

Editorial

Thursday, June 14, 2018

A day which keeps our spirit alive

Despite incessant rains that floods almost every places of the Manipur Valley people if the state is gearing up to observe the Great June Uprising on the 18th of June, and the massive turnout at Kekrapat attending the memorial service and paying floral tributes by people from different walks of life from various communities in the preceding years reinforced the fact that the people of Manipur, with its diverse inhabitants and cultural mix, still believes in the spirit of unity, and despite setbacks and disappointments, are ready to go to lengths to preserve and protect its unique identity as portrayed by the variety of cultures, traditions, customs and beliefs. But then again, this intrinsic protective feeling is certainly not something unique to the people of this state.

It is rather a universal phenomena; one that has caused many a great epic battles and induced acts of heroism and sacrifices. The threat to one's own space and liberty, whether personal or social, has always evoked reactions ranging from the passively defensive to the more aggressive and violent. The spontaneous reaction of the collective society on that eventful day in 2001 which saw the unrestrained outpouring of the frustrations of the Manipuris is no different. It would be prudent for us all to ponder over the issue without preconceived notions or personal feelings, and to try and understand the facts as they are.

The aspirations of the different communities to better their own kinds is understandable, but if and when that aspiration starts to infringe on the right and liberty of another community or the rest of the communities as the case may be, then differences and suspicions are bound to develop amongst the communities. There is also the bigger threat of the political system feeding on the concerns of these different groups to its advantage, and what was at first a credible issue, even if only from the point of view of a particular community without delving further into the legality or the practical aspect and its impact on the entire social setup, such genuine concerns almost always gets tainted with political overtures, making the whole process a farce and drama, played out to the interest of the very few who are orchestrating such social disruptions. Ultimately, the issue gets sidelined, or more seriously, gets diverted, eventually betraying the hopes and support of the very people who are made to suffer the consequences. The final step - resorting to brute force and irrational violence to subdue and suffocate the rational curiosity and dissenting voice of the society. The only way out of such undesirable situations, and indeed the most effective means of preventing the very fomentation of such divisive ideas is for the people to put a decisive, just and impartial Government which have the political will and the guts to implement even the most unpopular and drastic measures for the good of the society, state or the country - an impossible expectation?

Legal Clinic

Difference between Motor Vehicle Act, 1989

By: Mantosh Kumar

As regard the differences between these two Acts, the Motor Vehicles Act only concern with the rules and regulations for driver, owner and the manner in which a vehicle shall ply on the road, punishment for the offences committed by the driver and owner, liability for compensation to the injured or legal heirs in case of fatal injury etc.

On the other, only certain sections of IPC as mentioned below attracts the offences have been committed:-

Sec. 279 - Whoever drives any vehicle, or rides, on any public way in a manner so rash or negligent as to endanger human life, or to be likely to cause hurt or injury to any other person, shall be punished with imprisonment of either description for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both

Sec. 337 -Whoever causes hurt to any person by doing any act so rashly or negligently as to endanger human life, or the personal safety of others, shall be punished with imprisonment of either description for term which may extend to six months, or with fine which may extend to five hundred rupees, or with both

338 -Whoever causes grievous hurt to any person by doing any act so rashly or negligently as to endanger human life, or the personal safety of others, shall be punished with imprisonment of either description for a term which may extend to two years, or with fine which may extend to one thousand rupees, or with both.

304A. Causing death by negligence. Whoever causes the death of any person by doing any rash or negligent act not amounting to culpable homicide, shall be punished with imprisonment of either description for a term which may extend to two years, or with fine, or with both...

IPC is a general Penal Statute which provides for Sections explaining offences and penal provisions related to those offences. Definitions of certain terms, jurisdiction of the Act, nature of offences etc are also provided. But it is not a complete law since day by day human crooked mind finds new ways to violate others' rights and invent new crimes as our technology develops. It provides for only some Road related offences like 279 (rash or negligent driving) etc. It is a GENERAL PENAL STATUTE.

But the Motor Vehicles Act deals with specific provisions relating to road and motor vehicles. It explains almost everything about it including offences related to road and MVs and penal provisions connect to them. Thus, MV Act is not a General Statute but a SPECIAL STATUTE.

Simply saying, IPC is an all rounder dealing with offences in every areas you can think of (some or other provision can be applied in all situations) where MV Act deals almost everything in the area of MVs (including offences). I believe, it's all clear now.

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Continuation from previous issue

Manipur and Development: Political Economy of Collusion

The write up produced here is the continuation of the lecture delivered by Prof. Amar Yumnam on Arambam Somorendra Memorial Lecture held on 10th June, 2018 at Lamyamba Shanglen Palace Compound

Economists have, however, not been happy with the broadness of the concept and the use of the term capital in social capital. For Stiglitz, it "is a concept with a short and already confused history", while we also have the widely quoted appeal of Arrow for "abandonment of the metaphor of capital and the term, 'social capital'". The term capital implies three aspects: (a) extension in time; (b) deliberate sacrifice in the present for future benefit; and (c) alienability", and social capital does not satisfy condition (b) at all. Solow, too, expresses doubt that "social capital" is the right concept to use in discussing whatever it is we are discussing. ...", and asserts that in trying to explain development we should be looking "for that is at least capable of being found".

However, given the expansion in the social capital literature, one may safely say that this initial scepticism has been taken care of or rather been ignored. Here the very first footnote of a recent paper by Durlauf and Fafchamps is worth quoting: "Even if a precise definition of social capital were attempted, it is likely to be no less vague than other similar concepts. The term capital, for instance, is used to sciences can be given to Fukuyama who had concentrated on trust as "the expectation that arises within a community of regular, honest, and cooperative behaviour, based on commonly shared norms, on the part of other members of that community" in his broad study of social capital. But in economics, it is Dasgupta who has set the trend defining the areas of focus and boundaries. He talks of trust "in order to describe different things - from finance to machinery to infrastructure. Human capital similarly has many different meanings, such as education, nutrition, health, vocational skills, and knowledge. This kind of vagueness, however, is less problematic as long as researchers agree on some basic principles". This view is quite reflective of the argument put forth by Dasgupta who had argued that "in regard to both heterogeneity and intangibility, social capital would seem to resemble knowledge and skills. So, one can also argue that since economists haven't shied away from regarding knowledge and skills as forms of capital, we shouldn't shy away in this case either".⁶⁵ Indeed, one of the most referred articles on social capital by economists predated the attack. The last little over half a decade has seen a sharp rise in social capital research as it relates to development. The ambiguity and vagueness of the concept are being increasingly addressed in recent studies. The earlier approach of looking at social capital purely as an individual-based phenomenon context of someone forming expectations about those actions of others which have a bearing on her choice of action, when that action must be chosen before she can observe the actions of those others. Trust is of importance because its presence or absence can have a bearing on what we choose to do, and in many cases what we can do". This involves what economists call "network externalities" (she trusts you, now you trust me, so now she trusts me, and so forth)". It is the repeated personal interaction which is significant, while the importance of the state arises in the case of actions where "public verifiability" is necessary. As Collier says: "The model of social capital ... has three building blocks: social interaction, the effects of social interaction, and the mechanisms by which social interaction works". This is where the difference between what Francois calls "culturalist" (sociologist) explanation of trust on the basis of individual types differs from the economist explanation based on incentives for pecuniary benefits. While sociologists look at the problem from the top down of the cultural

surroundings, the economists study it as individuals acting rationally. While there is some truth in what Guinnane calls presence of "warm noises" in research on trust and necessity of focusing on information and enforcement⁷¹ as emphasised by Williamson, one must appreciate the increasing effort in this literature for greater clarity and identification. Following Durlauf and Fafchamps and Hooghe and Stolle, trust is now divided into two types - *personalised or particularised trust* and *generalised trust*. The personalised trust is something which is built up over a period of time through repeated interactions, and implies trusting people whom we know or know something about them. The generalised trust, on the other hand, is *instantaneous*, and so more beneficial than personalised trust because of the lower transaction costs. It is fostered by rule of law institutions and participation in the market. It is participation in the market which transforms personalised trust into generalised trust, while the rule of law institutions deters one from opportunism. The concept of trust is now expanded to cover the *relational* aspect and not just the payoffs in material terms. As Pelligrina analyses, "[T]rust responsiveness... cannot be entirely internally generated, it arises in fact from the relationship with the other... that... represents the mirror of our self". It is conceivable that "some of the reasons for being trustworthy arise from the mere fact of being the object of someone else's trust". Trust, whether relational or being driven in the conventional neoclassical way by purely pecuniary benefits, necessarily involves interactions between two or more individuals. *Ipsotwo*, we have to think of a system of networks while analysing trust. An investment in a network channel is *irreversible*, and any network is exclusive. This provides for repeated interaction within the network, which reduces the cost of maintaining channels and interaction - the network externalities. Now what do we mean by approach? Whereas the institutional approach to development has its roots mainly in historical analyses, the main foundations of the emphasis on geographical factors in explaining development, now generally known by the label *New Economic Geography* (NEG), are to be found in theoretical innovations. The approach has made good strides in the last sixteen years but never make it to the core of economic analysis because of certain fundamental problems in theorising.

First, there was always the problem of movement from explaining the location of firms to the location of industries. Secondly, there is the breakdown of competitive price mechanism in the presence of transport costs. Thirdly, there was no possibility of application of general equilibrium analysis. Fourthly, there was the necessity of incorporating increasing returns and externalities into the analysis so as not to bog down at the level of what is called in the literature "backyard capitalism". But appropriate accounting of these issues is called for to explain the phenomenon of transition from *first nature* to *second nature* by human beings. The climate and topographical features as handed down to human beings by nature are *first nature* and are exogenous. But human beings have always tried to surpass the limitations of these by endogenising the first nature through creation of a *second nature*. It is this which leads to the emergence of agglomeration economies and growth. "To put it another way, an economic model of agglomeration is expected to provide a general equilibrium story about the centripetal forces that pull economic activities together and the centrifugal forces that push them apart, relying on the trade-off between various forms of increasing returns and different forms of mobility costs". Here it may be in place to mention that a new variant of economic geography in the form of

Evolutionary Economic Geography is now merging with gusto. There is a strong influence of Schumpeter in this approach, and the economy is seen as an "evolutionary process that unfolds in *space and time*". We shall, however, be confining ourselves to NEG, which today seem to be juxtaposed against the institutional approach in empirical debates. Two factors have been instrumental in shaping the NEG. First, is the well-known Dixit-Stiglitz formalisation of monopolistic competition. Second were the already existing theories of location. Krugman is the first to exploit this situation with his core-periphery model⁸³ which have now been followed by two more important landmarks. With these new developments, the NEG has fully incorporated the insights of the new trade theory into its fold, and has now become a close cousin of urban economics. Unlike the institutional approach, the NEG is marked by more or less unity of approaches. This is despite the presumably two contrasting approaches of *geography as destiny* of Sachs⁸⁶ and *development as accidental phenomenon* of Krugman. As Krugman himself argues, "Understanding why small random events can produce large consequences for economic geography is also crucial to understanding why underlying differences in natural geography can have such large effects".

The core-periphery model introduced by Krugman⁸⁸ is taken as the workhorse of NEG. While there have been many extensions to this original model by incorporating innovations sector, different preference functions, and genetic issues, to name a few, the analytical appeal of the original model is not lost. The economy is characterised by *spatial pecuniary externalities*. It has two regions, two sectors (agriculture and manufacturing), and two types of labour (farmers for the agriculture sector and workers for the manufacturing sector). The respective labour is the only input for each sector. Farmers are immobile, and so equally distributed between the two regions of the economy. The workers, on the other hand, are freely mobile between the two regions. The agriculture sector is characterised by constant returns to scale and produces a homogeneous good. The firms in the manufacturing sector produce horizontally differentiated products under increasing returns to scale. Since the agriculture sector produces a homogeneous product, it is not traded, whereas the products of the manufacturing sector, being differentiated, are traded. The trading of the manufacturing sector products involves transport costs. The economy now experiences two opposing forces, one for agglomeration (centripetal) and another for dispersion (centrifugal). The centrifugal forces result from first nature, immobile factors, and pure external diseconomies. The centripetal forces are the Myrdallian circular causation effects resulting from the forward and the backward linkages of location. The forward linkage results from the external economies emanating from a concentrated location. Besides, there is the backward linkage in the form of *home market effects*. Under the latter, the varied products and higher wages⁹⁷ attract even more demand for the manufacturing products and immigration from the other region. Now all these effects are hysteretic. If the centripetal forces are stronger than the centrifugal ones, we have a core-periphery pattern wherein all the manufacturing activities would take place in a single region. This would be a particular result if the economy is characterised by low transport costs, highly varied products and lumpy manufacturing expenditure. However, the agglomeration is not a

necessary result. A small chance factor or a small inherent initial advantage only brings about this result. When these conditions are violated, *catastrophic bifurcation* results.

NOW WHAT IN MANIPUR? The problem arises here. For Manipur to experience the development process and reap the benefits of it, it is inevitable that the development interventions should be evolved endogenously and fully alive to the institutional norms and the geographic heterogeneity of Manipur. This is particularly important as the Institutional and Geographic Diversity are salient both within and without. These are exactly what have not happened. The cultural ethos and institutional features are heterogeneous in Manipur in addition to the divergences from what prevail in other parts of India. However, all the development interventions have been evolved to converge to the institutional requirements in the other parts of India. This has resulted in one significant avoidable characteristic of the development interventions. Since the relevance of the interventions is non-contextualised, the transaction cost of each intervention has been necessarily high.

The case of Manipur, in so far as developmental interventions are concerned, has been anything other than endogenous. On the other hand, the interventions have been rather to exploit the contextual diversity for exogenous benefits and resulting in unprecedented conflicts. The introduction of democracy in Manipur has no contextual grounding and we are yet to fully apply our mind to the crises generated by this. But it is because of these crises that the Indian State and its manifestations in Manipur need to be extraordinarily careful in attending to the requirements of developmental administration in the State. At the cost of being hasty, let me point out emphatically that what Manipur needs is the best form of a developmental state or at least a state which continuously endeavours to project its developmental face. Unfortunately, this is exactly what has been lacking in the state. Given the fact of exogenous origin of the paradigm of government, the Indian State should have tried, and there is no alternative to this, to make development and developmental governance the guiding principle of every intervention in Manipur. This alone could have addressed the crises caused and to be caused by the abrupt transition from the old regime to the new paradigm. The same is true in the case of the geographic contextualisation of the development interventions. The economic, cultural and ethnic diversifications of geography necessarily demand geographic contextualisation in a much more complex way than elsewhere. This again has not happened. The non-appreciation of the geographic characteristics - climate, terrain, disease conditions, differential social sector needs, etc. - has also been accompanied by non-recognition of the historically accumulated geographical properties. This is how an age-old kingdom has been reduced to a just political boundary rather than a border with autonomous history. The history of the geography and the geography of the history of Manipur have been side-lined from the deliberations and articulations of governance interventions. Since the development interventions have not been contextualised and there is primacy of the Centre in the prevailing Centre-Periphery relations being coupled by the unwillingness of the former to develop contextual ideas of the region, there have developed certain unhealthy processes and outcomes.

(Remaining part of the lecture will be produced on our next issue)