such time when the Mizos are able to maintain their territorial integrity and self-determination without such financial provision; and all these shall be subject to revision even to the extent of seceding after 10 years.

On 14th August, 1947, Mr. L.L. Peter the last British District Officer held a meeting with fifty prominent Mizos. The meeting under the chairmanship of Mr. Peter resolved,

“that if the Lushais are to enter the Indian Union, their main demands are: (i) that the lasting safeguards of their customary laws and land tenure etc. should be maintained; (ii) that the Chin Hills Regulation 1896 and Bengal Eastern Frontier Regulation 1873 should be retained until such time as the Lushais themselves through their District Council or other parallel district authority declared that this can be abrogated; that the Lushais will be allowed to opt out of the Indian Union, when they wish to do so, subject to a minimum period of ten years.”<sup>11</sup> However, the conflict in the Mizo Psyche between their willingness to be with India and the fear of being submerged was reconciled with the autonomous status to be provided by the Sixth Schedule to the constitution. The Mizo Union participated in the 1952 general elections to Assam Legislative Assembly and to the autonomous District Council and maintained parliamentary level association with Assam Pradesh Congress Committee. The Mizo Union also supported Assam's demand for a greater Assam before the State Reorganisation Committee (1954).

The opposition party—the United Mizo Freedom Organisation merged into the Eastern India Tribal Union, a political association formed by Capt. W.A. Sangma of Garo Hills which wanted a Hill State of all the tribal areas of the region within the Indian Union. Before the second general elections (1957), the Mizo Union which continued as an associate of the Congress party suffered from split.

In 1959, Mizoram was very hard hit by a famine following the flowering of bamboos which they call “Mautam” and the

Assam Administration handled it rather badly. Unhappy elements from both the ruling Mizo Union and the opposition UMFO formed a relief organisation under the name of Mizo National Famine Front (MNFF) in which Laldenga, then an employee of the District Council took a very prominent part. The MNFF became an expression of discontent against the ruling Mizo Union in District Council and the congress party in power in the state of which the Mizo Union as an associate. Gradually bickerings between Mizo Union and Assam Administration started over petty matters on which the Assam Officials spent much time. For example, whether a District Council member is entitled to use 'service stamps', whether he is entitled to use inspection bungalow were taxing the time and energy of the Assam administration. And the inevitable happened. The Mizo Union parted company with the Congress party following sharp difference of opinion on famine relief and the Assam Official Language Bill of 1960.

The MNFF changed itself into Mizo National Front (MNF) and demanded an independent greater Mizoram. In the later part of 1960 when the Official language Bill introduced by the Assam Government alienated the tribals to a point of no return, Cap. W.A. Sangma called the All Party Hill Leaders Conference (APHLC) which wanted the creation of an 'Eastern Frontier State' comprising the Hill Areas of Assam, Manipur and Tripura within the Indian Union. The conference was attended by the Mizo Union along with other political parties and groups. By 1963, the Mizo Union was neither satisfied with the progress of the APHLC nor with the prospect of Mizoram in the proposed Frontier State as Mizoram may not have contiguity with other constituents. The MNF which grew in strength wrested two Assembly seats in 1963 byelections caused by the resignation of Mizo Union's two MLA's (on October 24, 1962) at the call of the APHLC. The Mizo Union in its special session after the defeat in the byelection decided to withdraw from the APHLC and gave the call for a Mizoram state. The MNF started at this time establishing contacts with East Pakistan for arms and training of volunteers. Laldenga, president and Lanumawia vice-president of the MNF were arrested for their clandestine trip and later released (February 1964) on giving a written undertaking of good conduct directly to B.P. Chaliha, the Assam

Chief Minister.

The Mizo Union followed the peaceful line for a Mizo state within Indian Union and the MNF followed the opposite. The presence of armed MNF Volunteers and the unarmed MU Volunteers made the situation explosive when the Mizo Union announced a programme of non-violent direct action. To diffuse the situation, a conference of all Mizo and near Mizo parties and groups of Assam, Tripura and Manipur was organised at Churachandpur (Manipur) in January 1965. In this conference, the MU was persuaded to postpone its proposed movement for Mizoram state on the condition that the MNF agree to abandon its secessionist demand and assert its faith on peaceful means. The conference endorsed the demand for a greater Mizoram state comprising all Mizo inhabited areas.

When H.V.Pataskar, Chairman of the Hill Areas Commission visited Mizoram (February 1966), the MNF submitted a memorandum demanding independent Mizoram. On March 1, 1966, the MNF began its armed uprising and overran most areas of the district. The Mizo Union met the Prime Minister Indira Gandhi (June 22, 1966) and reiterated their demand for a Mizoram state and charged the Assam Chief Minister B.P. Chaliha for helping Laldenga and his MNF.<sup>12</sup>

In January 21, 1972 Mizoram was made an Union Territory. Following the formation of the 30 member Legislative Assembly, the District Council was dissolved and three separate District Councils for the Pawai, the Hmar and the Chakmas were formed in the Pawi-Lakher area.

In 1986 the MNF signed the Mizo Accord by which Laldenga became the Chief Minister and the Mizoram was converted into statehood from Union Territory heralding peace and end of insurgency.

### (iii) Insurgency in Tripura

Tripura's 10,486 sq.km. comprises of picturesque hills, green valleys and dense forests. In the north, west and south, it has a long international border of 832 Km with Bangladesh (former East Pakistan). Of the 20,53,053 people, 5,23,920 are tribals (28.44 P.C.) Linguistically and ethnically the tribes of Tripura are akin to the Tibeto-Burman sub-family of the region.

80% tribals speak the Kok-Barak Language and this is now the recognised second official language. The first official language is Bengali, which was adopted as the court language by the Maharaja of Tripura even before the merger of Tripura into the Union of India (15 October, 1949). Today, 67% of the state's population speak Bengali. The non-mongoloid Bengalees differ widely from the tribals in all respects. The dominant Tripuri tribe account for about 56% of the tribal population and belong to the Bodo group of Indo-Mongoloid origin while the Reang tribe, the second largest group account for more than 14% of the tribal population and their origin may be traced to the Kukis of Mizo Hills.

The Hindus constitute the major religious group among the tribals and non-tribals of Tripura. The Mogs & Chakmas are Buddhists. Christianity is also spreading among the Kukis, Mizos and Garos. The scheduled caste population is more than one-tenth and they are Bengalis who had migrated to Tripura before and after the creation of Pakistan.

Tripura has witnessed a radical demographic transformation over the century. In 1874-75, tribal population accounted for 63.77% of the total population. In 1901, it was 52.89; in 1951 it was 37.23; in 1961 the decade after partition which saw the influx of refugees, the total population went up by 78.71% and the tribal population's percentage came down to 31.50. In 1981, it had further come down to 28.44.

About 80% of the urban tribal population is to be found in Agartala, the state capital as they were residing here since the time of princely ruler. Remaining 20% are spread over to the Nine Administrative Headquarters at District and sub-divisional levels. The urbanisation process is therefore limited mainly to non-tribals. The Tripura tribals have a history of protests against feudal exploitation. There were unrest among the Kukis in 1826, 1836, 1844 and 1860. The Jamatias protested in 1863 and the Reangs in 1942-43.

The merger of Tripura into India as a 'C' class state under the Chief Commissioner failed to do anything for the poor tribes living in remote areas because of (i) transport & communication difficulties due to partition (ii) unprecedented influx of refugees and (iii) high degree of corruptions in an

unimaginative administration already under heavy strain. The immigrants first settled in the plains, then in the adjoining tilla lands causing transfer of lands from tribals to non-tribals.

In 1947, *Seng-Krak* a secret militant tribal political union in the fashion of Ku-Klux-Klan (KKK) of America was formed which opposed influx. A section of Tripura Gana Mukti Parishad, the C.P.I.'s tribal wing, was influenced by it and took part in terrorising the Bengali refugee colonies. *Seng-Krak* was ultimately banned. Next came the *Paharia Union* in 1951 as *Seng-Krak* was banned. The Halam leader Chandra Sadhu Rupini was its leader. The Chakmas organised in 1952 the *Adibasi Samiti*. The educated urban based tribal people organised in 1953 the *Tripura Rajya Adivasi Sangha* and wanted tribal dominance in administration besides its anti-refugee stand. In 1954, the *Paharia Union*, the *Adivasi Samiti* and *Rajya Adibasi Sangh* were merged together into *Adibasi Samsad*. It took anti-refugee stand and demanded larger participation of tribals in administration and under-took some socio-economic programmes.

Capt. W.A.Sangma of Garo Hills convened in December 1952 a meeting of tribals leaders and formed the *Tribal Union* which was renamed in 1956 as Eastern India Tribal Union (EITU) with the objectives of forming a North Eastern Tribal State. Sri S.K.Chakma who attended the meeting in 1952 contested 1957 and 1962 elections as EITU candidate. They wanted more tribal district councils in the areas and appointment of non-Bengali officers in the administration.

In 1967, the defeat of the CPI(M), champion of the tribals, both in Parliamentary and Assembly seats, created a vacuum that gave a sudden turn to the politics of Tripura. Happenings elsewhere in the region were pointers. The tribal youth were animated with new ideas. In this background the *Tripura Upajati Yuba Samiti* was formed. Its objectives are: (i) restoration of tribal land, (ii) formation of District Council for the tribal people (iii) introduction of *Kok-Barak* language in Roman Script as the state language. The TUJS did not accept the offer of the CPI(M) to act as its tribal wing. At this time, the *Seng-Krak* movement raised its head again under the initiative of some Reangs & Chakmas with the backing of Mizo National Front and gave ultimatum to the Bengali Settlers of Kanchanpur Valley to quit

by 25-11-1967. Some cases of arson, murders and plunder took place.

Within a year, the TUJS spread its wings among the employees (TUKS), students (TTSF), women (TSNB), and youths (*Tripura Sena*). Sri Bijoy Kumar Hrangkhawl who belonged to the extremist group of the TUJS became the Commander-in-Chief of the *Tripura Sena* and established links with Mizo National Front. The *Sena* by 1978-79 came up all over the state. A convention of tribal leaders of all political parties was held on 7.4.1974 which true to their persistent demand centering round land, language and local autonomy voiced four demands: "(i) Reinstatement of Princely order of reservation; (ii) Restoration of tribal land after the TLR and LR Act, 1960; (iii) Restoration of Kok-Barak as one of the official languages; (iv) Reorganisation of tribal villages under a District Council."<sup>13</sup> The left political parties supported the demands. In the same year i.e., 1974, Maharaja K.B.K.Deb Barman patronised the formation of *Barkhi Halam*, a Socio-Cultural Organisation for promotion and preservation of tribal traditions, values, and culture to lessen the communal tension which was on the increase.

In the 1977 elections, the CPI(M) came to power and the Congress was virtually routed. The TUJS was in opposition. The CPI(M) went ahead to form the District Council and expressed itself in favour of restoration of tribal land. As an angry reaction to this, the "AMRA BANGALI" was formed on 17.9.1978. Tribal non-tribal relation worsened. Bijoy K. Hrangkhawl took initiative and formed in July 1979 the *Tripura National Volunteers (TNV)* to achieve an independent tribal state of Tripura and oust the existing government through armed struggle. Chittagong Hill Track of Bangladesh became their training ground. The combined cadres of the MNF and the TNV started insurgency in Tripura. On 4-5 June 1980 the TNV committed genocide which shocked the whole nation. The insurgency was on in full scale. Following the announcement of the dissolution of the TNV by Vijoy Hrangkhawl soon after his arrest and meeting with the Chief Minister, the Army of Tripura People's Liberation Organisation (ATPLO) was formed in December 1980 and support by the MNF, the insurgency continued. Bijoy Hrangkhawl however returned to the TNV and the TNV resumed its operations.

The tribals of Tripura got the District Council on 18th January

1982 under the Schedule VII of the constitution; in 1985 they got an upgraded Autonomous District Council under Schedule VI of the constitution.

The opposition political parties movement and the Chakma rebels armed struggle against Bangladesh government, weakened that govt's capacity to help TNV. The signing of Mizo Accord and the cessation of hostilities by the MNF who came overground to participate in democratic and constitutional politics further weakened the TNV. In 1988, after eight years of hostilities, a tripartite agreement was signed by the union government, Government of Tripura & the TNV. The agreement provided for the amendment of the Representation of People's act 1950 to ensure reservation of 20 seats for the Scheduled Tribes in Tripura State Legislative Assembly and redrawing of the boundary of the Autonomous District Council of Tripura. The eight-year long insurgency came to an end on 10th September 1988 with the signing of the Accord.

#### **(iv) Insurgency and Extremism in Manipur**

The Naga Insurgency spread over time to the whole block of Nagaland - Mizoram - Manipur. In Manipur the tribals in Hills, which accounts for more than eight-tenth of the land area of the state, and on which there is Naga claim, were gradually involved. In the 1980's, the NSCN activities increased and many skirmishes occurred. Manipur is therefore not free from insurgency.

But the extremism that started among a section of the Meities in the Imphal Valley since late 1960's cannot be termed as insurgency. The Meities are in clear majority, the ST population being only 27.30%. Of the 60 member State Assembly, 40 seats are from the Imphal Valley and 20 from the Hills. The Meities therefore play a dominant role in the politics and administration of the state. They have a history that binds Manipur with India with common heritage. The Meities are Vaishnavites and are among the finest exponents of Indian culture.

Rampant corruptions, nepotism and the callous and indifferent attitude of the administration about the future of the youth were responsible for the alienation of a large section of youths and intellectuals. The mounting anger against the mainstream for their ills, expressed itself in the revival of their old religion.

The extremist wanted restoration of their own script discarding Bengali script and revival of Sanamahi religious cult and the snapping of the religious and cultural ties with the mainstream.

In 1970, Bisweswar Singh led a group (Lhasa Group) of youths to Tibet via Nepal for training in guerilla warfare and on Mao's ideology. On return, they formed the Armed Revolutionary Government which later changed into the People's Liberation Army (PLA). The PLA became an attraction to the frustrated and angry youths. But as happens to such organisation, factions developed and splits occurred. The Poirei Liberation Front was a break away group of the PLA. Another was the United Social Revolutionary Party. Unlike other extremist groups which later came into picture, the PLA did not want an independent Manipur. The PLA wanted to liberate India from the hands of "Delhi Bandits". The PLA in Manipur was the pioneer Eastern Region Unit and it was planned that other units would be opened in other parts of the country with Headquarters in Kachin (Burma).

The People's Revolutionary Army of Kangleipak (PRE-PAK) was formed in 1978 by R.K. Tulachandra Singh and Ch. Susila Devi. It soon split into two factions : One led by Maipak Sharma and the other by Tulachandra Singh. The Kangleipak Communist Party (KCP) was the third break-away group of PREPAK headed by Ibotombi Singh. Bijoy Singh, son of a retired Superintendent of Police formed with the unemployed youths of Manipur, the *Red Army*. This was also an offshoot of PREPAK.

The Meithei National Front headed by Ch. Akhoba advocates revival of ancient Meithei culture. In 1979, they burnt religious scriptures by way of celebrating Puiya Meithaba. They had limited followers but did create tension.

The United Liberation Front was an organisation of intellectuals and revolutionaries. Raj Kumar Maghen was its leader and his Second-in-Command was Mr. Tomba, a post graduate degree holder from Calcutta University. Their professed aim was to liberate Manipur from its colonial Indian past with military assistance from China. Instead of going into violence first, they started propagating their ideas in and around Imphal.

The PLA, PREPAK and their offshoots were all declared unlawful by the central government and in the later half of

80's, extremism is having a lull period, the NSCN having infrequent operations.

### **(v) Extremism and Terrorism in Assam**

Like the Meitheis of Manipur, the Assamese are in clear majority (as per 1951 and 1971 census) and plays a dominant role in the politics and administration of the state. But as the history behind this dominance is complex and full of controversies with disturbing dimensions, it cannot be discussed in this paper. The Assamese also have a common heritage and a common past with the mainstream of India.

The United Liberation Front of Assam (ULFA) has sprung from among the majority Assamese Community. The ULFA in its activities have displayed, since its inception attributes which are not similar to those of insurgency. It can only be taken as a terrorist Organisation. In Nov. 1990, it has been banned along with NSCN and Assam has been brought under the Disturbed Areas Act putting the state under President's Rule.

The economic data we have taken in this study only marginally touch the ULFA period and is not relevant. But from the analysis of the economic data of the pre-ULFA period the cause of ULFA phenomenon, atleast its economic content, will be better understood.

However, it will not be totally out of place to make a few observations as to how Assam has come to this pass. Since 1930's the Assamese were becoming alarmed about their own position because of the large presence and continued migration of Bengalis particularly Muslims into the State.

Obviously the Assamese leadership had set before themselves the twin objectives of making Assam a Hindu dominated state as well as to secure its uni-lingual (Assamese) character. The deepening Hindu-Muslim Divide in 30's and 40's put the Bengali Hindus and Assamese Hindus, atleast, emotionally in one camp.

After independence in 1947 and the anti-Muslim riots in Assam in 1950, the Bengali Muslims returned their mother tongue as Assamese which was what the Assamese Leadership wanted in order to establish the uni-lingual character of the state against the threat of Bengali language. In 1951 census,

the leadership achieved this goal. Following the Muslim League Theory of Partition, the Assam Muslims saw their security in a strong Pakistan, Islam being the binding force. Language was therefore secondary. By returning Assamese as the mother tongue, the Islamic Solidarity was not impaired, rather strengthened.

In 1954, when the State Reorganisation Commission came, Assamese Hindu turned against the Bengali Hindu as a memorandum was submitted to the SRC for inclusion of the Goalpara District in Bengal and also for creation of a Purbachal State in the Barak Valley with North Cachar and Tripura. The Assamese henceforth moved ahead with single minded determination to adopt Assamese as the official language of the state. In 1960, the official language bill came and this was the turning point in the history of modern Assam. The tribals were completely alienated and the disintegration of Assam began. Bengali Hindus also opposed the bill and language riots took place.

Again in 1972, on the question of medium of instruction, the Bengali Hindus wanted recognition of Bengali and anti-Bengali riots took place with Bengali Muslims siding with the Assamese.

With the emergence of Bangladesh (1972) and division of Pakistan, the perspective changed. The myth of Islamic Solidarity was broken by the Bangladesh Revolution which emphasized language and culture as the binding force. For Muslims in Assam, their security lay now in Bangladesh which created the threat that the Bengali Muslims in Assam might now return Bengali as their mother tongue.

In 1979-80, the anti-outsiders movement was started by the All Assam Students Union (AASU) which was then converted into *anti-foreign nationals* movement. The targets were both Hindu & Muslim Bengalis. 1981 census had to be abandoned. In 1983 the Congress Party came back to power in an abnormal election boycotted by the AASU and other and in the midst of communal massacre. The AASU did not recognise the legitimacy of the elections and the resultant Government. The movement continued. On 14th August 1985, the Assam Accord was signed and fresh elections were ordered. The Assam Gana Parishad

was born out of AASU and it came to power.

Assam always had a poor representation in the Union Council of Ministers. Those who made their mark were having hardly any base in the state because of their lack of rapport with Assamese masses as in the case of Dev. K. Barua and Dinesh Goswami or belonged to non-Assamese or non-Hindu communities as in the case of F.A. Ali Ahmed, M.A. Haque Choudhury or S.M. Dev. The state's economic development had greatly suffered because of this as well as the clouding of the economic horizon by the obsession to attain social and cultural domination in the State. This explains to a large extent how the case for rapid development of Assam went by default.

But the search of the Assamese to secure the uni-lingual and Hindu character of the state was unfulfilled as foreign nationals—large Muslim & Hindu Bengalis remained.

The situation rather worsened with the intensification of Karbi-Anglong movement and the Bodo movement demanding autonomy for their areas. A section of the Bodos took to extremism and violence. The AGP leadership failed to keep the people together and to rejuvenate the economy of Assam. It is against the background that the United Liberation Front of Assam consisting of the extremists of the Assam movement was born and began to assert itself.

Its nucleus was formed as early as 1979. Among the few extremist groups which cropped up during Assam agitation, the ULFA and APLA (Assam People's Liberation Army) did not give up though the AASU signed the Accord, and agreed to the formation of the Asom Gana Parishad (AGP)—a new political party to contest elections. On coming to power, the AGP released them from jail.

In 1986, beautifully printed posters urging people to join the ULFA 'revolution' to 'stop Indian colonialism' appeared in the streets of Gauhati. "The posters carried "ULFA" emblem of a rising sun with seven rays symbolising the seven sister states of North East"<sup>14</sup> and asserted that this revolution is for 'self determination' and a "fight against exploitation". They crossed over to Burma for arms and training. Murders, bank robberies, bomb explosions in railway stations and crowded bazars, kidnappings, demand for huge ransom money, extortion

of money from businessmen, traders, industrialists and planters, collection of guns and vehicles forcibly became the pattern of their operations. Although the AGP was the de jure government, the ULFA was running the de facto government in the State.

### III

#### Development Scene

Regional growth necessarily involves quantification for understanding its extent and quantum. Since economic growth cannot be defined, much less assessed, in absolute terms, it has to be assessed relatively. Economic development of a country as well as that of a region within a country has two aspects, viz., economic and social. These two components are interdependent and one cannot be sustained without the other. Economic change leading to growth requires supporting changes in the social sphere and vice versa. Disproportional growth in one will soon be arrested by a lack of growth in the other. The complementarity of these two aspects of development suggest that in any measurement of development level there are two sets of indicators—Social and Economic—which have to be taken into account.

Accordingly, twenty three indicators of development have been chosen in real terms as shown in Table 1.

TABLE 1: Indicators of Social and Economic Development

#### *A. Agriculture and Allied Activities.*

- A.1. Per Capita net area sown (hectares)
- A.2. Average Size of Operational Holding (hectares)
- A.3. Consumption of Chemical Fertilizers (Kg/hectares)
- A.4. Percentage of Area under HYV (Foodgrains)
- A.5. Percentage of net irrigated area to net cultivated area
- A.6. Per Capita availability of Foodgrains (gms)

#### *B. Industry*

- B.1. Employment in organised sector (in '000)
- B.2. Per Capita value added in manufacture (in Rs.)

B.3. Per Capita Consumption of electricity (units)

B.4. Percentage of villages electrified.

C. *Transport and Communication*

C.1. Road Length/100 Sq.km.

C.2. Road Length/1000 Population

C.3. No. of Motor Vehicle (in '000)

C.4. No. of newspapers and periodicals.

C.5. Population per post office.

C.6. Post office/100 Sq. km.

C.7. Telephones/100 persons.

D. *Services*

D.1. Literacy Percentage.

D.2. Hospitals bed/population.

D.3. No. of Police men/100 Sq.km.

D.4. No. of Police men/Lakh of people.

D.5. Bank office per 1000 population.

D.6. Credit/Deposit ratio.

The indicators are grouped in four heads, namely, (i) Agriculture and Allied Activities, (ii) Industry, (iii) Transport and Communication, and (iv) Services. Theoretically, all indicators have the claim to be included in such a Scheme of things. But reasonable estimates can be obtained by judicious selection although such a selection is always subjective. In agriculture, there are six indicators which reflect the physical as well as technical change. Four indicators in Industry reflect the growth of the sector. Transport and communication show mobility and integration. Altogether seven indicators are chosen covering important aspects. Lastly the Service sector contains six indicator which take into account skill formation, health and finances available. Thus care has been taken to cover all important aspects of social and economic activity having important bearing upon the development of the individual States of the region.

To explain the *data base*. The data used in the preparation of indices have been obtained from the published materials of different state governments and the union government. Extensive use has been made of "Basic Statistics - North Eastern Region", a periodic document published by the North Eastern Council at Shillong.

The reliability and conditions associated with collection of data and the various derivatives like the per capita figures are not strictly comparable. Even in the case of Government Publications, any two of them sometime give widely varying figures for the same indicator on any particular date. However, attempts have been made to shift through them to arrive at a reasonably accurate figure by cross referencing.

The methodology adopted in this study is statistical. The development of regional economy means the development of different sectors of activity within its jurisdiction. To obtain the level of development attained by individual states, a *relative integrated index* is computed. As a first step, index for each indicator is computed with chain base. The chain base is adopted for two reasons. First, it shows the rate of change of a variable over time and is in itself a measure of the rate of growth of the indicator. Secondly, it is also possible to incorporate new indicators and discard others as one proceeds from year to year. It has flexibility. Such indices for each sector is brought upto the year 1984-85. The next step involves the averaging of these indices to obtain a single figure for each of the four heads as shown in Table 2.

Each sectoral index thus shows the rate of growth of a particular sector and in themselves are the indicators of the pattern of Social and Economic growth.

An index number is more representative when rational weights are assigned to the items. After examining a number of schemes, it has been decided to take the contribution of different sectors to the Gross National Product (GNP) expressed in percentages as it stood on an average between 1971 and 1981 at current prices. The basis of assigning weights in this fashion has its own logic. The development of each sector will be reflected in the development of the region. Average for each head is then multiplied by the contribution it makes to the GNP. The result is totalled for all the sectors of each state. The sum is then divided by the sum of weights. This gives a simple weighted average of relatives which is tabulated and given in Table 3.

TABLE 2 : Sectoral Growth Index of States 1971-72—1984-85

Sector	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Tripura
A. Agriculture and Allied Activities	108.66	112.33	165.83	139.66	119.25	226.83	228.00
B. Industry	285.00	233.75	181.50	224.50	311.33	450.25	230.25
C. Transport and Communication	187.16	126.71	118.85	113.85	131.42	135.85	112.28
D. Services	226.50	141.80	143.66	146.16	255.33	135.16	136.16

TABLE 3: Integrated Index of Development 1971—1985

<i>State</i>	<i>Integrated Development Index</i>	<i>Rank</i>
1. Arunachal Pradesh	173.55	4
2. Assam	143.14	7
3. Manipur	158.41	5
4. Meghalaya	153.57	6
5. Mizoram	179.88	3
6. Nagaland	243.53	1
7. Tripura	196.87	2

In the above table, the development ranking of the State are shown in a separate column.

From Table 2, it can be seen that the region as a whole has not recorded a very significant growth in relative terms in transport and communications. All the States hover around 30% growth during the period. This is in contrast to the general belief that the major amount of expenditures are absorbed in opening up the hitherto isolated region to itself and to the rest of the country.

The comparatively high growth rate in Industry is deceptive and more so in the hill states. There was no industry to start within these areas. A small investment therefore records a high percentage growth.

Excepting Manipur, Tripura and Nagaland, the other three states namely, Arunachal, Assam and Mizoram are nearly stagnant in agricultural growth. Meghalaya's growth is also modest. Tripura and Nagaland, it appears, have more than doubled the growth rate in agriculture.

Arunachal and Mizoram shows a growth rate in the service sector much above their neighbours and which is disproportionate to the growth of other sectors in their own states.

Table 3 clearly shows that Assam is at the bottom of the development ladder. The highest level has been attained by Nagaland which from the birth of independence is an insurgency affected area. It is interesting to note that the States of Assam and Meghalaya which have been free from insurgency are

having a ranking of 7 and 6 respectively among the seven states. Arunachal, which has been a union territory till recently, occupies the fourth position. Mizoram, which has insurgency since 1966 has also received a higher ranking. The position of Manipur also implies that insurgency has not dampened the growth process in any serious way. Tripura shows a relatively higher performance in agriculture and industry and occupies the number two position. The beginning of insurgency since 1980 has not affected adversely the growth of the Economy.

No development is possible without adequate finance being made available. The plan allocations are indicative of whether the States in the region have been receiving adequate funds for development activities. Table 4 gives a picture of statewise per capita plan allocation of funds from The First Plan to the Seventh Plan. The column indicating the concentration ratio (C.R.) needs an explanation. The C.R. has been calculated by dividing the figure of each state by the average of the region, and for the region, by dividing the regional average by the all India average. This ratio means how much each state has received as against that of the region and how much the region has received as against that of the entire country. The ratio also tells us the degree of concentration of the investment.

The Table 4A shows higher per capita plan allocation since the Second Plan for the region compared to the national per capita allocation. Within the region there appears wide variation among the States. Consistently high concentration ratio is observed in Arunachal Pradesh. P.C. allocation of plan outlay has been maintained all through the plans at a high level. Although there appears a decline in the 2nd and 3rd Plan allocation, it did not significantly alter the overall allocations. Assam appears to be at the bottom of all the 7 states and continues to remain below the regional per capita allocation.

TABLE 4 (A) : Per Capita Plan Outlay/Concentration Ratio

1st Plan 1951-56	2nd Plan 1956-61		3rd Plan 1961-66		Annual Plans 1966-69		4th Plan 1969-74		5th Plan 1974-78		6th Plan 1980-85		7th Plan 1985-90				
	PC	CR	PC	CR	PC	CR	PC	CR	PC	CR	PC	CR	PC	CR			
AP	75	2.34	114	1.65	224	1.83	207	2.65	452	2.22	1355	2.86	4511	5.28	6330	4.10	2.86
Assam	29	0.90	57	0.82	103	0.84	61	0.78	136	0.66	324	0.68	762	0.89	1015	0.65	0.77
Manipur	17	0.53	86	1.24	100	0.81	72	0.92	290	1.42	865	1.82	2243	2.62	3026	1.96	1.41
Meghalaya									358	1.76	885	1.87	2327	2.72	3293	2.13	2.12
Mizoram									280	1.37	1403	2.96	3939	4.61	5265	3.41	3.08
Nagaland					280	2.29	400	5.12	747	3.67	1621	3.42	4038	4.72	5161	3.34	3.16
Tripura	21	0.65	94	1.36	156	1.27	82	1.05	223	1.09	448	0.94	1570	1.83	2143	1.39	1.19
NE	32	0.84	69	1.35	122	1.29	78	1.14	203	1.40	473	1.37	898	1.10	1541	1.08	1.18
INDIA	38		51		94		68		145		345		891		1423		

Source : Basic Statistics NEC—1982, p. 155.

**TABLE 4(B) : Transfer of Resources from the Union Govt. to the States: Finance Commissions—1st to 7th; and Planning Commission—1st to 7th**

	Total Finance Comm. Transfer (Rs. in crores)	Per Capita Rs.	Total Planning comm. Transfers (Rs. in crores)	Per Capita Rs.	Total Transfer of FC & PC (Rs. in crores)	Per Capita Rs.
Assam	1361.99	154.42	2097.76	261.63	3459.75	416.05
India (all states)	40283.17	124.53	86892.43	340.83	127175.60	465.36

1. Compiled from : Basic Statistics of N.E. Region - NEC.
2. Finance Commission Reports.

Table 4(B) which shows the picture of transfer of funds to Assam from both the Finance Commission and the Planning Commission is revealing. The table is computed on the basis of per capita of transfer by both the Commissions. While Assam has received more per capita allocation from the Finance Commission, her share has been much less in plan allocations. As the plan allocations account for two-thirds of the total transfers and Finance Commission for one third, the combined result is a lower allocation for Assam compared to the All India Figure.

Manipur and Tripura exhibit a pattern of modest per capita allocation which falls between Assam on the one hand and Arunachal Pradesh, Mizoram, Meghalaya, Nagaland on the other.

All four tribal states have shown highest per capita allocation. The average C.R. ranges from 2.12 (Meghalaya) to 3.76 (Nagaland). Of these four tribal states, the two insurgency stricken states viz., Nagaland and Mizoram showed the highest per capita allocation. The average C.R. being 3.76 (Nagaland) 3.08 (Mizoram).

We can analyse the financial data from another angle. The budgetary data of the different Political Units of the region as available in the Reports on Currency and Finance of the Reserve Bank of India from 1971-72 to 1988-89. We have calculated the trends by least square method in respect of the following heads of expenditures :

- (i) Social and community Services

- (ii) Economic Services
- (iii) Total Development Expenditures
- (iv) Total non-development expenditure
- (v) Total Expenditures

The results are tabulated and presented in Table 5(A).

TABLE 5(A) : Average Rate of Yearly Change in Expenditure (Rs. in crores)  
1971-72—1988-89

<i>States</i>	<i>Social &amp; Com. services</i>	<i>Econ. services</i>	<i>Total Dev. Expenditure</i>	<i>Total Non-dev. Expenditure</i>	<i>Total Expenditure</i>
Assam	34.68	21.48	52.49	22.53	75.03
Manipur	5.53	4.44	9.33	3.95	13.27
Meghalaya	4.11	4.54	8.08	3.49	11.58
Nagaland	5.84	6.70	11.72	5.85	17.57
Tripura	8.26	6.10	13.54	4.33	17.07

By least square fitting.

Among the smaller States Tripura, Nagaland and Manipur have recorded higher rates of growth of expenditures than Meghalaya, a State free so far from insurgency. Since these figures are expressed in absolute terms i.e. in crores of rupees, Assam's figures are not comparable to other States because of her size. Data of Arunachal and Mizoram were not available from the same source except for last three years (1986-87 to 1988-89) following their elevation from Union territory to Statehood. As Union Territories, their expenditures were included in the Union Budgets along with other Union territories. But even without them a reasonable estimate can be made about the trend. If we break up the total expenditures into development and non-development categories, the trend, noted above, is similar.

In order to make the data comparable with those of Assam, we have adjusted the data of the smaller States to Assam norm by simply deflating the data as shown in Table 5(B).

**TABLE 5(B) : Average of Yearly Change in Expenditure—adjusted to Assam norm 1971-72—1988-89**

<i>States</i>	<i>Social &amp; Com. services</i>	<i>Econ. services</i>	<i>Total Dev. Expenditure</i>	<i>Total Ex Non-dev. Expenditure</i>	<i>Total Expenditure</i>
Assam	34.68	21.48	52.49	22.53	75.03
Manipur	35.28	23.79	55.55	*22.07	77.87
Meghalaya	34.44	21.04	51.33	24.38	75.70
Nagaland	34.57	22.85	56.89	22.73	76.48
Tripura	40.30	25.37	62.71	25.55	84.69

The head under Social and Community Services shows that expenditures in Tripura and Manipur record higher rates of growth per year compared to Assam, Meghalaya and Nagaland. Of them, Meghalaya has shown the lowest growth in Social Services. Coming to Economic Services, Tripura again heads the list followed by Manipur and Nagaland. Meghalaya again comes to the bottom with an increase of 21.04 crores per year (adjusted).

The total Development Expenditure shows highest growth per year for Tripura followed by Nagaland and Manipur. Assam and Meghalaya occupy similar position.

The total non-development expenditure growth per year has been highest in Tripura followed by Meghalaya. In other three States, they are in the same level.

The overall picture can be seen in the rate of growth of total Expenditure. The rate of growth is the highest in Tripura followed by Manipur and Nagaland. Assam has recorded the lowest rate of growth per year.

The rates of growth of expenditures in Economic services in all the States have been lower than those in Social and Community services. Total Development Expenditures have grown as much as twice the rate of the Total Non-Development Expenditures. The financial data can be analysed from still another angle. In Table 6, the investments in the region during the last three plans are shown under three heads.

TABLE 6 : Percentage of Investments

Plan	Infrastructure group	Social Services group	Production group
Fifth Plan	41.82	29.98	28.20
Sixth Plan	50.78	23.25	25.97
Seventh plan	49.80	27.44	22.75

Of the high investment in the region, about half of it has gone to the infrastructure group. If the investments made in Social Service Group are added to this, then we find that 72%, 74% and 77% of the investment have gone to those two groups in the fifth, sixth and seventh Plans respectively. The corresponding investment in production group shows a steady decline from 28.20 through 25.97 to 22.75.

The high per capita investment in the tribal region (which is more than double the all India figure) and the high investment in infrastructure (as high as 50%) are explained by three factors. (a) "The units being late starters, in Planned development (b) initial handicap of backwardness, and (c) large requirements of infrastructure the base of which was initially very low.<sup>16</sup>

Another striking feature of the region's economy is the high percentage of employment in the government sector which account for the bulk of the non-development expenditure. The ratio between employment and population for the States as on 01.01.1989 is as follows:

Mizoram 10.65; Nagaland 13.15; Tripura 16.52; Arunachal Pradesh 17.67; Manipur 21.01; Meghalaya 25.53; Assam 55.56. If the ratio is expressed in terms of people in the working age group, then every 4th person in Mizoram, 5th Person in Nagaland, Sixth Person in Arunachal Pradesh, 7th in Tripura, 8th in Manipur and 10th in Meghalaya are Government employees.

The corresponding figure for the region stands at 24.06 as against all India 63.49. Funds required for maintenance of assets created by development investments were divided to the salary accounts with heavy cost to the economy. S.P.Ganguly, a retired financial administrator with first hand experience of the north eastern financial affairs suggests in his book,

"Fundamentals of Government Budgeting in India", that funds for maintenance of assets created by the Plan investment should be brought in the Plan budget to ensure its purposive utilisation. "There is, therefore", he says, "a strong case for consideration whether provision for maintenance of 'Plan' assets should be made under the 'Plan' with a fiat that such provision shall not be diverted even for other 'Plan' expenditure".<sup>17</sup> Still another striking feature is the extremely poor performance in internal resource mobilisation. The plan expenditures are almost wholly financed from Central assistance. The financing pattern for all the States except Assam is 90 per cent grant and 10% loan. For Assam, excepting the two autonomous districts of Karbi Anglong and North Cachar Hills, the pattern is 70 per cent grant and 30 per cent loan.

From the development indices and the financial data presented above the following inferences may be drawn:

1. The financial data corroborate the development indices and there does not appear to be any conflict between the two.
2. The states affected by insurgency, namely Nagaland (1955-..... ), Mizoram (1966-80), Manipur (1970- ) and Tripura (1980-88) have high development ranking implying that insurgency had no adverse effect on development. The per capita financial allocation showed a steady increase and is much higher than in Assam and even in Meghalaya which were free from insurgency. It appears that longer the period of insurgency, the higher the level of development attained.
3. The fourth position occupied by Arunachal Pradesh in the development ranking and the consistently high per capita allocation needs explanation. Like Assam and Meghalaya, it has been free from insurgency. But three exogenous factors have helped generous allocations and development.
  - (i) From the beginning the area was centrally administered and received generous allocations in the Union Budget. (Manipur and Tripura were also Union territory from 1956-71).
  - (ii) The Chinese aggression in October 1962 resulted in

stepping up of allocation of funds.

(iii) The strategic location of Arunachal Pradesh with long international border with China and Burma, the beginning of insurgency in other areas had also attracted higher allocation along with other States.

4. Among the tribal States, Meghalaya is at the bottom and it has been free from insurgency as well as any other compelling external factor.
5. Nagaland, where the insurgency first began, tops the list having average C.R. of 3.16, Mizoram which was the second area to be affected by insurgency and was brought under central administration comes second with average C.R. 3.08.
6. Indications are clear that the exogenous factors like insurgency, external threats, central administration, etc. have helped generous allocations on a special footing due to the geopolitical importance of the region, and its vulnerability. As a result, the levels of investment in states within the region, not afflicted by insurgency are also high compared to the rests of the States in the country.
7. Tripura with average C.R. of 1.19 occupies second position in development ranking. This is perhaps explained by better utilisation of plan allocations.
8. Assam with average C.R. of 0.77 (Lowest) occupies the bottom position in development ranking. It appears that the importance given to the N.E. region in matters of development has mostly helped states other than Assam and particularly all the Tribal States. Assam accounts for 75% of the region's population with 31% of the land area. Only Arunachal Pradesh has got a larger land area than Assam. As shown in Table 4(B), total transfers in favour of Assam during the period covered by seven plans and seven Finance Commissions, computed on per capita basis, puts Assam below the all India average. From the point of view of either population or land area, this low allocation cannot be justified. The argument by the tribal States that geographic area and not population (as they have less population) to be taken for allocation

also fails to explain Assam's position. The argument that Assam gets higher per capita allocation than, say, U.P. is untenable on the ground that Assam is not only the largest unit in the N.E. region but it has to act as the spring board of development for the whole region. It is the gateway to the northeast providing the region with transportation, infrastructure, human resource etc. Its oil resource and tea industry are major strength of the country. The very recent phenomenon of terrorism by the ULFA has to be seen against this setting.

9. Though the very high per capita investment in the tribal region about 50% has gone to infrastructure alone the sectoral growth index (Table 2) shows that all the states hover around 30% growth in that sector. This indicates high degree of leakages or misutilisation or both. The expenditures in Social Services Group which is also prone to leakages/misutilisation show an increasing trend and together with expenditures in infrastructure group account for 75% of the total allocations. The declining percentage of investment in the production group with increasing infrastructure only confirms what has been observed in paragraph 6 that the development impetus for the region come from the exogenous factors and suggest that the region is yet to have its own logic of development with expanding markets and theatre of production, and with a high degree of financial accountability.
10. A major amount of the non-development expenditures is on salary account with indiscriminate recruitments under political compulsion and at the expenses of maintaining the assets created by the development expenditures. This is nothing but negative development contributing to the perpetuation of what can best be described as a contractors' economy with a growing politico-bureaucratic nexus.
11. The credit-deposit ratio reported by Nationalised Banks for 1986 (period ending December, 31) show lower ratio for the entire region (46.44) compared to all India figures (63.02) which indicate a drain of financial resources out of the region. Within the region the lowest ratios have been reported by the tribal states of Arunachal (24.57), Meghalaya (27.41), Mizoram (9.95) and Nagaland (42.13)

which means that the outflow of funds is more from these states. We can also infer that private initiative and entrepreneurial skill are still to develop.

12. Insurgency has therefore, created an atmosphere in which financial accountability and internal resource mobilisation have become the main casualties and to that extent insurgency has vitiated the true logic of development.

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