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Taxation and Extortion: A Major Source of Militant Economy in Northeast India

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About the Author



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Taxation and Extortion: A Major Source of Militant Economy in Northeast India

In India's Northeast, most of the "UGs" or underground militant groups employ a taxation system that is at times not just unfair but even spurious, for they give nothing in return in terms of basic services like water, electricity or roads, except for ensuring that the person paying or his family is not harmed or targeted by any militant group. There is no guarantee of that either. A 'tax' structure instituted by the undergrounds, particularly in Nagaland, Manipur, Assam, Tripura and parts of Meghalaya, has existed for decades. In Manipur, officials are expected to pay up to 25% of their annual income and they have no option but to oblige. There is a not so subtle irony here; the "tribal" states like Nagaland, Mizoram and Meghalaya as well as the hills of Manipur, which is focus of this study, are not taxed by the Government of India, however, they pay heavier taxes to the illegal setup devised by armed groups¹. The parallel state of economy thus created is a leading cause of worry, both for the Government and the populace. This study is aimed at presenting the methodology of 'extortion' by the insurgent groups in Manipur, its impact and recommend measures to combat the menace.

Empirical Findings

Taxation and extortion are the two major source of funds generation by the Underground Groups in insurgency affected areas. Rakhee Bhattacharya, Associate Professor of North East Studies at the JNU, New Delhi, observes in her study of the taxation strategy of the militants in the North Eastern states that "The modus operandi of the militants to collect funds is by sending demand notes of the amount of money followed by request notes to the targeted persons, specifying the time and place of collection". For those who refuse, the threats are clear: pay or die. United Liberation Front of Asom (ULFA) has, over the years, collected vast amounts of money from tea gardens. Shopkeepers too are required to pay to several insurgent groups. Similarly, all truck and bus drivers whose vehicles ply on any road, be it state's a remote roads or the main highways, have to pay illegal road taxes. In Manipur, more than a dozen rebel groups are active, each claiming to represent the interests of one ethnic group or another. In several states, smuggling across the Myanmar border is rampant and the illicit cross-border trade is duly taxed by insurgents. To illustrate how well-organized these practices are, Bhattacharya reproduces a printed and numbered receipt from the "Revenue and Tax Department" of the "Government of Twipra Kingdom", the insurgents' name for the state of Tripura that borders Bangladesh. The income from all these activities is used to pay for arms and other necessities for the rebel armies - and to support the leaders' lavish lifestyles.

In 2007-2008, the National Socialist Council of Nagalim's Isak-Muivah faction (NSCN-IM), a militant group fighting for Naga independence, collected 630 million rupees, or US \$14.6 million, in "taxes" and other "revenues", according to

¹ Sanjoy Hazarika. "Insurgents are a taxing burden on the Northeast." The Sunday Guardian. December 5, 2013, available at <http://www.sunday-guardian.com/analysis/insurgents-are-a-taxing-burden-on-the-northeast>, Accessed on September 23, 2015

Bhattacharya's research. To sustain armed insurgencies, especially those that do not receive support from foreign governments, is expensive. Rebels in southern Thailand are known to collect money from the 200,000-300,000 strong migrant work force of southern Thai Muslims across the border in northern Malaysia. Resources allocated by the government directly or indirectly fund the insurgent groups 'through a regime of collusion, extortion and intimidation' thus facilitating sponsoring of the uprising. According to Bhattacharya the insurgent economy accounted for 22.3% of the region's GDP in 2004. The funding methods are as follows: donations, foreign aids, extortion/tax, kidnapping/looting and siphoning off, of government development funds².

"Rebel groups have enforced their own 'Land Revenue and Trading Act,' 'Household Tax' and around 17 different kinds of taxes. The rebels tax those who deal in forest produce and bamboos, they tax shops and businesses, they impose taxes on houses, farms and transport plying through the highways." Two techniques adopted by the rebel groups for fund-raising, according to Bhaumik, are taxing households and families systematically on the basis of their incomes and endowments; and asking for huge one-time lump-sum payments. Some rebel groups, like the ones in Tripura, have mostly negotiated ransoms after abductions, rather than to abduct someone for not paying up." Among the industries most hit by such rebel 'taxation' are the tea producing companies. "Some tea companies have even indicated the payments made to the rebel groups in their annual balance sheets." Also, road blocks on highways, such as the one connecting Nagaland and Manipur to the rest of the country, are used for 'ruthless and systematic' extortion of money from trucks travelling into the two states. It has also been found that the ULFA raised funds by subverting the public distribution system in Assam. "The bulk of the essential commodities meant for the poorer sections of the population found their way to the black market through dealers who had close links with the ULFA, generating up to Rs 600 million a month, much of which found its way into the ULFA's coffers³."

Nagaland Home Minister Imkong Imchen, observed that the business community bore the brunt of such illegal collections and ultimately the consumers became the victims as prices of essential goods and construction materials were spiralling in the town from where goods are supplied to other parts of the state⁴. Although a ceasefire has been in force in the state of Nagaland since August 1997, there has been no end to extortions. The Mokokchung incident, where people resisted against illegal taxation, will definitely send a message to all underground factions and perhaps they will realise it is time to review their relationship with the public⁵."

Drugs are a major source for terrorist funding. This has been exploited in the Indian context as a result of porous borders with states like Nepal, Myanmar and Bangladesh. There are also linkages between criminal gangs, terrorist groups and

² Rakhee Bhattacharya, War and taxes, *Development Disparities in Northeast India*, . Foundation Books, Cambridge University Press India, New Delhi 2011. ISBN. Accessed on September 23, 2015

³ Subir Bhaumik, *Troubled Periphery: Crisis of India's North East*, . SAGE Publications

⁴ Zee News, Nagaland govt to crack whip on illegal collection, May 30, 2012, available at http://zeenews.india.com/news/north-east/nagaland-govt-to-crack-whip-on-illegal-collection_778579.html Accessed on December 24, 2014

⁵ Nitin A Gokhale, No New Taxes, Bro, Outlook, September 22, 2003, available at <http://www.outlookindia.com/article/No-New-Taxes-Bro/221495> Accessed on January , 23, 2015

state intelligence agencies to exploit vulnerabilities on the borders for drug trafficking. The NSCN has the best organized and elaborate tax collection system. The taxes are collected in Naga inhabited areas, irrespective of state boundaries on behalf of the self-styled 'Government of People's Republic of Nagalim' (GPRN). The collection is executed by the armed wing at the 'rate of Rs 100 per individual per annum as ration tax, the GPRN itself levies 24 per cent of an individual's annual income as royalty tax and Rs 10 as house tax.

The UNLF is the oldest Meitei insurgent group formed in 1964 and is active in Manipur. The analysis revealed that the largest percentage of funds is generated by the group from extortion or taxation. This accounted for Rs 10,113,967 for the year 2008. Extortion is also carried out under the head of 'business centre' which include a number of businesses being run in the area. These include brick kilns (called brick farm), stone crushing business, retailers, Fast Moving Consumer Good (FMCG) distributors, motor companies, hotels, petrol pumps, hospitals and clinics. A number of government departments have also been paying taxes. The rate of extortion for these departments varies from 2–10 per cent. This includes a large number of government departments like horticulture, agriculture, Zilla Parishads (state finance commission), and forest department. Members of the State Legislative Assembly have also made a contribution, with shares ranging from 5–10 per cent. The transport sector, given the reliance of the state of Manipur on surface movement, is also a large contributor. All the bus services being run in the states, including school buses, contributed Rs 500 to Rs 5,000 per month⁶.

A Suggestion made by the eminent North East expert, Sanghita Das, for not allowing the local press to operate, if those press / media houses do not publish all extortion related activities or statement of the militant groups may not be practical⁷. An effort by the Assam Rifles to enforce a similar ban in Nagaland has met with large scale press protests as an effort to suppress the freedom of the media⁸.

Contextualizing the Argument

After understanding the empirical findings of various scholars on Taxation and Extortion, there is a need to examine the methodologies and measures to overcome this menace. The existing literature on the subject furnished the details of Taxation and Extortion in a generic manner covering the various sources of funding of the militant organizations, financial amounts involved and overall effect on the region. However the current methodology and remedial measures have not been touched upon. Peace in Manipur is no doubt elusive however it needs to be addressed with special reference to the aspirations of the people of the region in all aspects including social, economic and cultural factors. A concerted effort has been made to study the latest extortion and taxation methods in understanding the system in depth so as to evolve an effective solution. The primary objective is to find a means

⁶ Vivek Chadha, *Terrorism Finance Sources and Trends in India*, *Journal of Defence Studies*, Institute for Defence Studies and Analyses, July 2014, available at http://www.idsa.in/jds/8_3_2014_TerrorismFinance.html Accessed on February 23, 2014

⁷ Sanghita Das. *Manipur and The Paradox of Security*. New Delhi: Anmol Publications

⁸ The Tribune, 5 Naga Papers publish Blank Edit in Protest, November 18, 2015, available at http://epaper.tribuneindia.com/642271/The-Tribune/TT_18_November_2015, Accessed on February, 25, 2014

to end this conflict in the minds of the locals. Manipur being one of the most conflict ridden states of India has been chosen for the study.

The Objectives

This study, while bringing out the genesis of the ills of taxation and extortion in Manipur, also aims to bring out the local perspective on the issue and provide a strategy for combating the menace. The objectives of the study are as mentioned below:-

- To understand the dynamics of extortion / taxation and its linkage with prevailing insurgency in the state of Manipur.
- To bring forth the methodology of illegal taxation and extortion by the underground organizations (UG).
- To analyze methodology of taxation/extortion and suggest way forward for countering the same.

Data Sources, Methodology and Scope

The study is primarily based on the writer's own experience as a serving combatant in the state of Manipur. Review of the existing literature on the subject was carried out to obtain current perspective on the subject. Field survey has been carried out in order to obtain viewpoints of the people, right from the grass root level to the intellectuals who contribute on a regular basis in the media, nationally and internationally. Perceptions received from wide-ranging strata of society were studied, analyzed and incorporated while authoring the study. Besides, an exercise was also undertaken to solicit the opinion of experts from various domains in order to carry out a holistic analysis on the issue in the light of the views obtained from the common people. Coupled with the writer's own perception and knowledge gained over the years of intensive interaction and study, this detailed analysis has formed the basis of arriving at the strategy for preventing illegal taxation and extortion in Manipur and addressing the ill-effects associated with the menace.

Understanding Extortion and Taxation

The dictionary defines extortion as "the crime of getting money from someone by the use of force or threats". Under Common Law, extortion is a misdemeanour consisting of an unlawful taking of money by a government official. Many statutes also provide that any threat to harm another person in his or her career or reputation is extortion. Finally, extortion may be committed by officer's taking a fee for service that is not performed. The service refrained from must be one within the official capacity of the officer in order to constitute extortion. These are various connotations of extortion from the angle of establishing guilt / offence / punishability⁹.

⁹ <http://www.merriam-webster.com/dictionary/extortion>, Accessed on February, 25, 2014

Taxation Vs Extortion

The insurgents have devised a number of means to generate revenue primarily from within their areas of operation. They regularly levy ‘revolutionary taxes’ on the people based on their economic status. In the process, the officials of the state, businessmen, and contractors are the most sought after. Various government departments are also accused of paying a fixed percentage of their revenue to the armed groups. The line that divides a tax from extortion is that the former is rationalized while the latter is not. The logic in the case of underground taxes is that these are levied to fight a people’s war. The legitimacy of these ‘taxes’ remains as long as insurgency remains a people’s war¹⁰.

Extortion and Taxation in Northeast India

Extortion is a feature common to all insurgency movements – whether it is demand for an independent country [National Socialist Council of Nagaland (NSCN), United Liberation Front of Assam (ULFA), People Liberation Army (PLA) etc], a separate state, eg. Garo National Liberation Army (GNLA), National Democratic Front of Bodoland (NDFB) or additional autonomy / facilities (Zeliangrong United Front (ZUF), KLNLF etc]. Different groups call it by different names like tax collection, donation, voluntary contribution or facilitating commission and so on. However, the variety of names doesn’t take away the fact that the practice of demanding money from individuals / groups/ firms in return for favours. These “favours” may be freedom from an explicit/ implicit threat of violence or protection from rival groups. The reasons for these groups resorting to extortion are not difficult to fathom. Every group needs funds to meet organizational expenses. Owing to dwindling ideological support base of these groups, voluntary contributions are increasingly failing to meet the requirements. The insurgents in Northeast India have over a period of time perfected this system of extortion¹¹.

A Major Source of Funds for Underground Groups

Taxation and extortion are a major source of funds for Underground Groups. Underground groups take away a major chunk of funds meant for development and have devised a systematic methodology of siphoning off the government money. The local saying goes on to say that “today all underground groups are Government contractors and all Contractors are underground groups”. Sources reveal the NSCN (IM) had a budget of Rs 120 Crores for the year 2013, which is a 10 percent increase from their previous year's budget¹². Since its formation in 1979, the ULFA has been relying on extortion from business groups - oil majors and tea firms. But with the

¹⁰ RS Jassal, Mutual Accountability and Ill Effects Of Extortion On Our Society, January, 23, 2011, available at <http://manipuronline.com/features/mutual-accountability-ill-effects-extortion-society/> Accessed on December 25, 2014

¹¹ Arunav Goswami, “Insurgency in Northeast India: Changing Times, Changing Tactics”, Centre For Development and Peace Studies, October 21, 2010, available at <http://cdpsindia.org/point-of-view53.asp>, Accessed on February, 25, 2014

¹² ANI, “Govt. to act tough against outfits involved in extortion in Northeast” Business Standard, July 12, 2013, available at http://www.business-standard.com/article/news-ani/govt-to-act-tough-against-outfits-involved-in-extortion-in-northeast-113071200686_1.html, Accessed on February, 28, 2014

big money drying up due to global recession, it started collecting money in small doses to maintain an annual budget of Rs. 30 – 35 crores ¹³.

One of the questions asked in a survey, which was carried out in Manipur was: **What is the primary source of funding for the insurgent outfits?** Not surprisingly, a majority of the respondents (over 81 %) answered that taxation and extortion are the most common sources of funds for the insurgent outfits. It can be concluded that money is collected routinely and in an organized manner from individuals, transporters, small and large business houses, by instilling fear and in certain cases by killing those who resist insurgents' demands. Further analysis to understand the views of all tribes and categories; highlights, that irrespective of tribe affiliations, majority of the people of Manipur feel that taxation and extortion, are the prime sources of funding which is sustaining insurgency in Manipur.

Taxation and Extortion in Manipur

Manipur is one of the leading conflict ridden states of India. The state has witnessed emergence of revolutionary groups based on ethnic affinity vowing to fight for the aspirations and rights of Nagas, Kukis, Meiteis, Muslims (Panghals) or even Nepalis, who have been residing in the state and sharing common resources since ages. The erstwhile ideological struggles have mostly degenerated into economic opportunity for the young and impressionable youth struggling to seek suitable job opportunities which are far and few to find. Illegal taxation and extortion by underground outfits in Manipur has therefore established its space firmly in the society and has almost gained acceptance among the masses as an inevitable evil. These groups have devised a number of means for generating revenue primarily from within their areas of operation. They regularly levy 'revolutionary taxes' on the people based on their economic status. This system of extortion has been, over the years, refined to such an extent that based on the payment of commission by the contractors, these groups influence award of government contracts for developmental projects.

Institutionalized Extortion

The extortion network of the various insurgent groups operating in the state is spread over all the nine districts, including four in the Valley and five in the Hill areas and is well institutionalized. Places of worship, educational institutions, health centres, commercial establishments, and the civilian population are all under the net of extortion spread out by the insurgents. There have been incidents of closure of educational institutions and private hospitals due to the extortion demands of the insurgents¹⁴. While the NSCN (IM), whose General Secretary hails from Ukhrul district in Manipur, allegedly collects between Rs 20 to 30 Crores from Manipur, all other groups also heavily depend upon extortion to run their organisations.

¹³ Rahul Karmakar, "NE rebels demand extortion 'in kind'" Hindustan Times Guwahati, April 08, 2013, available at <http://paper.hindustantimes.com/epaper/viewer.aspx> , Accessed on March, 28, 2014

¹⁴ Arunav Goswami, Ibid 11

Conservative estimates put the total sum drained away through extortions at about Rs 100 Crores per year¹⁵.

Key Players and Their Role in Extortion

It is a known fact that militant organizations are virtually running a parallel Government in many districts in the state and they even influence the decisions of the state Government in awarding contracts, supply orders and enrolment in government services. In Manipur everybody is paying extortion money to one or more of the terrorist groups for their safety; including politicians, police personnel and families of serving and retired service personnel. The worst hit in the extortion rackets run by insurgency groups are the commercial establishments like chemist shops, grocery stores, cement traders, salaried classes, government employees, public sector undertakings, road, railway construction companies etc. The armed groups issue “decrees” to government institutions and place posters on signboards of shops, offices and hand over demand notes through couriers demanding donations to their cause. Kidnappings are also resorted to in order to demand huge ransoms.

Ceasefire / Suspension of Operations Groups (SOO)

Despite being in Suspension of Operations (SOO) and Ceasefire with the State and Central Government in Delhi, these surrendered or ceasefire groups gain greater freedom and indulge in widespread taxation and extortion activities. The security forces are constrained from taking strong action against the group, while the cadres move around freely without weapons and extort money by virtue of their influence and coercive capabilities. The groups under ceasefire / SoO arrangements have been consistently violating the ground rules and the resultant dividends in terms of revenue are proportionally substantial.

Youth and Women Organizations

The lack of adequate employment opportunities within the state has forced the youth to fall prey to the influence of terrorist groups. The lure of easy money is seen as a motivating factor which draws the youth into extortion related activities. A large number of youth, especially girls in the age group of 18 – 24, are victims of the nefarious designs of the terrorist groups, as seen from the pattern of arrests in extortion related incidents in the state. The increasing involvement of the young women in insurgency related activities has come to light in the recent past, which is a disturbing trend. This has been evident from the arrests made in the recent past of many women over ground workers involved in extortion activities by acting as couriers. It also brings to fore the reliance of terrorist groups on women over ground workers, exploiting their apparently clean image, in furthering their nefarious designs.

¹⁵ Samudra Gupta Kashyap, Northeast's worst-kept secret: Extortion rackets by : Indian Express Guwahati, Wed Dec 01 2010, available at <http://archive.indianexpress.com/news/northeast-s-worstkept-secret-extortion-rackets/718390/>, Accessed on April 19, 2014

Over Ground Workers

Over ground workers (OGWs) are the eyes and ears of the terrorist groups. They are the intermediaries in all extortion related activities, beginning from placing demands to collection of extortion money. These people can be categorized into two types; those having a militant background or sympathizers and those who involve themselves for the lure of easy money; the latter being more prevalent. The over ground workers community have no discrimination of age, sex or ethnicity. At most of the times, extortion is carried out by over ground workers or unarmed cadres. Even if caught red-handed, the evidence is not enough to book them for long durations. This also reduces the motivation of security forces to apprehend extortionists and gives the group some amount of deniability. There have also been instances wherein, local youth have impersonated militants and demanded extortion money.

State Administration and Militant Nexus

There are sufficient evidence to indicate that the state administration including politicians in Manipur have linkages with insurgent groups. For the last couple of years the valley and hill militant groups have penetrated the state and central administration and carved out specific areas of influence. Previously, when the monthly salaries were disbursed, a percentage used to be deducted and paid to militant groups. The state tried to circumvent this by introducing payment of salary through net banking wherein money is credited directly into the staff account. In fact, Manipur among the NE states has taken the lead in becoming e-net banking friendly. However, the issue has not died down as militant organisations resorted to collecting their percentage at the source itself before the salaries are credited / deposited to the bank accounts. Militant groups have also subverted the government's public distribution system in Manipur through the local politicians¹⁶.

Outsourcing of Tax Collection and Extortion

It has come to light that almost all insurgent groups operating in Manipur are outsourcing their tax collection by giving out contracts on a yearly basis. These contractors carry extortion slips of the respective groups and are located in Dimapur and Silchar. Commercial vehicles moving on NH 2 and NH 37 make the payment and collect the receipt from them. These receipts are then shown to the over ground workers before vehicles are allowed to move further on these highways. Unemployed youth are recruited to carry out extortion on the highways with the receipt of the organisations name. Loyalty of the persons is maintained by paying them well.

Terrorist Groups and their Dynamics

The prominent Naga groups namely National Socialist Council of Nagaland Issac Muivah (NSCN (IM)), National Socialist Council of Nagaland (Khaplang) (NSCN-K)

¹⁶ Sanjibarua, Gulliver's Trouble : State and Militants in Northeast India, Economic and Political Weekly, October 12, 2012, available at www.epw.in/.../gullivers-troubles-state-and-militants-north-east-india.ht... Accessed on July 06, 2014

and the newly formed group Zeliangrong United Front (ZUF), have been actively involved in extortion and tax collection in the entire state. They have established a streamlined and a well established extortion racket. Their influence along the NH 37 (Imphal-Jiribam) and NH 2 (Dimapur-Imphal) for collection of road tax is well known. The frontal Naga organizations in Manipur such as Zelingrong Students Union of Manipur (ZSUM) and All Naga Students Union Manipur (ANSUM) have also been involved in extortion activities for the Naga groups. In a recent statement the NSCN (IM)'s Cease-Fire Monitoring Cell (CFMC) office reiterated that the NSCN, as the "de-facto Government", has the "legitimate right to levy tax in Nagalim (which includes Naga inhabited areas of Manipur)"¹⁷.

Kuki Groups

The Kuki groups are also under Suspension of Operations Groups (SOO) with the State Govt as part of their respective umbrella organizations United Peoples Front (UPF) and Kuki National Organization (KNO). However, they too have been carrying out extortion and tax collection in Senapati and Churachandpur districts, where they are dominant.

Meitei Groups

The Meitei groups who are dominant in the Valley districts of Manipur, have been resorting to extortion in their areas of influence from various agencies. A Coordinating Committee (Corcom) has been formed which is a congregation of seven militant organization which include UNLF, PLA, PREPAK (3 factions), KYKL and KCP. Maximum extortion in Manipur is carried out by them; either given voluntarily by people or by force. All major public departments pay 1 to 2% of their revenue to the CORCOM and the minor departments pay separately to these organizations.

Targets of Extortion

Each insurgent group in the state promises to protect its ethnic population from actual / perceived injustices or violence by other ethnicities. In return, they get shelter, popular support and "tax" for sustenance of the group. The individual amounts are usually small, but with a large population base, it adds up to substantial sums. It is generally voluntary and does not have a fixed limit. Senapati district of Manipur is a good example having a population base of various ethnicities (Naga, Kuki, Nepali and Meitei etc) with a long history of ethnic clashes. The district has witnessed the presence of underground groups of different ethnicities, ostensibly for the protection of their tribal villages and bastions. The cadres of most of these groups do not carry out any overt activities (including carrying weapons), but provide their tribe a sense of security by their presence, in return for which the group gets tribute / tax.

¹⁷ Nagaland Post, "NSCN IM has legitimate right to levy taxes" JULY 17, 2014, available at <http://manipurupdate.com/nscn-i-m-has-legitimate-right-to-levy-tax-says-cfmc/> Accessed on July, 10, 2014

Businessmen and Contractors

The major contributors of finance for the terrorist groups are businessmen and contractors. The Free Trade Agreement between Myanmar and India has provided a fertile environment for trade and commerce to flourish. The huge returns in terms of profit have provided a very good platform for the militant groups to slake their financial thirst. Contractors pay a fixed amount generally ranging from 10% to as high as 25% of the contract amount to the underground groups in the area of influence of the group. For smaller contractors, who are involved in construction work, a sum of Rs 2000/- per trip is imposed. The tax is collected from their respective location, in case of a regular contract; in case of a temporary contract it is collected at different places along the highways.

Civil Administration and Political Leaders

Civil administration officials and political leaders involved with controlling and spending huge funds pumped into the North Eastern states for development purposes, also naturally become targets for extortion. This is true even in Manipur as the civil administration officials and political leaders are targeted by the militant groups for extortion. Extortion from the salaried class is done by forcing them to withdraw a sum of money as per fixed percentage of their salary. Government social sector schemes like MGNREGA and other development activities have become an easy target for the underground groups.

Commercial Vehicles

As stated earlier, commercial vehicles moving along the National highways and load-carrying or passenger vehicles are also subjected to taxation by the underground groups. The payment of tax allows entry and unhindered movement of the vehicles along that particular stretch of the highways under the influence of that particular underground group.

Illegal Business

Illegal Businesses which includes timber trade, wild life, Narcotics and Human Trafficking are additional sources of income to these militant groups. The syndicates involved in this illegal trade pay a hefty amount to the groups to carry out their activities in the region.

Extortion Network and Modus Operandi

In Manipur, the extortion network of the various insurgent groups operating in the state is spread over all the nine districts, including four in the Valley and five in the Hill areas. Places of worship, educational institutions, health centres, commercial establishments, and the civilian population are all under the extortion net spread out by of the insurgents. There have been instances of closure of educational institutions and private hospitals due to the extortion demands of the insurgents.

Periodic/Annual Tax Collection

Over a period of time, most groups have established well-oiled network for extortion or “tax collection”. There are well laid down rates and periodicity of collection. Locals, especially from the same ethnicity, take it as an integral part of life and there are rarely any complaints or official reports against this low-level extortion. The amounts in question are usually small, ranging from Rs 120/- per family “tax” levied by NSCN (IM) in Naga villages of Nagalim to Rs. 10,000/- per month paid by many truck operators having regular services. Usually tax collection is carried out annually; however, special demand notes are also served upon individuals, transporters or business houses from time to time.

A particular village could be under the area of influence of more than one UG group. For example, in Tamenglong three groups i.e. NSCN (IM), NSCN (K) and ZUF are active. In such situations villagers and business establishments have to pay taxes to more than one underground group. The village chairman collects the tax on behalf of the militant groups from the villagers and hands it over to the underground group. The tax is deposited by the village Chairman at a predefined location or even in a bank account.

Method of Extortion from Local Business

The latest extortion racket run by the insurgent groups consists of a series of stages with couriers and use of mobile phones. It does not involve any direct contact between the hierarchies of the group with the people being targeted and makes use of civil intermediaries. There are thus various mid level operatives who form the complete chain of the extortion racket. To understand the modus operandi of the fund flow an analysis of the VBIGs (Valley Based Insurgent Groups) was carried out. The study revealed as follows:-

- **Stage 1.** The quantum of money to be demanded is decided by the District Commanders (self styled Captain/Lieutenant) of the terrorist groups in consultation with the finance head of the group depending on the financial status of the target or the size of contract which is due to be executed through the government. This is done through a text message or a call on the mobile of the individual or by sending a note to the residence or office.
- **Stage 2.** Once the demand figure is finalized, the district commanders contact the project officers (self styled Sergeant Rank), primarily terrorist, for progressing the extortion activity. Communication between the two is through mobile phones and use of codes.
- **Stage 3.** On receipt of the demand notes/extortion note, the project officer contacts the over ground workers and delivers the extortion notes to the over ground workers through a woman courier.
- **Stage 4.** On receipt of the demand note, the over ground worker first contacts the target through an intermediary and places the demand discreetly. If the

target has a mobile phone then the target is threatened with dire consequences and demand placed. The demand note which is placed in writing (on the letter head of the terrorist group) specifies the cause of the group in its struggle/agenda and the need for the target to pay a specified sum for the 'cause' before a specified date. The consequences for not adhering to the diktat are left vague probably to intimidate the target.

- **Stage 5.** On receipt of the demand note, which usually bears a mobile number, the target is made responsible to communicate with regard to his readiness to pay. Throughout this period, the target does not usually receive any call from the over ground worker. However, the target does receive a call a day prior to the deadline. Failing to pay up on the specified date does not result in an immediate retribution by the terrorist group, but depending on the target value, as an indication of their disappointment, the terrorist groups use scare tactics on the target by giving him threatening calls and at times resorting to lobbing a grenade in the target's house or in the vicinity. The targets are also intimidated by placing a bullet or a grenade in the house. In some cases, the target or some officials related to the targets organisation are kidnapped and ransom demanded.
- **Stage 6.** On negotiating the amount to be paid, the target makes a confirmation on the mobile number. The meeting point for collection is fixed and usually changed at the last moment to obviate any chances of the police/security forces being involved. The over ground workers under normal circumstances dispatch a lady confidante to reconnaissance the meeting point and on confirmation of the area being "safe" usually another lady would meet the victim and the money would be collected. The courier would then hand over the money almost immediately on vacating the area to a third person who would turn over the money to the over ground workers.
- **Stage 7.** Once the money reaches the over ground worker, he communicates to the project officer about the collection detail and the project officer thereafter dispatches a courier to collect the money. On receipt of the money the project officer contacts the District commander and waits for a courier to pick up the money.
- **Stage 8.** On receipt of the money the District commanders deposit the money in fictitious account (at times as high as 10-12 accounts) and the money is then siphoned off by the higher echelons of the terrorist groups.

Extortion from Commercial Vehicles

Commercial vehicles which move along the national highways, load-carrying or passenger vehicles are also subjected to taxation by the underground groups. Truck owners have to pay an annual tax to the groups which is dictated / determined by the number of trucks and the value of the goods being transported. Sometimes, the collection of this money is outsourced to a civil contractor who in turn pays the underground groups in bulk at the beginning of the financial year.

Types of Extortion

The two types of extortion techniques presently in vogue are :-

- **Latent Extortion.** In this type of extortion, the money is generally collected on a monthly basis. The so called “Road / Vehicles / Goods Tax” is collected from commercial vehicles registered either in Manipur (Imphal) or Nagaland (Dimapur). Since most of these vehicles form part of various unions like Truck Unions or Taxi Unions, the extortion money to the tune of Rs 1,000/- to Rs 25,000/- depending on the tonnage and type of vehicle, is paid to the concerned underground groups by the unions.
- **Active Extortion.** This kind of extortion is directed against commercial vehicles which are not registered with the unions in Imphal or Dimapur. The “tax rates” generally ranges from Rs 1,000/- upwards per trip. However, Private cars are not taxed.

Quantum of Taxation and Extortion

A field survey was carried out to find out the amount of taxation and extortion being carried out by the underground groups in Manipur. The updated and broad classifications of ‘taxes’ are:-

- **Income Tax.** Every Government employee is required to pay an amount equivalent to 25% of his /her one month’s salary as ‘income tax’ which is collected annually. The demanded amount is directly deducted by the Drawing and Disbursing Officers (DDO) from the salary of all employees and handed over to the representative of the militant group at a designated date, time and place.
- **House Tax.** House tax is one of the oldest and most reliable sources of revenue for the militant’s outfits in this region. The present tax collection is carried out between March and May of each year. The rates are Rs 75/- to Rs 200/- per house, out of which Rs 10/- per house is given to the village representative collecting the money on behalf of the outfit.

Commercial Tax.

This ‘tax’ is levied on commercial enterprises and is very broad based to enable maximum collection. The ‘tax’ amount varies according to the estimated annual income of a businessman. The latest taxes consist of:-

- **Tax on Commercial Assets.** Is an annual tax levied on the owners of local carrying agencies and buses who are required to pay Rs 5,000/- per year for each truck / bus as “road permit’ to ply in Manipur and Nagaland. (The permit is valid for one year and is required to be renewed during March).
- **Shops.** All shopkeepers are required to pay an ‘annual tax’ which ranges from Rs 500/- to 2000/- per annum.

- **Toll Tax.** This is levied on truck owners for each load carrying trip made by the vehicles and is in addition to the road permit. The current rate per truck per trip varies from item to item being transported and is as follows¹⁸:-

▪	Iron Rods	-	Rs. 7,000/-
▪	Cement	-	Rs. 3,000/-
▪	Timber	-	Rs. 1,000/-
▪	Fire wood	-	Rs. 300/-
▪	Charcoal	-	Rs. 5 per Bag
▪	Sand / Aggregate	-	Rs. 300/-
- **Contract and Additional Tax.** All contractor, builders and businessmen are required to pay 15 to 20 % of their annual income.

Transporters

The two national highways are the lifeline of the State of Manipur. Collection of taxes from commercial vehicles has become a major source of revenue for the underground groups. The current details of collections being carried out by these groups are as given below:-

- Rs 100/- to Rs 200/- per trip from light vehicles (taxis) and Rs 500/- to Rs 1000/- from buses.
- Truck 10 wheeled National permit - Rs 10,000/- to Rs 15,000/-.
- Trucks Interstate or highways - Rs 5,000 to Rs 8,000/-. The money is recovered at the entry points itself.
- Trucks local - Rs 3,000/- to Rs 5,000/-.
- Buses – Tourists / Interstate Rs 8,000/- to Rs 10,000/-.
- Bus local - Rs 500/- to Rs 800/-.
- Bulldozers / JCBs – Rs 10,000/- to Rs 25,000/-.
- Lorries carrying bamboos pay Rs 1.5/- per bamboo beside a permit tax of Rs 200/- to Rs 500/- per trip.
- Lorries carrying timber pay Rs 1000/- per trip.

Government Undertaking Schemes / Development Projects

- **NREGS / MGNREGA.** This has become an easy and wholesome source of revenue for the militants. Around 25% to 30% of the MGNREGA funds are collected by the UG groups. The lack of adequate banking facilities and proper accountability due to weak governance as also the presence of linkmen / over ground workers in the civil administration, further facilitates such extortion activities.
- **North-Eastern Frontier Railway Project.** The private companies involved in the project have paid huge amounts to these groups. An astronomical sum amounting to crores of rupees has been given to the

¹⁸ Phanjoubam Tarapot, "Bleeding Manipur" Har Anand Publications, 2003

villages as compensation and a significant portion of this has found its way into the underground’s coffers.

Tax from Government Departments

Underground groups are reportedly siphoning off revenue from government departments by pressurising the civil administration. The latest rates of monthly collection from the government departments are as under:-

- Public Health Engineering Department (PHED) - Rs. 7,000/-
- Education - Rs.1,20,000/-
- Public Work Department - Rs.1,80,000/-
- Petrol/Oil / Lubricants - Rs. 60,000/-
- Electricity - Rs. 60,000/-
- Forest - Rs. 72,000/-

Revenue from Surrogate Groups

The National Socialist Council of Nagaland factions have found a novel way of generating revenue from smaller Under Ground groups, termed as surrogate groups, operating in the North East states. Important groups are Dima Halam Daoga (DHD) in Assam, Hmar Peoples Convention in Mizoram, Kanglie Yawol Kamba Lup (KYKL) and Kuki Revolutionary Army (KRA) in Manipur.

Effects of Extortion

- **Development Activities.** The illegal revenue generated through extortion has had wide ranging ramifications on the state as it impedes its developmental projects. This adversely impacts the investment climate in the state and has a cascading effect on the overall economic activity of the state especially related to employment generation. One of the questions asked in the survey was: ‘**Has Extortion and Taxation affected development activities in region?**’ 85 % of the respondents answered that taxation and extortion are affecting development activities in the region.
- **Rise in Prices.** The ‘parallel’ system is burgeoning into a problem of enormous proportions. The illegal ‘taxes’ levied on trucks is being borne by common people.

Social Sectors

- **Employment Generation.** Lack of safe and congenial business environment and other opportunities are leading to large scale unemployment in the society which further fuels the insurgency, thus completing the vicious circle.
- **Health Care and Education.** The fear of insurgent violence has affected all the social sectors like health and education in Manipur. Gvernment run institutes are largely defunct especially in remote areas.
- **Increase in Levels of Corruption.** The insurgents, over a period of time, have infused a sense of ‘acceptable unaccountability’ in the government

departments. The corruption in government departments has consequently increased unabated.

Sustaining Insurgency

Taxation and extortion have become a major source of fund generation for the underground organizations in sustaining the insurgency. One of the questions asked in the survey was: **“whether people are paying taxes due to fear?** The respondents were to respond with a ‘Yes’, ‘No or ‘Can’t say’. Not surprisingly, almost **82%** of the respondents answered in negative, implying that majority of the people are paying taxes to insurgent organizations under coercion and threat of life. People are aware of the ill effects of the taxations and extortions. Most of them hate to pay tax.

Impact of Naga Peace Accord on Taxation Activities

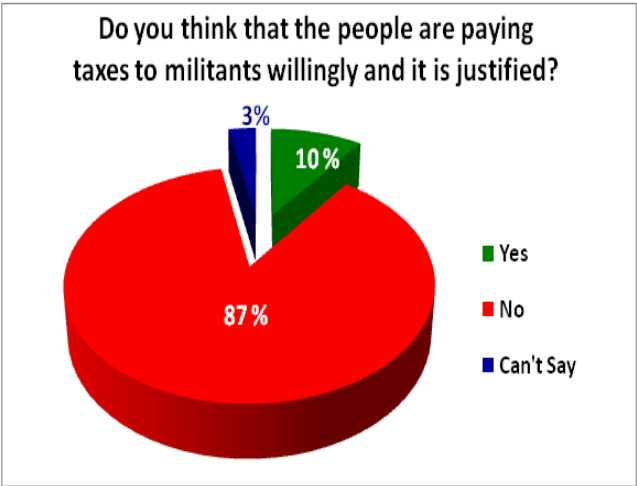
While the Framework Agreement for Peace was signed last year between GOI and NSCN (IM), the impact of this agreement is to be analysed as regards the taxation and extortion activities by the group. It is a well known fact that funding for all insurgent groups basically stems from taxation and extortion activities and the other contributors being foreign funding, contraband trade and host of other illegal activities. Over a period of time, the ideological leanings have been shunned by these groups in favour of making the quick buck, especially at the lower level activists who find the extortion and taxation activities an easy source of livelihood. Even if an early settlement of the vexed Naga problem, the group may continue with its taxation activities till such time the financial autonomy package fructifies and majority of the cadres are comprehensively rehabilitated. In the interim, it needs to fund its day to day activities including maintaining and sustaining its cadre strength. Thus, there may not be a visible dip in the taxation activities till a final settlement is reached and the cadres are rehabilitated.

Findings of Survey

A detailed survey was carried out to critically analyze the views of the people on illegal taxation and extortion by the Militants in Manipur. The survey used two comprehensively designed questionnaires (one for Field Survey and another for Interviews) and the response of a wide cross-section of the population of Manipur comprising of common people, professionals, intellectuals, scholars, government officials and even militants, was collated. A detailed analysis of the collated response has been carried out and their views have been factored into the recommendations.

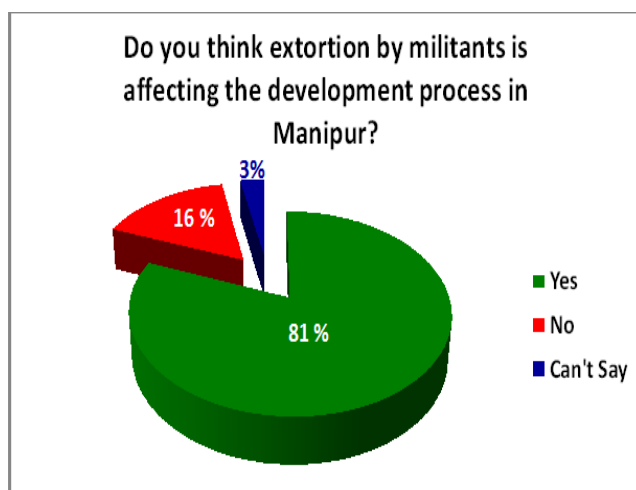
People are paying Taxes to Militants out of Fear

One of the questions asked in the survey was: **Do you think that the people are paying taxes to militants willingly and is it justified?** Not



surprisingly, a large majority of them (over 87% of the respondents) felt that paying taxes to militants was not justified and that they were not paying taxes willingly. During the field survey and interactions with the locals/population of Manipur, it emerged that the people are paying taxes to militants only due to fear of losing their lives. On the flip side, the militants perceive taxation as a voluntary contribution for their revolutionary cause in order to provide security to their people where the government has failed.

Extortion is affecting Development Process in Manipur



Another question which was asked in the survey was : **Do you think extortion by militants is affecting the development process in Manipur?** Around 81% of the respondents felt that extortion by militants is directly affecting the development process in Manipur. The local population of Manipur is not supporting militants and is also not willingly donating money to their

organization.

People in Manipur feel that taxation and extortion money is being demanded under threat or gunpoint. They feel that the lack of development of the state, especially in the interior areas is due to the siphoning of their legitimate earnings, be it salary or wages by the militant groups in the garb of taxation. The common man is being harassed time and again and the money parted is being used by the militant groups for their own profitable ends. Insurgency in Northeast has become a business, which adversely affects developments projects and discourages business activities in the State. People of Manipur are against the extortion and taxation and feel that it is affecting development in Manipur.

Way Forward to Check Extortion

The ideal solution against extortion is resistance from people affected by it. 'People should resist extortion' is like saying that 'victim must fight back the rapist'. Cases where the victims fought back have been there and in such cases the aggressor becomes the victim.

Need for Focused Perception Management/ Psychological Initiatives

The challenge in Manipur lies in shaping the perception of the several communities and tribes residing in the state against extortion and taxation. Carefully planned psychological initiatives to bring out the ills of extortion will help in effectively addressing this menace. The following are some of the suggested themes for changing and influencing the attitude of the common man:-

- Poster campaigns against extortion;
- Use of audio/visual media to expose the ills of extortion. Shorts films, documentaries, and public commercials in the visual media, use of FM

channel and other state run media to highlight the plight of the people due to extortion can work well;

- Highlighting the lack of progress in the state due to siphoning of funds by terrorist groups and influencing minds of the target audience by repeatedly condemning extortion through the vernacular print media;
- Garnering support of NGOs to organize road shows on anti extortion themes;
- Engaging the youth and fertile minds against extortion;
- Including the facets of extortion and its evil aspects in the curriculum of the education system;
- Organising debates at school levels to influence the minds and attitudes of the youth at a tender age without overplaying the theme.

Effective and Good Governance

Absence of governance in remote areas encourages underground groups to run a parallel government and indulge in taxation and extortion. Effective and good governance are keys to development and will curb the menace of extortion. Following measures are recommended:-

- MNREGA money should not be routed through village chiefs and be directly credited to the people employed for the project. **Pradhan Mantri Jan Dhan Yojana (PMJDY)** started on 28 August 2014 is a great step forward for enforcement of this system.
- Lokpal and Lokayuta mechanisms to be implemented in letter and spirit to make all officials and politicians accountable for their actions. The Manipur Lokayukta Bill, 2011 which was passed on Feb 27, 2014 is a right step forward in this direction.
- Effective use of RTI Act could help ensure transparency and effectively check all illegal financial transactions and dealings carried out by public servants out of public funds.
- Government agencies should make all out efforts to avoid leakage of information regarding Government development plans including allotment of funds and contractors.

Effective Civil Administration:

The role of state / central Government in curbing extortion is most important and crucial because this problem can only be resolved through strong political will. Certain measures that can be proposed are :-

- The state and district administration must ensure that the development projects are distributed in a scientific and transparent manner according to the requirement of the area and not under the influence of any underground groups;

Establishment of Anti Extortion Cell at the Centre / State / District level which are linked to the affected police station.

- 24 x 7 Anti Extortion Helpline needs to be established either in conjunction with police or independently with dedicated Quick Response Teams.
- The civil administration must provide security to important officials so that they can work without any fear of underground groups and their extortion demands.

Use of Technology:

Technology should be effectively exploited to monitor and curb extortion activities. Some suggested measures are as follows:-

- More effective use of interception and monitoring equipment to monitor Underground Group conversations using both wireless and commercial mobile phones with a view to detecting and neutralising attempted extortions.
- A 24 hr helpline need to be established to take extortion complaints. These help lines must maintain absolute anonymity to ensure security of people.
- Economical GPS (Global positioning system) or RFID (Radio frequency Identification) based monitoring chips could be installed on goods carriers to curb waylaying in connection with the extortion demands by Under Ground Groups.

E-Transactions to Reduce Taxation and Extortion

Presently the various funds allotted for developmental and other works in the state fail to achieve the desired results due to siphoning of the funds before it reaches its destination. This has been compounded by lack of robust financial mechanisms like banks or ATMs in the rural areas, which are very far and few between. Hence the local populace is at a disadvantage, having to physically carry huge amounts of money in conducting their transactions. They thus become vulnerable to the menace of extortion and taxation. More widespread availability of banking services and financial solutions to the far flung areas promoting e-transactions for various govt projects will go a long way in solving the vexed issue.

Legal Aspects

From the legal point of view, extortion still remains aailable offence. Even after being caught red-handed, the individual is released on bail within a couple of days. This leaves them free to continue their activities and compounds the frustration of the Security forces. A stringent law on the lines of the Money Laundering Bill needs to be enacted to prevent and punish activities related to extortion. Not reporting extortion threats should also be treated as connivance to an offence. Rewards to informants must be institutionalized to encourage people to openly oppose the extortion or illegal 'tax' collection by underground groups.

Role of Police / Central Armed Police Force

The common man heeds to the extortionist's demand due to fear of retribution. Efforts to create a congenial security environment by Security and Para Military Forces could go a long way in checking the ever-growing menace of extortion. Strengthening of police force, especially at the beat constable level, could be one important measure. Despite having the highest police to population ratio of 627 per 100,000, Manipur Police is still short of approximately 7000 policemen which must be immediately addressed. Priority should be given to fill vacancies both in terms of men and weapons particularly in the remote areas.

Special training needs to be imparted to Police, especially to include explanation of technology (related to interception), to enable them to check extortion and illegal tax collection in their area of responsibility. Cash rewards akin to seizure of drugs and contrabands can be announced for busting of an extortion racket.

Role of Army /Assam Rifle

The Army/ Assam Rifles are mandated to carryout Counter Insurgency Operations in the state except in the de-notified areas. In the course of its operations, the army/Assam Rifles do apprehend persons carrying out extortion activities. At times, weapon, drug and money consignments are also busted. However, handling of cases involving taxation/ extortion falls under the purview of the civil police forces. They need to work in cohesion with the State Police, Central Police, Para Military forces and various Intelligence agencies to ferret out organisations and people involved in extortion and ensure that strict action is taken against them as per the law of the land.

Army/Assam Rifles being the only visible face of administration in remote areas can educate the masses in the remote corners of the State on the ill effects of extortion and its evils through various audio visual aids. They could also organise excursion-tours by select group of youths to other states and cities to expose them to the benefits of development and how the people/youth in these remote areas can also contribute to the development of their areas and move ahead to join main stream life. The Army also needs to take recruitment rallies into the remote areas to wean away the youth from the influence of illegal groups by providing them a chance to join the army and earn a livelihood for their families. This would also add to the security of that region as also provide a wider intelligence base.

Development Activities

Major business powerhouses should be encouraged to establish their centres in the region by giving them tax incentives and other benefits. An amendment may be passed to the Company act providing for opening of certain percentage of the company's production centres or outlets in these regions.

Security for Infrastructural / Developmental Projects

In Manipur, the ongoing railway construction project is pegged to be worth approximately Rupees 6000 crores which is to be completed over a ten year period. Even if we apply an illegal taxation template of 5%, the amount being siphoned off by the insurgent groups is very high. With the Phase-I of the project between Jiribam and Tupul nearing completion and majority of tunnels nearly ready, the next step would be providing security for plying of trains on these routes. Similarly, the security-troop density on the national highways in hinterland needs to be increased to safeguard the interests of the vehicles plying on these roads and to prevent them from being exploited by the insurgent groups. Raising of National Highways/Railway Protection Force comprising of local youth or rehabilitated cadres will address the twin needs of provisioning security to these projects and elimination of taxation/extortion activities.

The state must provide comprehensive security to contractors involved in infrastructure development like Trans Asian Railway Line, Asian Highways etc to facilitate timely completion of these projects and deter underground groups from extortion. Following measures are recommended to make these development projects less vulnerable to extortions:-

- The antecedents of the contractors and sub contractors must be verified in advance to avoid the projects going into the hands of Under Ground Groups / their supporters.
- Financial payments for projects to be linked to the physical progress, quality of work, duly authenticated by an independent authority.
- Institutionalizing independent audit of development projects.
- The local social bodies should be incorporated in development projects to generate employment as well as to ensure that people become stake holders in these developmental projects.

Role of Frontal Organizations / NGOs:

Non-Governmental and Social organizations play a major role in Manipur. However in the absence of stringent checks, these organizations have transformed into frontal organizations for Under Ground Organizations. Therefore, the following issues must be addressed:-

- Strict scrutiny of funding and transparency of financial transactions, their Annual financial and social audits etc, should be mandatory for their continuance.
- These organizations must be effectively utilized to mobilise masses to shun violence, resist extortion activities and concentrate on development issues instead. The Action Committee against Unabated Taxation (ACAUT) comprising of civil society, frontal organisations, student and youth organisations and business community in Nagaland is a positive example.

Role of Socio-political organizations:

There are innumerable socio political organisations in the North East which champion the cause of their tribes and ethnicity. They command huge influence over their respective communities. If they are rightly taken aboard, they can influence the youth to give up their erring ways and bring about a change in the society. It is often seen that some socio political organisations take the easy way out whenever confronted, by citing their inability to curb the illegal taxation/ extortion activities. Such groups need to be channelized with sustained involvement by the stakeholders.

Anti Extortion Cell “Special Task Force”

There is a need to set up a central task force with the members of bureaucracy, enforcement agencies and civil society with built in transparency to prevent corrupt practices in the state. Special police units specifically tasked for fighting extortion must be trained in skills to gather information on extortion networks and zero-in on the persons involved in these networks.

Strict Actions against Govt Officials Abetting Such Activities

There is a need to impose a certain degree of accountability amongst the government officials who are responsible for handling the govt funds in such areas. Often they cite various reasons for the misgivings and accept the situation as a fate accompli. Over the years, lack of accountability, non-supervision by the higher ups and general acceptance of the situation has resulted in the rampant extortion and taxation activities by the insurgent groups. There is urgent need to fix accountability and strict actions need to be implemented against the defaulters to deter them from getting away with their callous attitude in handling govt funds. Developmental programmes must be taken up in mission mode as a program and budgeted as such so as to reduce pilferage and enhance transparency in fund utilisation/expenditure.

Strict Enforcement of SoO / CFGRs

Surrender / Ceasefire Agreements need to be reviewed with inclusion of clauses for strong action (e.g. stoppage of stipend, long jail terms etc) or non-applicability of terms of agreement for cadres found indulging in extortion. Repeated instances of extortion by a group can be exploited by government authorities to put additional pressure on the group leaders during negotiations.

Rehabilitation of Surrender/Ceasefire/Suspension of Operations Cadres (SoO)

In absence of a clear road map for comprehensive rehabilitation of the surrendered/Ceasefire/SoO cadres, and avoidable delay in implementation of the rehabilitation policy beyond creating camps for the cadres, has forced these cadres to restart their illegal activities. This delay tactics is detrimental to peace not in Manipur but also in other parts of northeast India. Kuki groups who are in Suspension of Operations (SOO) with the Govt of Manipur are affected by such

activities. These cadres are disillusioned and actively involved in extortion and taxation. A comprehensive rehabilitation program of these cadres is a must for lasting peace and prosperity in the region.

Role of Religious Organisations and Educational Institutes

There is a dire need to revitalize the moral and ethical education system in these affected areas highlighting the ill effects of taxation and extortion. This can be best brought out by the church communities and educational institutes in the North East. In Manipur the church has major influence on the community to inculcate moral and ethical education to the youth and wean them away from the lure of easy earnings out of extortion and insurgent activities. It can best be done during the church services through sermons and teachings by important personalities. The same needs to be reinforced even through the educational institutions in their respective curriculum. Church as a powerful institution can respond and initiate possible solutions and influence the opinion of the masses. Even in Mizoram, the Church acts as a strong restraint against perceived administrative excesses.

Employment Generation:

The menace of taxation and extortion activities can be curbed if the youth, the chunk of the manpower involved in these activities are given an alternative. Sustained jobs and regular pay have a deep impact on the psyche of any youth. In the North East, the affluent are able to send their wards to the best of educational institutions across the country to keep them away from ill effects of insurgency. However, the poor, especially the rural ones, find their wards sucked into the insurgency affecting their area in no time. Poor educational infrastructures in such areas, lack of job opportunities and misplaced ideologies make a heady cocktail for the insurgent groups to target youth by employing them in the taxation and extortion industry. Hence there is a definite need to address the issue and look out for practical ways to ensure quality education and employment opportunities to such youth. Increased vacancies for recruitment in govt jobs, armed and police forces would augur well for such youth. In this regard, following measures may be undertaken: -

- Focus on skill development among the youth.
- Education affects the actions of the youth. The regular bandh culture and lack of schools and quality education is affecting the youth. Focus should be on development of schools and colleges in all parts of the state.
- Promotion of handicrafts which are unique to the state, thus offering avenues for youth adept in these crafts.
- New ways of employment generation will weed away the youth from anti-national activities.
- Central govt schemes to be exploited to the maximum for employment creation.

Miscellaneous Measures:

- Timber trade should be legalised generating legitimate revenue for the state. Local artisans should be encouraged to constitute cooperatives for

showcasing local furniture and wood craft thus churning the local economy. Illegal extortion from timber smugglers will be checked to a large extent. Opening of furniture showrooms, transport facilities will facilitate their recognition at the national level as well.

- Empower and enhance the numbers of Forest Conservation Guards by focused qualitative and quantitative means at the government level.
- Effective and comprehensive rehabilitation of surrendered militants is an important aspect from the point of view of encouraging more to follow suit. In addition, ensuring that the surrendered cadre do not fall victim to the insurgent groups again remains critical to the success of any such policy.

Conclusion

In the recent years, among the insurgent groups, there has been a gradual but visible substitution of ideology by sheer greed. Tax collection must remain a monopoly of the legitimate Government running the administration and not lie in the hands of any underground groups proclaiming themselves to be the representatives of people. Such parallel taxation structures are financially sustaining insurgencies in the North-East India. Therefore, to create tangible impact on the prevailing CI environment, it is imperative that this life-line be effectively choked. Ideological insurgent groups are becoming “extortion funded insurgent groups”. These extortion networks are now well established, and have been evading detection by suitably adapting to the latest technology. It is therefore imperative that all stakeholders in the state’s future must show resolute determination to stamp out the menace of extortion. The people, Government machinery and the security forces have to work in consonance. No single arm of the Government can tackle the issue alone. Most importantly, the people of Northeast India have to realize the ills of extortion and say ‘No’ to it in order to make a beginning. There is an imperative need to instil practical and effective measures to curb this menace of extortion that is bleeding the fragile economy of the Northeast and is an insurmountable impediment to peace, progress, and development of the region.

Images Source:

- <http://www.legaldesire.com>
- <http://thenortheasttoday.com>

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