## The Economical Structure of the North-Eastern States of India from the British Colonial Period, A Brief Study

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Abstract: This paper represents an overview of the economic structure of the north-eastern states of India from the British colonial period, a brief study.

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## 1. Introduction

A study of the economic system of any area is a study of the combination of three economic structures; these are production, distribution and consumption. An attempt is made to have a look at these structures and find out whether they really fit in with the economy of the North-eastern region. Generally the economic structure of the North-eastern states is similar to the general economic structure of India as a whole. It differs from the rest of India only in kind and not in degree. The multi-structural economy has been existing like other states of India. North-east India has a relatively backward economy due to its physical geography as well as the social and political condition in spite covering a bigger area of production than the national average. It consists of hills and plains with different levels and economy. Ethnic considerations sometimes come in the way of economic development at the social and political level.

Before the coming of the British, except in Assam, in the hill areas there was only a subsistence economy, and in certain interior areas as in western Meghalaya, the agricultural economy was so primitive that it hardly provided even subsistence to the people. Trade and commerce took place between the hills and plains, there could not be any large scale exchange of items of trade due to the poor economic development, apart from the archaic social relations. 1826 in terms of the Treaty of Yandaboo Assam was annexed by the British after defeating the Bunmere invaders, who occupied the entire once of the Brahmaputra Valley overthrowing the Ahom rulers. After annexation of Assam the British occupied Cachar, Jaintia, Khasi hills, Naga Hills, Garo hills, Luchai hills. After then the British occupied north eastern hills (presently Arunachal Pradesh) inhabited by various tribes. In 1858 the British occupied Tripura. The British Government

took upon itself the responsibility of maintain 'good government' in North eastern states. In adaption to physiographical futures different systems of agricultural practices have been developed. While the hill forests have been the sites of shifting cultivation, the valley lands have been in use for practicing settled wet rice cultivation.

When the British came in to the North-east they didn't help the North –east region in bringing about economic progress for the benefit of the entire area. Whatever industries they had established, like tea plantation, oil, coal and other mineral extractions, were done only to further their own interest. During the colonial period limited economy development took place, and that too was confined to the tea and oil producing areas of Assam plains and in some mineral producing areas in the khasi hills of Meghalaya. In the rest of the Hill areas, barring a few pockets, the traditional 'Tribal Economy' of the primitive type of agricultural jhumming and pastoral economy, among others, persisted. This variation in the respective economy of the hills and plains is the function of different physical features, different social relations, and the neglect and isolation of the region by the colonial British rulers. This in turn produced a multi-structural economy in the North-east region which position continued till the independence of India. It constituted a major challenge to the task of nation-building independent India. So, the Government of India had declared the whole of North-east India, except Assam, to be a 'Backward region' for the purpose of industrial help. Despite the system of national planning, the economic structure of the North-eastern states continues to remain multi-structural in nature with rural agricultural as the main economy of the region, For instance, the percentage of agricultural workers out of the total workforce in the region varies from 54.40% (Tripura) to 78.48% (Arunachal Pradesh). In Manipur 52% of total population have been engaged as agricultural labourers (2001 census) and in Assam 52% of total labour force are found to be engaged in agriculture out of 3.09 crores (2012 census). It is obvious that after independence, 'the tribal economy' came to be exposed to money economy which had earlier penetrated only in to certain district headquarters of the hill areas. The effect is so marginal.

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Traditional tribal economy continues among the hilly people like before. Modern scientific method of agriculture is not applied sufficiently till now in the hilly areas of the North-east. The agricultural economy consist of wet rice cultivation in the plains of Assam and Manipur, and terrace cultivation as practiced by the Apatanis of Arunachal Pradesh, the Aos (tribe) of Nagaland, and the Jaintias of Meghalaya. The single-crop agricultural economy of North-east India has resulted in low production and as a result the living standard of the people of the region becomes low Due to the rapid increase of population Assam has faced acute dimensions and heavy pressure fall over the limited land and increase landless peasants.

A distinctive feature of the tribal economy is the controversial jhum cultivation. Jhumming has been regarded by many authorities to be destructive of the soil condition through denudation of the hill slopes and responsible for causing flood and climatic changes and the loss and degeneration of flora and fauna. The hilly people are now convinced that there should be sedentary cultivation. The colonial power set up certain industries in the North-east for their own benefit. Hence the industrial sector was very weak during the colonial period. Even now, industries on a large scale are yet to be started in the hilly areas. All that exist are a few industries based on local raw materials set up in the small sector like the sugar industry in Nagaland, Assam, handloom industry in Manipur, cement and plywood industries in Meghalaya, cement industry in Guwahati, Bokajan and Karbi Anglong in Assam, coal industry in Meghalaya and Assam. But sufficient financial assistance and strict observation are required regularly from the State and Central Govt. For their survival. Assam is the biggest producer of quality tea in India, contributing 55 percent to country's total tea production. Today there are six lakhs tea garden workers in Assam and engaged in 850 tea gardens in Assam Even the establishment of tea industry in Assam facing crisis due to various factors like completion form other tea producing countries, sick gardens and sheer mismanagement, demand from the labourer organizations and financial demand from the various organizations, extremist groups of Assam, Manipur and Nagaland. It is seen that since the last two decades small tea gardens have been growing rapidly in the north-eastern states of India under private entrepreneurship. There are about 28000 small tea gardens in Assam producing about 70 million kgs tea annually. On an average, Assam produces over 480 million kgs of tea per year. It contributes the economic development as well as solves the unemployment problem of this region. But now it is considered as the threatening to the large tea gardens. Despite the substantial resource base with large proven reserves of oil. Coal, silimanite, lime stone, bamboo and good quality timber distributed over a wide areas, the emphasis has been on cottage industries. Some cottage industries have been established in the region like sericulture, handloom and handicraft in Assam, Khadi in Tripura, handloom and handicraft in Meghalaya, Nagaland, Arunachal Pradesh and Mizoram, sericulture, bamboo and cane articles in Manipur. Due to the lack of capital,

lack of proper market, labour scarcity, adverse topography, lack of advance skill, lack of infrastructure the proper development are not happening in aspect of industrial development in the entire region. The middle men and other traders also have been taking advantage of the lack of marketing and transport infrastructure. Growers of fruits, potatoes and horticultural products are increasingly dependent on these middle men and traders. The hilly people are more interested in the markets of Myanmar, Bengal and China rather than Assam for marketing facilities. The marketing routes have to pass through Assam rather than Bangladesh for the commercial development. Now Guwahati, the capital of Assam, has emerged as the Centerport of North-east India. Now four way highway construction is in progress in Assam and three huge bridges are being constructed, one at Tinsukia (connecting Sadiya), one at Dibrugarh (connecting Dhemaji), one at Guwahati (connecting North Kamrup) in Assam. The Guwahati Tea Auction is a pointer in this direction. Thus, though politically North-east is divided in to seven states, it has the potentiality to become a distinct and integrated economic unit with marketing and transport facilities of its own. In areas like the plains of Assam where agricultural land has become limited, the emphasis should be on cropping intensity rather than on large scale farming and labor intensive technique. Similarly, in the hill areas because of mountainous contours and forests where large scale agriculture is not possible, the emphasis in approach should be on forest-based activities and on industries like the making of precision instruments where skills are more important than materials. The technique may be further improved with the help of hydel power project which are running successfully in Loktak Project (Manipur), Kapili Project (Assam-Meghalaya), Gumti Project (Tripura). But sufficient power is not able to supply to the industries of Northeast by these Projects and this is also a major problem in development of the industries of the North-east. On the other hand transport communication system should be developed in the entire North-east and Govt. (State and Central) interference should be needed for the industrial and agricultural development of the North-east.

## 2. Conclusion

This paper presented an overview of the economic structure of the north-eastern states of India from the British colonial period, a brief study.

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