

# Understanding the Crisis of Global Capitalism

## *: Analysis of Manipur Experience*

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### Abstract

The crisis of global capitalism is a multifaceted phenomenon encompassing economic, political, social, ideological, ecological, and military dimensions. In the present era, the world faces an ongoing and intensifying global crisis rooted in the structural contradictions of the capitalist system. Capitalism sustains itself through an endless process of expansion, which inevitably generates recurring crises of overproduction periods when goods are produced in quantities that cannot be sold due to the limited purchasing power of the majority, a dynamic closely linked to the processes of imperialism. The fundamental cause of these crises lies in the basic contradiction of capitalism, the social character of production versus the private appropriation of material wealth. This contradiction drives the general crisis of the world capitalist system. Despite escalating instability, contemporary society remains distant from revolutionary transformation due to the underdevelopment of the subjective and organizational conditions necessary for systemic change. The relevance of this study lies in the increasing global political instability and the intensifying rivalry and confrontation embedded within international economic processes. The current phase of capitalism is marked by structural crises, financial volatility, and systemic inequalities. Moreover, capitalism's core features such as, private ownership, market-driven economies, profit orientation, global trade networks, industrial revolutions, capitalist-colonial legacies, financial expansion etc. have simultaneously generated economic progress while deepening inequality, exploitation, and ecological degradation. This paper adopts a comprehensive and critical approach to examine contemporary trends and contradictions within global capitalism. It argues that capitalism is not a monolithic system but exists in multiple forms shaped by historical and regional contexts. The analysis highlights the chaotic and unplanned nature of the world economy, characterized by imbalances and disorder stemming from the spontaneous operation of economic laws rooted in private-property-based commodity production. Furthermore, the paper explores how global capitalism has influenced Manipur, particularly through the lens of identity politics, shaping structural inequalities, ethnic divisions, and capitalist-colonial legacies that perpetuate cycles of violence. Similar patterns can be observed in other global contexts such as China–Taiwan, Russia–Ukraine, Israel–Palestine, North Korea–South Korea etc. In this framework, capitalism represents the broader structural perspective, whereas identity politics emerges as a narrower, myopic view within the larger crisis of global capitalism. The Manipur conflict is thus interpreted both as a symptom of this broader crisis and as a manifestation of identity-based politics under global capitalism.

**Keywords:** Global Capitalism, Economic Crisis, Overproduction, Private Property.

## 1. Introduction

Capitalism emerged in Europe between the fifteenth and seventeenth centuries as feudal economies transformed into a system based on private ownership, wage labor, and the pursuit of profit. The early mercantile phase grew through colonial expansion, the trans-Atlantic slave trade, and large-scale extraction from Asia, Africa, and Latin America, creating global inequalities that prepared the ground for industrial capitalism. The Industrial Revolution intensified exploitation through new technologies, widening class divisions and accelerating capital accumulation. Karl Marx and later political economists argued that capitalism's central contradiction lies in the social nature of production versus the private appropriation of surplus value. While workers collectively produce wealth, a small capitalist class captures the profits. This contradiction produces recurring structural crises of overproduction, unemployment, and under-consumption which was seen in events like the Great Depression, the crises of the 1970s, and the 2008 financial collapse. Today's crisis of global capitalism is multidimensional and persistent. Alongside industrial growth and technological innovation, capitalism has generated widening inequality, social fragmentation, political instability, and ecological destruction. From mercantile to neoliberal phases, capitalism has repeatedly expanded and reorganized itself, each time deepening inequality and externalizing environmental and social costs. Financial speculation, technological automation, unemployment, rising inequality, and climate change now threaten global stability. Debates on identity politics have intensified within this context. Critics view identity politics as fragmenting class solidarity and diverting attention from capitalist exploitation, while proponents argue that struggles against racism, sexism, caste oppression, and ethnic marginalization are inseparable from the struggle against capitalism. Intersectional thinkers such as Kimberley Crenshaw, Bell Hooks, and Angela Davis highlight that oppression is experienced through overlapping identities. In Manipur, the crisis of global capitalism has sharpened ethnic tensions and deepened long-standing inequalities. The Meitei, Naga, and Kuki-Zomi communities face uneven development, poor infrastructure, limited industrialization, and economic marginalization. Global capitalist pressures like resource extraction, displacement, and competition over land, intensify local conflicts, as seen in the Meitei–Kuki-Zomi clashes. Manipur's primarily agrarian economy, constrained by poor connectivity and limited markets, has failed to support balanced development. Ethnic movements reflect both identity-based grievances and economic aspirations. The Kuki-Zomi demand for a separate state is rooted in perceptions of neglect and marginalization, while Naga political movements seek cultural recognition, resource control, and economic autonomy. These intertwined economic and identity-based factors illustrate that Manipur's crisis cannot be separated from the broader dynamics of global capitalism. Understanding their interconnectedness is essential for addressing the state's instability, inequalities, and humanitarian challenges. Hence, identity based politics in Manipur is the main consequence of global capitalism. Manipur is indeed a melting pot of diverse ethnic groups often referred to as a mini-India with 33 recognized tribes.

The Meitei-Pangal (Muslim) conflict in Manipur highlights the intersection of identity and economic factors, with tensions over land, resources, and economic opportunities. The Kuki-Naga conflict over land and resources has both identity-based and economic dimensions, with implications for local politics and development. The Hill-Valley divide politics in Manipur reflects both economic disparities such as, infrastructure development process and identity-based differences such as, tribal vs. non-tribal respectively. Women's organizations in Manipur, such as the Meira Paibis, have played a

crucial role in conflict resolution and promoting peace, highlighting the importance of social and cultural factors.

## 2. Objectives:

- a) To examine the Manipur conflict due to the identity based politics.
- b) To analyze the structural contradictions and crises inherent in global capitalism.
- c) To examine the socio-economic and ecological impacts of capitalist expansion.
- d) To assess the relationship between global inequality, instability, and capitalist accumulation.
- e) To explore the relevance of contemporary crises in the evolution of world capitalism.

## 3. Methodology

The paper employs a qualitative and analytical approach based on secondary data sources, theoretical frameworks of political economy, and critical interpretation of global capitalist trends. It draws upon historical materialism and comparative analysis to understand the multidimensional aspects of the crisis.

## 4. Review of Literature

The intersection between global capitalism and identity politics in Manipur has emerged as a deeply studied area within contemporary political science, sociology, and conflict studies. Scholars emphasize that Manipur represents a unique case where historical identities, ethnic pluralism, economic underdevelopment, and global forces converge to produce prolonged political instability. The state's population is composed primarily of Meiteis in the valley and Kuki-Zomi and Naga tribes in the surrounding hills, creating a complex socio-political environment shaped by competing narratives of history, land ownership, cultural autonomy, and political representation. These identity-based claims are further intensified by Manipur's strategic geographic positioning along the Indo-Myanmar border, which situates the state at a crossroads of regional trade, migration, insurgency movements, and global economic flows. As a result, the dynamics of identity politics in Manipur cannot be understood in isolation from larger processes of globalization, neoliberal economic reforms, and capitalist development.

E.N. Raju's *Manipur: A Conflict of Identities* (2015) offers a foundational contribution by examining the historical roots of ethnic contestation in the region. Raju argues that identity conflict in Manipur is not merely a contemporary phenomenon but is rooted in colonial administrative policies, postcolonial state-building processes, and long-standing cultural distinctions among ethnic groups. His analysis provides insight into how historical grievances transformed into modern political demands. Building upon this, J.J. Roy's *Globalization and Identity Politics in Northeast India* (2012) studies how global economic changes especially liberalization since the 1990s sharpened identity consciousness in the region. Roy highlights that globalization brought both opportunities and insecurities, while some groups gained from new markets and mobility, others experienced greater marginalization, thus reinforcing ethnic boundaries and intensifying political demands. Economic issues are further explored in B. Datta's *Manipur: Economy and Society* (2020), which offers an in-depth analysis of the economic challenges facing the state. Datta points out that chronic underdevelopment, limited industrialization,

unemployment, inadequate connectivity, and poor infrastructure contribute to frustrations among various communities. These structural inequalities, he argues, are often articulated in the form of identity-based demands for autonomy, resource control, or state intervention. In this way, economic deprivation becomes a driver of ethnic mobilization.

Complementing these perspectives, Sanjib Baruah's *The Politics of Identity in Northeast India* (2012) provides a critical analysis of the Indian state's approach toward addressing identity issues. Baruah argues that state policies often reinforce rather than resolve ethnic differences, partly due to the administrative structures that categorize groups based on Scheduled Tribe status, land rights, and regional autonomy. His work highlights how identity becomes institutionalized within governance systems, contributing to persistent conflict. The edited volume *Globalization and the Politics of Identity in India* by Niraja Gopal Jayal (2011) further situates the Northeast within national debates on globalization and identity formation. The contributors argue that globalization has reconfigured identity politics, sometimes empowering marginalized groups while simultaneously challenging their cultural and economic security. E.P. Rajesh's *Manipur: A State of Unrest* (2019) adds to this understanding by examining contemporary unrest in Manipur, emphasizing the interconnection between insurgency, economic disparity, ethnic fragmentation, and political discontent. Several other scholarly works offer more focused insights on Manipur's ethnic dynamics. N. Lokachandrabam's *The Politics of Ethnicity in Manipur* provides a detailed examination of how ethnic identities evolve through political competition and community mobilization. D.K. Bose's *Manipur: A Study in Ethnic Conflict* traces the origins and development of ethnic tensions, noting how geographical divisions and historical mistrust between groups have contributed to recurring conflicts. N. Joy's *Ethnicity, Identity and Manipuri Nationalism* explores the link between ethnic identity and the rise of nationalist sentiments among the Meitei population, offering an important perspective on how identity intersects with political aspirations. Works such as S. Thakur's *Manipur: Society, Polity, and Economy* and Prakash Singh's *Manipur: A Sovereign History* provide broad overviews of the state's social transformation, political evolution, and historical struggles surrounding sovereignty and autonomy. In addition, several scholars have contributed community-specific studies that illuminate the unique identity trajectories of different groups. T. Muivah's study on the Kuki community, M.K. Das's *The Manipuri Muslims: A Study in Ethnic Identity*, and Kalsang Phom's *The Naga Imbroglio: A People's Struggle* explore intra-community identity formation, historical narratives, and political demands. These works reveal how each community articulates its distinct identity within the larger framework of the state's politics. Cultural and geographical accounts offered by texts such as S.C. Bhatt's *Manipur: Land and People* and R.K. Santhi's *Manipur: The Land of Jewel* enrich the understanding of Manipur's ethnic and cultural diversity. Beyond Manipur-specific scholarship, influential postcolonial theorists provide broader conceptual frameworks relevant to the analysis. Gayatri Chakravorty Spivak and Dipesh Chakraborty argue that marginalized groups in India, including those in Manipur, are often silenced in dominant narratives of globalization and development. Their work emphasizes the need to recognize subaltern voices, especially in regions that experience both economic marginalization and cultural invisibility. Writers such as Arundhati Roy and Amitav Ghosh critique the social and environmental consequences of neoliberal globalization in India, highlighting how market-driven policies disproportionately affect marginalized and conflict-prone regions. These critiques resonate strongly with Manipur's situation, where capitalist development often leads to resource extraction, displacement, and ecological

degradation. Economists Prabhat Patnaik and Utsa Patnaik extend these critiques by explaining how the crisis of capitalist development creates structural tensions in peripheral regions like Manipur. They argue that resource exploitation, unemployment, and uneven development deepen socio-economic divides, contributing to conflict. Their arguments help contextualize the economic roots of identity politics in Manipur, showing how global capitalism interacts with local inequalities to produce unrest. Finally, scholarly debates remain vibrant and diverse. Some researchers suggest that identity politics in Manipur is fundamentally driven by economic deprivation, arguing that identity assertions are expressions of competition over scarce resources. Others emphasize cultural, historical, and political factors as primary drivers, contending that economic explanations alone cannot capture the depth of ethnic consciousness. Debates also continue over the impact of globalization: while some scholars argue that it opens new avenues for development, others warn that it poses serious threats to local cultures, indigenous economies, and community autonomy. Collectively, the literature demonstrates that the intersection of global capitalism and identity politics in Manipur is deeply multidimensional, shaped by historical experiences, economic structures, cultural identities, and global forces that together produce a highly intricate political landscape. Regarding this theme on 'understanding the crisis of global capitalism: analysis of Manipur experience' is very much different and especially from the others above write ups which is quite unique and challenge for the research work.

## **5. Importance of the study**

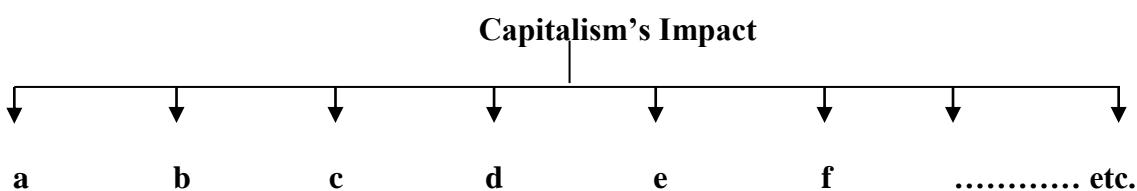
These views are more relevant even today because both globalization and privatization have failed to solve many social issues and challenges such as poverty, unemployment, inequality, environment degradation, and communal conflict and so on. Hence there is a need of rethink and recheck about the idea of 'understanding the crisis of global capitalism: analysis of Manipur experience' in order to solve of all our problems on the earth.

## **6. Statement of the problem**

The genres of literature produced so far discussion global capitalism and identity politics which found different viewpoints written by different writers. Generally common people thought that 'understanding the crisis of global capitalism: analysis of Manipur experience' is above all the subjects so that such simple thought is very much challenging and also inspiring to take up the present research paper. Therefore, this study is still lagging behind and quite distinct from the others' write ups.

## **7. Different facets of Global Capitalism:**

### **7.1 Capitalism's impact on growth and development:**



**a) Neoliberal Globalization and the Financialization of Capital**

The late twentieth century witnessed the emergence of neoliberal globalization, characterized by deregulation, privatization, and the liberalization of markets. Under the influence of the Washington Consensus, states across the world reduced social welfare spending, weakened labor protections, and opened their economies to transnational capital. These policies aimed to promote efficiency and growth but instead intensified inequality, unemployment, and social insecurity. Global capitalism has led to the exploitation of Manipur's natural resources, including its forests, minerals, and water resources. The influx of global capital has led to the displacement of local communities, particularly the rural populations, from their ancestral lands. The penetration of global capital has led to the erosion of traditional cultures and the homogenization of local identities in Manipur. The economic crisis has exacerbated the existing social and economic inequalities, leading to tensions between different ethnic groups in Manipur in particular and in India in general. Simultaneously, financialization—the dominance of finance over productive industry became a defining feature of late capitalism. Capital increasingly circulated through speculative markets rather than through the production of goods and services. The 2008 global financial crisis exposed the fragility of this model, as unregulated financial speculation led to massive economic collapse, unemployment, and austerity measures worldwide. The bailout of financial institutions by states revealed the deep entanglement of capital and political power, undermining democratic accountability.

**b) Technological Transformation and the New Labor Crisis**

The twenty-first century has seen an unprecedented acceleration in technological innovation from automation and artificial intelligence to digital platforms and surveillance capitalism. While these technologies increase productivity, they also displace millions of workers, widen income inequality, and create new forms of precarity such as gig and platform-based labor. Capitalist enterprises use technology primarily to reduce labor costs and maximize profit rather than to improve human welfare. As a result, the digital economy reproduces old forms of exploitation in new, more sophisticated ways. The global South bears the brunt of this transformation, as cheap labor and resource extraction continue to sustain the wealth of the developed economies. The promise of technological progress remains unrealized for vast segments of humanity who are excluded from meaningful participation in production and consumption.

**c) Ecological Crisis and the Limits of Growth**

One of the most critical dimensions of the global capitalist crisis is its ecological contradiction. Capitalism's drive for endless accumulation depends on the exploitation of finite natural resources, leading to deforestation, pollution, loss of biodiversity, and climate change. The co-modification of nature transforms ecosystems into sources of profit rather than collective goods to be preserved. Climate emergencies, rising sea levels, and environmental disasters are direct outcomes of a system that subordinates ecological balance to profit maximization. Despite international agreements and corporate pledges, global carbon emissions continue to rise. The failure of capitalist economies to address climate change demonstrates the structural incompatibility between the profit motive and environmental sustainability. Green capitalism and market-based solutions have proven inadequate in reversing ecological degradation.

**d) Political and Social Consequences**

The economic and ecological crises of capitalism are mirrored in political instability and social fragmentation. Neoliberal policies have eroded state sovereignty and weakened democratic institutions, while transnational corporations wield unprecedented power over public policy. Rising unemployment, declining living standards, and social alienation have fueled populist movements, nationalism, and authoritarian tendencies across the globe. Moreover, growing inequality between and within nations has intensified geopolitical tensions. The struggle for control over resources, markets, and technology has led to renewed rivalries between major powers, threatening global peace and stability. The social contract that once sustained liberal democracies is collapsing under the weight of economic exclusion and ecological insecurity.

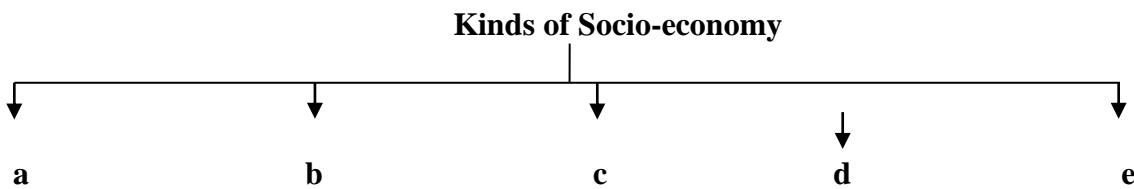
**e) The Need for Alternative Paradigms**

The ongoing crisis of global capitalism underscores the necessity of rethinking economic and social organization. Alternatives rooted in social justice, ecological balance, and collective ownership are increasingly being explored. Movements advocating for democratic socialism, degrowth, cooperative economies, and sustainable development challenge the dominance of market fundamentalism. A transition toward such models requires more than policy reform; it demands a structural transformation of the relations of production and the redistribution of wealth and power. The future of humanity and the planet depends on replacing the logic of profit with the logic of sustainability and solidarity.

**f) Crisis of Identity Politics in Manipur**

The economic crisis has led to the mobilization of identity-based groups, with different ethnic groups competing for access to resources and power. The competition for resources has led to tensions between different ethnic groups, including the Meiteis, Kukis, Nagas etc. in Manipur. Subsequently the economic crisis has led to demands for greater autonomy and self-governance from various ethnic groups in Manipur in particular and in India in general. The crisis in Manipur is deeply rooted in identity politics shaped by history, ethnicity, land, and state power. Manipur is a multi-ethnic society primarily comprising the Meitei community in the Imphal Valley and various tribal communities mainly the Kuki-Zo and Naga groups in the surrounding hill areas. Colonial legacies, post-independence administrative arrangements, and uneven development have institutionalized ethnic distinctions, turning identity into a central axis of political mobilization. At the core of the conflict lies the intersection of ethnic identity and access to resources, especially land, political representation, and state protection. The valley-hill division has long produced competing perceptions of marginalization, Meiteis argue that demographic pressure, limited land in the valley, and migration threaten their cultural and economic security, while tribal communities fear loss of constitutional safeguards, land alienation, and erosion of their distinct identity. These anxieties are intensified by demands related to Scheduled Tribe status, land rights, and territorial autonomy. Identity politics in Manipur is further aggravated by weak governance and militarization. The state's inability to act as a neutral arbiter, coupled with selective enforcement of law, has eroded trust in institutions. Instead of addressing structural inequalities such as uneven development, unemployment, and lack of infrastructure the crisis has often been framed through ethnic narratives. Political actors and organizations mobilize communities by emphasizing historical grievances and cultural threats, which hardens boundaries and reduces space for dialogue.

## 7.2 Socio-economic formations:



### a) Primitive Communism

Primitive communism was the earliest socio-economic stage where people lived in small kin-based groups and shared resources collectively. There was no private property, and production was based on hunting, gathering, fishing, and shifting cultivation. Because survival depended on nature, cooperation, reciprocity, and equality dominated social life. Examples include the indigenous communities of the Andaman and Nicobar Islands and early societies in Africa and Southeast Asia. In Manipur, elements of primitive communism were reflected in: a) Loin-Lonba (Meiteis): communal agricultural labour. b) Morung (Nagas): youth dormitory for shared labour, training, and collective responsibilities. c) Hill tribes: practice of jhum cultivation and communal land ownership. These highlight collective labour, shared resources, and egalitarian relations in Manipur.

### b) Slave Society

A slave society is one where human beings are treated as property, forced into labour, and deprived of rights. The ruling class accumulates wealth from the unpaid labour of slaves. such as Ancient Rome, the transatlantic slave trade etc. Manipur did not develop into a full slave-owning system. Although war captives and temporary bonded labour existed, production was not dependent on slaves. Therefore this stage is not part of Manipur's historical development.

### c) Feudalism

Feudalism is a system where land is owned by kings and nobles, while peasants work in return for protection and must provide labor, produce, or rent. It is hierarchical and exploitative. such as Medieval Europe, Zamindari system in India etc.

### In Manipur (16th–19th centuries)

During those days there were many social divisions such as: a) Panna system: divisions of peasants assigned to serve the king. b) Noble clans e.g. Angom, Khuman, Moirang controlled large land areas. c) Forced labor, tribute, and military service were common in Manipur society. d) A clear hierarchy placed kings and nobles above peasants. This deeply shaped Manipur's social and political structure until colonial rule in those days.

### d) Capitalism

Capitalism is based on private ownership, wage labor, and production for profit. It encourages growth but also inequality in the society such as U.S. corporate economy, Bangladesh garment industry etc.

### **Colonial Capitalism in Manipur (19th century–1947)**

During those days British introduced tea/cotton plantations, resource extraction, taxation, and monetization. Railways and infrastructure also integrated Manipur into global markets.

### **Post-Colonial Capitalism (1947–present)**

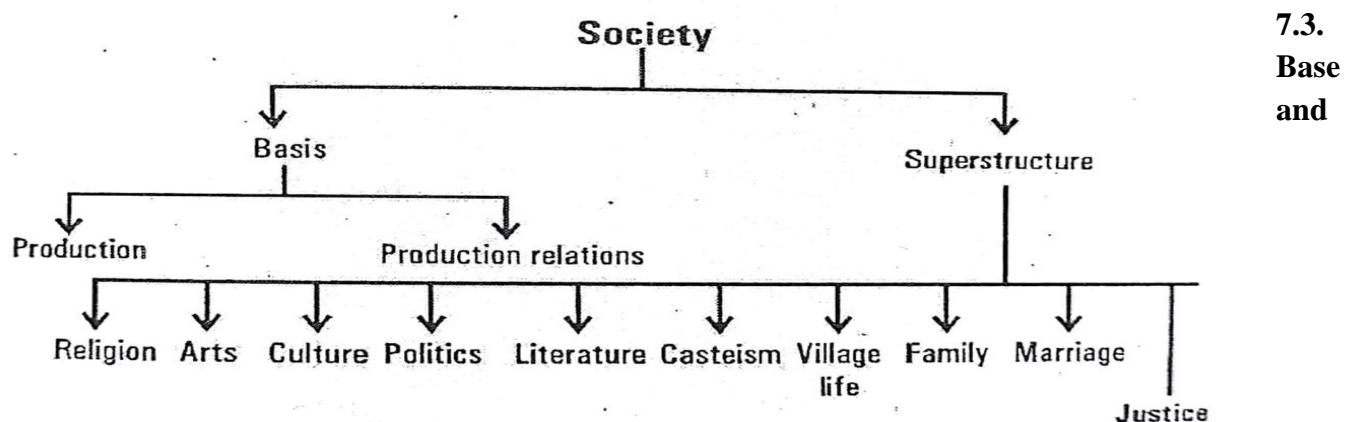
It encouraged urbanization especially Imphal, expansion of trade/services, and industrial initiatives so as growth of a middle class but also regional inequality and unemployment in Manipur.

#### **e) Communism**

Communism aims for collective/state ownership, elimination of private property, and production for social welfare such as former USSR, Kerala cooperative movement etc.

### **In Manipur (mid-20th century–present)**

In those days there were many social changes such: a) Emergence of revolutionary groups like UNLF (1964) and MPLF advocating equality and autonomy. b) Influence of leftist parties, unions, and student movements demanding land reform and workers' rights. c) Marxist ideas inform debates on inequality, identity, and political justice. The people of Manipur were indeed exposed to and influenced by ideas of communism and socialism, which shaped their socio-political landscape. Despite not achieving their desired goals, these ideologies left a lasting impact. Meanwhile, capitalism emerged in Manipur, driven by spontaneous societal changes. This shift reflects the complex interplay between traditional values and modern economic systems in the region. Manipur has experienced limited involvement of multinational companies in the course of its economic development. While the state does not host a significant direct presence of MNCs, India's expanding capitalist economy has attracted numerous global corporations, whose influence is felt indirectly in Manipur. Therefore, Manipur has been facing a high degree of uncertainty because of its economic system.



#### **superstructure:**

Every society consists of a base and a superstructure, each shaped by specific social relations. Lenin observed that Marx, by applying materialism to history, divided social relations into material relations and ideological relations, with the latter forming the superstructure built upon the former. Material relations refer mainly to the production relations that arise in the process of producing material goods. Ideological relations are political, legal, moral and others which are secondary and reflect the economic

base. The basis is the economic structure of society, the totality of its production relations. The superstructure includes: (a) social ideas, beliefs, and feelings; (b) institutions such as the state, courts, and religious organizations; (c) ideological relations. Together, these form the social consciousness and institutions arising from the economic base. The relationship between base and superstructure is dialectical, while the base shapes the superstructure, the latter can also influence the base. For example, in India, caste ideology has significantly affected economic relations.

In a capitalist society, the economic base is built on private ownership of the means of production, wage labor, and profit-making. However, it is to maintain and legitimize this unequal economic base, capitalism relies heavily on the superstructure. a) The state, law, education system, media, religion, and cultural function to protect private property and capitalist interests. b) Ideologies such as individualism, meritocracy, free market freedom, and nationalism are promoted to make exploitation appear natural or fair. c) Political democracy often exists formally, but real power is concentrated in the hands of the capitalist class. Thus, although capitalism is rooted in the economic base, it governs society mainly through the superstructure, using ideology and institutions to reproduce capitalist relations and suppress class consciousness. In a socialist society, the aim is to transform the economic base itself: a) the means of production are socially or collectively owned. b) Production is organized to meet social needs, not private profit. c) Exploitation of labor is abolished or progressively eliminated. Here, the base becomes the central focus because changing material conditions is seen as the key to transforming society. Once the base changes, the superstructure also begins to change. In socialism, the superstructure is derived from and subordinated to the new economic base, rather than dominating social life. Therefore, it is said that capitalist society moves toward the superstructure because it depends on ideology and institutions to justify inequality, while socialist society moves toward the base because it seeks to change the material foundation of society as the primary means of social transformation.

#### 7.4. Major finding of the study

a) **Socialism**

- i) Conscious effort is made to transform the base first.
- ii) Superstructure evolves to support and reflect the new material conditions.

b) **Capitalism**

- i) Economic exploitation is hidden and stabilized through a powerful superstructure.
- ii) Superstructure dominates to preserve the existing base.
- iii) Identity politics in Manipur is indeed linked to global capitalism. The state's complex history, diverse ethnic groups, and economic disparities have created fertile ground for identity-based mobilization. Global capitalism's impact on local economies and resources has exacerbated existing tensions, leading to conflicts over land, jobs, and political representation.

c) **Conflict Resolution Strategies**

- i) Inclusive Governance: Ensure representation and participation of all identity groups in decision-making.

- ii) Equitable Resource Distribution: Address economic disparities and ensure fair resource allocation.
- iii) Dialogue and Reconciliation: Foster dialogue among identity groups to address grievances and build trust.

d) **Defect of Capitalism in Manipur**

- i. Unequal Distribution of Wealth: Capitalist practices in Manipur benefit a small group of traders, contractors, and business elites, while the majority especially farmers, daily wage workers, and informal laborers remain economically insecure. This widens the gap between rich and poor.
- ii. Weak Industrial Base and Limited Employment: Capitalism in Manipur has not led to strong industrial development. Private investment is low due to poor infrastructure and instability, resulting in limited job creation and high unemployment among educated youth.
- iii. Exploitation of Labor: Workers in private enterprises, shops, and construction sectors often face low wages, long working hours, lack of job security, and absence of social protection. Labor laws are weakly enforced, allowing exploitation.
- iv. Concentration of Economic Power: Economic activities such as construction contracts, transport, trade, and supply of essential goods are dominated by a few powerful individuals or groups. This leads to monopolistic tendencies rather than healthy competition.
- v. Regional and Social Inequality: Capitalist development is concentrated mainly in urban areas like Imphal, while hill districts and rural areas remain underdeveloped. Marginalized communities gain little from market-driven growth.
- vi. Dependence on External Capital and Markets: Manipur depends heavily on goods, capital, and markets from outside the state. Local production is weak, making the economy vulnerable to price fluctuations, blockades, and supply disruptions.
- vii. Neglect of Agriculture and Traditional Economy: Capitalism prioritizes trade and services over agriculture and traditional livelihoods. Small farmers and artisans receive little investment, leading to declining productivity and rural distress.
- viii. Corruption and Rent-Seeking: Capitalism in Manipur often operates through political connections. Contracts and business opportunities are frequently influenced by corruption, favoritism, and rent-seeking rather than efficiency or innovation.
- ix. Social Tension and Conflict: Economic inequality, unemployment, and uneven development contribute to social unrest and identity-based conflicts, weakening social cohesion and long-term development.

e) **Challenges to socialist ideals in Manipur**

- i) Divided Focus: Identity-based mobilization can divert attention from class-based issues and socialist goals.
- ii) Fragmentation: Identity politics can fragment the working class, making it harder to build a unified socialist movement.
- iii) Co-optation: Identity-based parties or leaders may co-opt socialist rhetoric, diluting its impact.

iv) Identity politics in Manipur challenges socialist ideals by fragmenting the working class along ethnic and communal lines, prioritizing cultural and regional demands over unified struggles against economic exploitation.

Identity politics in Manipur can indeed create internal contradictions, particularly for marginalized groups within the same communities. When identity-based mobilization prioritizes group interests over broader social justice. However, some argue that identity politics can also be a means to address specific group-based injustices and inequalities, potentially aligning with socialist goals.

## 7.5. Varieties of Capitalism

### Kinds of capitalism



#### a) Oligarchic Capitalism

Oligarchic capitalism is a system where a small elite controls both economic and political power. These oligarchs restrict competition, use wealth to influence politicians, and shape markets for their benefit. As citizens lose the ability to challenge elite rule, democracy weakens. Examples include Russia and Ukraine, where post-Soviet privatization allowed a few individuals to capture major industries. Some analysts argue that the U.S. is also drifting toward oligarchy as giant corporations gain growing influence. Strictly speaking, Manipur does not have oligarchic capitalism with mega-corporate oligarchs dominating the economy.

#### b) Corporate Capitalism

Corporate capitalism is dominated by large companies whose size and resources allow them to control markets. Unlike oligarchs /individual elites, corporations are owned by many shareholders, yet they often engage in anti-competitive behavior, political lobbying, and forming monopolies sometimes called crony capitalism. Examples include Facebook's dominance of social media, and conglomerates like Toyota and Samsung that operate across multiple sectors. There is some presence of corporate capitalism and corporate-style business activity in Manipur, but it is limited and very different from what we have seen in more industrialized Indian states like Maharashtra, Gujarat or Karnataka. The state's economic structure is mostly small-scale, informal, and driven by local entrepreneurs, with only emerging participation by larger corporate entities.

#### c) State-Guided Capitalism

In state-guided capitalism, the government directs major parts of the economy through regulation and state-owned enterprises. The aim may be development or public welfare, though excessive control can resemble bureaucratic oligarchy. This is different from socialism, as private business still plays a central role. China is a leading example, with the state owning a significant share of national industries. Elements of State-Guided Capitalism do exist, including in India generally and in Manipur in a limited, peripheral form, though it is weak and uneven compared to classic models like China or South Korea.

## d) Entrepreneurial Capitalism

Entrepreneurial capitalism is driven by small businesses and individual innovators, representing the earliest and most decentralized form of capitalism. It prevents monopolies but lacks the efficiency of large-scale production. Over time, successful entrepreneurs grow and absorb competitors, naturally leading to corporate capitalism unless the state intervenes ironically pushing the system toward state-guided capitalism. Manipur does have examples of entrepreneurial capitalism, with individuals, startups, government support programs, and local business ecosystems all contributing to entrepreneurship and economic activity in the state.

## e) Laissez-Faire Capitalism

Laissez-faire capitalism calls for minimal government involvement, assuming free markets will self-regulate. However, without intervention, competition often declines as companies merge and form monopolies. This creates a paradox, avoiding state intervention eventually requires state action to restore fair competition. Manipur does not have a laissez-faire capitalist economy in any pure or meaningful sense. Its economy is shaped by a mix of traditional markets, government intervention, limited private enterprise, heavy dependence on central government funds, and structural constraints rather than a free-market system where laissez-faire principles dominate.

## f) Welfare State Capitalism

Welfare state capitalism combines market competition with government redistribution. The state taxes profits and provides services such as healthcare, education, and unemployment support to reduce inequality. Scandinavian countries like Sweden, Norway, and Finland are strong examples, whereas in the U.S., the model is debated due to concerns about high taxation. Manipur does have welfare-oriented government programs, but it is important to understand how this fits and doesn't fit with the idea of welfare state capitalism.

Likewise capitalism exists in multiple forms, from time to time ranging from strong state involvement to minimal intervention, and from concentrated private power to decentralized markets. Understanding these variations helps clarify debates about how capitalism works and how it can be reformed. In Manipur, capitalism has not developed in a productive or inclusive form. Instead of generating broad-based growth, it has intensified inequality, unemployment, and dependency. Without strong state regulation, social welfare measures, and support for local production, capitalism remains distorted and underdeveloped in Manipur in particular and in India in general.

## 8. Conclusion

Modern society remains distant from transformative or revolutionary change due to fragmented social movements, weak organization, and the dominance of neoliberal ideology. By normalizing competition, individualism, and market-based solutions, neoliberalism has eroded collective consciousness and weakened unified struggles for systemic change. However, rising global discontent driven by inequality, unemployment, ecological destruction, militarization, and widespread precarity signals a deep structural crisis in global capitalism. This crisis emerges from capitalism's internal contradictions, including overproduction, financial speculation, uneven development, and its failure to meet the basic needs of the majority. These failures point to the need for a new socio-economic order based on democratic planning,

collective ownership, and cooperative production. Within this global framework, Manipur represents a distinctive case shaped by identity, ethnicity, geography, and globalization. While globalization and external capital have improved infrastructure and connectivity, they have also intensified resource extraction, weakened traditional economies, and increased the vulnerability of indigenous communities. Development projects frequently cause displacement, land alienation, environmental degradation, and cultural erosion. These economic pressures intersect with ethnic identity politics among Meitei, Kuki-Zomi, and Naga communities, deepening conflicts over land, autonomy, and representation. Addressing these challenges requires participatory, ecologically sustainable, and socially just development supported by inclusive governance.

Historically, Manipur has passed through several socio-economic formations, from primitive communism with collective land ownership to feudal monarchy, colonial integration into imperial markets, and post-independence capitalist development. Although left-oriented movements influenced political consciousness and social struggles, a communist mode of production did not emerge due to certain reasons of the global capitalism and identity base politics in Manipur in particular and in India in general. From a historical materialist perspective, transitions between socio-economic formations occur through democratic struggle but not revolution, emphasizing the central role of collective action and political awareness in achieving meaningful social transformation. Some political scientists argue that global capitalism must be abolished on Earth, as it prioritizes profit over people and nature. They warn that if it continues unchecked, humanity's future will be threatened by inequality, ecological destruction, and recurring crises endlessly.

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