



Great Expectations and Challenges for the North East Region of India

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Abstract

Seven states of India's restive North East region bordering China, Myanmar, Bhutan and Bangladesh and connected to the Indian landmass by a narrow 27 km of land – to Siliguri in West Bengal – the "Siliguri neck" are at cross roads of history. A legacy of colonial political construct to keep the hill tribes occupying vast spaces separated from the more advanced plains people provided grounds for violent assertion of "identities" by several tribes and ethnic groups in the hills and valleys after India gained freedom in 1947 which turned the Region into a "Garrison state". India's Act East policy to expand trade, Investment and Technology links with the ASEAN provides now a role for the North East region as the strategic spring board for entry into ASEAN. It is thus time for the North East states and the North Eastern Council, the designated regional planning body to initiate steps to align the development policies, infrastructure, institutions, standards and procedures to those of the ASEAN countries. And, this would require an integrated regional initiative founded on growth inducing infrastructure, science, technology and innovation ecosystem based manufacturing and service sector enterprises geared to meet the ASEAN demands. The recent launching of the China-Myanmar Economic Corridor might expand opportunities for the North East region in Myanmar and hence the need for the North East region to build up capacity to reach ASEAN on urgent basis.

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Analysis

After 70 years of independence it is time for the North-east to take stock of developments since 1947 and even before from 1826 when the British East India Company acquired the Ahom kingdom and made it a part of the Bengal presidency. And, after consolidating its strategic base in the Assam valley and the creation of the chief commissioner's province in 1874, they embarked on a "forward policy" that led to annexation of the hill areas inhabited by tribes over which no government in its neighbourhood – Tibetan or the Ava kingdom of Burma – had any control.

This process – mainly through punitive expeditions and pacification of tribes and recognition, under some kind of an accord of the traditional powers of the tribal chiefs to administer justice, customary land, forests and water rights – was completed by 1891-92 in the Naga Hills and Lushai Hills. It continued well into the 20th century in the "Frontier Tracts" bordering Tibet and Myanmar.

In line with the British policy of keeping administrative overhead low, the hill areas, though incorporated in Assam, were "thinly" administered as "scheduled districts" first and placed under the direct charge of the Governor of Assam. And, later to make sure that the grant of provincial autonomy under the Government of India Act, 1935, didn't change this isolation of the tribes, and the elected legislature do not exercise powers to make laws that would apply to the tribal areas, the hill areas were notified as "excluded" and "partially excluded" and continued to be under the direct charge of the Governor of Assam.

Therefore, the hill tribes were "excluded" from the political reforms process designed to associate the other groups in the plains of Assam with governance under the scheme of the provincial autonomy. This arrangement continued till 1950 when the Constitution was introduced.

The British intervention in the North-east produced consequences whose impact dictates the contours of politics and economy even now. Hence it's worth recall.

First, the partition enhanced the strategic importance of the hill areas and all scheduled tribes of the region. Though they constituted only about 25 per cent of the region's population, they dominated roughly 70 per cent of the total geographical area of 262,179 sq km – practically the entire stretch of India's borders with Bhutan, Tibet, Myanmar and Bangladesh, except small segments of Assam and Tripura sectors of border with Bangladesh.

This geo-strategic position has accorded the hill tribes and the states they dominate, like Arunachal Pradesh, Meghalaya, Mizoram and Nagaland and the local councils in Manipur or the Sixth Schedule Areas of Assam like Karbi Anglong, Dima Hasao and tribal areas of Tripura an enormous strategic importance for national security. That was not enjoyed by the more numerous central Indian tribes occupying larger and resource-rich areas in states under the Fifth Schedule of the Constitution.

Second, the "extractive" colonial economy that was put in place to promote labour-intensive tea plantation, jute and exploitation of minerals, oil, timber and other forest products, caused an influx of labour as well as skilled workforce from outside Assam, as it was nearly depopulated during two decades of Burmese occupation to meet the needs of the colonial administration and economy.

Though it created an unstable socio-political climate, it was soon upset after Independence and the establishment of a new equilibrium is the unfinished task of nation building in North-east states, especially in Assam and Tripura. The ongoing updation exercise of the National Register of Citizenship in Assam and the demands



for introduction of the Inner Line Regulation Permit System in Manipur and Meghalaya may be seen as outcomes of this historical baggage.

Third, since the hill areas were organised into districts purely on a logistical basis, it forced Nagas, Mizos and even Manipuris to scatter in the border areas of Burma and the North-east.

Thus a Naga self-administered area and a Chin Hills area exist in Myanmar today adjacent to the North-east and are affected by insurgency, even though the Mizos, who are called Chins in Myanmar, have been progressing well in India.

In a way World War II never ended in the Myanmar border lands with India as ethnic insurgencies continued, resulting in virtual absence of the Myanmar state authorities in these sectors. That enabled North-east insurgents to use those Myanmar areas as sanctuaries.

Fourth, the partition turned the North-east into an artificially landlocked region and the regional economy stagnated due to slow growth of compensatory infrastructure and lost its competitiveness.

Looking at the current situation, an observer, not well aware of this background, might not see any real change given the fact that the region looks like a huge “garrison state” rather than a “developmental one”, as Kishore Mahbubani articulated in his fascinating work *Can Singapore survive?*

On the contrary, a good part of the North-east has been affected for long by what may be called “phoney insurgency”, which merely raised the cost of every economic activity and made the economy uncompetitive. No doubt that there has been a reasonable six per cent plus growth in the North-east from the Tenth Plan.

But to sustain it in the new economic environment, now created by the introduction of GST, scrapping of the Five Year Plan and hence the distinction between the plan and non-plan sides of the budget, withdrawal of the special category status for the North-east region designed to create a “state borderless” national economy, calls for an integrated regional development strategy.

In fact, in the North-east, where the states other than Assam, are too small to have state-centric economies, development efforts make little sense in the “borderless” national economy for several reasons. First, the generous award of the 14th Finance Commission to the North-east – unlikely to be changed by the 15th Finance Commission – the implementation of GST, low tax base and potential of the North-east suggest that the annual state budget exercise has largely lost its relevance, both as a revenue generation exercise and as providers of incentives for attracting investment because GST leaves little scope for the same. Indeed the other factors, like physical infrastructure, telecom connectivity, power availability, efficient export processing facilities and banking network contribute more to the ease of doing business rather than tax concessions, which really being subsidies, tend to perpetuate inefficiencies. And industries dependent on such sops tend to be uncompetitive.

In the context of the North East’s participation in the Act East Policy, as highlighted by Prime Minister Narendra Modi, it may be useful to draw lessons from the Association of South East Asian Nations. Particularly how member countries have aligned their economic policies to common standards and developed, through an integrated regional model. Following this approach it’s time to prepare such a strategy for the extended North-east, encompassing North Bengal and Bhutan, to be able to enter the demanding ASEAN market. The steps in this direction may be as follows:



- Broadening of the mandate of the North Eastern Council as a regional planning body by amending the NEC Act to include North Bengal. This seems realistic as Sikkim is already a member of the NEC and West Bengal is represented in the Brahmaputra Board.
- Make the NEC a platform for preparing a regional development initiative to align states' tax, non-tax and institutional financing arrangements and infrastructure development to the common objects of shared progress.
- Create a regional infrastructure development programme to bridge the critical gaps in surface and telecom connectivity with special emphasis on building trading corridors with Tibet, Myanmar, Nepal and Bangladesh. At present these trading points are inadequate in the Mizoram-Myanmar and Bangladesh and Tripura sectors. This must be strengthened to deal with increased trade once the Kaladan Multi-Modal Transport project gets operational, hopefully by 2019.
- An integrated science, technology and skill development strategy is also needed to promote entrepreneurial capacities within the local communities, both in the manufacturing and service sectors to meet the demanding standards of the ASEAN and also Nepal and Bangladesh.
- Further, to enable the university system of the North-east to serve as knowledge partners of the regional industry, an academia coordination mechanism is a must. The research and development role to meet the challenges of climate change and environment protection and river research will also be crucial in building policies and projects in the wider area of ecological security.

In the background of the China Myanmar economic corridor and growing Indo-ASEAN cooperation, the North-east states must put their act together right now without waiting for the highways or the railway to come up. As by that time the other competitors in the country's coastal states might as well develop "complementarities" with the ASEAN countries. It is thus time to build an integrated regional development initiative because efforts of individual states will not produce the critical mass for real entry into the ASEAN.

Remarks: The opinions expressed in this contribution are those of the author. This article was first published in *The Statesman* under the title 'Great expectations' on January 29, 2018.



About the Author of this Issue

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