

**PERSPECTIVES ON
THE ECONOMY OF
MANIPUR**

**Bijoykumar Singh
Damodar Nepram**

This collection of 18 essays on various aspects of the economy and society of Manipur is being brought out in honour of Dr. H. Nabakishore Singh, Retd. Professor, Economics Department, Manipur University who had played a key role in popularising this discipline in Manipur and giving the current character of the Economics Department in Manipur University.

The eighteen essays, contributed by the scholars of repute, cover four broad themes viz. rural and agricultural development, population growth and its quality, public finance and trade. These essays carry forward the issues raised in the earlier volume regarding various aspects of the economy of Manipur. The current volume, thus, will enhance the depth and quality of the debate.

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Prof. H. Nabakishore Singh*

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Introduction

This collection of 18 essays on various aspects of the economy and society of Manipur is being brought out in honour of Dr. H. Nabakishore Singh, Retd. Professor, Economics Department, Manipur University who had played a key role in popularising this discipline in Manipur and giving the current character of the Economics Department in Manipur University. Dr. Nabakishore belongs to the generation of teachers who considered teaching as the most important duty of a teacher. After having brought out a collection of essays on the economy and society of Manipur in honour of Dr. M. Iboton Singh, Retd. Prof., some of his former colleagues and students felt that another volume should be brought out to honour Dr. Nabakishore who was a pioneer in this discipline in Manipur. This was the genesis of this volume. The eighteen essays cover four broad themes viz rural and agricultural development, population growth and its quality, public finance and trade. These essays carry forward the issues raised in the earlier volume regarding various aspects of the economy of Manipur. The current volume thus will enhance the depth and quality of the debate.

Krishnamangol in “Patterns of Participatory Development in Manipur: A New Strategy” examines the participatory development system and sets out appropriate strategies for promoting the process of participatory development in Manipur. In the new concept of participatory development, the process of participation exists at different levels and in different forms such as the village society/ community organizations, panchayats, non-governmental

organisations, cooperative institutions etc. This suggests a set of policy measures which need to be formulated to create willingness of the people and favourable conditions for participatory development system in Manipur. While the state-led model for participatory development is necessary to achieve people's cooperation in development, there is still the need for decentralisation for planning at district and block levels in order to build up a strong institutional base for strengthening the process of participatory development in the state. In the new strategy of participatory development proposed, the state-led model of development programmes and people's participation in development are sought to be combined in the decentralized planning process. This requires strengthening the district level planning agency in different districts in Manipur. In the new paradigm of participatory development, district planning can provide a lasting solution to the conflicts among the state-sponsored participatory institutions like the panchayats, NGOs and other government agencies. The presence of such district level planning machinery or agency is necessary for government institution and participation of people in the economic development system in order to develop the productive potential in such important areas of agriculture and rural development including small and village industries which provide a number of basic-needs of life. In these broad-based areas of development, people's initiative is also necessary for decision-making. Participatory development institutions like the panchayats, NGOs etc. can be entrusted to identify and formulate the various development programmes. The District Planning Board should have the planning authority to strengthen democracy in the state. There can be lower level committees also under it to initiate planning from below. Thus it is argued that the decentralised model of planning can be an effective system for promoting a new participatory system of development in Manipur.

Menjor & Silvia's essay "An Approach to Agricultural Development with Sustainability" discusses the issue of sustainability of economic development. They argue that the growth of agricultural productivity in the state has become unsustainable. The essay outlines the measures which will render agricultural development in Manipur sustainable.

The issue of sustainable agricultural development in Manipur should involve strategies such as tackling poverty, development of minor irrigation, mini watershed programmes, extension services, drought management, livestock management, institutional management, marketing, and commercialisation. Their argument is that agricultural development can be made sustainable only when several policy measures are initiated simultaneously to impact on the decision-making matrix of rural areas.

Ibotombi in “Problems and Prospects of Rural Economy of Manipur” examines the rural economic scenario of Manipur in order to suggest ways and means for a healthy rural life. A predominantly rural economy like that of Manipur cannot develop without a vibrant rural sector. The aspects taken up are occupational structure, rural unemployment, agriculture, animal husbandry, horticulture, non-farm rural economic activities and rural administration & development programmes. The major constraints to rural development are inefficient rural administration, shortage of resources and their uneven distribution.

Priyoranjan in “Institutional Impediments to development in the Hill Regions of Manipur” discusses the nature of development in the tribal and hill regions of Manipur and examines some of the institutional hurdles that are holding back many of the development efforts since Independence. The issue is of high importance as lack of development of the tribal areas has been posing a serious threat to the integrity of the state. He highlights the core features of the socioeconomic status of tribal regions of Manipur based on macro level data and shows how population growth, environmental degradation and fund flows are distorting the economic base of the tribal village. He argues that tribal polity, social orders and the property rights regimes are in a state of transition in Manipur. The fractured belief systems of the tribes are not yet in a position to create the conditions of impersonal exchange and efficient economic and political markets. Violence as a means of protecting resources rather than creating resources is likely to continue for quite some time. This prediction should not be ignored by policy makers in dealing with the spiralling violence not only in Manipur but in other backward areas of the country.

Biren & Romen's essay "Agricultural Growth in Manipur State" examines the constraints faced by agriculture sector in Manipur such as lack of irrigation facilities, continuous fragmentation of land and widespread jhum cultivation. Several measures are also suggested for improving agricultural production in Manipur, the most important being the suggestion for identification and scientific use of agricultural land in the hills.

Narendra *et al.* in "Persons with Disabilities in Manipur: A Statistical Analysis" study the incidence of disabilities in Manipur reflecting on the quality of population. The present study was initiated to compare district-wise variation of prevalence rate (PR) of persons with disabilities per 1000 people with respect to sex, residence, literacy status, economic status, type of workers and type of disability. Analysis is based on secondary data of Census 2001 for Manipur. Disability affects directly the ability of the Person to benefit from the process of development. The magnitude of disability varies significantly over the six parameters out of the seven considered. However no rural-urban variation of disability is observed. Since some contradictory findings are found, an in- depth study is suggested to identify the prognostic factors behind the phenomenon.

Kumar's essay "Demographic Transition in Manipur" highlights demographic developments during 1981-2001. How high population growth affects a backward economy is well known. He attributes the declining sex ratio in Manipur to sex ratio at birth supplemented by under-enumeration of female and counting of male population more than once. However the dynamics of sex ratio at birth as a determinant of declining sex ratio needs to be seen in the context of amniocenteses and related interventions. The fertility rate shows the inefficiency of family planning programmes in the state. The fertility data of NFHS are correlated with unemployment rates for both usual status and current weekly status in rural and urban areas. He argues that there is ample scope for reducing the population growth rate further particularly in the valley.

In "Some Aspects of Gender Equity in the Patriarchal Setup in Manipur" Umavati examines the issue of gender equity in Manipur

using both primary and secondary data. She argues that contrary to the the situation in other patriarchal societies in India and abroad Manipur presents a totally different scenario. The classification of sex preference shows that equal preference dominates in every age group. Equal preference is dominant even among illiterate respondents. The childhood experiences of the respondents also confirm equal treatment. She concludes that the position of women in Manipur is far better than their counterparts in other parts of India with regard to practices such as female foeticide and female infanticide. The basis of gender equity is very much in existence in the mindset of the people. This aspect should not be ignored while we try to promote opportunities for women in education and employment that would enhance their voice and decision-making role in the family in particular and the wider society in general as well. Policies based on less gender inequity will be more meaningful than policies based on acute gender inequity.

Anand's essay "Fertility and Fertility Preference by Wealth Index in Manipur: Experiences from NFHS-3" analyses the effect of wealth on the current marital fertility and fertility preference of Manipur using data from National Family Health Survey-3 (2005-6). He found a high degree of negative association between income and fertility preference. Poorer families are found to have higher probability of having more children than richer families. Less educated women are more likely to have a higher number of children ever born as compared to women who have attained higher education. These findings corroborate the importance of economic development and education in controlling population growth.

In "Civil Service Reforms in the North Eastern States: With Special Reference to Manipur", Damodar critically examines the various policy measures for improving the quality of public service delivery in the context of Manipur. Though the wage bill has been contained to some extent, the quality of services has not improved due to the absence of any system for rewarding good work and penalising bad work. The only incentive for government employees in far flung rural areas is the chance to indulge in absenteeism. It has emerged as a major block

in the delivery of public services throughout the state. As remedial measures he argues for a serious attempt to involve the stakeholders for whom public services are meant and provision of good governance.

Debendra in “Efficiency of Resource Mobilisation in Manipur” examines how efficient Manipur has been in mobilising its resources using ratio of tax and non tax revenues to GDP, cost of collection of taxes, the difference between the budgetary estimates and the actual revenues realised from different own tax and non tax items. It is important because resource mobilisation for development has become a crucial component of any development strategy. On all counts Manipur’s resource mobilisation efforts have been found lacking. An interesting aspect of the paper is the description of the pattern of inefficiency also.

In “An Examination of Revenue - Expenditure Linkage: A case study of Manipur” Jaman examines rigorously the long run and short run relationship between public expenditure and revenues using three variables model formulation comprising public expenditure, revenues and NSDP of Manipur. The long run relationship among the variables is examined by using Johansen co-integration test. Multivariate Co-integration (VAR) and Vector Error Correction Model (VECM) are used to establish both short run and long run relationship between public expenditure and revenues. The long term relation observed did not suggest any impact either from expenditure to revenues or from revenues to expenditure. But a short run relation is observed running from NSDP to expenditures and revenues indicating that changes in expenditure policy have no affect on real NSDP growth in the short run. The missing link between expenditure meant for economic growth and the actual economic growth both in the long and short run needs to be examined rigorously to restore credibility to the system.

Jhaljit in “Water Supply in Imphal City: Demand, Supply and Sustainability” takes a holistic view of the issues relating to water supply in Imphal and its sustainability. In the context of Imphal the demand management strategies have limited scope. The real problem is that of inadequate and erratic supply. Any attempt at this stage to

restrict or squeeze the demand will amount to compromising on quality of life and health. The two broad ways for enhancement of water availability are strengthening the public water supply system in terms of its coverage, improvement in its performance (adequacy and reliability factors) and making better and more effective utilisation of the other options like roof water harvesting, the ponds, river and canals. Beyond the basic requirement of water for life and health, water can be looked up as an economic good and pricing and allocation done accordingly.

In “Border Trade at Moreh-Tamu Sector: Bane or Boon for Manipur,” Bhupendro argues for a holistic vision of border trade in Manipur. Not only goods but also bads are entering the border trade. Border trade has not been able to play its expected leading role in Manipur. Formal trade has not grown as fast as the growth of informal trade due to over-regulation, limited size of trade basket, overvaluation of Myanmar's currency in the official exchange rate coupled with the absence of rule of law and proper infrastructure in the state. He argues for the need to incorporate the social cost of the unfolding border trade as part of India's Look East Policy. The HIV/AIDS epidemic in Manipur is closely associated with the illegal border trade which has encouraged cultivation of Opium in Manipur and other neighbouring states. The proliferation of smuggling activities involving small arms along the border has given a lease of life to the endless cycle of violence. The state of law and order has dissuaded many would-be investors from making any investment in the state. Thus the employment and income generation aspect of border trade will provide at best only a partial picture of the role of border trade in the state economy. Policy makers will be committing a big mistake if the negative aspects continue to be ignored any longer.

Priyokumar's essay “Trade and Industrialization in the Post-Liberalization Period in Manipur” attempts to examine the linkage between the emerging pattern of trade and the industrial development in the state particularly in the post-liberalisation period. The emerging pattern of trade has been lopsided. The volume of imports has far exceeded the volume of exports. From essential items to luxury items the state is dependent on imports. The emerging pattern of trade does

not favour the state as far as transfer of knowledge, technology and financial resources are concerned. It discourages industrialisation and the state has become the captive market of outside products. There is a need for rapid industrialisation for getting the state out of the low level equilibrium. If the emerging pattern of trade deindustrialises Manipur, one has to identify the pattern of trade compatible with industrialisation.

Sanatomba in “Inter-sectoral Linkages and Implications on Growth – The Manipur Experience” discusses the intersectoral linkages in Manipur and the contributions of these sectors to growth during 1994-2005. He argues that decreasing share of trade in the state economy and non significant association with industry will deprive the state of the opportunities provided by India’s Look East Policy. Manipur has become more of a transit point. The opportunities provided by the opening up of South east Asian markets should be capitalised upon to establish medium and large industries which have so far failed to take off, inter alia, due to the small size of market.

Komol in “New-Wave of Globalization and Hill Village Economy in Manipur: An Observation” examines globalization as a process by which the whole world becomes a single unit. It originates with the market and religion. In the recent past, the driver of globalization has changed from market to electronic communications. The villages are now exposed to the new wave of globalization which can reach the remotest corner of the world, which the earlier form of globalization could not reach. This paper highlights the impact of globalization in the tribal villages. How the new wave of globalization enters into the tribal hinterland and its consequences in the primitive society are discussed. The important role of Christian Missionaries in the tribal villages is also discussed.

Isworchandra in “Understanding Economic Liberalization in Manipur” provides a synoptic view of economic liberalisation and structural reform programmes. Comparing pre-liberalisation economy of Manipur with the post-liberalisation economy, it is argued that liberalisation has brought growing casualisation and informalisation

of labour force. It subserves the interest of the advanced capitalism of the core economy of the mainland and is biased against the underdeveloped peripheral economies. Huge inflow of cheap products from mainland India and southeast Asia in the post liberalisation era virtually led to the closure of many manufacturing units in the state. Peripheral state economies like that of Manipur have been serving as a captive market for capitalist class based in more advanced states. The negative aspects of border trade too need to be understood dispassionately.

Together these essays will hopefully enhance the quality of discussion and debate on various aspects of the economy. That perhaps has been the objective function of the contributors. Policy makers will also have something to develop further to give a realistic touch to economic policies. Future economic policies will be based on better understanding of the reality. During the preparation of this work Dr. Thokchom Biren Singh expired and in his death we have lost an enthusiastic scholar ever ready to help in any endeavour. The editing of his paper had to be done with the help of the co-author L. Romen Singh, co-opted by the editors.

We wish Dr. Nabakishore a long and healthy life to serve as a role model for younger generation of teachers. The importance of such a role model is more clear at a time when education at all levels is passing through a period of flux.

We would be failing in our duty if we do not put on record the encouragement and patience of Mr. M.P. Misra of Akansha Publishing House who has done yeoman's service in bringing works on the North East to international readers. May he be blessed with many more active years of life!

E. Bijoykumar Singh
Damodar Nepram