Changing Business Scenario of a Young Tribal Economy: A Case Study of Mizoram

Lalchhantluangi Pachuau, Prof. NVR. Jyoti Kumar

Ph.D Scholar, Department of Commerce, Mizoram University, Aizawl, 796004
Professor, Department of Commerce, Mizoram University, Aizawl, 796004.
Email: pc.lalchhantluangi@gmail.com, Jyotikumar@mzu.edu.in

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Abstract: Business play a pivotal role for a developing economy. The paper give an overview of the evolution of business in Mizoram and its origin dating back from the earliest known history of the state to the present scenario. It takes into account trading activities during the colonial period and its impact along with the advent of Christianity and education. The study covers trading during the Union Territory period to the economy post-statehood. The study highlight the current business scenario of Mizoram. The findings reveal the entire evolution scenario and aspects leading to growth and development of business environment of the state.

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Introduction

Mizoram is located in the North Eastern part of India and is one of the seven sisters of the North East India. Before 1998, all goods and services required which were not produced by the Mizos were acquired by road through the international borders of Myanmar and Bangladesh and the inter-state border i.e. Assam. The nearest airport was in Assam which was 205 km. from Mizoram. Goods were also transported by rail through Bairabi Railway Station and then transported again by road to the destined places in Mizoram. With the establishment of Lengpui Airport in 1998, it opened a lot of new business opportunities for the people of Mizoram not only in the acquisition of goods from other states and countries by rail but created easy and fast mode of transport for businessmen to venture outside the state and search for opportunities of new businesses that can be established within the state.

Although Mizoram is one of the smallest states, it ranks 15th in India (per capita income:2020-21). During 2020-21, the per capita income of Mizoram was Rs.26,502 (GSDP) and Rs.24,424 (NSDP). This implies that the purchasing power of the people of Mizoram have increased to a state where there is more disposable income by the people. More disposable income implies the opportunities for more businesses to be set up along with
the growth and development of already existing businesses. Although many indigenous products are available in the market, majority of the goods and services provided in the state are transacted through wholesalers and retailers and they are the price makers (Kumar, 2020).

The population of the state is about 11 lakhs (2011 census), with sex ratio of 976: 1000 Mizoram is a highly literate state with 91.33% of its total population being literate The estimated population in 2022 is estimated at a growth rate of 16.17% . The study aims to explore the evolution of businesses in Mizoram and its origins of businesses throughout the years dating back to the earliest known history of the state.

**Objectives of the Study**

- To identify the origin and evolution of business in Mizoram
- To identify the main drivers of business in Mizoram

**Methodology**

The study is descriptive research and follows a case study method to trace the origins of trade and business in Mizoram. The study covers the evolution of business in Mizoram dating back from 1650 AD to the present i.e. 2023. The study relies on secondary data based on tribal studies and relevant statistical data of the Government that have been recorded throughout the years.

**Trade Activities during the Pre-Colonial Period**

The earliest history of the ‘Mizo Tribe’ dated back to 1650 AD - 1700 AD (Lalzarzoa, 2013) when the tribe migrated from Myanmar, to the land that is today called ‘Mizoram’ named ‘Lushai Hills’ during the time of migration. Since arriving to the new land, the tribe was not self-sufficient and had to find ways to fend for themselves and find ways to procure their needs and wants. Economy in monetary terms were not known by the tribe but adopted the earliest form of business transaction i.e barter system. During this period, they traded with their neighbouring states such as Bengal and Manipur. With the Mizo tribe establishing Chieftainship among different clans, wars were waged among the clans to raid villages to obtain dominance amongst themselves. As a result, trading was carried out extensively for the procurement of flint-lock gun from Burma, Chittagong and Sylhet (Lalhluna, 2013). The tribes were good hunters thereby with their ownership of guns, hunted animals not only for food but obtain resources such as ivory, tiger pallets and bones of animals and exported them to the neighbouring plain areas (Zothanchhunga, 1995). Ivory trade played a big part for the tribe exporting them then to Bengal and further extended to Delhi. The tribe also made use of rubber saps and saplings to barter for goods such as salt, metal gongs, iron and ornaments from Burma (now Myanmar). Ornaments played an important role in the tribal history since they were the only treasures possessed and passed down to generations and hence formed an extensive part of their barter system with Burma and Bengal (Lalhluna, 2013). The Beepari Bazaar and Kasalong in Chittagong border where the Mizos traded sulphurs, brass, guns, salts and flint glasses (Hruai a, 2019). The Mizos were fast learners and made use of the various resources available to them and hence had a number of items to trade for as of the late
1800’s such as wax, ivory, rubber, cotton, timber, bamboo etc.

**Impact of British Colonialism, Christianity and Education**

With the annexation of Lushai Hills by the British crown in 1871 under the Deputy Commissioner T.H. Lewin. The visit of Rev. Williams, a missionary in 1891 and the arrival of Welsh missionaries Savidge and Lorrain in 1894 brought major changes among the people (Rohmingmawii, 2013). The introduction of Christianity along with devising of the Mizo alphabets by Savidge and the release of the first Lushai-English Dictionary by Lorrain, the Mizo tribe undertook a huge revolution. With the increasing number of Mizos converting to Christianity, they started to adopt a new way of life. The values and worldview became different. The dress codes of Christians began to change and they slowly steered away from traditional attire and more towards the modern and western dress-code.

The 1900s saw the shift in the economic systems with the annexation of Lushai Hills, currency came into play and barter system was abolished. The era saw the rise of new business entrepreneurs such as Dohnuna, Paliana and Pachhunga from 1911 onwards (Lalhmachhuna, 2012; Mishra & Mohapatra, 2022; Kshetri, 2022). The early entrepreneurs were pioneers in their own right by trading with other states of India and set up businesses dealing in goods such as aluminium, arms and ammunition, ration supply for the Government, pharmacy and oil from Assam Oil Company Ltd. Mizoram during this time was still very landlocked with limited means of transport. Goods were ferried via Tlawng River from other states such as Assam, Bengal, Delhi etc. about 13 miles away from capital. Businessmen set up go downs in Sairang near the river since most goods from outside the state came by boat. The first regular bazaar was started in Dawrpui, Aizawl in 1911 by the Superintendent of Mizoram, H.WCole to sell vegetables and other local produce.

The advent of Christianity brought about education where the newly educated worked for the Mission or the Government. The impact of education after the post colonialism period can be seen till date. The people of Mizoram have the second highest literacy rate at 91% implying how much education has changed the lives of the people. Increase in literacy implies increase in opportunities to venture in different types of businesses.

In 1898, there were three schools running in the whole of Mizoram and that too only the primary and secondary level. Times have drastically changed, at present, there are 4,449 educational institutions established in Mizoram such as primary, middle, high school and higher secondary schools along with UG and PG colleges, veterinary colleges to name a few (Directorate of Economics and Statistics 2019-2020).

**Trade and Commerce during the Union Territory Period**

After the Independence of India in 1947 and the separation of Pakistan, authorities of East Pakistan cut off the Mizo trade activities with Chittagong and Sylhet. This disrupted the economy of Mizoram to a large extent and had a serious impact on the trading activities both export and import of goods.

After the depression, the control of trade was handed to the District Council in 1952 under
the Lushai Hills Regulation 1953. Trade licenses were issued and the traders paid taxes to the Council. In 1972, Mizoram was declared a UT by the Government of India and Aizawl became the main trading centre and capital of the state. During this time, many new businesses were set up which mainly consisted of goods from Guwahati, Silchar as well as from Myanmar and Bangladesh. Goods were imported by road from the international borders and were taken in from other states by road and rail through the Bairabi Railway Station. As per the *Statistical Handbook of Mizoram, 1974* (as quoted by Kabra, 2008), there were a total of 686 businesses set up in Mizoram.

Trade agreements between India and Myanmar were signed in 1941 and 1970 and 1995 which allowed the entry of goods from Myanmar to the Mizoram border in Champhai. No legal agreement exists between the international trade between India and Bangladesh however trade has been carried out extensively between the two countries. The state exports products like orange, lemon and cotton (Kabra, 2008). Imports from Bangladesh to Mizoram mainly consists of apparel and electronic goods.

**State of Economy: Post Statehood**

On 30th June 1986, Mizoram was declared the 23rd State of India with the signing of Mizoram Peace Accord between the Mizoram National Front and the Union Government. The Government played an important role in the promotion of business in Mizoram as soon as it was declared a state of India. The Directorate of Trade and Commerce was established on 20th February 1987 for the promotion and regulation of trade, agriculture, regulation of markets, trade centres, border trade and trading by non-tribals as well as inter-state trade (Kabra, 2008).

With the declaration of Statehood and the Aizawl being assigned the Capital of the state, Aizawl has grown to become a big market where goods are imported from Myanmar, Bangladesh, Thailand, China and Hong Kong to name a few (Kabra, 2008).

During the British rule, trading by non-tribals were allowed in Mizoram since they were vetted by the British. However, with the enactment of Non-Tribals Regulation Act in 1953 allowing non-tribals to trade in Mizoram and involve in money lending activities with special licence. This Act was abolished later in upon Mizoram becoming the Union Territory, Mizoram Trading by Non-Tribal (Regulation) Act was passed in 1974 to allow non-tribals to trade for the next 10 years which was again diluted in 1984 just before Mizoram became a state of India. Upon obtaining Statehood, another bill called the Mizoram Trading Regulation Bill 1991 was drafted. However, this bill was not enacted. Another bill called the Mizoram Trading Regulation Bill was framed in 1998. The bill was never enacted since the Government of Mizoram intends to prohibit non-tribals to trade within the state and give the citizens of Mizoram to trade without the interference of non-Mizos. The Government is protecting its people till date, to safeguard the people from being out run by non-tribals.

**Current Business Scenario**

In 1974, there were only 686 businesses established in Mizoram. However, 24 years later, with the introduction of Lengpui Airport along with the construction of metal roads across the borders of the state and
within the various districts of Mizoram, there has been a huge boom in the number of business establishments. As per the Statistical Handbook of Mizoram (2020), there were 1744 agricultural enterprises, 23,199 non-agricultural enterprises. In 2005, there were 10,782 agricultural enterprises implying an increase of 83.3% in growth since 1998. Similarly, the number of non-agricultural enterprises increased to 36,948 with 37.21% increase in the number of enterprises. In 2013, there exists 12,031 agricultural enterprises increasing at 12.49% along with 45,455 non-agricultural enterprises with a growth spurt of 18.71% since 2005.

**Conclusion**

The market of Mizoram is greatly impacted by its society and culture. The advent of the British in Mizoram has created a huge impact on the society and culture of the people along with the rise in technology. Although, some traditional values and culture still exist, the people of Mizoram are more inclined towards the western culture when it comes to the wants and needs. Fashion has played an important role in this premise, where almost all of the people in Mizoram tend to follow the western trend. Other than fashion, with the rise in technology, the small state of Mizoram is far from backward. With the strong growth of the retail market in Mizoram, almost all technologies in terms of durables and mobile phones and other electronic gadgets are available in the market within days of launch of the products in the far sides of the world. This also shows that transportation have paved the way in enabling the growth business in Mizoram.

Education has always played an important part in the growth and development of Mizoram dating back to the 1890s till date. With many educational institutions on the rise, Mizoram has had the capacity to house many students from outside the state to pursue their studies. As such, with the rising youth population along with the incoming of students from various parts of India have also led to the creation of ideal and favorable market for businesses.

Another important aspect of business in Mizoram is the presence of virtual stores through various social media such as Instagram, Whatsapp, and Facebook where many new businesses have been set up to sell various products through online. These businesses are usually small businesses carried out with less capital but has a very wide reach among the people of Mizoram.

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Websites:
