The days are gone when many scholars including Economists used to believe that crime studies do not fall under the domain of Economics. Rather, with the range of Economics touching almost every field of studies, crime studies too have captured an immense interest during the last few decades. The present study of Economics of cannabis forms an important aspect of such emerging areas of research. The Narcotic Drugs and Psychoactive Substances Act, 1985 prohibits the consumption, sale and cultivation of ganja. Despite its prohibition, the cultivation of ganja has been a significant economic activity in the Ukhrul district of Manipur for quite a few decades. Within development studies, literature and evidences show that there is a close association between production of illegal drugs and underdevelopment. In the present case, while cultivators’ preference to remain criminals poses an open challenge to the operation of the law prohibiting it, the issue of production gets complex as it relates to the livelihood of the people. At the backdrop of the given background, it becomes a prime necessity to evaluate the ground realities of the issues so as to identify the nature and extent of the problem.

Review of literature shows several reasons being put forward as to why drugs are prohibited with its main focus pointing to health concerns. The different theories of the illegal drug markets too have given challenging notion of rationality in many ways. The nature and organisational set up of a drug market depends on the prevailing culture, skills and ideology of the market participants and also on the milieu in which trade takes place. Moreover the never ending debate between the existing policy of prohibition and legalisation goes unabated with the anti-prohibitionists arguing for alternative policies of non-prohibition. Though drugs’ association with cultures, traditions and religions since time immemorial is acknowledgeable, drug trafficking, nevertheless poses as an undeniable threat to all nations.
Objectives of the study

➢ To portray the economic features of ganja cultivation and its participants.
➢ To evaluate the motivations of ganja cultivators and their justifications for engaging in its cultivation.
➢ To study the intensity of cultivation and production of ganja.
➢ To estimate generation of income through ganja cultivation.
➢ To investigate the marketing system of ganja products.
➢ To examine the nature of drug law enforcement activities.

The study is confined only to Ukhrul District. The study is based mainly on primary data. The field study took place in 2012 in one of the biggest villages in Ukhrul district, Manipur. Using snowball sampling one hundred and ten ganja cultivators including thirty three women were interviewed. Data relating to the activities of the law enforcement agencies simultaneously collected during the period of research (i.e. 2009 – 2013) forms the secondary data.

The study results show that in the area where ganja cultivation takes place, the economic condition is precarious and backward with poor road connectivity and non accessibility to markets. Both the level of income of the respondents and their households from legal sources are found low with a larger proportion of big-sized family falling in the lowest income groups and the main economic activity being cultivation work. Moreover, the people have access to a limited standard of basic amenities and with no medical facilities. Given such condition, cultivators engage in cultivation of ganja because they find it as the only commercial product that promises cash.
The study also shows the main economic features of ganja cultivation and its cultivators. Subsistence economy still exists to a great extent where respondents grow agricultural crops only for domestic consumption and not for sale. Ganja, which is labour-intensive, one year durational crop, is grown as the sole commercial crop. However, its production is not meant for domestic consumption and cultivators are not abusers of it. Cultivation is done only in public land. Other than using chemical fertilizers, the mode of cultivation still depends on outmoded and traditional ways and techniques. Majority of the cultivators use self and family labour, with barter system of labour very common among them.

It is found that cultivators resort to this illegal venture as a means of survival, given the poor road connectivity, no market access and non-availability of better opportunities for livelihood. In fact, poverty, unemployment and lack of development account for the reasons of the cultivators to remain criminals (in the sense of cultivators of an illegal plant) creating a situation where the issue of morality is compromised by the compulsion of livelihood.

The study not only indicates a strong positive relationship between the level of income from ganja and the level of household income, but also one sample $t$-test shows ganja cultivation constituting a dominant source of income for the cultivators’ households. Both the results are statistically highly significant.

The present study also focuses on the intensity of cultivation of ganja of the respondents. To determine the intensity of cultivation of ganja in more realistic measure, a composite index consisting of 6 related variables is computed. It shows that there exists a positive relationship between the level
of income of the households and the intensity of ganja cultivation, i.e., higher income groups having more capacity to invest on labour and other inputs.

The organisational set up of a local ganja market is found to be simple and open with its trade carried out smoothly in the village itself with the intermediaries working in between the buyers and the sellers. It is found that, though price and demand of ganja products fluctuate, there exists no difficulty in transacting ganja products in the local market. However, it is believed that the lion’s share of profit from ganja cultivation is appropriated by the higher dealers or other groups, with only a marginal share of revenue going to the cultivators. Moreover, cultivators are vulnerable to certain risks: law enforcement related risks, health risks including morality and conscience risks. So the lack of capital to invest in the business and the associated risks of trafficking and business make the returns higher for the higher dealers in the entire network of the business.

Evidences showing law enforcers and politicians being involved in illegal drug trafficking deactivates and paralyses the whole system of drug law enforcement policies in the region. With the law enforcing agencies acting as the protecting agent of the ganja cultivation and trade too, only traffickers who could afford to buy protection prosper in the illegal business. Indeed, corruption serves as the ultimate engine of continued ganja trade.

Measures to eradicate illegal drug production taken up by law enforcing agencies include raiding houses of producers, arrests, seizures and incarceration, etc. However, the accountability of the existing legal and judicial system of the land has been questioned as it is found that ganja related arrestees are all found released within less than three months, even though, the crime is a non-bailable offence. Moreover, law enforcement activities are also found violating the fundamental human rights of the ganja related offenders.