

## Chapter 4

### Socio economic profile of Manipur

#### 4.1 Manipur - Introduction

Manipur is one of the state which is located in the North Eastern Region of India, it is a state which is surrounded by hills in all directions and is stretched between 92°58'E to 94°45'E longitudes and 23°50'N to 25°42'N latitudes. It has its own scenic beauty, at the centre, there is this beautiful oval shaped valley surrounded by nine hill ranges on all sides. The State is landlocked by a 352 kms long range international border to the south-east by Burma now known as Myanmar and the north eastern states viz. Nagaland with an estimated total of 502 kms long range on the north along with Assam on the west and Mizoram on the south-west and Chin Hills of Myanmar on the south and and on the east Surma Tract and upper Chindwin of Myanmar (Burma). It has sub-tropical temperate climate. The State has a very pleasant climate almost throughout the year.

Manipur is one the state of NER which constitutes only a small size of 0.7% total land surface of India. It has an approximate geographical area of 22,327 sq.kms. The land is covered by hills with 20,089 sq.kms which is around ninety percent of the total geographical land, the rest ten percent which is only around 2,238 sq.kms constitute of the valley.

According to the 2011 population census, the population of the state is 28.56 lakhs with an average population density of 128 per sq.km. The population has increased by 5.62 lakhs from the previous decade. Out of the total population the scheduled castes communities consist of 3.41 % and 40.88 % are of scheduled tribes. According to Manipur Survey, 2016 the study finds that there is distinct level of inequality in the level of income and consumption between the rich and the poor, between the urban elite section of the society and the rural economically weaker section, and between the citizens living in the plain valley and on the other hand the hilly regions.

The capital city of Manipur is Imphal. There are various scenic beauty in this state. One amongst them is the Loktak Lake which is about 48 kms. away from Imphal towards south-east. It is considered to be the largest fresh water lake in the NER of India. The

lake covers an area of 216 sq.kms and is the biggest natural source of fish supply of the people of the state.

The state of Manipur is divided up into two parts viz. the hills and the valley by nature.

The valley consist of four districts viz. (i) Imphal East, (ii) Imphal West; (iii) Bishnupur; and (iv) Thoubal and the hill consist of five districts namely (i) Churachandpur (ii) Chandel (iii) Senapati (iv) Tamenglong (v) Ukhrul.

However in the year 2016 month of December a notification came out from the Government of Manipur that some of the districts have been segregated and out of the nine districts seven more districts were formed. The newly-created districts are Tengnoupal, bifurcated from Chandel district, Kamjong from Ukhrul, Pherzawl from Churachandpur, Kangpokpi from Senapati, Jiribam from Imphal East, Kakching from Thoubal and Noney from Tamenlong district. Since there has been no complete survey of any of the new districts, the information used is prior to the segregation.

### Manipur Map



**Source:** Government of Manipur, 2017

The history of Manipur has its own unique encounters that it had, since the time much earlier than India was born. According to report, there were a total of 74 (seventy four)

kings that ruled the State, Nongda Lairen Pakhangba during 33 AD to 154 AD being the first and Kulachandra the last. Though tiny in size it has long rooted history. *Cheitharol Kumpaba* is the recorded history of Manipur covering the period of the kingdom from 33 AD to 1890 AD stored and kept in the State Royal chronicle. There was no doubt an existence of long years of kingdom., of which Manipur was then a small independent kingdom. (Singh, 1965)

In the year 1891 Manipur lost its independence to the British India and from 1892 onwards, Government of British India had the political control over the princely state of Manipur. Until British left India in 1947 the administration of the state was under the government of British India. The princely state was merged into India with a merger agreement signed by the then king of Manipur, Maharaja Budhachandra and the government of India on 21<sup>st</sup> September, 1949. The state became a part of India on 15th October, 1949 as a “C” state. Later, on the 1st November, 1956 it became a Union Territory under the Union Territorial Council Act, 1956 and ceased to be “C” state. Manipur got its statehood only on the 21st January, 1972. After attaining statehood, the first popular Ministry was installed on March 20, 1972.

#### **4.2 Basic facts and structural changes**

As per 2011 population census Manipur’s population accounted for 28.56 lakhs comprising 14.39 lakhs of males and 14.17 lakhs of females. It constitutes only a small fraction of 0.24 % of the total population of India. The Meiteis who are mostly Vaishnavite Hindu constitute the dominant community in the valley. Land laws of the state do not permit the Meiteis to acquire immovable properties such as land in hill areas largely inhabited by the tribals who get constitutional protection as scheduled tribes. As per 2011 census STs constituted 91% of the population of hill districts and it was 3.5% only in the valley districts. The community-wise composition of population can be viewed from table 4.1. The table shows the composition of population by religion. It shows that Hindus (Meiteis), Christians (STs) and Muslims are the main constituents of the population. The proportion of Hindus or Meiteis in the population has declined between 1971-2011. One important reason behind this decline has been the gradual increase in the number of Meiteis who register their religion at the time of census as

Sanamahism, the pre-vaishnavite religion of the Meiteis in Manipur. Some Meiteis have also embraced Christianity.

**Table 4.1: Distribution of population by religion**

Religion	1971	% of population	2011	% of population
Hindu	632597	58.97	1181876	41.39
Muslim	70969	6.62	239836	8.4
Christian	279243	26.03	1179043	41.29
Sikh	1028	0.1	1527	0.05
Buddhist	495	0.05	7084	0.25
Jain	1408	0.13	1692	0.06
Others	83167	7.75	233767	8.19
Religions not stated	3846	0.36	10969	0.38
Total	1072753	100	2855794	100

**Source:** Data compiled by Office of the Registrar General of India

The decennial growth rates of population in the hill districts have been persistently high suggesting high natural growth and heavy influx or deliberate inflation of population figures. In 2001 census the population census of Mao Maram, Paomata and Purul Subdivisions of Senapati district had to be rejected due to inexplicably high population growth. During 2001-11 the growth rate of Senapati almost doubled.

**Table 4.2: District level growth of population**

Region/District/state	Decennial Growth (%)	
	1991-2001	2001-2011
A. Valley	19.04	15.72
Imphal East	19.48	15.50
Imphal West	16.70	16.56
Bishnupur	15.27	13.92
Thoubal	23.89	15.96
B. Hill	35.46	38.54
Chandel	66.62	21.89
Churachandpur	29.34	20.27
Senapati	36.08	68.94
Tamenglong	29.20	26.19
Ukhrul	28.82	30.68
Manipur	24.86	24.50

**Source:** Data compiled by Office of the Registrar General of India

In terms of education, according to 2011 census reports Manipur is not one of the highest ranking state. It ranks fifth among the NER of India. The literacy rate was 70.50 % in 2001 which increased to 76.94 % in 2011. Among females, it has improved from 60.50% in 2001 to 70.26 % and for the males, it has increased to 83.58 % in 2011 from 80.30% in 2001. The sex ratio for the state has improved to 985 females per 1000 males in 2011 from 974 females per 1000 males in the preceding decade of 2001 census reports. The state is still a rural economy with a population of 70.79 % of the total population living in rural areas according to the Population Census, 2011. The state has been working on improving the standard and quality of life of the poorer sections of the society. Some of the programmes implemented in the state to achieve development goals are viz., IAY (Indira Awaas Yojana), SGSY (Swarnjayanti Gram Swarozgar Yojana), PMGY (Pradhan Mantri Gramodaya Yojana), MGNREGS (Mahatama Gandhi National Rural Employment Guaranteed Scheme), PMGSY (Pradhan Mantri Gram Sadak Yojana), SGRY (Sampoorna Grameen Rozgar Yojana). Under MGNREGS 5.12 lakhs canal Job Cards have been issued during 2014-15.

### **Agriculture and allied sectors**

The economy of the Manipur state is agriculture sector dominated and has a vital place in the economy. The major portion of State Domestic Product in the state is contributed from agricultural sector. 52.81 % of the workers which is more than half of the working population in Manipur are engaged in agricultural activities. Unfortunately, the agricultural sector performance in the state like any other states of India is highly depended on regular rainfall and weather conditions. In some areas of the hills ‘shifting cultivation’ or so called ‘Jhuming’ is widely practiced as well as ‘Terrace cultivation’ practice. Whereas in the valley it is more of permanent cultivation type since the land are not as abundantly available as in the hilly regions per individual. Rice is the staple food of the state and it accounts for about 98 % of the total food grain production of the State in 2012-13. It is grown in hill as well plain areas.

Manipur is also known for its suitability for the development of horticulture. There is a huge potential for increasing or incorporating more land under horticulture cultivation in

the plains as well as in the hilly areas. In the plains also the soil conditions are very much conducive to production of horticulture products such as banana, citrus fruits like pineapple, oranges, peaches and also others like apricot, papaya, guava etc. Therefore the promotion of horticulture in Manipur is very much essential to develop horticultural market and to cater to the needs of not only the domestic but beyond the state to a larger market.

The state is covered with forest and it constitutes around 78% of the total geographical land covering as much as 17,418 sq.kms. According to Forestry department of Manipur out of the total area of forest, during 2012-13 protected forests accounts for 4,171 sq.kms and reserved forests accounts for 1,467 sq.kms. The remaining 11,780 sq.kms is classified as 'Unclassed forest'. The major forests products of the state are timber, firewoods, bamboos, cane etc. In terms of fishery there are vast inland fishery resources like ponds, natural lakes, marshy and swampy areas, rivers, reservoirs, submerged cropped land and low lying paddy fields etc. Loktak Lake provides the highest amount of fish supply.

The table 4.3 below shows the sectoral composition of the agriculture and its allied sectors. It shows the trends and composition in terms of NSDP for the time period 2004-2015. There has been a rise of NSDP for agriculture and fishery where as for forestry NSDP has remained almost stagnant. The figure 4.1 is the graphical representation of the same.

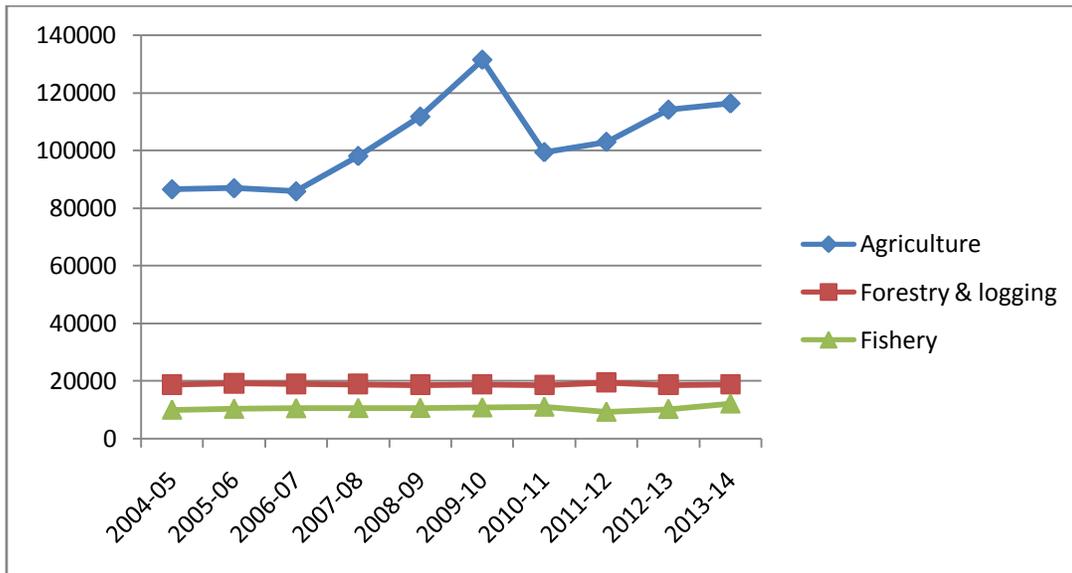
**Table 4.3: The composition of agriculture and its allied sectors (2004 to 2014)**

Year	Agriculture	Forestry & logging	Fishery	Agriculture & Allied
2004-05	86500	18830	10146	115476
2005-06	86878	19233	10463	116574
2006-07	85797	19036	10657	115490
2007-08	98061	18947	10720	127728
2008-09	111722	18755	10760	141237
2009-10	131442	18919	10939	161300
2010-11	99390	18726	11189	129305
2011-12	102954	19491	9428	131873
2012-13	114113	18812	10397	143322
2013-14	116294	18839	12300	147433

**Note:** 2004-05 prices in terms of Rs in lakhs

**Source:** Computation from MOSPI data.

**Figure 4.1: Sectoral Composition in terms of NSDP (2004-2014)**



### Industries

Manipur is an industrially backward state. This makes a key factor of development conspicuously absent. Industrialization is a process in which there is a sharp increase in the share of industry in GDP and share of industrial workers in the work force. According

to one criterion an industrialized region is one where at least 25% of the GDP originates in the industrial sector and around 10% of the population are engaged in this sector.

Industrialisation has been chronically slow in the state in spite of having huge potential for mineral and forest resources. Several public undertaking industries of the state are facing financial constraints and therefore the difficulty to fund for the maintenance. This resulted in government winding up some of the loss making industries. The reason behind these failures can be contributed by the lack of capital, constraints in transportation, shortage of power supply and lack of entrepreneurial activity and technical skills. The only industrial sector successfully running is the handloom and handicrafts industry. The products are in great demand not only domestically but also in the national and international markets (Planning Department, Manipur, 2010). These handloom and handicrafts industry are mostly Small Scale Industries (SSI) and it provides employment to many people especially the women of the society. The other SSI also helps in contributing largely in production for the economy as well for export, and most importantly it provides employment, thus playing a major part in fulfilling the enhancement of socio-economic goals. (Economic Survey of Manipur, 2016).

Manipur 's share in the total growing stock of bamboo in the country is 14%. Bamboo brakes cover nearly 3268 sq.km. of forest. The total annual yield of muli bamboo, a good raw material for paper is estimated at 11.4 lakh tonnes (dry air) and that of clump forming bamboos is 3.08 lakh tones (air dry). The bamboo growing area around Jiribam, Tamenglong and Tipaimukh of Pherzawl constitute the majority of 80% of the total bamboo growing area in Manipur. The total growing stock or the annual producton potential of the forests in Manipur is estimated to be 724.12 lakh cubic metres. A Bamboo Technology park is coming up in Jiribam to promote various bamboo based industries under the National Mission on Bamboo Application, Government of India. (Economic Survey of Manipur, 2016)

## **Power**

For development in any state industrially power plays a key role, so do the same in the state of Manipur however it has been facing shortages of power. There is always deficit in the state for electric energy. Therefore there has been a rise in the purchase of power

from outside the state. There has been some initiation to improve the power sector in the economy. According to Manipur State Power Limited Company during the year 2014-15 the total electricity generated was 6.52 lakh kw and the total installed capacity of power in the state was 29,490 KW. There were also some development in rural areas, as per report under Rural Electrification programme, 1766 villages have been electrified upto 31st March, 2011 which is approximately around 69.97 % of the total number of villages. The state also has the Manipur Renewable Energy Development (MANIREDA) which is responsible for the renovation and modernization of hydro project and solar project such as 2 wind Solar Hybrid power plants of 10 kw at Ukhrul and the hydro project of 400 kw at Senapati district and during 2009-10.

Now as all the development activities such as health care, education, modern technological usage all require the usage of electricity, the requirement of power has never been this high and will be needed more as an economy grows. Therefore the enhancement in production and expanding the infrastructure of power is very much needed (MSPDCL, 2014).

The table 4.4 shows the composition of NSDP of the secondary sector for time period of 2004-2015. The table depicts the change in the composition of the secondary sector such as manufacturing, construction and electricity, gas and water supply. It shows there is a rising trend for manufacturing as well as electricity, gas and water however though the construction sector contributes the highest share, lately it has been declining in terms of NSDP. The figure 4.2 is the graphical representation of the trends in the secondary sector given in table 4.4. The table shows a moderate growth for manufacturing as well as electricity, gas and water supply, however in construction there was a sudden shock in 2010-11, approximately a reduction of 25.9% from the previous year, the reason could be due to an economic crisis led by economic blockade on the National Highway (NH) – 39 by the All Naga Students Association. The blockade started from April 12 and continued for almost 3 months. This led to spike in the price of essential items such as petrol at Rs 200 per 1 litre, cooking gas at 2000 per cylinder etc. (Goswami, 2010). The economic blockade of Manipur by Naga agitators had adverse imoact on various activity in the state. The prices shot up immediately, emergency services like health were affected. It

was a situation of undeclared emergency in the state. NH-39 being the life line of this land locked state had impact on transport of goods and services which has cascading effect on the lines of people. Migrants were wiped out due to escalating prices. Industries and all production activities got effected due to raw material scarcity. Construction sector witnessed the greatest impact which the state is unable to overcome even after 4 years.

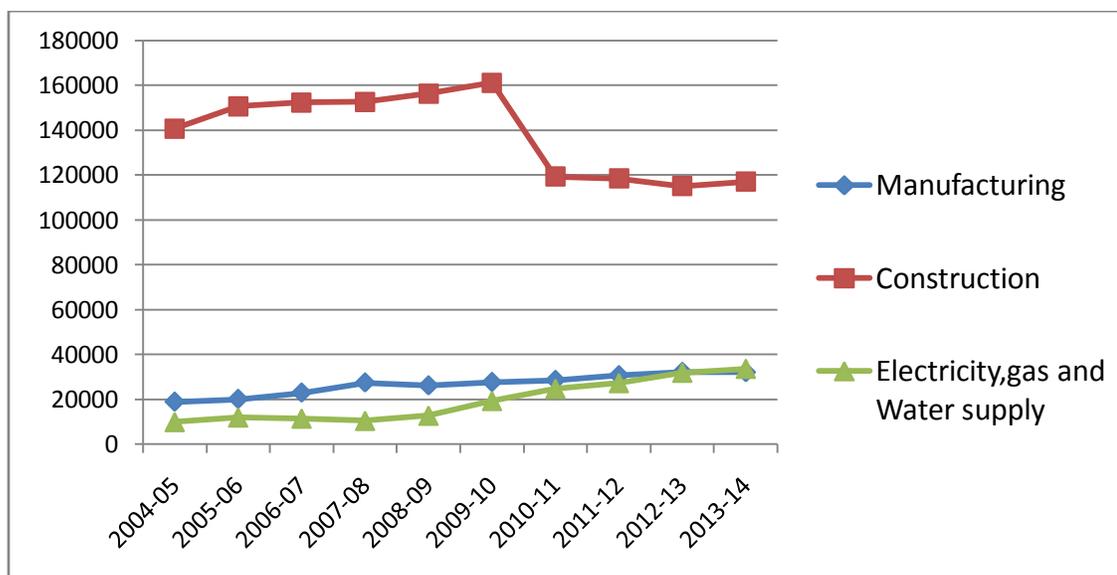
**Table 4.4: Composition of Secondary sector (2004-2015), NSDP**

Sector	Manufacturing	Construction	Electricity, gas and Water supply
2004-05	18894	140754	10048
2005-06	20126	150792	12082
2006-07	22950	152487	11560
2007-08	27440	152716	10576
2008-09	26146	156398	12856
2009-10	27662	161186	19402
2010-11	28559	119316	24777
2011-12	30677	118397	27322
2012-13	32160	115116	31909
2013-14	32020	116972	33646

**Note:** 2004-05 prices in terms of Rs in lakhs

**Source:** Central Statistics Office (CSO)

**Figure 4.2: Composition of Secondary sector (2004-2015), NSDP**



## **Transport and communication**

Manipur has neither railways nor waterways transit and the only transport system widely used for basic and other economic goods transportation is mainly through road transport. Dimapur town of Nagaland state which is approximately 215 kms away from Imphal and is the only major nearest railroads available for Manipur to connect with the rest of India. Another railhead has been extended from Silchar to Jiribam which covers only a short distance of 1.5 kms of railway line in the district Jiribam of Manipur. Now it has air links with New Delhi, Kolkata, Guwahati, Silchar, Aizawl, Bangalore, Ahmedabad etc. The frequency of the flights have been increased. The National Highway No.39 is the main road which is 325 kms long National Highway connecting Imphal with Dimapur district of Nagaland. It enables the transporation of goods and services within and outside the state. It also connects to the neighbouring International border town of Moreh which is the adjacent town and market hub of Indo-Myanmar border trade. Another National Highway which has significant economic importance is the road connecting Imphal with Silchar in Assam via Jiribam, the National Highways No. 53. It is on the western edges of the Manipur valley and it has length of 225 kms. It is also known as the National Highways No. 53 of New Cachar Road, Assam.

## **Banking**

According to a report on banks establishment offices done by the Reserve Bank of India, in 2013 there were 115 offices of commercial banks in Manipur. Since Manipur is primarily rural dominated state constituting of around 70 percent out of the total area, the number of offices were highest in rural areas with 50 offices, urban areas had a number of 30 offices and 35 in Semi-urban areas. The average population per bank office of the state was about 39 thousands. According to a report by the Economic survey of Manipur, 2016 report out of the total 115 banks ICICI Bank and CBI had 5 each respectively, Manipur Rural Banks had 28 offices, and the largest with State Bank of India accounted for 29 offices as on 31st March 2013. The banking scenario in Manipur has undergone a substantial change over the years. According to report from RBI there was only few

number of scheduled commercial bank offices with just 37 offices during the year 1981, however in the year 1991 it recorded more than double the amount at 87. It was quite an improvement during the span of a decade. Unfortunately post 1991 even after more than two decades there has not been same development pace for setting up bank offices, according to the RBI report as upto 2012 there was only 98 scheduled commercial banking offices in the state.

## **Tourism**

The state has enormous scope for promotion and development of tourism. It has a clean and pleasant climate, with the beauty of exotic greenery and the rich flora besides the rich culture. The state has a national park called Keibul Lamjao National Park and it is famous for being the only habitat of Brown Antlered Deer also known as Sangai by the people of the state. It is situated on the bank of Loktak lake, Siroi National Park at Ukhrul. As mentioned earlier in the North-East Region of India, Loktak lake is considered the largest fresh water lake and it has the floating tiny land or encircled ones so called phum by the locals, which is enchanting to see from the birds' eye view. Many international tourist also visits the Khongjom War Memorial at Khongjom. It is the cemetery of many soldiers that died during the Khongjom war. Many tourist spots are being made or discovered year by year such as Sadu Chiru waterfalls and eco-tourism park at Nongmaiching. During the year 2014-15 alone as recorded by the Tourism Department, Govt. of Manipur, 2900 foreign tourist and 1,34,584 domestic tourist came to the state.

The table 4.5 shows the composition of service sector in terms of NSDP for the period of 2004 to 2015. The tables shows that the NSDP of the sub sectors of service have all been rising gradually except for public administration as well as other services, the two sub sectors have been rising exponentially. Lately tourism sector has been considered as one of the potential area for development of the state and central funds have been allocated to promote the same. This has been reflected in the rise of trade, hotels and restaurants. Promoting programmes like MGNREGA, SGSY, SGRY, IAY, PMGY, PMGSY etc have been reflected on the rise of public administration in terms of NSDP.

The Figure 4.3 presents the information from table 4.5 in graphical manner.

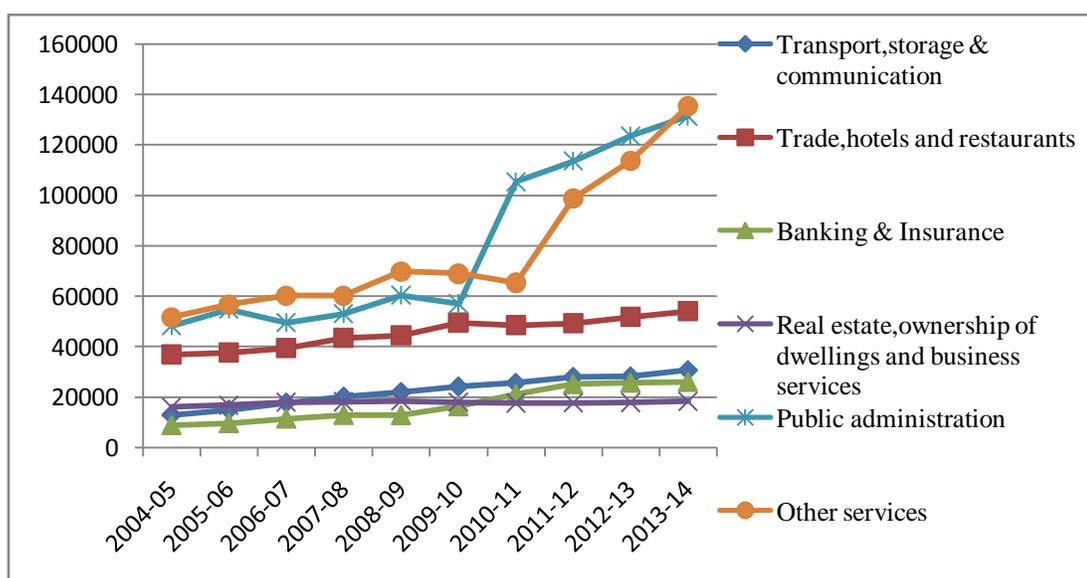
**Table 4.5: Composition of Service sector (2004-2014), NSDP, Manipur**

Years	Banking & Insurance	Public administration	Real estate, ownership of dwellings and business services	Transport, storage & communication	Trade, hotels and restaurants	Other services
2004-05	9009	48289	16145	13021	36977	51717
2005-06	9771	54833	16913	15110	37734	56770
2006-07	11573	49537	18058	17896	39468	60200
2007-08	13023	52971	18256	20275	43475	60206
2008-09	12938	60458	18567	22125	44613	69879
2009-10	16446	56982	18103	24311	49574	68983
2010-11	21330	105384	17707	25760	48587	65441
2011-12	25210	113574	17778	28132	49425	98837
2012-13	25769	123489	18000	28330	51940	113705
2013-14	26086	131348	18441	30824	54181	135368

**Note:** 2004-05 prices in terms of Rs in lakhs

**Source:** Central Statistics Office (CSO)

**Figure 4.3: Composition of service sector, (2004-2014), NSDP**



## **Employment situation**

The employment situation in Manipur is in severe condition and it needs to be taken utmost priority, especially the educated youth unemployment. The number of persons on the live registers rose from 2.28 lakh as on June 30, 1993 to 7.14 lakh on June 30, 2012 of the employment exchanges. Due to the lack of industrial base there is the absence of private enterprises, and also limited employment opportunities in the government sector as well as private sector therefore there is high rate of unemployment, particularly among the educated youth (Draft Annual Plan Proposals, 2013)

Another worry is the larger number of unemployed are educated youths. It is stated that every government job comes with a price tag. Those who cannot bribe with large amount of money often end up being discontent in the society and may become susceptible to anti-national propaganda. Therefore many of those youths have gone to other parts of the country seeking employment. Reports finds that there is a large number of Manipuri people especially the youths working in offices in the big states. (Laithangbam, 2014)

In the rounds prior to the 50th round, the term gainful activity was used in place of the term economic activity or work. Any activity that results in production of goods and services that adds value to national product is considered as economic activity. Such activities include production of all goods and services for market and non-market, i.e., production for pay or profit and the production of primary commodities for own consumption and own account production of fixed assets, among the non-market activities. Later on, any activity pursued for pay, profit or family gain or, in other words, any activity which adds value to the 'national product' was called gainful activity (work). (NSSO concepts and definition)

Those workers who had worked for the major part of the reference period (i.e. 6 months or more) are termed as Main Workers and those workers who had not worked for the major part of the reference period (i.e. less than 6 months) are defined as Marginal Workers. Those persons who did not at all work during the reference period were treated as non-workers. The non-workers broadly constitute of

- i. Students who did not participate in any economic activity which are paid,
- ii. Those persons who were attending to daily household chores like cooking, cleaning utensils, looking after children, fetching water etc. and they should not be even helping in the unpaid work in the family form or cultivation or milching,
- iii. the elderly people and the infants are not included in the category of workers,
- iv. those who are drawing pension after retirement and are not engaged in any economic activity also known as pensioners,
- v. and persons who are not engaged in any economically productive work during the reference period such as beggars, vagrants, prostitutes and persons having unidentified source of income and with unspecified sources of subsistence
- vi. those persons who are living on rentiers, living on remittances, agricultural or non-agricultural royalty,
- vii. those person who are convicted and are in jails or inmates of penal, mental or charitable institutions doing no paid or unpaid work
- viii. and persons who are seeking for suitable work. (NSSO Concepts and definition)

Table 4.6 shows that not everyone in the working age group was working or employed. During 1991-2011 the proportion of main workers has declined and that of marginal workers has grown substantially. The proportion of non workers which include the unemployed and those not in the labour force has remained quite stable.

**Table 4.6: Distribution of workers and non workers in Manipur in percentage**

Category	Census		
	1991	2001*	2011
Main workers			
Male	44.21	39.27	42.76
Female	32.65	21.39	25.33
Person	38.55	30.43	34.11
Marginal workers			
Male	1.06	8.85	8.64
Female	6.31	17.63	14.55
Person	3.63	13.19	11.57
Total workers			
Male	45.27	48.12	51.40
Female	38.96	39.02	39.88
Person	42.18	43.62	45.68
Non workers			
Male	54.73	51.88	48.60
Female	61.40	60.98	60.12
Person	57.82	56.38	54.32

**Note:** \* denotes excluding Mao Maram, Paomata and Purul Sub-division of Senapati district

**Source:** Data compiled by the Office of the Registrar General of India

The following table 4.7 shows the district level scenario of workforce participation rate in Manipur in 2011. The hill districts have an advantage over the valley districts. This is also a partial reflection of the compulsive need of rural people to take up any type of work leading to low unemployment rates.

**Table 4.7: Classification of workers of Manipur by Districts, 2011 census**

<b>District</b>	<b>Main workers</b>	<b>Marginal workers</b>	<b>Total workers</b>	<b>Non workers</b>	<b>Percent of workers to total population</b>
<i>Chandel</i>	53753	22485	76238	67944	52.88
<i>Churachandpur</i>	89779	32876	122655	151488	44.74
<i>Senapati</i>	185725	47897	233622	245526	48.76
<i>Tamenglong</i>	55979	14696	70675	69976	50.25
<i>Ukhrul</i>	67724	20205	87929	96069	47.79
Bishnupur	76423	33514	109937	127462	46.31
Imphal East	145343	49505	194848	261265	42.72
Imphal West	166009	47378	213387	304605	41.20
Thoubal	133428	61891	195319	226849	46.27
<b>Manipur</b>	974163	330447	1304610	1551184	45.68

**Note:** Italics indicate hill districts

**Source:** Data compiled by the Office of the Registrar General of India

Economic Census represents the complete count of all entrepreneurial units i.e. performing economic activities located within the geographical boundaries of the country. There has been Six Economic Censuses being conducted so far in India. The First Economic Census was in 1977, then Second Economic census in 1980, the third in 1990, fourth Economic Census in 1998, fifth Economic Census in 2005 and the sixth Economic census in 2013. According to the Sixth Economic Census 2013, total number of persons working in all the enterprises is found to be 4,09,617 workers out of which 1,45,433 workers are engaged in urban areas and larger workers with a total of 2,42,447 workers are engaged in rural economic activities for the economic activities of the state. The count of establishments in the State which were engaged in different economic activities and not engaging on primary works such as crop production and plantation were around around 2,29,838. Larger share is in rural areas with 62.94% and 37.06% in the urban areas.

The economy of the state Manipur can be broadly classified into three major sectors -

- Primary sector which mainly consist of agriculture including forestry & logging, livestock, horticulture, fishing, mining & quarrying

- Secondary sector consisting of construction, manufacturing (registered and unregistered), electricity, gas and water supply
- Tertiary or service sector comprising of various services such as business services and legal services, transport, storage, communication, banking and insurance, trade hotels & restaurants, real estate, health and education, public administration and other services.

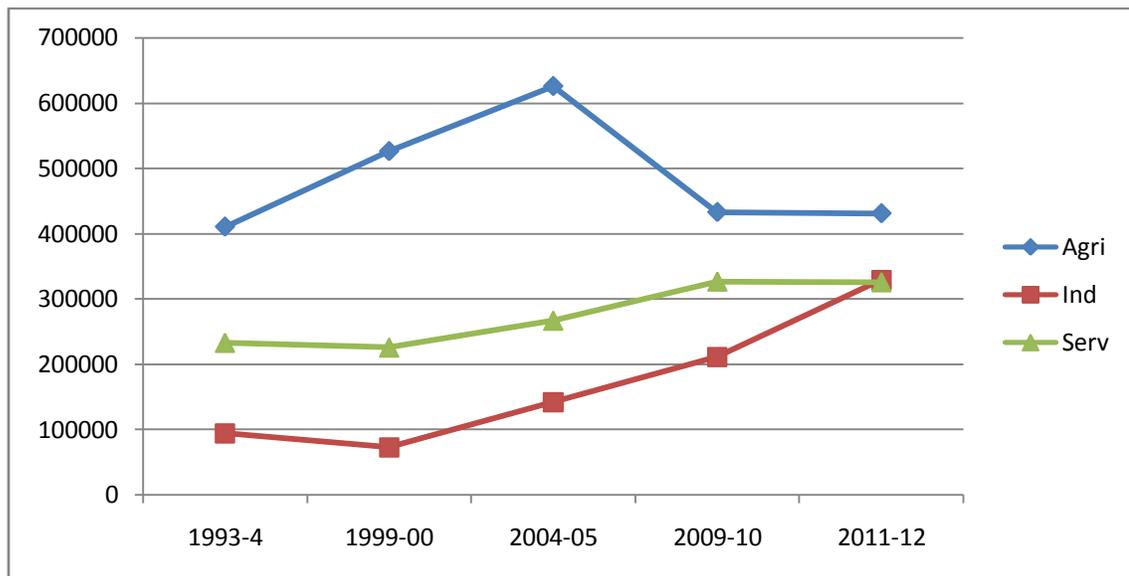
The table 4.8 shows the structural change of employment from the period of 1993 to 2012. It shows that agriculture and allied sectors still contributes as a major livelihood source of employment for the larger section of the population. Secondary sector gradually rises up all because of higher employment generation from construction, however manufacturing sector contribution declined during the period. Service sector though contributing major portion of NSDP still remains low in terms of employment generation. There was evidently employment growth in the service sector but the rate of increase was low as compared to its contribution to the NSDP. The result of NSDP contribution by service sector is shown in table 4.9 below. The figure 4.4 is the graphical representation of the table 4.8.

**Table 4.8: The structural change of employment, Manipur (1993-2012)**

<b>Years</b>	<b>Agriculture and allied</b>	<b>Secondary</b>	<b>Service</b>
1993-4	410545	94657	233221
1999-00	526209	73108	226007
2004-05	625971	141787	266960
2009-10	432878	210990	326800
2011-12	430989	329133	325766

**Source:** Computation from various rounds of NSSO data and Census report.

**Figure 4.4: Structural change of employment, (1993-2014)**



**Source:** Computation from various rounds of NSSO data and Census report.

The structural change in Manipur for a period of almost two decades i.e. from 1993 to 2012 is shown in table 4.9. The data reveals that though the agriculture and allied activities contribute the major source of employment for the larger section of the population, the NSDP contribution by this sector shrinks. This implies the fall in the productivity of the workers working in this sector. The secondary sector consisting of manufacturing and construction rises upto the year 2009-10, however declining trend sets in the period upto 2011-12. The reason is due to fall in the construction sector production as was shown in table 4.4. The contribution from service sector grew remarkably as public administration and other services were significantly rising as explained in table 4.5 earlier in this chapter. Figure 4.5 is the graphical representation of table 4.10 showing the structural change.

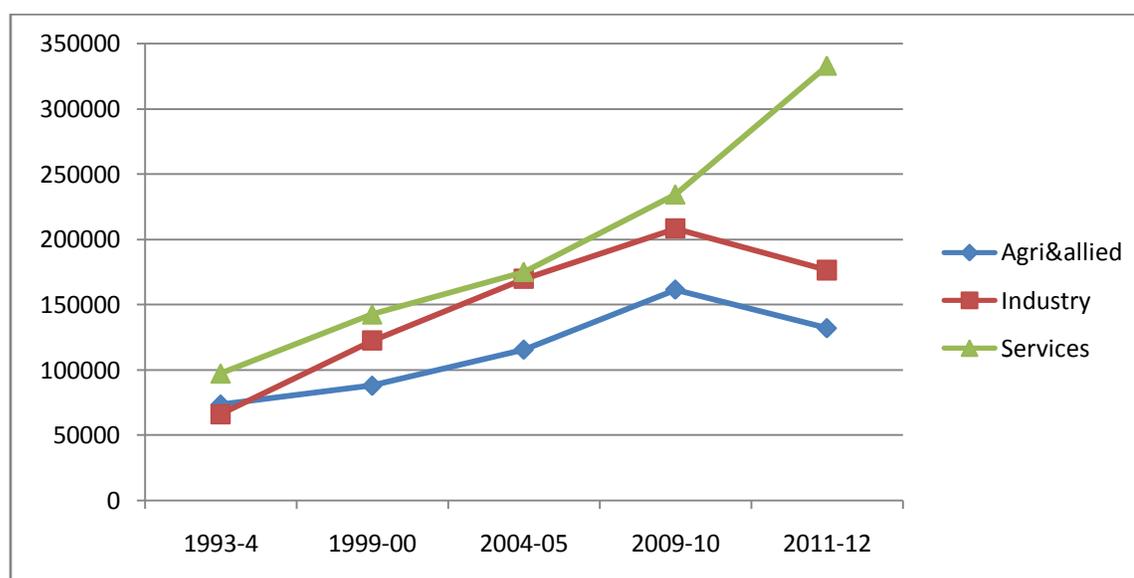
**Table 4.9: Structural changes in Manipur NSDP, (1993-2012)**

Years	Agriculture & allied	Secondary	Service
1993-04	73573	66266	97405
1999-00	87960	122500	142629
2004-05	115476	169696	175158
2009-10	161300	208250	234399
2011-12	131873	176396	332956

**Note:** Figures in terms of Rs in lakhs at 2004-05 prices

**Source:** Computation from various rounds of NSSO data, MOSPI and Census report.

**Figure 4.5: Structural changes in Manipur NSDP, (1993-2012)**



**Source:** Computation from various rounds of NSSO data, MOSPI and Census report.

The table 4.10 shows the change in employment, output in terms of NSDP, productivity and population of Manipur for the period of 1994 to 2012. The NSDP has increased by more than double and the increase during the period of 1993-2012 is 170.3%. The NSDP per capita increased by 81.82%. Productivity as output per worker increased by 83.80% and total number of working age population grew by 49.9% during the period. However the problem arises in employment generation. The change in employment ratio for the period of 1993 to 2014 is at -1.92% which implies that lesser probability of getting

employed for a person looking for job. As the working age population in the age of 15 to 60 years is increases in size, the problem of providing employment can be one of the biggest challenge for Manipur.

**Table 4.10: Employment, Output, Productivity and population of Manipur, 1994- 2012.**

<b>Indicators</b>	<b>1994</b>	<b>2012</b>	<b>% change</b>
NSDP (in 100000's)	237,244	641,225	170.3
Total population	1,963,691	2,919,054	48.7
Labour force	751,482	1,126,755	49.9
Total number of employed	738,423	1,085,888	47.1
NSDP per capita	12,082	21,967	81.82
Output per worker	32,128	59,051	83.80
Employment ratio	98.26	96.37	-1.92
Share of population of working age	38.27	38.60	0.33

**Source:** Computation from various rounds of NSSO data, MOSPI data and Census data.

### **4.3 Developmental challenges**

Its geographical remoteness, infrastructural inadequacy, political insurgency and inequitable development pattern are considered the critical developmental challenges of Manipur. (Manipur State Development report: 44). These have led to slow industrialisation, inoptimal utilisation of land resources particularly in the hills, inability to avail of the opportunities likely to be generated by Act East Policy.

- Industries in Manipur have even failed to grow where the raw materials are abundantly available and adequate market exists. The biggest failure stems from the failure in the area of management. The spinning mill at Loitang Khunnou, Imphal West, Khandsari sugar factory at Khangabok, Thoubal and the cement factory at Hundung, Ukhrul are classic examples of failure of management

inspite of availability of local raw materials and adequate market demand. The handloom industries in Manipur need yarn, the production of which can sustain the spinning mill. Construction is one of the fastest growing subsectors in the economy. Cement being a key input for the fast growing construction sector in the state and considering the adequate availability of limestone in Ukhrul there is scope for growth of the cement factory at Hundung. The sugar cane available in Thoubal district can supply the sugarcane necessary for operating the khandsari sugar factory at Khangabok in Thoubal district. These are examples where the management failed to have a proper perspective of market demand and work culture among the workers. The spinning mill should have adjusted quickly to the changing demand of yarns by the weavers, even making arrangements for a yarn bank and mobile sales depot to reach the weavers. The spinning mill can even arrange to buy the products for markets outside the state. This role has been usurped by Marwaris who supply the requisite yarn and even engage in contract weaving where the weavers are required to supply the finished products in return for yarns. This reduces the remunerativeness of the activity considerably. Similarly the cement factory could easily survive by the ever growing demand from construction activities. The entire demand now is being met by products brought from outside the state. Paradoxically the state has developed as a fast growing market for products from outside while its own resources continue to be wasted. This has curtailed the industrial potential of the state. (Manipur Survey, 2015-16).

- The story of Bamboo in Manipur is no different. Manipur 's share in the total growing stock of bamboo in the country is 14%. Bamboo brakes cover nearly 3268 sq.km. of forest. The total annual yield of muli bamboo, a good raw material for paper is estimated at 11.4 lakh tonnes (dry air) and that of clump forming bamboos is 3.08 lakh tonnes (air dry). The bamboo growing area around Tamenglong, Jiribam, and Tipaimukh of Pherzawl constitute nearly 80% of the total bamboo growing area in the state of Manipur. The total growing stock or the annual producton potential of the forests in Manipur is estimated to be 724.12 lakh cubic metres. A Bamboo Technology park is coming up in Jiribam to

promote various bamboo based industries under the National Mission on Bamboo Application, Government of India. Making it one of the sector for employment generation in Primary sector as well as in Manufacturing sector is also one of the biggest challenge ahead. To strengthen the base of this sector, promotion and awareness beyond the state is required for bigger market. (Economic survey Manipur 2018)

- Manipur has varied agro climatic conditions and various horticultural crops can be grown such as pineapple, lemon, orange ,banana, guava, papaya, peaches, passion fruit, arum, cabbage, cauliflower, pea, potato etc. Fruits and vegetables can be grown on uneven and undulating hilly terrains where permanent cultivation is difficult. It is usually cultivated non commercially by farmers in their farmhouse and orchard. This is linked with underdeveloped market in a circular manner. Only about 24000 ha are presently under fruit crops. The kew variety pineapple available in the state has distinct taste and flavour. Ginger has export potential both as raw and in processed form. A new thrust area in the state is cultivation of mushrooms. Mushrooms have a short gestation period and are in high demand both inside and outside the state. An increasing number of multinational corporations have invested in 100% export oriented mushroom production unit in India. High value products such as Kiwi, avocado, dragon fruits are also becoming popular. The lack of proper infrastructure for transportation is the main obstacle along with border trade problems. Along the Indo Myanmar border, trade has been mostly of the illegal and informal types. However the land tenure system in the hills has been a major constraint in optimal utilisation of land.
- The Manipur land reforms & land revenue Act 1960 has not been implemented throughout the state. It is being implemented in the entire valley and only in a few villages in the hills. Its extension to the hill areas has always been contested by the tribal people. A small proportion of land is under owner cultivation because property rights are not well defined. There are two systems of land ownership among the tribals in Manipur. Among the Nagas there is a three tier land ownership system: first is the village community land then the clan land and

the individual land. Among the Kukis, the entire village land is owned by the village chief and the villagers are his tenants. The villagers have right to cultivate but no ownership right which would enable them to sell the land like any commodity in the market. Land belonging to the tribals cannot be sold to non tribals. Therefore land market cannot function and pooling of land to take advantage of technological returns to scale is not possible. This prevents the farmers or the tenants to invest big amount for cultivation as there is no ownership and guarantee that they will have the same plot in the future. The village chiefs or the landowners are also not keen to invest or bring about innovation as it will likely reduce their net income. The lack of incentive for both the tenant and the land owner to develop the land is made worse by the lack of well developed market for the produce, credit and insurance, in short it leads to inoptimal utilisation of land. (Elangbam, 2009)

- Law and order is also an important challenge. Besides insurgency the issues of foreigners, hill-valley divide etc which flare up now and then have inhibited investment in the state. One of the main reasons why investors have shied away from this region has been the law and order problem. Disagreement with the government and discontentment amongst the people often lead to violence and it has become a part of the daily lives of the inhabitants of Manipur. There were 167 insurgency-related cases in Manipur in 2017, followed by Arunachal Pradesh (61), Assam (33), Meghalaya (28) and Nagaland (19). Mizoram and Tripura recorded no such incidents. The State also claimed the maximum number of casualties during the period. Civilians (23) accounted for the highest number and security forces suffered 8 casualties in 2017. According to the South Asia Terrorist portal, (SATP) as on Dec 24,2017 there were six proscribed terrorist groups in Manipur , 6 active terrorist groups, 25 inactive groups and 5 groups negotiating peace with the govt, There is neither war nor peace in Manipur. This led Dasgupta (2016) to assert that Manipur's one and only functioning industry was insurgency.
- Manipur was a kingdom and it had been long established before even India was born. When the country won its independence from British rule in 1947, it was

only incorporated into the Indian Union two years later on October 15, 1949. The merger into India is also described as annexation. According to Prabhakar (2010), Manipur was an “independent kingdom” since 1st century AD and its people had ‘histories’ and ‘memories,’ of Manipur as the kingdom and not the state of India. Many people in Manipur believe that New Delhi is acting as a neo-colonial power in Manipur. The insurgents in Manipur demand either autonomy or independence from the Indian state because of the discontentment and alienation from the mainland.

- Manipur’s poverty ratio has remained persistently high. According to the Annual Report of Reserve Bank of India 2013 percentage of population below poverty line was around 36.89 which comes under the worst 5 states in India. Partition of India at the time of independence radically changed the geography of the region. With disruption of the infrastructure for trade and commerce the region lost its vibrancy and became largely dependent on the centre. It is yet to regain the lost vibrancy. The economic deprivation and lack of development of the state has made separatists easier to recruit the youth and push their ideology to a greater extent justifying the movement. With three major ethnic groups in Manipur, its insurgency is also primarily divided into insurgent groups of Meitei, Naga and Kuki. While the Meitei insurgents’ prime objective is to regain their independence from “Indian occupation”, the Naga insurgents of Manipur support the demand of sovereign ‘Nagalim’ (Greater Nagaland) comprising of Nagaland along with the Naga inhabited areas of Manipur, Assam, and Arunachal Pradesh. For the Kukis their demand is again a separate Kukiland for which Kukis in Myanmar are also fighting for this demand.
- The insurgency in Manipur like other states of northeast began with an ideology for restoration of the pre-British politico-ethnic supremacy of the Meiteis, later turned into ethnic conflict and finally degenerated into a cross-current of socio-political whirlpool due to individualized interest of the numerous leaders of each respective insurgent group. The Meiteis in the valley viewed the growth of Naga militancy in Nagaland and its close link with the Nagas of Manipur as danger to their political supremacy in the state. With a view to restore their pre-British pride

some of the educated Meitei youths formed United National Liberation Front (UNLF) in 1964 under the leadership of Arambam Somorendra Singh and launched an underground movement. UNLF later established an underground government called Revolutionary Government of Manipur (RGM) under the leadership of OinamSu dhir Kumar with its headquarter in erstwhile East Pakistan. (Chaudhary, 2006)

- The Nagas and the Kukis of Manipur initially remained indifferent to the Meitei rebels in their obsession with respective ethnic politics. The Nagas of Manipur were supporting the movement of National Socialist Council of Nagaland (NSCN) demanding a sovereign 'Nagalim' (greater Nagaland) including the Naga inhabited territory of Assam, Manipur, Arunachal Pradesh and Myanmar. The Kukis, formed underground group to fight for their separate sovereign identity. The Kukis were getting support from Kuki National Organisation (KNO) and Kuki National Army (KNA) the insurgent groups in Myanmar. Similar to the demand of separate Kukiland in Myanmar, the Kukis of Manipur too came up with a demand for separate Kuki district and subsequently for a separate Kuki state. There is also the issue of extortion by various underground groups. These activities and concerns have been diverting capital away. The lack of development in general has made the public mind very sensitive to frequent bandhs and blockades. Bandhs and blockades on the national highways have frequently affected the smooth flow of goods and services. The state witnessed over 100 bandhs in 2000 and it cost the state domestic product about Rs 4,479 lakhs daily. According to Kanglei Yawol Kanna Lup (KYKL), a proscribed organisation which once banned bandhs and strikes in Manipur in 2003, a single day's bandh in the state leads to a loss of over Rs 9 crores and with 72 bandhs in 2001-2002 the cost to the state exchequer was of a mind-boggling Rs 676.48 crores. Bandh or strike supporters now target public and private property. Apart from the fact that there are more militant groups in the state than anywhere else the rivalries between these outfits also often leads to greater violence. Kidnappings and killings are common in Manipur. What worries the security forces is the parallel government run by militant groups. No transporter can operate in Manipur

without having paid at least three prominent militant groups. The outfits dispense instant justice, provide protection and rule certain areas with impunity.

- The issue of foreigners has been a thorn in body politics. Migrants from other parts of the country and also Bangladesh can change the demographic balance where the indigenous people have become minority. Tripura is a north eastern state which witnessed the gradual marginalisation of the indigenous people by Bengali immigrants. It is the fear of this event repeating in Manipur that has prompted numerous civil society organisations to keep the anti-foreigners movement alive. Long before partition, the kings of Tripura, used to welcome the immigrants from the neighbouring provinces of Bengal for socio-political, economic and cultural reasons. At the time of Partition in 1947 Tripura, being a border state, surrounded by East Pakistan in the North, South and West, became the natural destination of the displaced persons of East Pakistan now Bangladesh. Tripura has 53 km of land frontier with Cachar in Assam and 109 km with Mizoram. 84% of its land frontier is with Bangladesh. Tripura has become the show case of showing what immigration can do to a small state having marginalized the people who have been living there for a longer period. Another north eastern state Sikkim also faced a complete demographic reversal where the Bhutia-Lepchas have been reduced to a minority and displaced from their own land by immigrants from Nepal and other parts of India. By 1891 Nepalese constituted 51% of the population. By 1950 the Nepalese proportion rose to 75%. According to Hazarika (1995) “It (Tripura) is one of the few places in the world where, in the twentieth century, the indigenous people has been transformed from a numerical majority ruling community into a minority, dependent on the goodwill and largesse of immigrants who have seized economic and political influence.”
- When the Look East Policy (LEP) was first enunciated in the early 1990s NER did not have much role as Myanmar, because of its record of violation of human rights, was an outcaste in international politics. According to Elangbam (2015:57) the low level of border trade at Moreh in Manipur may be attributed to the following factors:

1. Lack of modern trade facilities both hardware and software
  2. Absence of adequate security
  3. Inadequacy of road infrastructure
  4. Limitations on the number of items allowed to trade
  5. Mode of settlement
- The LEP in particular has created an enabling environment which can break the landlocked condition of NER by opening it to the markets of the neighbouring countries across the border, establishing joint-venture enterprises and bringing cross-border investments for the development of infrastructure, manufacturing and services. The Policy acquires special significance in the light of cross-country initiatives for economic cooperation like the Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC) and Mekong-Ganga Cooperation (MGC). India constructed a road in 2001 in Myanmar linking the township of Tamu with the railhead at Kalemmyo which connects Mandalay, the commercial hub of Myanmar. There is a proposal to construct a 1,360 km. Trilateral Highway from Moreh (India) to Mae Sot (Thailand) through Bagan (Myanmar). One of the important developments of India's LE Policy has been the expansion of trade with its South East Asian neighbours. However, very little of the benefit of this trade has gone to the NER region as most of the trade is sea borne.

NER –Vision 2020 (2008:271) laments that “Ironically, despite the fact that the Look East Policy has been in existence for more than a decade and a half and even as it has substantially benefited the States in other parts of India, its benefits to NER has been negligible. Logically, the Look East Policy must begin with NER. However, as far as the region is concerned, the policy has remained a slogan and has not as yet evolved into a harmonious and productive relationship with neighbouring countries. Thus, despite the Look East Policy, NER remains under economic imprisonment within its international frontiers.” Almost 50 per cent of India's exports to ASEAN consist of mineral products (fuels and oils) and gems and jewellery. Another 20 per cent consists of organic chemicals, iron and steel and animal fodder and waste. In the case of India's imports, about 50 per cent

consist of electrical and non-electrical machinery, vegetable oils and fats and mineral fuels and oils. According to the vision NER 2020 (2008; 280), NER has to develop a more mature industrial sector producing wood products, ore and rubber products and much better air and sea connectivity to avail of the opportunities provided by growing India- ASEAN trade.

The developmental challenges of Manipur can be summed up briefly in a table given below. The table no. 4.11 shows the strengths and weaknesses, opportunities and threats.

**Table no. 4.11: The challenges and opportunities of Manipur**

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• High literacy rate</li> <li>• High potential of hydel resources both for irrigation and power</li> <li>• Pollution free environment</li> <li>• English speaking youth</li> <li>• Good health coverage</li> <li>• Industrial potential youth</li> </ul>	<ul style="list-style-type: none"> <li>• Primarily agrarian economy based on traditional technology</li> <li>• Inadequate infrastructure</li> <li>• Low level of industrial development</li> <li>• High level of unemployment</li> <li>• Inadequate technical and entrepreneurial skill</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Possibilities of industrial growth</li> <li>• Development of forestry, fishery, horticulture sectors</li> <li>• Ecotourism</li> <li>• IT sector</li> <li>• Handloom and handicrafts sector</li> <li>• Trade with ASEAN</li> </ul>	<ul style="list-style-type: none"> <li>• High transport cost and hence high production cost</li> <li>• Insurgency problem</li> <li>• Hostile environment for foreign private investors</li> <li>• Sense of alienation among the people</li> <li>• Growing ethnic disputes</li> </ul>

#### **4.4. Summary and conclusion**

Manipur in terms of historical background in terms of its merger with India, geographical area and geo-political nature and the socio- economic structures have been analysed and discussed. The objective of this chapter is to analyze the growth structure of the economy and the employment situation.

The sectoral composition of the agriculture and allied sectors shows there has been a rise of NSDP for agriculture and fishery, where as for forestry NSDP has remained almost stagnant. In terms of industrial sector it is a challenge for growth. In spite of the fact that Manipur is endowed with mineral and forest resources, industrialisation has been painfully slow in the state. There is an absence of key factors of development especially the transportation infrastructure and the market facilities. The smooth economic activity in the economy is disrupted by on and off economic blockades in the highways connecting the mainland as well as political and social conflicts internally. The construction sector is the largest sub sector contributing to the secondary sector however during the year 2010 it got disrupted by Naga insurgents economic blockade which halted the supply of basic necessities and raw materials to the economy for long. The construction sector is still yet to recover from the shock.

In terms of service sector there has been gradual rise in sectors like Banking & Insurance, Tourism, Transportation however there has been an exponential growth in Public administration and other services due to increase in government activity jobs which can be contractual in nature and no real increase in output.

In terms of employment situation Manipur is facing similar decline in job generation as All India. There is high rate of unemployment particularly in educated youth and it is due to lack of industrial base. There is decline in proportion of main workers and rise of marginal workers. A fall in agricultural workers and gradual rise in the composition of secondary and tertiary sector employment is observed, however the proportion of people working in agriculture is still large. The NSDP has grown by 170 percent during 1994 to 2012, however the employment ratio declined by -1.92 percent.