



## **Disruptions in Interstate Trade and Employment: The Socio-Economic Impact of Ethnic Violence on Manipur's Driver Community**

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### **ABSTRACT**

The ethnic Violence in Manipur, which erupted in May 2023, has deeply impacted both the socio-political fabric and the economy of the region, particularly disrupting transportation and trade networks that are vital to interstate commerce. This paper aims to explore the significant consequences of the ongoing violence on the driver community, focusing on those involved in interstate transportation along key highways in the state. Specifically, it examines how the Violence, marked by road blockades, curfews, and an atmosphere of insecurity, has led to profound shifts in occupational trends for drivers who previously relied on interstate routes. The paper utilizes a multidisciplinary approach, combining theories from Violence studies, labour economics, and regional development, and employs qualitative and quantitative methods, including interviews, surveys, and secondary data analysis. Findings indicate that the disruption of vital transport corridors has not only resulted in reduced earnings for drivers but has also led to shifts toward alternative employment or relocation to more stable regions. This study contributes to the understanding of the socio-economic ripple effects of ethnic Violences on regional labour markets, with a particular focus on how Violence-induced disruptions can transform the occupational landscapes of vulnerable communities. It also explores the broader implications for economic resilience and policy interventions needed to mitigate the long-term impacts on the affected population and regional trade dynamics.

**KEYWORDS:** Manipur Violence 2023, transportation disruption, interstate drivers, road blockades, economic impact on drivers, occupational shifts, highway insecurity, fuel crisis, trade network collapse, curfew effects on mobility

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## **Introduction**

The ethnic violence that erupted in Manipur in May 2023 has deeply affected stability in the region, economic activities and daily livelihoods [3]. The crisis is marked by violent clashes, inter-community tensions and large-scale displacement, resulting in lingering disruptions of public infrastructure, interstate commerce and employment sectors [5]. One of the worst-hit sectors is transport, a key lifeline of Manipur's economy. The state's strategic position of meeting point for trading between India and Southeast Asia, puts highways such as National Highway 2 (NH-2) and National Highway 37 (NH-37) at the heart of commerce and mobility for the state [6]. But the outbreak of the Violence has resulted in blockades along the roads, curfews, and increased security threats, rendering movement along those vital routes more and more challenging [7].

The blockades and curfews have caused an economic crisis, as they disrupted critically the supply chain for essential goods, fuel, and trade supplies, causing increasing prices and shortages in rural and urban areas [8]. Trade interruptions are not limited to state borders; they also cover interstate commerce as well as the Indo-Myanmar border commerce, a lifeline of Manipur's economy [9]. It has also rocked public transportation and the movement of private vehicles and the entire logistics sector, which depends on these highways to link up with markets in India's mainland. Truck drivers, taxi operators and freight workers — who must live on daily or contract-based income — were among the first casualties of this instability [10].

Beyond economic inefficiencies, the security environment has also worsened for transport workers who have been highly vulnerable to vehicle hijackings and arson as well as attacks on drivers by insurgent fighters and members of security forces [11]. Many truck drivers will no longer enter potential Violence areas for fear of their lives and the destruction of their vehicle and goods [12]. However, many drivers have left their routes entirely, and others are diverted over longer and more costly paths, further aggravating financial pressure on transport companies and their workers [13]. Likewise, the effects of violence, unemployment, fuel shortages, and restricted mobility have rapidly reshaped the labour landscape and have pushed drivers to either seek alternative jobs or relocate to more stable areas [14].

The economic consequences of this Violence go beyond the transport sector. The decrease in freight shipment has a ripple effect on regional businesses, specifically those involved in wholesale and retail, as they depend on timely deliveries of goods and raw materials [15]. Likewise, the diminished provision of transport services has caused basic needs, such as schooling, health supplies, and job opportunities, to be inaccessible to individuals [16]. The social structure of Manipur had already taken a hit, with communities having jobs dependent on the transportation stream faced with serious financial strain [17].



Considering the severe impact of 2023 ethnic Violence on the transportation sector, this study seeks to evaluate the economic and livelihood consequences of transport disruptions on drivers, logistics workers and the wider regional economy. This research centres around three primary objectives. Firstly, it seeks to investigate the financial and job-related effects of the ongoing crisis on transport workers, especially regarding income deprivation, job insecurity and occupational vulnerability. Second, it examines the extent to which contractors and logistics workers have transitioned to other employment sectors in response to instability, discussing changes in labour migration and disruption. Finally, the study explores the broader implications of disrupted transportation networks on trade, supply chains, and interstate commerce, with an emphasis on Manipur's economic role as a transit hub between Northeast India and Myanmar.

In fulfilling these aims, the study expects to deliver a set of empirical findings on Violence-mediated change to labour markets and economic structures with a particular emphasis on working communities that are dependent on transport [13]. The findings will also be used to make policy recommendations for reviving Manipur's transportation sector, maintaining safety of workers, and formulating Violence sensitive trade policies [14].

The study uses multidisciplinary research approach to analyse the impact of Violence on transportation and occupational shifts, integrating insights from Violence studies, labour economics, and regional development [15]. Multiple qualitative and quantitative research methods have been adopted, ensuring a comprehensive understanding of the crisis and its implications [16].

The transportation sector in Manipur has long been an essential component of regional economic stability, facilitating trade and connectivity between Northeast India and Myanmar [1]. The importance of highway networks in the region has been highlighted by past studies, which emphasize their role in economic integration, Violence management, and state-building efforts [2]. However, the May 2023 ethnic Violence has severely impacted interstate trade routes, leading to economic stagnation and increased transportation costs [4]. The ongoing crisis has also raised concerns over long-term policy solutions, as transportation disruptions not only affect immediate livelihoods but also shape the broader economic and geopolitical landscape of the region [18].

In addition, it assesses governmental responses and policy measures implemented to counter the crisis, including compensation for workers affected, securing transport corridors and attempts to revive trade. The results will help inform future policy regarding labour protection, economic resilience, and infrastructure security in areas vulnerable to Violence. Through the use of data, the research attempts to understand the



different ways in which transport workers and businesses are coping with the instability and offers a possible path to restore economic equity in Manipur.

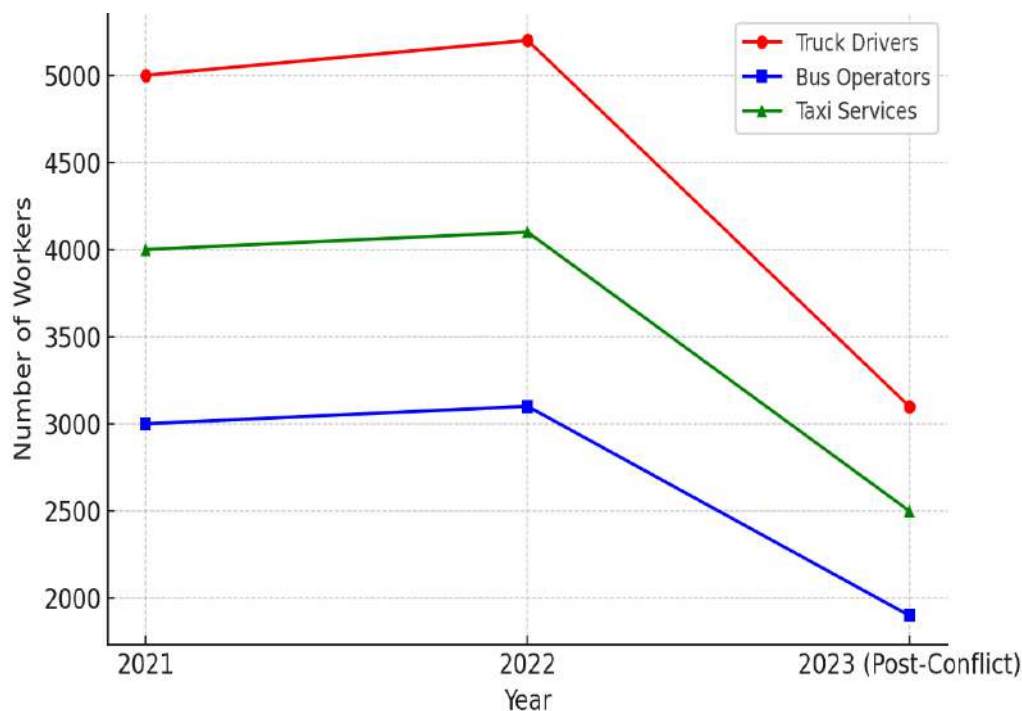
## **TRANSPORTATION SECTOR IN MANIPUR BEFORE AND AFTER THE VIOLENCE**

### **Pre-Violence Role of Transportation in the Regional Economy**

Manipur is blessed with a very important transportation sector as it plays a vital role in trade, commerce, and connectivity within the state and beyond. Due to its geographic advantage, the state also acts as a link for trade between India and Southeast Asia through its connection with Myanmar at the Moreh border. Manipur is a transit route for cargo travelling between mainland India and its neighbouring states to the Northeast, such as Nagaland, Mizoram and Arunachal Pradesh and to and from Myanmar, a major trading partner [9]. Having this in mind there have been several interstate highways that acted as a major contributor towards the state economy National Highway 2 (NH-2) and National Highway 37 (NH-37) that act as lifeline for the state goods and people transport.

Manipur's transportation workforce was quite diverse before the Violence of May 2023, including truck drivers, bus operators, taxi services, and logistics workers with jobs in both formal and informal industries [5]. In particular, the trucking industry was a leading employer, as thousands of interstate and intrastate drivers used the region every day to haul essential goods, construction materials, and commercial products [6]. Public transport, represented by on-road buses, shared taxis, and auto-rickshaws, employed a considerable share of the urban and semi-urban population and connected workers, students, and businesses [8]. Moreover, Manipur's involvement in cross-border trade with Myanmar generated economic opportunities for customs officials, freight handlers, and informal traders, thereby promoting development in the region [17]

Before 2023, the relative stability of the transportation sector enabled goods and services to be provided at fair prices, allowing economic growth to take place in agriculture, retail, and manufacture. The performance of the highway network was a key factor that kept logistics chains running, minimized transport costs, and promoted private investment in the trade and logistics sectors [12]. But this existing infrastructure and economic arrangement faced a serious setback after the outbreak of ethnic violence in May 2023, resulting in widespread economic turmoil.



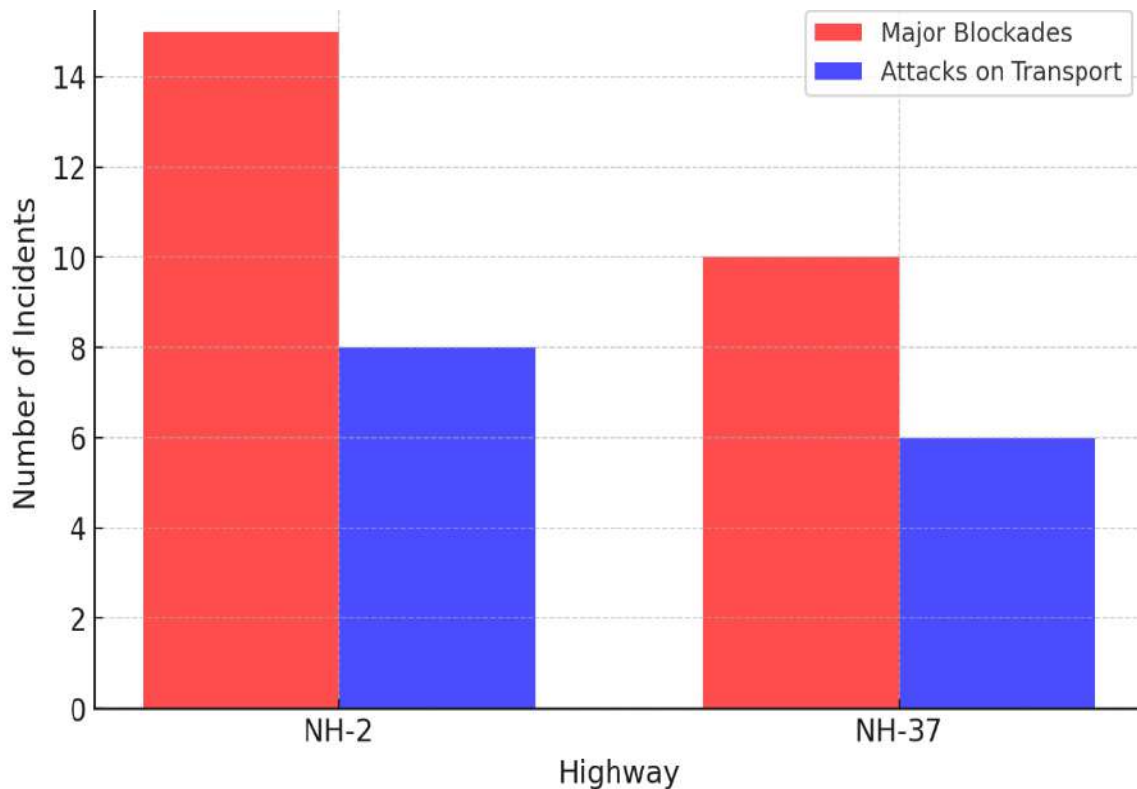
*Figure 1: Employment Trends in Manipur's Transport Sector Before and After Violence [1,2]*

### **Disruptions Caused by the 2023 Violence**

The ethnic violence in Manipur, which broke out in May 2023, has wreaked havoc on the transportation sector. One of the immediate and visible impacts on the said road blockades, especially in NH-2 and NH-37 which are lifeline corridors [9]. Physical barriers in the form of armed groups, protestors, and competing ethnic parties have emerged leading to burning of vehicles and setting of checkpoints making it hazardous for transporters to continue operations let alone transporters operating safely [11]. These blockades have caused serious supply chain disruptions, resulting in acute shortages of fuel, food, medical supplies, and other basic goods that have devastated businesses on both sides of the border and reinforced a multiprong crisis for consumers [13].

Curfews have been imposed and violence has escalated along major highways, and the crisis has been compounded. Fear of attacks, armed confrontations, and clashes between security forces and insurgent groups [12], has prevented drivers of commercial trucks, passenger buses, and taxis from moving freely. As security forces have limited movement and insurgents have set vehicles on fire and extorted drivers, many transport workers have shifted to other routes (compounding the bottleneck in the supply chain [16]).

The other major impact is the acute fuel scarcity due to which, transportation cost is compounded leading to overall economy crunch. Due to blocked supply routes, the availability of petrol and diesel has decreased leading to soaring fuel prices, and subsequently increased the cost of freight transportation, public transport fees, and the utilization of private vehicles [14]. The Violence has disproportionately affected lower-income sections of society, including daily wage labourers who rely on cheap transport for work and mobility.



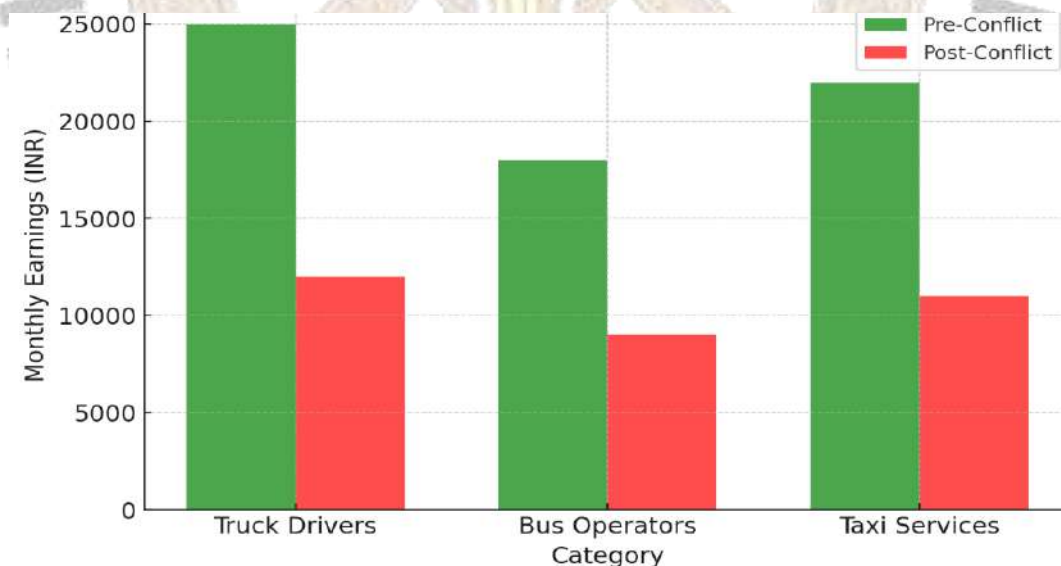
*Figure 2: Road Blockades and Attacks Along NH-2 and NH-37 [14,16]*

Public transport, including passenger transport services, have also been significantly affected. The schedule of buses has been disrupted or cancelled and taxi operators have raised their prices due to the cost of fuel or stopped operating in high-risk zones [10]. The same is true for many private vehicle owners, who have been unable to travel, either due to the risk of being caught up in the violent clashes that have characterized the earlier stages of the uprising or simply because of a lack of available fuel [15]. This has severely disrupted passenger mobility as this affects access to education, healthcare, and essential services causing the humanitarian crisis in the region to worsen [17].

### Changing Work Patterns and Economic Adaptation

The enduring turmoil of Manipur’s transportation department has caused economic devastation, especially among transport workers including truck drivers, taxi operators, and public transport workers. One of the more immediately experienced consequences of the crisis has been lower income and job loss [10]. Many drivers, previously deriving daily wages through commercial freight and passenger transport, have faced unemployment as a result of an indefinite shutdown of crucial routes [13]. At the same time, many transport companies, unable to work at high-risk time, have in fact dismissed or suspended hundreds of thousands of their employees, causing further loss of jobs [12].

Consequently, a significant number of displaced drivers have been pushed towards other jobs, specifically in sectors such as daily-wage labour, informal trade, and smaller-scale businesses. While a fraction has moved to nearby states such as Assam, Nagaland, and Meghalaya, where they work in construction, agriculture, or retail jobs, others have tried to find a place in the gig-economy, if available [14]. And yet, such alternative employment opportunities typically come with limited pay and diminished benefits, thereby further hindering the agency of displaced workers seeking to mitigate or recover from financial shocks [15].

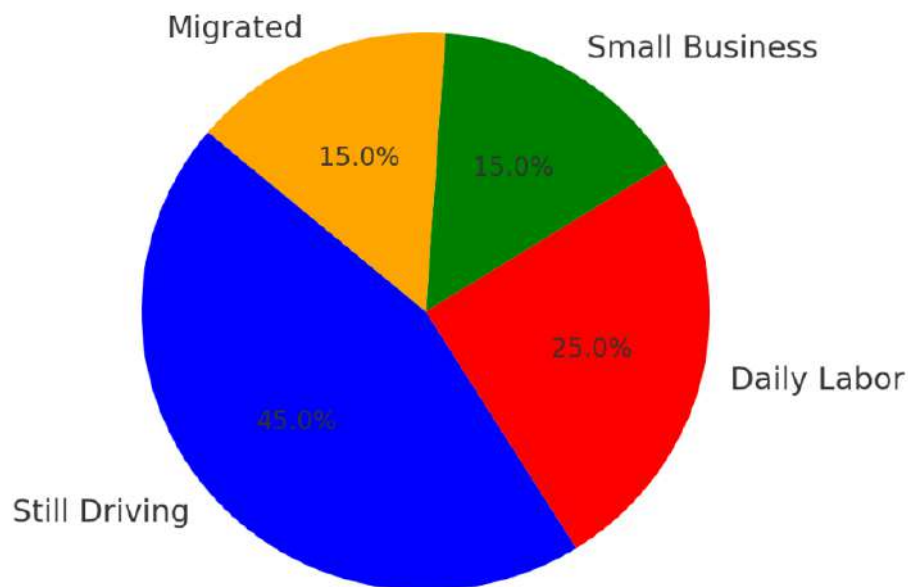


*Figure 3: Declining Earnings of Transport Workers Due to Violence [15,9]*

Psychological and safety issues in the transport industry have also deterred newcomers from seeking a career as a driver [16]. The spontaneous risk of violence, the burning of vehicles, and the appearance of

armed groups on highways have generated fear and have even made many rethink their profession [17]. If sustained, this trend could result in long-term labour shortages for the transportation industry and inhibit Manipur's capacity to restore its trade and logistics sector even when the Violence has subsided [19].

Together, the loss of income, economic dislocation and mental stress have reconfigured the regional labour market, driving many into tenuous informal jobs who would've once held formal jobs. It is now up to Manipur's state authorities, trade unions, and policymakers to resolve the crisis — by intervening to re-establish security along the highway, ensuring financial relief to affected workers, and guaranteeing stable jobs, which may finally determine the fate of the transport sector and the economy.



*Figure 4: Shift in Employment Among Drivers After Violence [12,13,19]*

### **Policy Responses and Future Outlook**

Manipur, 2023, ethnic Violence and disruption to the transport severely affected the lives of thousands of transport workers. Such a crisis has prompted action from government agencies, industry stakeholders, and civil society organisations who have had to respond to ensure the crisis is mitigated, that transport services return to normal and that workers are supported. Existing relief efforts, however, fall short, and long-term recovery strategies need to be embedded to ensure sound economic rehabilitation of Manipur's transport



sector. In this part, we discuss existing policy responses, possible measures for development of the economy, and paths for potential direction of research in response to disturbances to the transport industry caused by the Violence.

### **Responses of Governments and Industry to the Transportation Crisis**

The government has added short-term relief handling, security reinforcement and trade revival to its response to the transport crisis. Crosscutting this, there have been announced programs of financial aid and compensation packages for transport workers affected, including one-off grants, fuel subsidies, and so forth, to buy off some economic losses. But many drivers and logistics workers say they are waiting in vain for aid, and others are struggling to get government help due to bureaucratic delays.

Highway security has been one of the most important areas of intervention. The government said that extra paramilitary forces have been deployed along National Highway 2 (NH-2) and National Highway 37 (NH-37) to prevent attacks on vehicles to ensure safe passage of goods and passengers. Security screenings have been intensified, and an escort service for trucks carrying essential supplies has been organized. But such threats have not disappeared completely: attacks and extortion of transport workers by insurgent groups continue on and off.

In an effort to restore trade and logistics activities, the government has been trying to negotiate with the blockading groups to ease road blockades and reopen major transport routes. Some initiatives have sought to diversify alternative transport routes to lessen the reliance on Violence-plagued highways. Trade organizations and business chambers have also called for special economic incentives to attract investment in Manipur's logistics industry and redevelop supply chain networks. But in the absence of a long-term Violence resolution strategy, these are mere patches on an embedded crisis.

### **Public Health Emergency Management and Economic Recovery**

That will require aggressive policy interventions to stabilize this sector of the transportation system and provide displaced workers with the support they need. One of the most immediate steps is the establishment of alternative employment schemes for drivers who've lost their livelihoods. The government should, in consultation with the private sector companies and trade unions, initiate skill developments programs, vocational training and alternative job roles in fields like logistics management, construction, e-commerce delivery services, etc. Soft loans and microfinance support for self-employment initiatives can assist affected workers to move into viable other income-generating work.



A primary solution is to strengthen highway security and Violence mediation capabilities. The state must create permanent safe transportation corridors, preventing the flight of goods and passengers, as issued by security forces. Although security mechanisms are essential, it needs immediate dialogues with local communities, insurgent factions, and civil society organizations to work on peaceful resolutions to existing blockades and avenues diversions. This would be a good time to create a task force to help resolve Violences over transportation-related disputes, resulting in losses in other economic sectors.

Public-private partnerships (PPPs) also play an important role in rebuilding the transportation industry. The government ought to work with logistics companies, transport unions and private investors to modernize Manipur's Road infrastructure, repairing damaged highways, and expanding alternative trade routes. Tax breaks, lower toll rates, and logistics company subsidies are some of the incentives that can spur businesses to reinvest in the region's transport sector. Moreover, the benefits of digitizing the transport systems, GPS tracking of cargo to ensure safety, and logistics coordination would help optimize and increase the effectiveness of supply chains in Violence-prone areas.

### **Potential Directions for Future Research**

As immediate policy responses aim to manage the crisis, research must urgently be turned to address the structural flaws in Manipur's transport system. Other studies should investigate the long-term impacts of ethnic violence on labour markets, specifically by analysing how transportation disruption affects employment (e.g. in transportation itself) or migration (as higher unemployment rates are more likely due to ethnic violence) and how these changes impact household incomes. Understanding these dynamics can inform policy makers struggling to develop effective economic rehabilitation initiatives for transport workers and other vulnerable communities.

Comparative studies focusing on transport disruptions in other contested disturbed areas could lend synergistic insights into the approaches taken by other states or countries in managing Turkey-like crises. Case studies from Kashmir, Northeast Nigeria and Violence-affected border areas in Southeast Asia can provide best practices and policy lessons for the recovery of Manipur.

One important research direction is policy-oriented studies on interstate trade resilience mechanisms. Because Manipur hosts a transit point for India-Myanmar trade, researchers should investigate how disruptions in transportation affect regional trade and what possible solutions can be undertaken to make supply chains more adaptable to political fragility. Exploration of alternative trade corridors, railway



expansion projects, and intermodal transport systems may assist policymakers in developing robust economic infrastructure in coming years.

The ethnic violence in Manipur since 2023 has greatly hampered transportation in the North-Eastern state, eventually leaving a large number of general transport workers unemployed or push into a vicious cycle of economic instability and security-related issues. Although government actions have somewhat alleviated this issue, the market has not yet stabilized at a desirable level for users, and some long-term solutions should be considered to securely restructure highways, replace trade networks and establish new jobs for workers displaced by this crisis. Economic recovery and stability hinge on steadying public-private partnerships, diversifying skill development programs and ensuring Violence-sensitive transport policies.

Future research can also make (a) special efforts to study the long-term impacts on these labour markets, (b) comparative studies of transport disruptions across states and in fact countries, (c) factoring in how trade can be resilient to such crises, and how Manipur can fortify against the next crisis. Policymakers can mitigate such impacts on the front lines of driving and logistics in a variety of ways by addressing the root causes of economic vulnerability and transportation disruptions to help strengthen the resilience and sustainability of the transport sector, with better protections for drivers, logistics workers, and trade networks against future Violence.

## **Conclusion**

The 2023 ethnic violence in Manipur has taken a terrible toll on the transportation sector, affecting regional trade, labour markets, and the livelihoods of workers in transportation. The road blockades, curfews and violent clashes have made highway operations dangerous and economically unworkable, forcing many truck drivers, taxi operators and logistics workers into financial ruin. Inability to function has led to pay cuts, increasing debt burden, and loss of jobs, prompting a section of the population to migrate or shift to less paying, informal work. Worsening highway security, including assaults on vehicles, extortion and harassment at checkpoints has made transportation one of the most vulnerable sectors in the wake of the Violence, exacerbating the crisis.

Emergency policy measures are urgently needed to support transport workers affected by these events; secure trade routes; and rebuild infrastructure to ensure these critical services continue uninterrupted. Displaced workers need to be economically transitioned through compensation schemes, vehicle loan restructuring, alternative employment programs and so on. Highway security, law enforcement and peace negotiations must also work together to ensure safe and continuous transportation. These include



leveraging public-private partnerships to modernize Manipur's logistics industry, restart interstate trade, and build supply chain resilience.

Long beyond a pre-economic recovery, long-term sustainable efforts towards resolution of Violence is critical to avoid future disruption. The answer as to why these ethnic tensions have destabilized the state lies in the need for sustainable peace agreements, inter-community dialogues and inclusive governance mechanisms to be developed. Until the region devises an integrated plan that combines economic stability, infrastructure development and social harmony, the transportation sector — and Manipur's economy as a whole — will remain susceptible to cycle after cycle of meltdown. By investing in inclusive and Violence-sensitive infrastructure and policies, Manipur can build a more resilient network of transportation systems as well as better livelihoods for its workers and longer-term regional stability.

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