



# Bordering on Happiness

*An Assessment of  
Socio-Economic  
Impacts of Bangladesh-  
India Border Haats*







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Published by



D-217, Bhaskar Marg, Bani Park, Jaipur 302016, India  
Tel: +91.141.2282821, Fax: +91.141.2282485  
Email: [cuts@cuts.org](mailto:cuts@cuts.org), Web site: [www.cuts-international.org](http://www.cuts-international.org)

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ISBN 978-81-8257-272-7

Printed in India by MS Printer, Jaipur

#1901, Suggested Contribution ₹250/US\$25

# Contents

	<i>Abbreviations</i>	7
	<i>Contributors</i>	9
	<i>Acknowledgements</i>	11
	<i>Preface</i>	13
	<i>Executive Summary</i>	15
Chapter 1	Introduction	31
	Locations of the Border Haat	33
	Objectives and Purposes	34
	Economic Impacts of the Border Haat	34
Chapter 2	Border Markets: Insights from around the Globe	36
	Definition of Cross border Trade	36
	Benefits of Cross-border Trade	37
	Barriers to Cross-border Trade	38
	Cross Border Trade Around the World	41
Chapter 3	Insights on Livelihood	50
	Impact of the Border Haat on Daily Livelihood	50
	Impact of the Border Haat on Profits and Re-investment	54
	Impact of the Border Haat on Total Income	56
	Influence of Primary Occupation on Engagement at the Border Haat	61
	Influence of Socio-economic Status on Engagement at the Border Haat	63
	Status of Participation of vendors and vendees at the Border Haat	66
	Influence of Ease of Location Access on Engagement at the Border Haat	68
Chapter 4	Insights on Safety and Informal Trade	71
	Status of Law and Order at the Border Haat	71
	Status of Security Personnel at the Border Haat	73
	Impact of the Border Haat on Local Informal Trade	73
Chapter 5	Insights on Gender Aspects	76
	Status of Gender Representation at the Border Haat	76
	Status of Gender Specific Profits at the Border Haat	79

	Influence of Educational Qualifications on Income at the Border Haat	81
	Status of Women Participation at the Border Haat	82
	Status of Women Participation When Issuing Vendor Cards	84
	Status of Spending Pattern of Profits from the Border Haat	86
	Status of Spending Priorities of Female and Male Vendors	87
	Status of Decision Making Regarding Income from the Border Haat	88
	Enhancing Female Participation at the Border Haat	90
Chapter 6	Insights on Items, Regulations and Procedures	92
	Status of Awareness among Vendors about the Item List at the Border Haat	93
	Status of Vendor Decisions Regarding Items for Sale at the Border Haat	96
	Status of Most Profitable Items Sold at the Border Haat	98
	Status of Need to Alter Item List for the Border Haat	102
	Status of Vendor Interaction with officials at the Border Haat	102
	Impact of Socio-economic Status on Vendor Interaction with officials at the Border Haat	103
	Status of Addressal of Procedural Issues at the Border Haat	103
	Status of Informal Mechanisms for Addressing Problems at the Border Haat	106
	Status of Ease of Conducting Trade at the Border Haat	108
Chapter 7	Insights on Infrastructure	111
	Status of Various Physical Infrastructures at the Border Haat	116
	Recommendations	117
Chapter 8	Positive Outcomes	119
	Impact of the Border Haat on People – to – People Connectivity	119
	Impact of the Border Haat on Local Physical Infrastructure and Connectivity	122
	Importance of the Border Haat in presence of Alternate Formal Trade Channels	122
	Initiatives by Governments on Improving the Border Haat Mechanism	124
Chapter 9	Conclusion and Policy Recommendations	126
	Glimpses of Border Haat Captured during Field Visits by CUTS	137
	References	144
	Endnotes	145

## List of Tables and Charts

### Tables

Table 3.1: The direct impact of Border haats on Income of vendors (India and Bangladesh)	51
Table 3.2: Responses of transporters on their business on haat days	60
Table 3.3: Responses of transporters on their business on non-haat days	60
Table 3.4: Occupation wise average of border haat investments and corresponding profits of the vendors	61
Table 3.5: Source of goods for sale at the border haats and their impact on border haat earnings	62
Table 3.6: Cost components for vendors at border haats versus costs of selling in Local Markets	62
Table: 3.7: Observations on the actual responses of high income earners at the border haat	64
Table 3.8: Mode of transport to Border haat for goods of vendors	69
Table 3.9: Mode of transport to other local markets for Vendors	69
Table 3.10: Modes of Transport availed by vendees to reach border haats	70
Table 5.1: Gender specific average income/profit from border haat and Non-Haat and the respective shares as a percentage of total income (Balat, Meghalaya, India)	80
Table 5.2: Classification of Income bands according to Gender across India haats	80
Table 5.3: Gender – wise education level and border haat Profit margins (India side)	82
Table 5.4: Spending patterns and its impact on average expenditure heads	89
Table 6.1: Containing list of items in each haat on both sides	93
Table 6.2 Major items sold at border haats in Bangladesh and in India and their corresponding profitability	99
Table 6.3: Border haats in India: major problematic issues at each haat and frequency of BHMC meetings to address them	105
Table 6.4: Border haats in Bangladesh: major problematic issues at each haat and frequency of BHMC meetings to address them	106
Table 7.1: Infrastructure: Srinagar (India) – Chagalnaiya (Bangladesh)	112
Table 7.2: Infrastructure: Kamalasagar (India) – Kasba (Bangladesh)	113
Table 7.3: Infrastructure: Kalaichar (India) – Kurigram (Bangladesh)	114
Table 7.4: Infrastructure: Balat (India) – Sunamganj (Bangladesh)	115
Table 7.5: Infrastructure: At a glance	116

Table 8.1 Perceptions of Indian stakeholders about people from Bangladesh	121
Table 8.2 Perceptions of Bangladesh stakeholders about people from India	122
Table 9.1: List of some functional and proposed border haats on India-Bangladesh border	127
Table 9.2: Income of Labourers	128
Table 9.3: Income of Transporters	129
Table 9.4: Occupation-wise average of border haat investments and corresponding profits of the vendors	130

## Charts

Chart 3.1: Income of vendors (India)	52
Chart 3.2: Income of vendors (Bangladesh)	52
Chart 3.3: Percentage of Border haat income as a share of total income for the Vendors	57
Chart 3.4: Percentage of border haat income as a share of total monthly income of Labourers	59
Chart 3.5: Percentage of Profit (India and Bangladesh)	63
Chart 3.6: Average border haat profit in relation to the education level	65
Chart 3.7: Average non-haat income in relation to the education level	66
Chart 5.1: Indian respondents (by type and gender)	77
Chart 5.2: Bangladeshi respondents (by type and Gender)	78
Chart 5.3: Spending pattern on total income (India side Vendors)	87
Chart 5.4: Spending Pattern on Total Income (Bangladesh side Male vendors)	88
Chart 5.5: Decision makers on haat income expenditure (India and Bangladesh side Vendors)	88

## Abbreviations

ASEAN:	Association of Southeast Asian Nations
BH:	border haat(s)
BDT:	Bangladeshi Taka
BHMC:	border haat Management Committee
BSTI:	Bangladesh Standards and Testing Institution
CUTS:	Consumer Unity & Trust Society
FDI:	Foreign Direct Investment
FSSAI:	Food Safety and Standards Authority of India
FTA:	Free Trade Agreement
GDP:	Gross Domestic Product
GMP:	Good Manufacturing Practice
GST:	Goods and Services Tax
INR:	Indian Rupees
JBHMC:	Joint border haat Management Committee
MOU:	Memorandum of Understanding
NTM:	Non-tariff Measure
SAARC:	South Asian Association for Regional Cooperation
SAFTA:	South Asian Free Trade Area
SARSO:	South Asian Regional Standards Organization
SPS:	Sanitary and Phytosanitary
TBT:	Technical Barriers to Trade
TR:	Technical Requirement
US\$:	United States Dollar
UNCTAD:	United Nations Conference on Trade and Development
VAT:	Value Added Tax
WHO:	World Health Organization
WITS:	World Integrated Trade Solution

*The exchange rates used in the report: 1US\$ = INR70; 1US\$ = BDT84 and 1INR = BDT1.20*



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## Acknowledgments

This publication is the result of an extensive study on 'border haats' that have been set up along the border between the north-eastern part of India and Bangladesh, by the governments of the two countries since 2010. The study, supported by the World Bank, has been carried out by CUTS International in partnership with Unnayan Shamannay, Bangladesh.

The work involved extensive fieldwork carried out on the basis of a questionnaire survey that engaged the research team in interacting with approximately 400 respondents for the purpose of gathering data on various aspects of activities in and around these border haats.

Therefore, at the outset, we would like to extend deep gratitude to all the respondents who shared their views, perceptions, opinions, problems, difficulties and stories with our study team. Without their contribution, the study would not have had the raw material for investigation and analysis. We cannot thank them enough.

We are very grateful to the World Bank who provided support and intense involvement in conceptualising and executing this study. However, all opinions expressed in the report are solely those of CUTS.

Many subject experts and renowned policy champions have made their valuable suggestions. We offer our sincere thanks to all of them. They are:

- Bandhana Deori, Commissioner of Customs (Preventive), North East Region, Shillong, Department of Revenue, Government of India
- Bhupinder Singh Bhalla, Joint Secretary (SAARC/South Asia), Department of Customs, Ministry of Commerce and Industry, Government of India
- Mohini Datt, Operations Officer, South Asia, Regional Integration, World Bank
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- Shakti Sinha, Chairman, South Asian Institute for Strategic Affairs

- Md. Shafiqul Islam, Additional Secretary, Ministry of Commerce, Government of Bangladesh
  - Md Waliur Rahman, Director (South Asia-2), Ministry of Foreign Affairs, Government of Bangladesh
  - A K Enamul Haque, Professor, East West University, Dhaka, Bangladesh
  - Shirin Akhter, Member of Parliament, Bangladesh
  - Pratim Ranjan Bose, Chief of Bureau, The Hindu - Business Line
  - Szarita Laitphlang, Vice Chairperson, Meghalaya Resource and Employment Generation Council, Shillong, Meghalaya
  - Subir Bhounmik, South Asia Correspondent & Senior Editor, BD News
  - K N Syiem, Acting Syiem Bhowal Syiemship, Mawpen Village, East khasi Hill, Meghalaya
  - Winfred Warshong, Deputy Director, Directorate of Commerce & Industries, Government of Meghalaya
  - Sujit Chakraborty, Bureau Chief, Indo-Asian News Service (IANS), Agartala
  - District Magistrate and Collector, Belonia, South Tripura
  - Additional District Magistrate, Sepahijala District, Bishramganj, Tripura
  - Inspector General, Border Security Force, Meghalaya Frontier
  - Inspector General, Border Security Force, Tripura Frontier
- We also thank our colleagues at CUTS Calcutta Resource Centre who contributed to this project. The editing of this book is carried out by Aparajita Gupta, proofreading and layout by Madhuri Vasnani and Rajkumar Trivedi. We thank all of them.
- Many other names deserve special mention but prefer anonymity. We thank them all for their support. Finally, any error that may have remained is solely ours.

Project Team  
CUTS International

## Preface



Bipul Chatterjee  
Executive Director  
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The border *haats* (border markets) were envisaged by the governments of India and Bangladesh as an instrument primarily to generate livelihood for people at the border areas of the two countries that are marred with limited access to development. The *Haats* are also expected to channelise a part of the informal trade that thrives along the borders of the two countries, viz, India and Bangladesh.

Four such *haats* are presently in operation at the India-Bangladesh border: two in Meghalaya (India)-Rangpur/Sylhet (Bangladesh) sub-region and the other two in Tripura (India)-Chittagong (Bangladesh) sub-region. These four *haats* have been reported to register a trade figure of Rs 17 crore in the last five years. The achievement of these *Haats* has also been acknowledged by the India-Bangladesh Joint Committee on border *haats* in its first meeting in Agartala, Tripura in July 2018.

CUTS, together with Unnayan Shamannay, our partner in Bangladesh, and with the support of the World Bank, has undertaken a study of border *haats* in order to understand and examine their effects on poverty alleviation through income and employment generation and other multiplier effects including the formalisation of informal trade. The study also seeks to comprehend the gender implications of border *haats*.

This study involved several visits to all four *haats*, in course of which attempts were made to gather insights into various aspects of activities in and

around those *haats* through interactions and conversations with different stakeholders: vendors, vendees, transporters, labourers, officials, opinion leaders, villagers and residents on both sides of the border. A comprehensive questionnaire survey was done, covering approximately 400 respondents to gather data and information on the economic, social and political impact of *haats*. This survey was complemented by a video recording of various facets of border *haat* trade. The study team encountered several families and relations who got separated as a result of the fencing along the border. The border *haats* offered them an opportunity to meet up after years of estrangement and renew their bonds and friendships. One wonders if there is a better way of strengthening ties between two countries! Indeed, border *haats* have impacted beyond economic and trade relations.

Our study has clearly shown that border *haats* have cast a positive impact on the standards of living of the local people. By offering income generation and enhancement opportunities to several categories of stakeholders, they have contributed to poverty alleviation in the area. Besides, people-to-people connectivity, cross-border relations and security needs have been addressed, alongside lowering of informal trade.

Border security officials have also confirmed that bootleg informal trade has been arrested to a

large extent in those locations. The informal vendors in Kalaichar has taken refuge to the formal route, while the volume of informal trade carried out in the nearby places of Mahendraganj and Dalu (there are no *haats* in these places) remains high, the CUTS study has found.

In this context, it is important to mention that it is only in the course of implementation of various policies and plans, that inadequacies and loopholes in rules and regulations get highlighted. This study on border haats has been able to bring to the forefront several managerial deficiencies and infrastructural inadequacies which need to be addressed even as the governments of India and Bangladesh decides on the establishment of more such haats.

A major area of improvement pertains to infrastructure. When a haat is established in an area which is prone to climatic hazards like excessive rainfall or floods, one should consider the creation of concrete vending platforms and adequate shelters for various stakeholders to seek refuge. Other areas of infrastructural development that could contribute to better functioning of the haats include electrical connectivity, improved approach roads, availability of water, particularly drinking water and properly functioning toilets. One ought to bear in mind that families from both sides of the border come to the haats not only for economic business but also to socialise and meet up with family and friends.

While improved infrastructural facilities can boost efficiency in the conduct of business at haats, they can also increase women participation. One could, in this regard, think of institutional arrangements

towards providing financial assistance or loans to women vendors. Encouraging women representation in the border haat Management Committee and also in the informal committees of vendors that handle disputes and grievances at haats, could augment women participation. Mandating the inclusion of a specific number of women vendors in the list of vendors could also help in this regard.

Given the general ethos of trade facilitation that is visible today, the institutionalisation of cross-border transactions trade through such instruments as border haats is a welcome initiative by governments of India and Bangladesh. This study has highlighted findings from the ground for policymakers in both countries to take note of. It acquires added relevance at a time when the governments of both countries are poised to establish many more border haats along the India-Bangladesh border. For people living in the remote border areas with low indices of human and economic development, this disposition of governments is one that brings to them hope and the promise of a better future.

In conclusion, I thank the World Bank for supporting this project and Unnayan Shamannay for partnering with us in carrying it out. I would like to reiterate that all opinions expressed in the report are solely those of CUTS. I thank my colleagues who executed it on the ground. We look forward to making further contributions to future policy discourse on this subject.

## Executive Summary

India shares with Bangladesh 4,100 kilometres of the border and, thus, there is immense potential for tapping and enhancing bilateral trade relations. In fact, Bangladesh is India's biggest trade partner in South Asia; and ranks 26<sup>th</sup> among all of the Indian trading partners. The Governments of the two countries had initiated the idea of border haats (local markets) along the Indo-Bangladesh border with the objective of helping people living in border areas to market their local produce and also as a confidence-building measure among the citizens of the two countries. The commodities were, therefore, specified but the Governments are flexible with regard to the expansion of the list of items, which can be traded in these places. On the whole, the experience of the existing border haats – in the Tripura-Chittagong and Meghalaya-Rangpur/Sylhet regions – has been positive.

### Livelihood Issues

border haats have directly impacted income generation for all the participating stakeholders (especially vendors). It has not only given rise to new vocations of work in the interiors but has also created new opportunities for people to engage themselves with cross-border trade in the capacity of labourers, transporters, etc. Trading in border haats generally allows three to four labourers/staff/helpers for each of the 25 officially authorised vendors from either side. This results in the participation of at least 200 people from both sides of the border in each of the border haats. In addition to these people who are largely attached with the sellers, there are also vendees who get involved in such trade not just for self-consumption but for securing an income by selling goods purchased at the Haats, in other places outside.

It is to be noted that the border haats, which are held once a week at present, have not stood in the way of vendors so far as their participation in other economic engagements is concerned. Thus, the direct impact of the border haats on vendors can be estimated by differentiating the present income from Haats and other sources) and the previous income that used to accrue exclusively from their other engagements.

Our field survey records that profit from their engagement with trading in border haats constitutes 73 per cent of the average monthly income of the Indian vendors. This explains the growing demand for vendor cards on the Indian side of the border. Looking at the income figures of the vendors prior to the commencement of the Haats and after the commencement of such trade, we find that the average growth rate of the income of these Indian vendors is nearly 300 per cent, with the maximum increase being noticed in the case of the vendors of Srinagar Haat in Tripura. This can be explained by less regulation and official intervention on the part of officials in Srinagar, an increasing demand for Indian products and supply to match. Indian vendors have also been found to trade in bulk quantities, particularly with regard to cosmetics and toiletries, spices, baby food, and vegetables and fruits.

It is clear that on the whole other income of Bangladeshi vendors is much higher than that of the Indian vendors. Our fieldwork experience corroborates that people on the Bangladeshi side are prosperous and display higher average purchasing capacities than their Indian counterparts. border haats are a supplementary source of income for Bangladesh vendors. However, for vendors in Kurigram, Bangladesh (corresponding to Kalaichar in Meghalaya, India) a little under half of their total monthly income comes from profits they make at this border haat.

On the other hand, for those in Sunamganj (corresponding to Balat in Meghalaya, India), the Haat provides a little over a third of their monthly income. This may be explained by the fact that the Bangladeshi vendors mostly sell melamine (bowls, dishes, etc.), plastic items (tables, chairs, etc.), vegetables, fruits, and processed food items for which there is a great demand among Indian vendees who buy those products not only for their domestic consumption but also for sale in local/nearby markets and even in distant Shillong with lucrative profit margins. It may be noted that the percentage share of profit from trading in border haats in their total monthly income is greater in case of vendors of Baliamari haat in Bangladesh compared to other Haats bordering Tripura in India.

On the question of whether vendors are keen to re-invest their profits from trading in border haats for further expansion of their business, it is found that in Tripura, vendors generally re-invest such profit towards the expansion of their business in border haats. In fact, some of the 'vendors' in the Srinagar area seem to be keen on re-investment as much as possible because they are confident about having their vendor cards renewed upon expiry of their existing validity.

It seems that vendor cards are more readily available to those who can pursue the right channels and exert influence upon the issuing authorities and also have the ability to carry out a business all year round. The keenness to secure vendorship in future Haats cannot be de-linked from their inclination to re-invest their profit from trading in border haats so that they can expand their business in border haats. It is also apparent that they are beginning to look at border haats as a possible permanent source of income in the future.

Therefore, it is evident that the hope for the renewal of vendorship acts as a definite incentive for re-investment to augment business at the border haats. This element of apprehension on the part of the vendors is not altogether unfounded. For instance, women vendors at Balat had been insisting on more vendorship in favour of women and they were ultimately able to prevail upon members of the informal committee to include

more women vendors. On the basis of inputs from the informal committee, the local administration of Balat (Meghalaya, India) has shuffled the vendors' list as recent as April 2016 to incorporate more women vendors. As a result, 12 out of the 25 authorised vendors in this Haat are women. In the process, some of the male vendors had to face termination of their vendorship.

On the Bangladesh side of Chagga naiya and Kasba (corresponding to border haats in Tripura, India), vendors seem to re-invest more on business other than border haats as the Haats continue to be a secondary source of income. In general, this is because of less demand for Bangladeshi goods on the part of Indian vendees and possibly because of comparatively less purchasing power of the Indian vendees. Bangladeshi vendors display a clear lack of enthusiasm about expanding their business for trading in border haats.

Our survey also reveals that vendors who have agriculture as their primary occupation can sometimes earn profits as high as 50 per cent from their trading in border haats. By contrast, local vendors who sell non-agricultural commodities like cosmetics and other consumer goods mostly function as middlemen, buying goods from different places and then putting them up for sales at the Haats. In such cases, profit margins are less. These vendors, therefore, try to increase their profit margins by increasing the quantum of goods for trading at the Haats — buying in bulk and selling wholesale because demand for these consumer goods never seem to deteriorate.

Our finding that there is no correlation between formal educational achievement and successful business stories at the Haats perhaps holds an implication for policy-makers. In this part of the world, where means to afford formal education are often unavailable with major segments of the population, particularly those living in remote areas, poverty alleviation is a major concern of governments. Perhaps, more people can be encouraged to participate in income-generating activities like trading in border haats and the government can even contemplate supportive measures and institutions to build their capacity to participate in such trade more meaningfully.

So far as the percentage share of income from border haats in the total monthly income of the labourers is concerned, Indian labourers seem to benefit more from participation in such trade. The highest paid labourers are seen to belong to the Kalaichar-Baliamari region, particularly because of the demand for labour-intensive work there. For example, the last 200 meters of the approach to the border haat at Kalaichar is undulating and rough terrain, without cement or concrete, making it difficult even for hand-carts to traverse. This necessitates substantial loads to be carried on the heads of labourers.

Baliamari Haat, on the other hand, is a flood-prone region with activities getting hampered during monsoon season. The existence of waterways makes transportation difficult and goods are often carried on boats. Thus, the wage rates are understandably high in Baliamari where the share of labourers income from the Haat goes up to 27 per cent of their total monthly income. This is in contrast to Chhagalnaiya and Sunamganj, where such income share hovers over 16-19 per cent of their total monthly income.

As far as the participation rate in the border haats is concerned, most of the vendors on the Indian side are found to be quite regular. The basic motivation behind such regular participation is the prospect for earning substantial profits from such trade, which sometimes exceeds their other income. It may be recalled that vendors in Bangladesh reap a substantial income from other sources and, in general, they are less participative than their Indian counterparts. However, in Chhagalnaiya and Sunamganj, vendors were found to be more participative and regular than at other border haats in Bangladesh. This regularity may be attributed to better infrastructural conditions like easy access to the border haats and better transportation facilities.

For the vendees, 37 out of the 60 interviewed on the Indian side regularly visited the Haats. They are mostly from Balat (corresponding to Sunamganj, Bangladesh) and Srinagar (corresponding to Chhagalnaiya, Bangladesh), where certain Bangladeshi goods are in great demand. The average distance covered by these vendees to reach the Haat premises is 2.7 Kms

from their residences. Of the rest, ten vendees attend the Haat, twice a month, and they have to cover an average distance of 11.9 Kms. These vendees are mostly from Kamalasagar and Kalaichar, respectively in Tripura and Meghalaya.

The trend of irregular participation is mainly visible at the Kamalasagar Haat, which is only 24 Kms away from Agartala, the state capital of Tripura. The local folk are mostly tribals and poor, and their generally low purchasing power explains their irregular visits to the Haats. Also, in view of the proximity to the state capital, one can understand the motley crowd that can be witnessed at the Kamalasagar Haat.

Apart from the regular stakeholders, occasional visitors also flow in from Agartala and as such the local vendees are not the only vendees. In the Meghalaya Haats, vendees also come not only for self-consumption but also often as vendors, buying at the Haat for sale in other places with the prospect of reaping good profit margins. Distance by itself is not a sufficient deterrent to regular participation on the part of vendees. Two significant policy implications follow: first, the stipulation of residence within the proximity of five kilometres radius of the border haats should be withdrawn in case of vendees; second, infrastructural facilities like improvement of roads and approaches to the Haats and other facilities at the Haats, like washrooms and restrooms, ought to be looked into.

In the case of Bangladesh, we also notice that a substantial number of vendees travel distances well beyond 5 Kms to reach the border haats. Since in many of the Bangladeshi Haats, both vendors and vendees have drawn attention to hazardous journeys in flood-prone areas and because of the presence of water bodies, infrastructural facilities at those Haats need to be looked into with urgency and vigour.

## Issue of Security and Informal Trade

A number of stakeholders have drawn attention to cases of shoplifting and theft of goods within the Haat premises. This complaint has come mainly from the vendors and the labourers. Vendors from both India and Bangladesh seem to suggest that

often a large quantity of goods is handled by individual vendors stationed in their respective enclosures. During busy hours, when vendees crowd around a particular Haat in large numbers, it becomes very difficult to detect cases of shoplifting and this is becoming a recurrent problem at the border haats.

However, the Haat officials, particularly the Indian Border Security Force (BSF) personnel, who are responsible for monitoring and managing activities at the border haats have confirmed that as yet they have not encountered any major legal offence, nor any disruption of the prevailing order. They inform that in case of petty offences, the usual practice is to hand over the miscreant to the local police for necessary action. However, the Haat officials and BSF personnel are also drawing attention to the increasing volume of business at the border haats, in view of which they suggest that more personnel must be deployed for ensuring improved security and order at those places. Their counterpart - Border Guard Bangladesh – also acknowledges the growing volume of trade and business at the border haats in view of which they too suggest the need for additional personnel to strengthen security and vigilance over various aspects of trade in the border haats.

As far as informal trade is concerned, trading in border haats has immensely benefited vendees and sellers from both sides of the border and it has also resulted in providing earning opportunities for other stakeholders like labourers and transporters. The institutionalisation of trade in such formal mechanisms has of course lessened the scope for trade between the concerned people to flourish through informal channels. The Kalaichar Haat in Meghalaya is a case in point. Prior to the commencement of this Haat, trade between the Indians and the Bangladeshis flourished through the well-known channel of Mankachar, situated at a distance of 15-20 Kms from Kalaichar. The goods that used to flow through Mankachar included wine, local tobacco products like *bidi* (a smaller version of cigarillo, which is popular among the masses in the Indian sub-continent), spices like *jeera* (cumin), sarees and other garments, sugar, and tea. The goods that travel to India from the Bangladesh side included biscuits and bakery items, local fruit and vegetables, and fish.

Subsequent to the establishment of the Kalaichar border haat, the volume of traffic that used to flow to Mankachar has substantially lessened and, in fact, it is almost non-functional. Our contention that institutionalisation of trade through border haats will substantially diminish the flow of trade through informal channels is reinforced by the case of Dalu. Dalu in Meghalaya is another channel of informal trade between the two countries and has flourished since a long time. But, unlike in the case of Mankachar, there is no border haat in the proximity of Dalu, which allows informal trade to flourish through this location without much dilution. It is interesting to note that BSF personnel posted in Dalu point out that no official step was taken to decrease the flow of trade that used to happen informally through Mankachar. That happened as a natural consequence to the establishment of the border haat at Kalaichar.

It is, therefore, logical to say that formal cross-border trade is a natural urge among those people residing in border areas who are not self-sufficient and so when this need is recognised through the institutionalisation of formal channels, informal channels either reconcile themselves to a much-reduced scope or they die a natural death altogether.

The trade that used to flourish informally has decreased substantially with the establishment of border haats. Most of the items that used to travel into each other's territory now happen through border haats. BSF personnel confirm that with the erection of the fence along the Indo-Bangladesh border, problems of extortion and theft have also come down perceptibly. Smuggling of forbidden items like drugs and opium has also come down by about 60-70 per cent. To combat this problem in particular, BSF personnel contend that border check posts in the vulnerable places ought to be manned by local police personnel equipped with metal detectors and sniffer dogs. The places through which informal trade continues to persist include Sonamura, Radhanagar, Kathulia, Harbatoli and Chitabari in Tripura but what needs to be borne in mind is that smuggling has reduced noticeably in respect of all essential commodities.

Therefore, the institutionalisation of cross-border trade through formal channels like border haats alongside the diminution of informal channels also brings with it the assurance that trade of unwelcome commodities like drugs and explosives will be substantially diminished if not be eradicated altogether.

## Gender Dimensions

border haats in Tripura are conspicuous by the absence of women vendors and women labourers. When the male vendors at the Tripura Haats were asked why they were not involving women participants, they seem to suggest by and large that “Vending at a local shop is one thing, but vending at the border haats is a different activity altogether. This is because all kinds of people throng at the Haat premises requiring the vendor to be a lot more active and agile while conducting business at the Haats. Vending at the Haats is, therefore, a lot more strenuous making it unsuitable for women.”

The categorisation of various stakeholders in India in terms of gender alongside types of activity in border haats helps us to note that although women participate as vendees, they are not seen to function as officials or transporters. Among the women stakeholders interviewed, seven are operating as vendors (all from Meghalaya) and another seven as labourers (six from Meghalaya and one from Kamalagar, Tripura). Most of the women labourers are from Meghalaya Haats. By contrast, the participation of male members as vendors is significantly high.

Thus, women in Meghalaya Haats are seen to be active in border haats. They enter the Haats as labourers or goods-carriers but often participate as vendees or even vendors, buying specific Bangladeshi products, which they are authorised to, given the upper limit of US\$100 per day, for sale elsewhere with a profit margin (As per the 2017 MoU, the purchasing limit has now been increased to US\$200). This pro-active category includes mostly women, who are often found to be the main working member, if not the sole earner of their families. Indeed, border haats have contributed to the livelihood of these vendees. For instance, Nancy of Dargar bazar has been participating as a ‘vendee’ for more than two years. She explains:

“Previously there were limited work options in our locality. Things have actually started to change after the inclusion of ‘Bangla Haat’ (the local term for border haats) in 2011, especially for tribal women like us.”

As far as the Bangladesh side is concerned, 98 per cent of the total number of vendors is male. Among vendees on the Bangladesh side, much like the case of India, there is pronounced male domination. Women vendees are usually accompanied by their fathers or husbands. However, it is interesting to note that Bangladeshi women vendees are keen to buy Indian products, particularly cosmetics, toiletries, garments, condiments and other luxury items. Such women vendees have been found to carry from the Haats a larger volume of goods in comparison to male vendees.

Out of the seven enlisted women vendors in India, six are specifically from Balat, Meghalaya, working as local vendors in their respective villages (namely Balat and Dargar village). The other (than Haat) income for all of them averages at Indian Rupees (INR) 6,900 (approximately US\$99) per month and constitutes roughly 28.5 per cent share of their total income. On an average, men-folks in Balat in Meghalaya acquire a monthly income of INR 9,000 (US\$129) from other activities and most of them travel to Shillong, the state capital of Meghalaya, where they purchase goods for local business. Our field perception alongside the primary data suggest that females with *pakka* (permanent) shops (irrespective of the goods they sell) in the locality tend to have a higher other income than others. The only exception has been a lady vendor in Kalaichar, Meghalaya (Linda Marak), who despite being an agro-cultivator, profits the most from border haats (INR 25,000 INR/ US\$357 per month) and other (INR 8,000/ US\$114 per month) activities.

Our study also confirms that there is no correlation between education and profits from the border haats. This is perhaps because the kind of acumen that is desired for a successful business at the border haats is in no way dependent on nor reinforced by formal education.

The only female vendor operating on the Bangladesh side of the border haats is a primary school pass out earning Bangladeshi Taka (BDT) 7,554 (approximately US\$90) per month. Our study revealed that the Bangladesh Vendors earned less from their trade in border haats (basic reasons suggested being less variety and relatively inferior quality of goods by the vendees in the Indian side) and border haats are not serving as a primary source of income in most of their cases.

On the whole, we have found that border haats can be treated as a platform to enhance participation on part of women, in various capacities. Although there is limited scope for increasing vendorships in view of persisting regulations, specific vendor quotas for women can boost their engagement. Our study recognises certain general women-centric issues, which act as barriers to their participation alongside certain region-specific deterrents. In most of the border haat locations, sufficient encouragement has not been provided to women for participating in activities in and around the border haats. As most of the border areas are in the remote interiors where marginal urbanisation has occurred, women find it inconvenient to move about freely. This general trend observed by the field investigators does not hold true for Meghalaya, (Balat and Kalaichar side of the haats) where women are more pro-active in working for their livelihoods.

Despite the initiatives taken by government to encourage women's participation in various economic activities in the formal sector, informal trade flourishes in border areas owing to low risk, mobility constraints and no taxation. Hence, our study perceives the need of local administrative bodies (who are an integral part of the Joint border haats Management Committee) like *Panchayats* (local self-governance body in India) and several other informal committees (mostly lead by vendors in the Indian side border haats) to take such initiatives towards boosting women's participation in trading at border haats.

## Items, Regulations and Procedures

In India, the Director General of Foreign Trade (DGFT, India) of the Department of Commerce, Government of India identifies a list of items, which can be traded at the border haats. The customs

officials operating at local levels supervise whether vendors on the Indian side are complying with the DGFT's specifications in their dealings at the Haats. The original list of items prepared by the DGFT, India has been subsequently amended many times. But, there is asymmetry of information among the vendors regarding the list of items permitted for sale at the Haats. The specific details in the amendments by DGFT takes times to reach the ranks of officials such as customs, Border Security Force (BSF, India) and Border Guard Bangladesh (BGB, Bangladesh) posted at the Haats. Furthermore, border haats being in remote areas the government offices are understaffed.

A related problem also needs to be considered and this is in respect of the interpretation of guidelines issued by higher authorities in the domain of trading in border haats. Nowhere in the original guidelines has wholesaling of goods been forbidden. Yet, customs and BSF officials officiating at local levels often seem to find the bulk sale of goods offensive and unlawful. In the process, vendors feel constricted and are reluctant to re-invest their profits from trading in border haats towards expanding the scale of their business.

One of the professed objectives of trading in border haats is to provide the people living along the border with an additional source of income that can help them to raise their standards of living. Initially the rules and regulations stipulated by the DGFT, India required the Indian side to sell 'local products' at the border haats. That is why one of the qualifications for someone to be eligible for vendorship (and also for vendeeship) was residence within a radius of five kilometres from the border haat premises. Such rules and regulations pertaining to trading in border haats as also the list of items officially approved for such trading are supposed to be obtained by local authorities, particularly customs officials, from the DGFT, India and intimated to vendors who will be trading at the Haats. There is a system of feedback on the part of local authorities, officiating at the border haats, through which the DGFT, India seeks to maintain its connection with ground realities and takes steps to accommodate desired changes.

It has been seen from the time of commencement of border haats that with the exception of Meghalaya, where local residents grow seasonal fruits (oranges in winter), dwellers along the Indian side of the border are hardly in a position to come up with 'local products' or produce any other items that are officially approved for trading in the border haats. In view of this reality, the stipulation of 'local products' has been removed from the DGFT's guidelines; thereby giving the vendors a wider range of options for selling at the border haats.

In India, the decision of which items to be sold at the border haats largely rests with the vendors. Vendors do not seem to face any problem as long as they carry items that are officially endorsed by regulations governing trading at the border haats. However, information gap among officials about the latest amendments creates confusion at times with the vendors in deciding 'what goods' and 'how much' are permissible for entry to the Haats.

It is seen in the case of Indian vendors that those who sell items (specified earlier) in bulk, generally invest more in production/purchase of goods than those who sell in relatively smaller quantities.

Goods which are sold in bulk are usually not goods that are locally grown and/or produced and the vendors basically serve as middlemen: buying goods from other markets and selling them at the Haats at moderate rates of profit. These vendors understand that per unit profit margin of the goods that they sell is modest and they, therefore, try to build up a larger profit for themselves by selling those items in large or bulk quantities. Prospects of bigger profits often get depressed when these vendors incur higher costs of transportation for having to travel to markets that are at a big distance.

There is yet another element of uncertainty that needs to be borne in mind when we consider the profitability of items that vendors sometimes choose to sell in bulk. Although the original guidelines of DGFT, India do not put any restriction on quantities to be sold at the Haats, some local Haat officials have a tendency to assume that just because trading at the border haats forbids wholesale purchase, vendors are also not supposed to sale

beyond certain quantities. The situation gets further complicated by the fact that this assumption is neither universally, nor regularly, enforced by the Haat officials; hence, for vendors selling in bulk, profit margins can vary with variations in official interventions across border haats in India.

There is a related problem as well. It has been observed that Bangladeshi vendees at the Balat Haat have a tendency to purchase certain commodities like baby food, diapers and health drinks, like Horlicks, in bulk and then sell them outside the Haat, in local markets in Bangladesh at steep prices. These items are so much in demand in Bangladesh that they are also sold at even higher prices in the black market. To curb this trend, officials monitoring the Haat proceedings on the Bangladeshi side, the BGB, impose restrictions on the quantity of these items that Bangladeshi vendees are permitted to buy. This intervention understandably depresses the profit margins and the spirit of the Indian vendors who are unable to sell in larger quantities despite rising demand for their goods.

Indian vendors across the border haats are found to carry items of their own choice and local officials do not intervene as long as the items are within the category of officially approved goods. The Srinagar border haat records a tenfold increase in the volume of sales from INR 18 lakhs in 2014-2015 to INR 181 lakhs in 2015-2016, owing to the high demand for Indian products among the Bangladeshi vendees and also the growing interest of Indian vendors in procuring better business at the border haats. Table 1 illustrates the point.

Kamalasagar is different from other border haats on the Indian side. Here, vendors are allowed to discuss with local customs officials what item they wish to sell at the border haats. Vendor cards are distributed only after the choices of vendors have been approved, and once these cards are distributed, vendors are not allowed to substitute their original choices, nor add items to their list of tradable goods. Looking at the average monthly sales figures, we notice that the average monthly transaction on the Indian side has increased by nearly 20 lakhs between 2016 and 2017. This can be reasonably attributed to the growing

**Table 1: Total Sales Figure: Srinagar-Chaggalnaiya border haat (2014-2016)**

Financial Year	Commodity	India side Amount in INR Lakhs	Average Transaction per month (INR Lakhs)	Bangladesh side Amount in INR Lakhs	Average Transaction per month (INR Lakhs)
2014-2015	Misc.	18.00	1.5	09.67	0.81
2015-2016	Misc.	181.00	15.08	70.00	5.83
2016-2017 (Upto August 2016).	Misc.	56.29	14.07	17.99	4.49

Source: Department of Commerce and Industries, Government of Tripura

demand for Indian fruits and vegetables on Bangladesh side along with the proportionally high per capita income of Bangladeshi vendees in regions of Kaba, Tarapur (Chittagong, Bangladesh: the corresponding side of Kamalasagar).

In contrast to the figures on the Indian side, the average transaction per month in case of the Bangladesh side amounts to INR 3.475 lakhs between the year 2016 and 2017. The comparatively low figure can be explained by what we have drawn attention to elsewhere, namely that border haats is not the primary source of income for Bangladesh vendors who depend on other non-Haat sources as the mainstay of their livelihood.

That, the flourish in the border haat transactions is making an immense difference to the vendors on the Indian side is corroborated by our findings at the Balat border haat as well, where the

average transaction per month has increased by almost INR 9 lakhs per month between the financial years 2013-2014 and 2014-2015. Our field perception confirms that this trend is going to continue in the years to come, particularly in view of the increased demand for vendorship among women in Balat (in view of which the local administration has reserved 12 vendorships exclusively for women).

For the corresponding side of Bangladesh, the total sales figure reveals a declining trend in facilitating border haats transactions between the year 2013-2014 upto the end of 2016. This decline in the volume can be explained by the source of Table 4, which only provides the data by highlighting the total amount of money being exchanged (from INR to BDT) through the Janata Bank counter, situated inside the border haat premise. Our perceptions from the field study reveals the fact that a lot of Bangladeshi vendors often exchange their money (which they receives in the form of INR from the

**Table 2: Total Sales Figure: Kamalasagar – Kasba border haat (2014-2016)**

Year	Commodity	India side Amount in INR Lakhs	Average Transaction per month (INR Lakhs)	Bangladesh side Amount in INR Lakhs	Average Transaction per month (INR Lakhs)
June 2015- Dec 2015	Misc.	230.78	32.96	-	-
Jan 2016- Jan 2017	Misc.	632.67	52.72	41.70	3.475

Source: Department of Commerce and Industries, Government of Tripura

**Table 3: Total Sales Figure: Balat (corresponding to Sunamgunj, Bangladesh) border haat**

Financial Year	Commodity	India side Amount in INR Lakhs	Average Transaction per month (INR Lakhs)
2013-2014	All Listed Products	167.29	13.94
2014-2015	All Listed Products	274.90	22.90

Source: Department of Commerce and Industries, Government of Meghalaya

Indian vendees) directly from their Indian counterparts (who in turn receives BDT from the Bangladesh vendees) to avoid unnecessary delays in supplementing paperwork and other documentation viz. exchange through formal bank counters. Thus, the volume of transactions on the Bangladesh sales figure seems somewhat deflated.

The data pertaining to transactions at the Kalaichar Haat seem to pale in contrast to the aforementioned figures at Balat and Kamalasagar Haats. But two clarifications are necessary: first, the region was affected by a flood in the year 2012-2013, which impacted the volume of transactions at the border haat adversely; second, the data presented does not highlight the present scenario, which our field study found to be a lot more impressive and definitely an improvement from what the data till 2013 seemed to project.

On the Kurigram part, data sheet reveals a more than threefold increase in the total volume of sales catered by all the Bangladeshi vendors over the

period of 2013-2014 and end of 2016.

Bangladeshi vendors are majorly selling plastic and melamine wares at bulk quantities apart from selling vegetables and seasonal fruits to ensure their income from the border haats. In fact, the average monthly transaction for all the listed products marks upto INR 12.66 lakhs for the last year of 2016, despite having barriers of a relatively rugged approach road and adverse climatic conditions during monsoons.

There are formal institutions like the Joint border haat Management Committee (JBHMC) and the border haat Management Committee (BHMC), which exist for the purpose of redressing grievances of vendors and other stakeholders, and generally looking into areas for better management and monitoring of trading at the border haats. But for formal institutions by themselves are not always adequate and in fact they are found to co-exist alongside various informal mechanisms, which play an important role in addressing problems and difficulties

**Table 4: Total Sales Figure: Sunamganj (corresponding to Balat, India) border haat**

Financial Year	Commodity	Bangladesh side Amount in INR Lakhs	Average Transaction per month (INR Lakhs)
2013-2014	All Listed Products	8.12	0.68
2014-2015	All Listed Products	0.47	0.03
2015-2016	All Listed Products	2.94	0.24
2016 – upto December	All Listed Products	1.0	0.13

Source: Janata Bank (Exchange Booth), Sunamganj, Bangladesh.

**Table 5: Total Sales Figure: Kalaichar (corresponding to Kurigram, Bangladesh) border haat**

Financial Year	Commodity	India side Amount in INR Lakhs	Average Transaction per month (INR Lakhs)
July 2011-2012	All Listed Products	32.90	4.11
2012-2013	All Listed Products	23.74	1.98

Source: Department of Commerce and Industries, Government of Meghalaya

pertaining to day-to-day management of business at the border haats.

However, these are not the only institutions that regulate activities pertaining to trading at the border haats. For instance, in Kamalasagar and Balat, respectively in Tripura and Meghalaya in India, there is an informal group that looks into problems and grievances of the vendors and vendees. This group is composed of local *Panchayat* (local body for self-governance) officials and acts as a mediator on behalf of vendors, putting across their problems to members of the BHMC.

Similarly, in Srinagar in Tripura, there is an informal committee consisting of powerful and active vendors and this often acts like an interest group trying to prevail over formal decision making bodies like the BHMC. In fact, so regular and prominent is this informal group that many vendors consider it not only to be a formal body but also the only one that operates as a platform for safeguarding their

interests, particularly for the not-so-prominent vendors who seldom find a place in the BHMC. At the Kalaichar Haat in Meghalaya, however, we have not encountered any such informal institution that operates for purposes of addressing problems related to the management of border haats.

The policy implications are clear. There ought to be mechanisms in the border haats that will be concerned with the day-to-day and often unforeseen problems that are likely to emerge as trading activities unfold at the border haats. It is also important to consider that there ought to be representation in these mechanisms not just of vendors but also of vendees and other relevant stakeholders that will enhance the competence of the mechanism to oversee all aspects of trading at the border haats. For instance, the labourers, who play a significant role at all border haats generally have no forum, in which they can place their grievances.

**Table 6: Total Sales Figure: Kurigram (corresponding to Kalaichar, India) border haat**

Financial Year	Commodity	Bangladesh side Amount in INR Lakhs	Average Transaction per month (INR Lakhs)
2013-2014	All Listed Products	29.12	2.43
2014-2015	All Listed Products	52.80	4.4
2015-2016	All Listed Products	94.80	7.9
2016 – upto December	All Listed Products	101.28	12.66

Source: Office to the Additional District Magistrate (ADM), Kurigram, Bangladesh

## The Issue of Infrastructure

The idea of trading at the border haats revolves around the notion of providing an enabling environment to people, who reside in the vicinity of the Indo-Bangladesh border, to engage in trading activities among themselves. This will help the local residents on the two sides of the border to engage in a sort of symbiosis and improve the conditions and standards of their living. It is a fact that such trade has existed for a very long time, but an attempt on the part of the two governments to institutionalise such trade in a formal mechanism like the border haat is a recent endeavour. To make such institutionalisation meaningful, it is imperative that incidental facilities for such trade to take place be ensured. It is in this sense that infrastructure and infrastructural facilities at and for the border haats become a crucial issue for consideration.

### *Major infrastructural inadequacies across the border haats*

- Toilet facilities: It is to be borne in mind that generally all border haats open around 9 o'clock in the morning and continues till 5 o'clock in the evening. In view of the long hours of business that vendors and other stakeholders may have to carry themselves through, one can hardly exaggerate the need for adequate toilet facilities. All the border haats fair rather poorly, if not miserably, on this count.
- Related to this, is the problem of unavailability of regular supply of particularly drinking water. It is an unnecessary burden for vendors to carry water and such necessities to the Haats alongside their usual load of goods.
- It is worrisome that a forum, which involves the day-long participation of several people, men, women and children, and many of them travels several kilometres from their home, has no provision for medical and first-aid facilities.
- The border haat is an initiative to make formal trade a more attractive option among the informal vendors in the borders of two neighbouring countries. A fully operational currency exchange platform, should be essential and inevitable component to ensure the success of all such cross-border initiatives. However, the operation of currency exchange mechanism at the border haat has been suboptimal and leaves a vast room for improvement.
- Absence of electricity and electrical connectivity simultaneously hinders smooth transaction of business at the border haats: vendors and labourers have to toil inside Haat enclosures without fans, toilets operate without lights and pumping facilities and office rooms are rendered unusable.

In considering infrastructural inadequacies at the border haats, it needs to be highlighted that the topography of the land in Meghalaya in India and Rangpur/Sylhet region in Bangladesh is rough and generally the terrain is hilly on the Indian side. The border haats in Meghalaya are located at the base of the Southwest Garo hills and the East Khasi Hills, and during prolonged monsoon water gathers at these places and drainage is not easy. This puts the border haats of Kalaichar-Kurigram and Balat-Sunamgunj at a disadvantage. These geographical peculiarities and climatic hazards have also to be borne in mind while drawing up plans for infrastructural improvement of the border haats in this region.

### *Recommendations*

In view of the above-stated problems, we propose the following policy recommendations:

- Approach roads to particular border haats need to be paved and/or repaired. This is particularly true for the Kalaichar border haat in Meghalaya. Similarly, in Kurigram side of Bangladesh, there is no bridge on the river that runs in between the Haat premises and the local neighbourhood. There was a makeshift bamboo bridge earlier, but it was ravaged by the floods in 2014. More generally, if the quality of the approach roads to all the border haats is improved, it will definitely boost greater participation and business at the border haats.
- Electricity supply is vital so that, among other things, the availability of water can be ensured in the toilets as well as for drinking purposes. However, the Haats being located on the zero line, it might be difficult to ensure the supply of electricity through power-grids due to legal complications and problems of pilferage. Off-grid solutions like solar power could be explored to this end.

- The toilets in all the haats are in bad shape. Their maintenance has been bad, if not altogether absent. The recommendation by the Joint border haats Management Committee that maintenance of toilets should be entrusted with Indian and Bangladeshi personnel alternately, each maintaining for three months at a time, has not been seriously considered by the local Haat officials.
- Families from both sides of the border are coming to the Haats, to shop as well as meet their respective acquaintances and families across the border. This is an example of how the Haats are functioning as platforms for trust building and aiding people-to-people connect. To facilitate the same, it may be a good idea to build rooms/spaces where these families can meet, rest and talk. This is particularly beneficial for the children and elderly who are part of such family meetings.
- In some of the Haats (Kalaichar and Balat in Meghalaya, the ones that were constructed earlier during 2011-12) the stalls are not elevated from the ground and the floor of the Haats is not paved. This poses a lot of difficulties during inclement weather, particularly during monsoon months. This has resulted in changes in vendor behaviour in these Haats, where they prefer not to display their products. Instead they keep them packed in sacks or boxes and show samples to their prospective vendees. This practice is reported to be problematic by the security agencies since they face vendors, who are reluctant to open their packed products. This makes the checking procedure more laborious and time-consuming. Such problems are not seen in the newer Haats of Tripura, where enclosures are more in keeping with the needs of the vendors. Hence, enclosures will need to be revamped and renovated, wherever required.
- Currency exchange counters are not operational in all Haats. Governments of both the countries must enforce and ensure not only the installation of foreign exchange booths within the Haat premises but also their regular functionality by appointed officials.
- Perhaps, one could think of a separate body to look into infrastructure and its maintenance in each of the Haats rather than entrusting this responsibility on Haat officials who are

supposed to manage and administer affairs pertaining to the conduct of day-to-day business at the Haats.

## Positive Outcomes

The northeastern states of India and Bangladesh have co-existed like natural neighbours and communities inhabiting these regions have traded freely between themselves in the past. This relationship was suppressed by political boundaries and the institutionalisation of trading at the border haats signifies the revival of the earlier relationship. Local people need these de-linked markets or fora for doing and enhancing their economic activities. If the natural propensities for trade among these local people are disallowed, people in the border areas will resort to other means. BSF personnel on the Indian side of the border have also confirmed that in the absence of border haats, people will take recourse to such means as smuggling to carry on their exchange not only of forbidden items but also of consumer necessities.

In view of this, a majority of the vendors interviewed were favourably disposed to the establishment of border haats, instead of a formal trade point. They have offered various justifications in support of their stance:

- There was an overall sense that they lacked the capacity to trade formally, especially because it would require a much bigger investment of capital. They felt 'for marginalised vendors like us', the border haats are 'a much better option'.
- Establishment of other formal channels might require them to pay revenue, which would diminish the amount of profit that these vendors could reap.
- border haats will also bring about infrastructural development by way of improved roads, better transport facilities and possibly electrical connectivity.
- Vendors are also hopeful that border haats would in the long run lead to the establishment of banking centres, which will help them to transact money locally.
- The institutionalisation of formal channels of trade would require a wider scale of infrastructural and other arrangements.

This generally positive experience of the border haats has prompted both the Governments to move towards revisions to the old Memorandum of Understanding, drawing from lessons learnt so far. Six more haats have been approved by the Governments of India and Bangladesh along the international border (two in Tripura and four in Meghalaya). The locations of these new haats have been identified.

People – to – people connect among residents of the two sides of the border is a significant gain of the border haats. Thirty-three out of 40 vendors from the Indian side affirm that the commencement of the border haats has enabled them to make friends with people coming to the Haat from across the border. Acquaintances have blossomed into friendships and several stakeholders from both sides of the border come to the Haats not just to do business but also to socialise and engage with one another in a personal capacity. Many of the vendors and vendees with whom we interacted, narrated individual cases of such friendship and intimacy. Carrying gifts for one another on festive occasions alongside sharing delicacies cooked in their homes is a regular feature.

As the Hon'ble Member of Parliament from Chhagalnaiya, Bangladesh, Shirin Akhtar, observed: "This exchange that border haats facilitate at the local levels, not just of goods and commodities but of hearts and sentiments, is a sure way of improving relationships between the two countries and something that Governments can hardly achieve through formal treaties and diplomatic negotiations." She looks upon border haats as 'centres for nurturing relationships' such that differences in religion among people living side by side get dissolved and they are able to co-exist in amity and goodwill. Indeed, trading at the border haats is a sure way of enabling people from border areas of the two countries to engage with one another at a personal level in the course of their business and trading activities. Such engagement allows them to open up to one another and cast off mutual misgivings and apprehensions.

## Policy Recommendations

### 1. Distribution of vendorship

- Increase vendorship in view of increasing number of applications. Those allowed to set up stalls could be increased to at least 50 from each side, given huge demand and the paucity of other market opportunities.
- There should be quotas for women vendors, as done in the case of Balat, Meghalaya.
- Item-specific vendorship – where a vendor is listed for trading in garments, cannot trade in spices – should be removed, or at least expanded to include multiple/broad groups of products.
- The eligibility criteria should be standardised. In some cases, applicants need to have a minimum bank account balance of INR 20,000 to be eligible for vendorship. This excludes more marginalised vendors.
- If more than one day a week for the functioning of border haats is considered (there is strong demand for three or at least two days in a week instead of one day a week), there could be two/three (depending on the number of Haat days) separate sets of vendors for each Haat. This will help in reaching the benefit to a larger section of the community.

### 2. Women's participation and women's issues

- Provide proper toilets with running water or pit toilets
- Explore possibilities of having financial assistance schemes/priority lending for women applicants to help with working capital requirement
- Encourage women representatives in the border haats Management Committees and also in informal committees of vendors that handle disputes and grievances
- Consider separate queues for women vendors, for they often reach the Haats late after attending to their domestic chores

### 3. Procedures, rules and regulations

- Vendor selection rules could be simplified and widely publicised; for example, on illustrated billboards at the Haat locations or on official notice-boards of local self-governing body to reach those with poor literacy.
- Some Haats could operate twice a week given high demand and profitability. But this will undoubtedly put pressure on agencies like the border security personnel and customs.
- There could be an extension of the Haat timings. The current schedule of 9 am to 3 pm is inadequate given lengthy entry procedures. It could be changed to:
  - Entry of vendors and physical verification of goods and vehicles: 7 am to 8.30 am
  - Stall set up time: 8.30 am to 9 am
  - Entry of Vendees: 9 am onward (with ideally a separate desk/window for vendee entry)
- Current quantity restrictions prevent a takeover of the market by large vendors, which is good, but caps need to be raised somewhat; for example, of spices from Meghalaya; juices from Bangladesh.
- Staff cards are to be provided for labourers/vendor staff/helping hands, who currently have to enter as vendees and hence face restrictions.
- There should be e-enabled Identity Cards (for example, Aadhaar Card used in India) to allow quicker scanning at entry by hand-held electronic devices, with security agencies being trained on the use of such devices.
- Certain services could also be allowed inside the Haats. As food stalls are already allowed, additionally shops/services for/like mobile recharge/repair, cobblers, barber stalls, mehendi (a form of beauty treatment popular in the Indian sub-continent), mobile medical clinics and pathological diagnostic services, etc. may be considered.
- There should be improved security arrangements inside the Haats to deter theft.

### 4. Items of trade

- Asymmetry of information regarding items allowed by official guidelines should be addressed – relevant amendments should be circulated among all officials promptly and should also be disseminated across all stakeholders.
- There should be illustrated boards outside and inside the Haat premises showing what products are allowed. Currently there's confusion and arbitrary behaviour. The relevant authorities should hold awareness generation workshops to regularly disseminate the relevant information.
- Fish and poultry are in high demand on the Indian side, but not allowed due to quarantine and food safety regulations. This is encouraging high informal trade and high prices are faced by Indian border communities. Such items, which are high in local demand, should be allowed to be considered in small but adequate quantities for local consumption.
- There could be a list of exclusions or a negative list instead of a positive list (as is practised presently) to enable more items to be traded between the people across the border. More flexibility with the list will help to trade products as per localised and seasonal demand and supply scenarios, leading to higher interest from vendees as well as sellers from both sides and consequently higher gains for both.

### 5. Infrastructure

- The approach roads to the border haats need to be paved (especially in Kalaichar and Srinagar in India). At Kurigram in Bangladesh, there is no bridge over the Jinjira river on the Bangladesh side and that should be constructed.
- There should be adequate availability of water, particularly drinking water.
- Electricity supply is vital, particularly so that the availability of water can be ensured in the toilets as well as for drinking purposes.
- Solar power could be an effective way to deal with the lack of electricity.

- The toilets in all the Haats are in bad shape or non-existent. Where built, maintenance is tough in the absence of water and clear-cut mandates for, or enforcement of, rotational maintenance. Pit latrines should be built in all Haats.
- Maintenance of the Haat premises is an important consideration because their present condition reveals perceptible deterioration from what they were at the time of inception (mainly for the Haats bordering Meghalaya in India and Rangpur/Sylhet region in Bangladesh).
- Build resting rooms where families can meet, which will be especially beneficial to children and the elderly, and will also promote greater people-to-people contact and trust building. This will also help vendees to withstand weather vagaries. Presently they find it very difficult to find shelter when there is rain.
- Vendor stalls need to be elevated and the ground under them be paved, else it becomes muddy during the rains (especially in older Meghalaya-Rangpur/Sylhet Haats). Currently vendors at these Haats cannot display their products — causing monitoring problems for security agencies.
- Currency exchange counters are not operational in some cases (for example, in older Haats in Meghalaya-Rangpur/Sylhet), and officials are not always present. For example, in Balat in Meghalaya, only the

Bangladeshi bank representative was present during our fieldwork. In Srinagar in Tripura, only the Indian bank representatives were present during our fieldwork.

- There should be provisions for basic medical facilities and first aid.
- There should be adequate public transportation for catchment areas so as to facilitate the villages to reach the Haats.

## 6. Haat management and monitoring

- The meetings of the border haats management Committees need to be more regular and some formal mechanisms could be developed for interactions between the BHMC and the informal management/monitoring groups that exist in some Haats.
- Haat Management Committees should have representation of stakeholders beyond vendors (such as labourers, transporters, vendees).
- Haat officials need to be equipped with measuring devices/machines to check arbitrariness in deciding the quantity of goods allowed.
- A separate formal body must look into day-to-day problems as the established officials of BHMC meet infrequently.
- Private players could be engaged against fees to maintain and run Haat facilities and ensure cleaning, sanitation, etc.



## Chapter 1

## Introduction

The border *haats*, located on the fringes of the Indo-Bangladesh border, have been envisaged as a means of providing an enabling environment to people in this region, to engage in trading activities between themselves. This will help them to improve the conditions and standards of their living. Such trade has existed for a very long time, but an attempt on the part of the two governments to institutionalise such trade in a formal mechanism like the *border haat* is a recent endeavour (2010).

India's northeast region has had strong cultural, linguistic and trade links with Bangladesh, Myanmar, China and other countries in South East and East Asia all through history. However, certain political developments in the past few decades by way of new political boundaries and new regimes precipitated misgivings and mistrust, as a result of which, cross-border trade suffered. India's northeast, which used to be its gateway to South East and East Asia, now became land-locked with low indices of human and economic development.

Recognising the potential of the northeast region in terms of its burgeoning economic activities and livelihood options, the Government of India in the recent past enunciated the Look East Policy (1991), which seeks to develop the region as a hub of

economic activities and re-establish it as the gateway to South East and East Asia. The institutionalisation of border *haats* is a part of this grand endeavour.

Although statistics on cross-border international trade along the Indo-Bangladesh border are largely unavailable, various studies seem to suggest that the value of goods that are illegally or informally traded across the Indo-Bangladesh border is almost equivalent to the value of official trade that exists between the two countries. According to the World Bank's Bangladesh Development Series, Paper No. 13, bootleg informal trade accounted for a whopping 41 per cent (US\$237mn) of total imports of Bangladesh from India (US\$580mn) through land routes in 2003.<sup>1</sup>

Initiatives, such as border *haats* can contribute in no small measure towards formalising such informal trade activities. The initiation of border *haats* (local markets) along the India-Bangladesh border has shown a lot of promise towards economic development of the border communities, formalising informal trade, building trust and higher trade openness. Two such border *haats* have been functioning along the Meghalaya-Bangladesh border since more than a year with encouraging results and two more have recently started

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functioning along the Tripura-Bangladesh border. This has a particular and immediate impact on border area development with remote territories getting a much needed boost in livelihood opportunities and also formalisation of informal trade. With many more border *haats* proposed along the India-Bangladesh border, there is hope and promise for people living in the remote border locations and particularly in the northeast region of India.

A *haat* is basically a rough-and-ready market, which allows local people to trade with locally-grown agricultural and manufactured finished products. Such *haats* or markets are located on the zero line of the border between India and Bangladesh and are called border *haats*, which allow people from both countries to buy each other's products.

The first border *haat* was opened on July 23, 2011 in the West Garo Hills district of Meghalaya named as Kurigram (Baliyamari) - Kalaichar *haat* followed by the Dolora-Balat *haat* in Sunamganj, Meghalaya in 2012. They are functioning since more than a year with promising results. They open once a week, i.e., Wednesdays for Kalaichar (from 10 am to 4 pm in summer and 10 am to 3 pm in winter) and Tuesdays for Balat (from 10:30 am to 5 pm in summer and 9:30 am to 4 pm in winter). Two more border *haats* have been set up in 2015. The third one started functioning since January 2015 at

Srinagar of Tripura and Purba Madhugram of Bangladesh's northeastern Feni district. The fourth border *haat* or second border market along the India-Bangladesh border in Tripura started functioning in June 2015 at Kamalasagar in the Indian state of Tripura's Sipahijala district adjacent to Bangladesh's Brahmanberia, Chittagong. Both border *haats* in Tripura follow operations similar to the Kalaichar and Balat *haats*.

According to the Memorandum of Understanding (MoU) signed between the two countries, on October 23, 2010, the border *haats* or bazaars are to be established within 5 Kms on either side of the international border. The border *haats* were to be operated as per modalities that would be agreed upon between the two countries and would be established on a 'pilot' basis. These border *haats* allow the sale of locally produced agricultural and horticultural products, small agriculture and household goods, e.g., spices, minor forest products (excluding timber), fresh and dry fish, cottage industry items, wooden furniture, handloom and handicraft items, etc.

The basic idea was to help people living in Border areas to market their 'local produce' and that is why the commodities were specified. Subsequently however, the list of commodities has been expanded and the stipulation of 'local produce' removed from the guidelines. No local taxes are imposed on trading, and both Indian Rupee and Bangladeshi Taka are accepted in these markets.

**A *haat* is basically a rough-and-ready market, which allows local people to trade with locally-grown agricultural and manufactured finished products**

## Locations of the Border Haat

These haats are located in the border areas of Tripura-Chittagong and Meghalaya-Rangpur/Sylhet.

1. Srinagar (India) – Chhagalnaiya (Bangladesh)
  - a. Inauguration/days of operation: January 2015/ every Tuesday
  - b. Distance from nearest towns: 22 Kms (Sabroom, Tripura) – 15 Kms (Feni, Chittagong)
2. Kamalasagar (India) – Kasba (Bangladesh)
  - a. Inauguration/days of operation: June 2015/ every Sunday (subject to change)
  - b. Distance from nearest towns: 15 Kms (Bishalgarh, Tripura) – 19 Kms (Brahmanberia Sadar Upazila, Chittagong)
3. Kalaichar (India) – Balamari (Bangladesh)
  - a. Inauguration/days of operation: August 2011/ every Wednesday
  - b. Distance from nearest towns: 15 Kms (Ampati, Meghalaya) – 10 Kms (Kurigram Sadar Upazila, Bangladesh)
4. Balat (India) – Sunamganj (Bangladesh)
  - a. Inauguration/days of operation: May 2012/ every Tuesday
  - b. Distance from nearest towns: 34 Kms (Ranikor, Meghalaya) – 66 Kms (Sylhet, Bangladesh)



### **The ethos of trade among the people in this region was firmly in place from early times and this process was not immensely upset by the erection of a border between the two countries**

On the whole, the disposition of people residing in close proximity of the border haats to the whole idea of border hat trade is positive. In fact, local residents, those who have been dwelling in these regions for over three or four decades, inform us that there was a time (approximately 20 years ago), when there was no fence along the Indo-Bangladesh border. It would be logical to assume that during those days, there was a regular exchange of goods and commodities between people inhabiting these regions. And then a wall was erected by way of a fence, which did segregate people of the two countries, but not their habits and practices.

Hence, 'informal trade' flourished across the fence. The goods usually exchanged included rice, wheat, flour, pulses, sugar, salt and other commodities. In the more recent past, these goods were supplemented by medicines, toiletries and packaged foods. Despite the existence of a fence of barbed wire, informal trade was possible because one BSF guard was placed in charge of patrolling 2 Kms of fenced border. The point that we want to make is that the ethos of trade among the people in this region was firmly in place from early times and this process was not immensely upset by the erection of a border between the two countries.

One may, therefore, suggest that although border hat trade has taken off in a sure way, it is still a fledgeling institution that needs to be improved and amended in keeping with problems and

dilemmas expressed by the various categories of stakeholders. For instance, there is a need for wider dissemination about border hat trading so that many who have been left out can take recourse to this means of livelihood to raise their living standards. Wherever possible, procedures for the submission of applications for vendorship must be streamlined and simplified in keeping with the literacy levels and inadequacies of local residents.

### **Objectives and Purposes**

This project was envisaged with the following broad objectives:

- To understand and estimate the positive impacts of border haats on poverty reduction through income and employment generation (and other multiplier effects including the formalisation of informal trade). It also sought to understand the gender implications through the study of existing border haats along the Indo-Bangladesh border. Some of the areas where these haats have been established (as in Tripura) are home to patriarchal societies, where women are occupied with household chores. The study sought to examine if border haats can offer employment opportunities to women in these regions to work as vendors, labourers, etc.
- To estimate the possible future benefits from replication and up-scaling of such border haats in other locations along the northeast India side of the India-Bangladesh border where such haats can be instituted.
- Estimate the level of efficiency of the existing border haats and understand their long-term sustainability if there are no trade restrictions along the Indo-Bangladesh border.

### **Economic Impacts of Border Haat**

Our study suggests that the haats already in operation along the Indo-Bangladesh border are benefitting the local people in several ways by way of helping them to procure items of day – to – day necessity, strengthening ethnic and cultural

bonds between people living close to border areas in both the countries and helping to generate employment and open up new opportunities, especially for the youth. These haats promote several cottage industries of Bangladesh: industries producing items such as Gamchha, Lungi, garments and mats. There are also plastic and melamine products, processed food items, juices, agricultural produce, household tools like spade, axe, plough, sickle, etc. The major benefits in terms of local development from these markets include: local people get commodities at low prices as goods are exempted from taxes and also due to lower transaction and transportation costs, better availability of items of everyday requirement, work opportunities for the local folk including women, trading opportunities for villagers around the area, development and income from support services like transport, labour and food stalls.

There are some features that make these border haats efficient and organised. The obvious and the most alluring feature of these markets is that, the commodities sold in these *haats* are exempt from customs duties. All transactions can be conducted in local currencies either in Indian Rupee or Bangladeshi Taka. It allows consumers to make purchases up to US\$100 (BDT8,400/INR 7,060) on a single haat day (As per the 2017 MoU, the purchasing limit has now been increased to US\$200). The rules and regulations of border haat trade require sellers and vendees to reside within proximity of 5 km radius of a particular border haat. This is mainly for accomplishing the objective of securing improved standards of living and economic development of local residents.

However, in practice, people residing well beyond the stipulated distance manage to travel to the haat and participate as vendees. Traders get a trading permit, which is usually valid for one year and they are required to carry photo identity cards. The customs officials, local police and border security personnel are present during the days of trading in the haats to oversee smooth conduct of trade and business.

The winds of globalisation that are blowing across the world at present have created opportunities to establish global connections for vendors across the world. Who will be able to utilise these opportunities and who will not be able to do so is quite another matter. What is clear beyond doubt is that the world is too heterogeneous to assume that all actors will participate in the global process on equal terms. Existence and instances of cross-border trade across the world confirm that informal mechanisms of trade, border markets and such other instances of regionalism and localism are compatible with globalisation and liberalisation. Institutional innovations like border haats thus can be viewed as a means to address local needs and livelihood concerns of large numbers of unemployed youth, women and others inhabiting remote corners of large countries like India.

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## Chapter 2

# Border Markets: Insights from around the Globe

### Definition of Cross-border Trade

A Report prepared by the World Bank on Cross-Border Trade within the Central Asian region, defines cross-border trade as the flow of goods and services across international land borders within reach of up to 30 Kms. A significant feature of cross-border trade lies in geographical proximity as a result of which transportation costs become almost irrelevant. This allows vendors to take advantage of differences in the supply, demand, and prices of various goods and services available on either side of the border. However, although cross-border trade prevails across the world, statistics pertaining to CBT activities are generally not available in foreign trade documents.

Often cross-border trading is carried out by individuals/small vendors and their families, who often produce the goods they trade in. Quantities traded are usually small, and less than a few hundred US dollars in value. Agricultural products and consumer goods are the main kinds of traded goods. Since the vendors in two adjacent countries are like neighbours, they move on to the other side of the border for purposes of buying and selling. Small vendors trade their goods on foot, using a bicycle, taking a minibus or a car. But, cross-border trade is particularly sensitive to the treatment meted

out to vendors by conditions imposed by national governments. Its success depends largely on the ability of individual vendors to routinely cross the border without paying a large unofficial payment or prohibitive tariff duties and border charges, and to cross the border with their own passenger vehicles or with light vehicles from bordering regions.<sup>2</sup> The success of cross-border trade depends to a large extent on various barriers that vendors are likely to face and their ability to cope up with them.

There seems to be a general lack of consensus about the essential attributes of cross-border trade. Jean-Guy and Ajumbo observe: "As a subject it is yet to be fully mainstreamed in trade policy disciplines, there is no universal definition of ICBT. It generally refers to trade in processed or non-processed merchandise, which may be legal imports or exports on one side of the border and illicit on the other side and vice-versa, on account of not having been subjected to statutory border formalities such as customs clearance."<sup>3</sup>

Usually there are no established means of transportation and the goods that are traded are sometimes carried with the help of porters, at other times they are head-loaded. Sometimes they are carried by motorised vehicles and in places even carried on boats, or by animals or animal-driven carts.

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According to the United Nations Development Fund for Women (UNDFW), in the SADC region, women constitute about 70 per cent of the informal cross-border vendors. The World Bank Report (2007) also draws attention to the fact that women constitute nearly 60 per cent of informal vendors in the Western and Central parts of Africa. Women who engage in such cross-border informal trade generally have no formal education, nor do they have access to bank loans or large capital. They look upon their engagement as a source of income which depends on their own modest savings; sometimes they also manage to procure loans from friends and relatives to get into the business. Apart from this category of local residents, there are also formally registered firms and vendors who are able to carry on such trade informally, that is, they avoid border crossing posts and evade regulations and taxes.

## Benefits of Cross-border Trade

Several benefits accrue from cross-border trade. Local residents are able to derive/boost incomes. Cross-border trade also provides an impetus to local production and leads to the development of various services like storage facilities, transportation and other ancillary services in local markets. People, otherwise poor and unemployed, get opportunities for income generation by

working as transporters, labourers and other service providers. It has been found that in remote areas where employment opportunities are less and salaries are low, cross-border trade often becomes an avenue for absorbing sometimes an entire household and contributes to an elevation of incomes and living standards.

Awang et al (2013) draw attention to how informal cross-border trade in Sarawak (Malaysia) – Kalimantan (Indonesia) contributes to the development of the border communities. "Although there is no formal cross-border route and no Checkpoint of Immigration and Quarantine (CIQ) exists, Serikin, as a small border town has developed as a Weekend Market and serves as a channel of informal trade. Indonesian vendors and Malaysian consumers gather on weekends to carry out transactions and this triggers local development."<sup>4</sup>

The authors refer to the manifold benefits flowing from informal cross-border trade in the region – employment generation, contribution to tax revenue and the development of infrastructure and transportation. Highlighting the direct and indirect benefits of informal cross-border trade, they observe: "Cross-border entrepreneurship activity plays an important role in the community economic development programmes. The emergence of business groups and trade activities will generate employment, create wealth, contribute to tax revenue and stimulate the construction of infrastructures such as transportation. Indirectly, this will improve the standard of living in the border communities. Moreover, cross-border trade lowers import prices of goods available to consumers in

**Cross-border entrepreneurship activity plays an important role in the community economic development programmes**

bordering areas (in the absence of cross-border flows, prices and price differentials would be higher) and enables exporters to benefit from higher value-added."<sup>5</sup>

The World Bank Report (2007) harps on the complementarities that cross-border trade facilitate between people living on the two sides of a border: "...driven by price gaps, cross-border trade lowers import prices of goods available to consumers in border areas (in the absence of cross-border flows, prices and price differentials would be higher) and enables exporters to benefit from higher value-added."<sup>6</sup>

The Report illustrates this point by drawing attention to the potato producers in the Osh region who prefer to sell their produce in Uzbekistan because the selling price is much higher than in Kyrgyzstan, as Kyrgyzstan's supply of potatoes far exceeds the demand. Similarly, those cultivators in Uzbekistan who grow tomatoes and cucumbers prefer to sell them in Kyrgyzstan than in their own country.

Finally, cross-border trade has a gender dimension: women are more actively involved in border-trading activities, such as selling goods in bazaars, as well as moving goods through border crossing points. The World Bank Report (2007) clarifies that this gender dimension of cross-border trade is discernible across Central Asia, where several vendors' associations involved in cross-border activities have women at their head.

In a country where there are constraints in formal practices, informal activities normally arise. When people living in adjacent countries have to cope with divergent regulatory frameworks, they may take recourse to informal means of trading across the border. This might make it seem that informal trade is generally illegal. But Aung (2009) observes, that "informal practices are not necessarily illegal and bad, however some of them tend to occupy a grey area and/or are illegal in accordance with local regulations. There are costs and benefits in minimising these informal practices in a country. While constraints and restrictions still exist in the formal economy, any attempt to crush informal practices may realise more costs than benefits. Reduction of these constraints and restrictions in the formal economy may gradually erase informal practices in most cases."<sup>7</sup>

In Myanmar, Aung confirms, informal practices in the trade have been in existence for quite some time. The main motivation behind such informal practices is not necessarily tax evasion, although the tax levied on exports (i.e. 10 per cent on the total export value) is considerably high. There are a number of reasons for involvement in informal practices and these include, among others: to avoid the lengthy licensing process; to import products without having earnings from exports; to import/export products that are restricted on a temporary or permanent basis and to evade tax. Aung further clarifies, "Since economic sanctions were first imposed by the West in 1997, and further stiffened in 2003 and 2007, cross-border trade has become more significant due to the fact that direct imports from and direct exports to the West have become much more difficult."<sup>8</sup>

Consequently, Myanmar has relied more on its neighbouring countries like China, Thailand, and India, where most products are exported for consumption and also for re-export to the West.<sup>9</sup>

Talking about the advantages of cross-border trade, Little (2010) also points out how improvements in infrastructure, security and communications come about in the course of the flourish of cross-border trade.<sup>10</sup> He points out how several studies have revealed the extent, to which transaction costs and inefficiencies increase on account of lack of infrastructure and inadequate communication facilities resulting in poor dissemination of market information.

## Barriers to Cross-border Trade

The World Bank Report also points towards certain problems about cross-border trade. For instance, *cross-border trade is vulnerable to government policies*. Since cross-border trade is particularly sensitive to laws and regulations prevailing in a country at a particular point of time, governmental interventions can create both facilitating conditions as well as barriers to such trade. True that sometimes, governments have intervened to facilitate cross-border trade.

Such arrangements, could involve various measures like easing of visa requirements for border residents and duty-free status being accorded to cargo within certain weight and value limits. Such measures have been highly effective in stimulating local economies.

However, there are also occasions when government intervention has proven to be a serious barrier to cross-border trade. Such government-imposed obstacles include visa and passport stamping requirements that are burdensome for border communities, unduly strict restrictions on vehicular movements, and other inconveniences like regulations on opening hours for border crossings. Moreover, it is also seen that actions taken on occasion to unilaterally close border crossing points (BCP), particularly where there is a large potential for trade, have dampened trade and adversely affected the wellbeing of poor population. Similarly, *the forcible closing or relocation of bazaars supporting cross-border trade has tended to encourage smuggling.*<sup>11</sup>

Little highlights how important unofficial or informal cross-border trade is in the eastern region of Africa. Several observers have seen the flourish of such trade as an inevitable outcome of export regulations, that are both cumbersome and time-consuming, and regional price distortions. Informal trade is seen as serving multiple ends: augmenting

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**Informal trade is seen as serving multiple ends: augmenting intra-regional trade; catering to the local demand; and ensuring food security in the region**

intra-regional trade and therefore regionalisation; catering to the local demand which is not being met by national production and markets; and most important, ensuring food security in the region.

What is also interesting to note is that many of these trans-border markets have survived through history and they predate colonial and post-colonial times when state boundaries were drawn. This confirms that trade among people who have lived as natural neighbours is a natural urge, and one that cannot be easily stifled by fences and borders, which segregate them into different political domains. Little (2007), therefore, justifiably comments that many trans-border markets “reflect longstanding indigenous patterns that make more sense than formal trade channels.”<sup>12</sup>

But then, there are other scholars who opine that increased cross-border informal trade means less foreign exchange and connivance at activities that are ‘illegal’. Such trade is also looked upon as a source of unfair competition for vendors who are keen/willing to trade through official channels and in compliance with all formal requirements. These scholars, therefore, argue in favour of increased regulations and taxes, more vigilance at the border, greater policing at check-posts and the establishment of formal market channels.

The advocates of liberalisation since the 1980s and 1990s argue that market liberalisation (‘structural adjustment’) policies would have

channelled most informal trade into formal market channels. But this has not happened in large parts of Africa. In fact, for many parts of Africa the overall effect of market liberalisation has resulted in "a significant expansion of trans-border trade,"<sup>13</sup> especially by large numbers of unemployed youth, women and others.

Awang et al (2013) point out that the value of imports from Indonesia to Sarawak in Malaysia was slightly reduced to MYR 456.1mn (US\$102.5mn) in 2010 compared to MYR 474 (US\$107) in 2009. However, the exports of Sarawak to Indonesia reached MYR 349.2mn (US\$78.5mn) in 2009 and continued to increase significantly. In their article on cross-border trade between Sarawak (Malaysia) and Kalimantan (Indonesia), Awang et al show how CBT has served as a catalyst for the elevation and living standards of the border communities. Thus, although the advocates of liberalisation may see an incompatibility between CBT and liberalisation, the case of Sarawak (Malaysia) suggests that CBT does not detract from informal trade, but creates further opportunities for growth in poor border areas where the capacity for formal trade is low. This confirms that informal mechanisms of trade, border markets and other such instances of regionalism and localism are compatible with globalisation and liberalisation.

In the same breath Little (2010) comments in the context of CBT in the Horn of Africa, that "policies that acknowledge and encourage – rather than discourage – regional cross-border trade can capitalise on comparative advantage for different locales; strengthen local food security; increase collection of state revenues and investments in key markets, transport and infrastructure; and reduce price volatility and market imperfections."<sup>14</sup>

He, thus, concludes that governments will be a lot wiser in recognising the importance of CBT rather than in stifling it, for CBT can serve as a sure way of expanding their revenues through customs and tax collections at borders and market towns while at the same time catering to developmental needs and welfare concerns of people living in the border areas.

It is clear that globalisation has thrown up a web of opportunities for formal trade to flourish across the

world, but all are not in a position to utilise these to their advantage if they are left to themselves. *It will be the responsibility of the state to as large extent to ensure that these opportunities do not become challenges, and insurmountable ones at that, for those lagging behind in the third world, in particular.* As Elsenhans (1996) argues, "the so-called process of globalisation does not introduce a worldwide equalisation of living conditions and it does not abolish the capacity for national determination of social structures and working conditions"<sup>15</sup>

Because of this limit to the thrust of globalisation, *the maintenance of a liberal world economy depends on the local solution of the problem of underdevelopment, as underdevelopment will not be abolished through the globalisation process.* In fact, development strategies for overcoming 'marginality' are a precondition for the maintenance of the basis of a liberal world economy. Globalisation requires appropriate localised strategies, which it allows.

Awang (2013) draws attention to two approaches, which have been used to develop the rural communities in Sarawak (Malaysia). While one considers 'industrial development', the other focuses on 'self-development'. This latter approach makes scientific knowledge available to farming communities to help them understand how to use their land efficiently. This concern for enhancing the capacity of local communities so that they do not end up as losers in a globalising world, is echoed by Elsenhans (1996) as well : "The limits to the generalisation of capitalist structures at the level of the world system due to the continued existence of substantial 'pockets' of marginality in the underdeveloped countries lends support to the conclusion that the realisation of the dream of an open world economy requires regionally and locally implemented policies of structural transformation, which complement the operation of the market mechanism by state intervention or other economic interventions on the basis of the non-market economy. They imply a 'restriction' of the liberal process in favour of development policy, whether conceived by a State structure or other institutions of the non-market economy."<sup>16</sup>

Given the manifold advantages of CBT, one must address the various barriers that frustrate cross-border trade. It has been seen that restrictive limits on exemptions from different duties and taxes as well as curbs on the movement of vehicles impede cross-border trade. Often rigid regulatory frameworks are imposed by governments on the grounds of security and discouraging contraband trade. But such government-imposed obstacles are usually a blunt and expensive instrument to attain such public policy aims, with a damaging impact on the income and welfare of the poor. With the aim of ensuring the welfare needs of the people residing in border regions, governments could rather open up border markets or bazaars and simultaneously take steps to strengthen surveillance over them. Rather than impose an outright ban, governments could impose stronger vigilance over goods and vehicles that move across borders.

Moreover, one may find that the security benefits of stronger community ties across borders may be considerable; after all, in a situation where trade is flourishing and resulting in the prosperity of communities living around border areas, all stakeholders would be keen on suppressing criminal behaviour and in promoting public order. Visa and passport stamping policies could be flexibly applied to fit the needs of small border communities. The effectiveness of government-imposed obstacles can be weak (restrictions often

are countered by smuggling or unofficial payments). Therefore, the World Bank Report (2007) justifiably points out the “the ultimate public policy aim of prosperity and security is perhaps best achieved through a combination of liberal cross-border trading conditions accompanied by intelligent policing and customs practices.”<sup>17</sup>

## Cross-Border Trade Around the World

Awang et al (2013) in their article<sup>18</sup> on Malaysian-Indonesian cross-border trade focus on the business participation factors and reasons behind location selection, especially among Indonesian vendors and the spill-over effects on local communities. The location of their research is a small town named Serekin in Sarawak, Malaysia. The town is located about 5 Kms from the border of West Kalimantan in Indonesia. Earlier most of the communities living in the border region used trails or mouse-paths (locally called ‘*jalan tikus*’) for cross-border labour immigration, smuggling various commodities and also visiting friends and relations.

But in 1967 a ‘Basic Agreement’ was signed between the Governments of Malaysia and Indonesia, on the basis of which they agreed that communities living in the immediate border areas on either side would be allowed to cross the border for short, non-work-related visits. For this purpose, ‘Border Crossing Passes’ would be issued by the respective governments to enable Indonesians and Malaysians to cross the international border without official documents or passports. These passes however, limited movement to 30 Kms of the border areas.

The interests of the border communities were reinforced by complementary legislation on the part of the Malaysian government in 1970 in the form of the New Economic Policy. Under this policy, the Malaysian government committed itself to the development of rural entrepreneurship programmes. It was expected that such programmes would generate employment, create wealth, contribute to tax revenue, and stimulate the construction of infrastructures such as transportation.

**With the aim of ensuring welfare needs of the people residing in border regions, governments could rather open up border markets or bazaars and simultaneously take steps to strengthen surveillance over them**

### **Entrepreneurs would act as mediators combining resources to generate output or products and services**

Entrepreneurs would act as mediators combining resources to generate output or products and services. Entrepreneurship activities could become the basis for the community's economic development.

The case of Malaysian-Indonesian cross-border trade illustrates how the vendors on both sides of the borders benefited through access to new markets, the source of supply, capital, labour and technology, although the type of opportunity received was influenced by the level of economic development on both sides of the border. In fact, this cross-border trade brought them out of the vicious cycle of poverty and improved the families' socioeconomic status and became the main source of income for the family. Indeed informal cross-border trade can be one of the mechanisms for developing the economy of the local community. The case of rural border community development based on entrepreneurship in Malaysia is a clear pointer in that direction.

Serikin is a small Dayak Bidayuh village in Kuching Division, Sarawak, Malaysia. The town is located about 15 Kms from Bau town and 80 Kms from Kuching city. The majority of the community living in Serikin is the Video community, an ethnic group categorised under the Dayak group living in rural areas. Serikin started with a small-scale barter trade in the early 1980s. Now, it has become the focal point of local communities and vendors from Indonesia to sell their merchandise over the weekend. This small town became an open-space supermarket and offered a variety of goods at relatively cheap prices. The products sold are predominantly fabrics and garments (27.5 per cent), vegetables and local fruits and beverages, furniture, handicrafts and herbs and electrical and

household goods. The business site is located on both sides of the road for about 200 meters. The stalls are simple, made of wood and roofed with zinc and leaves.

Traders are charged MYR80.00 per month for a stall rental. The visitors to this Weekend Market come on Saturday and Sunday from 8 am to 5 pm. Research showed that most of the vendors are Indonesians who come from different parts of West Kalimantan. The majority of them are from Pontianak (56.9 per cent) and Sangau Ledo (13.7 per cent), about 17.7 per cent are from Singkawan, Pemangkat, Seluas and the nearby border villages. For transport, they used their own cars, rental vans, or trucks which were parked on the Kalimantan border. It took them about three to eight hours drive to reach Serikin town. The vendors were confident and highly motivated to carry out their business activities because of prospects of better income and of course, their desire to be self-employed.

Communities of villages along the borders received benefit from the business activities that were being carried out. An array of opportunities for earning incomes opened up for the people around. Local vendors set up stalls and leased them to the Indonesia vendors for MYR60-80 (US\$15-20) a month. They also made the open space available in their house compound as parking space for rent. There were many restaurants and food stalls that were opened for business, and at the same time there were private houses being rented to Indonesian vendors for MYR5.00 (US\$1.50) per night. For storage of goods, there was an additional charge of MYR70 (US\$20). Some Indonesian vendors bought household items such as sugar, cooking oil, cookies and other processed food for domestic consumption from the local vendors because sugar is much cheaper in Malaysia than Indonesia due to government subsidies. Private toilets were built behind the shophouses and the private houses and the charges varied from MYR0.20 cents to MYR0.50 cents for a bath.

The study by Awang and others also highlights several factors, which boosted cross-border trade in the region – vendors preferred to carry out business in Serikin because they were familiar

with the space provided by the locals; there was a high demand from the Malaysian consumers especially during the weekends. The low average cost of rental space (US\$15-20 per month) also encouraged local vendors. The low rates of room rents, like MYR 5 per day, encouraged vendors to stay longer in Serikin town. Rooms were also available for storing goods (at an average rental of MYR 40 per month), which prompted several Indonesian vendors to leave their goods in Serikin, and return to their villages after finishing business on Sunday evenings.

The study by Awang suggests that systematic cross-border security, well-planned infrastructure and a good trade transaction procedure will benefit all parties. Furthermore, state investments and comprehensive community development programmes, as reflected in Malaysia's NEP, have helped communities living on the fringes of the border between two countries to cope with numerous issues that render them economically, socially and politically vulnerable. The establishment of border markets as seen in the case of Serikin, diminishes the scope of informal trade, but does not eradicate it altogether. Serikin town has a small immigration post, customs office, police station and a military camp. It is their responsibility to ensure that the illegal movement of people and goods are under control. Through the intervention of the local municipal council and stakeholders, and aided by effective regulations like tariffs and taxes, Serikin town has emerged as "a mall within the forest."<sup>19</sup>

Myanmar is situated in South-east Asia and is bordered on the north and north-east by China and on the east and south-east by Laos and Thailand, and on the south by the Andaman Sea and the Bay of Bengal and on the west by Bangladesh and India. Cross-border trade thrives along the borders of Myanmar. Despite the Myanmar government's promotion of formal/official cross-border trade, informal cross-border trade activities continue to thrive largely on account of a complicated trade licensing system that requires various documents, including sales contracts, letters of credit, and bank transactions in a single currency prescribed by the government.

Although licences for trade are issued within a day in the border areas through one-stop service centres, preparation of the application documents is time-consuming, sometimes requiring almost a month, depending on the value and type of commodity. Such a lengthy process in trade licencing and restrictions on imports and exports imposed from time to time, depending on the market and economic situation in Myanmar, have resulted in increased informal cross-border trade activities. Informal cross-border trade refers to registered or unregistered business activities undertaken across the borders.

The Indo-Myanmar Border Trade Agreement between the governments of the Republic of India and the Union of Myanmar was signed on January 21, 1994 with the goal of formalisation of border trade practices. The agreement initially provided for cross-border trade in 22 products, mostly agricultural/primary commodities produced in the trading countries. Bezbaruah (2007) draws attention to the fact that informal trade across the border between India and Myanmar is mostly dominated by third country products and that the volume of informal trade between the two countries is several times greater than that of formal trade. In 2001 a few more items were added to the list of tradable items.

**The Indo-Myanmar Border Trade Agreement initially provided for cross-border trade in 22 products, mostly agricultural/primary commodities produced in the trading countries**

"In practice, the agreement actually does not go much beyond according to a formal sanction to exchanges traditionally going on between the local populations in the border areas of the two countries. But it holds significant symbolic value in terms of furthering economic ties between the two countries."<sup>20</sup>

The agreement specified that trade should be conducted through the designated custom posts, viz, (a) Moreh in India (Manipur State) and Tamu in Myanmar, (b) Champhai in India (Mizoram State) and Hri in Myanmar and (c) other places that may be notified by mutual agreement between the two countries. Following the signing of the agreement, the two land customs stations (LCS) at Moreh and Champhai on Indian soil were notified. However, the Champhai station has not become functional till date and all official or formal Indo-Myanmar border trade has been taking place through the Moreh-Tamu route. Similarly, Myanmar signed a border trade agreement with India on January 21, 1994, with Bangladesh on May 28, 1994, with China on August 13, 1994, and with Lao PDR on December 06, 2000.

Aung (2009)<sup>21</sup> aims at identifying the role that informal cross-border trade activities play in facilitating trade between Myanmar and Thailand and Yunnan province of China. Myanmar signed a border trade agreement with Thailand on March 17, 1996, covering border trade between the two countries through the border trade posts of Maesai, Maesod, and Ranong on the Thai side and Tachileik, Myawaddy, Kawthaung, and Myeik on the Myanmar side. With a view to simplifying financial transactions relating to border trade between Myanmar and Thailand, a Memorandum of Understanding (MOU) was signed in August 2006 between each of Myanmar's banks (the Myanmar Economic Bank and the Myanmar Investment and Commercial Bank) and each of Thailand's six banks (the Bank of Ayudhya, the Bangkok Bank, the Krung Thai Bank, the Siam City Bank, the Thai Farmers Bank, and the Thai Military Bank).

Aung (2009) informs that there are two types of informal players in border areas. One is the broker trading companies taking responsibility for documented trade, and another is smugglers (often

called carriers) who are responsible for undocumented trade. The route used by the former is called the "upper channel" and the route used by the latter is called the "lower channel." Products restricted in the upper channel simply go through the lower channel. Products that are expensive to get through the upper channel also go through the lower channel. The lower channel is sometimes risky and there is always a chance of losing some products in this course. Carriers carry undocumented trade through unofficial routes across Myanmar's borders in order to bypass check-points in Myanmar.

Regarding undocumented trade, the value of undocumented imports from China accounts for approximately 41 per cent of Myanmar's total imports from China, whereas the value of undocumented imports from Thailand accounts for about 60 per cent. Kubo (2012) draws attention to various restrictive controls on trade that the Government of Myanmar introduced in order to manage scarce foreign exchange in the 1990s. One of such controls is the so-called 'export-first and import-second' policy. As per this policy, import licences would be issued to private players on the possession of a sufficient amount of export-tax-deducted export earnings to cover the import bill. Analysing how trade policies in Myanmar provided vendors with incentives to misreport trade, Kubo observes that "this policy might have prompted vendors to adjust misreporting of trade in accordance with the supply and demand for export earnings."<sup>22</sup>

Informal cross-border trade activities have been rampant in border areas and important in sustaining a robust lower channel. The several factors that have been instrumental to this include the existence of an export first policy, trade restrictions, and the complicated trade licencing system.

Aung (2009) opines that "in the short term, under the existing licensing system and the prevailing stringent requirements, the role of broker trading companies and their informal cross-border trade activities should be recognised. However, in the longer term, the

**Informal cross-border trade activities have been rampant in border areas and important in sustaining a robust lower channel**

trade licencing system for some specific commodities should be relaxed and/or replaced by a trade reporting system."<sup>23</sup>

He also recommends that non-tariff barriers should be reduced and that the process of bank transactions and transfers using a letter of credit should be improved. Through "more relaxed" or "less stringent" requirements and increased trade facilitation, real exporters and importers will be able to handle their exports and imports without having to go through existing informal channels like broker trading companies. Through capacity building, training programmes, and trade promotion, broker trading companies will expand their cross-border and international networks and handle their own trading businesses.

Once that happens, Aung (2009) contends that "informal cross-border activities will be formalised, and the 'lower channel' will be replaced by more 'upper channel' trade activity, resulting in increased documented cross-border trade. For cross-border trade development to benefit people in border areas and contribute to poverty alleviation, policy should be revised to include a pro-poor approach, through which more disadvantaged people will benefit. Through this approach, cross-border trade development will contribute not only towards the economic development of Myanmar but also towards poverty alleviation, at least around the areas close to the borders."<sup>24</sup>

When it comes to CBT in Central Asia, the World Bank Report (2007) draws attention to three factors that play a crucial role to the flourish of such trade in the region: (i) the ability of the people in the region to cross-borders without having to make large unofficial payments; (ii) the ability of the people in the region to routinely cross-borders along with their goods without paying prohibitive tariffs, taxes or duties and other border charges; and (iii) the ability of the people in the region with their own passenger vehicles or with light vehicles from bordering regions.<sup>25</sup>

A prominent example of CBT in Central Asia is the Korgas bazaar, on the Kazakhstan-China border. It is one of the region's largest cross-border markets providing platform to nearly 1,300 vendors per day. The bilateral regime allows visa-free entry for vendors entering for the day and limited duty-free privileges (on up to US\$1,000 of cargo, with a flat rate applied thereafter). On the Kazakhstan side of the border, cross-border trading has become the most important source of employment in Jarkent, the largest border city in the district. Conservative estimates indicate that 3,250 people work directly in cross-border trade activities. Since each vendor requires one or two, sometimes more, persons who are engaged in different activities like selling at the market stalls, or for warehousing or local transport, the number of people who get to earn incomes increases substantially.

The World Bank Report (2007) points out that 'Cross-border trade in Jarkent involves almost 20 per cent of the active population, as compared to 10 per cent for agro-processing, 7 per cent for industry, and 7 per cent for agriculture. Combined with official data for transport, mainly dedicated to serving Korgas by minibuses and taxis, almost 30 per cent of Jarkent's active population depends on cross-border trade. Taking into account the total dependency ratio in Kazakhstan, one inhabitant out of six in Jarkent directly depends on income generated by cross-border trade activities.'<sup>26</sup>

It is, therefore, to be inferred that in terms of income generation, cross-border trade is as profitable as any other economic activity, despite the fact that vendors work for only two-thirds of the year. The same report also draws attention to the fact that 'vendors state a 25 to 30 per cent gross margin on any transaction, which signifies yearly margins for the community of local vendors of US\$3.31 million, or over US\$1,650 for two-thirds of the year. This is comparable to an average yearly salary of US\$2,100 in Jarkent. The employment and income benefits accruing to residents of Korgas, the largest land transport port in western China — capable of handling three million passengers and 340,000 tonnes of merchandise annually, also seem to be enormous.

The World Bank Report (2007) makes two important observations. First, it highlights that there has been a sharp increase in the number of people engaged in business at the bazaar. The Korgas bazaar was said to employ in 1997 around 800 people servicing 20,000 foreign vendors or 154 persons per day. The number of people crossing daily into China was around 1,300 in June 2007, or almost nine times more than in 1997. Second, as can be easily observed by anyone crossing the BCP into China, employment effects go beyond the bazaar itself.

There are hundreds of taxi drivers offering their services, including trips to Urumqi, capital of Xinjiang Uygur Autonomous Region. Moreover, bars and restaurants in areas surrounding the bazaar, as well as stores all over city appear to be thriving. The city appears to be prospering essentially because of cross-border trade with Kazakhstan. Observations of the movement of goods across other BCPs fully corroborate the

observation about the beneficial impact of cross-border trade on poverty reduction, especially in rural areas.<sup>27</sup>

The Chinese-Kazakh Korgas BCP is an example of advancing cross-border cooperation beyond the level implied by the national framework, arrangements encouraging development of cross-border trade. The benefits accruing from the Korgas Bazaar for residents on both sides of the border result from two key measures:

- **No visa:** Residents of the Kazakh Panfilov district can enter China without any visa if they stay no longer than one day. The waiving of the visa requirement is important, as visas can be only obtained in Almaty, about 300 Kms from Jarkent, and the process is expensive.
- **No Duty:** Some cargo brought into Kazakhstan from China is duty-free. Cargo whose weight does not exceed 50 kilograms and value not exceed US\$1,000 can be brought into Kazakhstan without paying any border charges.

This set of preferential arrangements has benefited the development of cross-border trade and stands out as an illuminating case of how governmental interventions can facilitate CBT. The Korgas bazaar, often described as a "showcase of cross-border trade," has emerged as one of the most important platforms supplying south-western parts of Kazakhstan.

Indeed *Government intervention can serve as a facilitator of cross-border trade*. As in the case of standard trade, cross-border trade in order to flourish, needs an institutional and legal basis, in the form of agreements or treaties between/ among the concerned countries. Such treaties/ agreements may have special provisions that will facilitate trade taking place in the border regions. For example, Eurasec and the CIS regional integration arrangements provided for duty-free trade and visa-free movement of people. In some cases, of course there were restrictions where goods could not enter duty-free because of the imposition of differential excise taxes on imports, and where visa requirements were imposed in some cases on citizens of CIS countries.

**In terms of income generation, cross-border trade is as profitable as any other economic activity**

The movement of goods across borders usually face two kinds of barriers: first, border services are distrustful of certificates of origin issued by a particular country/countries, and second, regulations specifying customs procedures and technical norms depart at times from commitments made under different treaties or agreements. Soft measures aim at easing conditions governing the movement of residents of contiguous border administrative units, use of motor vehicles, and exempting cross-border trade from duties and other charges collected at the border, and are likely to facilitate cross-border trade activities. It is important to note that all such facilitating measures have to be in place if cross-border trade is to be activated. Simplified procedures and visa-free entry for individuals would not be sufficient by themselves if BCPs remained closed or the government charged exorbitant fees for entry of goods.

Two other cases offer illustrations of special arrangements to stimulate cross-border trade: the Afghan-Tajik and the Kazakh-Kyrgyz borders. The Afghan-Tajik cross-border project represents the first stage towards wider and deeper integration based on cross-region cooperation. In 2003, the Government of Tajikistan launched a programme designed to facilitate cross-border trade with Afghanistan. The programme has enabled the opening of BCPs together with bazaars located within Tajik territory. The facilitating aspects include: Bazaars opened at several BCPs between Tajikistan and Afghanistan; Afghan citizens do not require visas to enter the bazaar; they just deposit their ID or passport and collect it when they leave the fenced bazaar.

Free-trade arrangements, together with bilateral governmental agreements for visa-free movement of people, underline relations in two pairings: Kazakhstan-Kyrgyzstan and Kyrgyzstan-Tajikistan. Citizens of Kazakhstan and Kyrgyzstan merely have to produce their national Identity Card to enter the other country. In the second pairing, a national passport is required. In the Kazakhstan-Kyrgyzstan pairing, the use of motor vehicles in the other's territory is allowed. In both pairings, cargo not exceeding 50 kilograms in weight and US\$1,000 in value is exempt from border charges.

## **Cross-border trade in order to flourish, needs an institutional and legal basis, in the form of agreements or treaties between/ among the concerned countries**

*But then, government intervention can also serve as an obstacle to cross-border trade.*

**Visa requirements:** The cost of a visa alone can pose as an insurmountable barrier to cross-border trade. Visa requirements or even visa-free entry if combined with large stamps (covering at times an entire page) to mark each entry and exit in the passport, constitute a barrier to engage in trading activities. For the purpose of applying and obtaining a visa one may need to make a trip to the capital or the consulate in the city. Moreover, large stamps quickly lead to the necessity of applying for a new passport or inserting extra pages. Both are costly and time-consuming, and returns from trade would have to be high enough to justify such expenses. Cross-border trade is highly sensitive to all kinds of border payments.

**Cost of a Visa Alone Can be a deterrent to Cross-Border Exchanges:** Restrictions of the movement of local people may make any cross-border trade activity impossible. Irkeshtam, the BCP at the Kyrgyz-Chinese border, illustrates this case. Fees for Chinese visas for Kyrgyz citizens reach US\$260. Moreover, local residents from Nura (the Kyrgyz settlement at the border) must travel to Osh to have their visa issued, for which the fee is the equivalent of US\$55. The total cost of obtaining a visa, therefore, amounts to US\$315, which is equivalent to more than 55 per cent of the average annual salary in

Kyrgyzstan. Needless to say, only a few local residents cross the border to trade: on an average, two local people crossed the border daily in June 2007 (compared to 1,300 in Korgas) and cross-border trade is non-existent. Yet, the infrastructure and market for cross-border trade exist: Nura is located 6 Kms from the border, and could be a site for cross-border bazaars, given that 20 trucks cross the border every day.<sup>28</sup>

Little (2007) draws attention to some of the hurdles that dampen unofficial cross-border trade in Eastern Africa.<sup>29</sup>

Since extremely poor infrastructure, communications, and security are typical of several border areas in eastern Africa, especially the Horn region, cross-border trade in many cases remain as the only market option. Thus, the harsh realities of CBT, which distinguish it from other commerce in the region need to be acknowledged.

The most important hurdles include poor infrastructure and lack of adequate security. Despite the political significance of borders, most international border regions are generally isolated and have poor transport, communications, and other infrastructure. They are distant from political and commercial centres of the country and in many eastern African countries it can take several days to travel between the capital city and one or more of its border areas. Infrastructural inadequacies are pronounced in several domains: road and railway network, lack of warehousing, absence of Internet facilities for market information and intelligence; the cross-border vendors are crippled by lack of access to market information pertaining to what is in demand, what is needed, where, in what quantities and packaging standards, etc. The lack of storage and warehouse facilities is reinforced by the fact that most merchants avoid investments in facilities that would draw attention to them given the informal nature of the trade, in which they participate. In insecure areas these kinds of infrastructure become easy targets for bandits and other criminal elements, as has been the case in the southern Sudan/Uganda borderlands.

As Little (2009) comments, "...the irony is that the relative isolation and anaemic infrastructure in border areas actually insulates CBT from official and other types of detection."<sup>30</sup>

For livestock-based CBT as in east Africa, infrastructure needs include veterinary facilities, holding grounds, and water points. Infrastructural development is so abysmal in the border areas in the African Horn, that even if governments wanted to officially export livestock to neighbouring countries, they would be seriously constrained to do so in border markets.

Another factor, which ails cross-border trade in eastern Africa, is inconsistent border enforcement. In eastern Ethiopia, officials sometimes so to speak, "look the other way" when CBT in bulk foodstuffs is involved but pursue punitive measures for other goods. This could be explained by the fact that the region suffers from food insecurity, but it still adds to the element of uncertainty. Random checks along the roads and routes of the region regularly catch vendors running goods across the border. Occasionally even stricter border surveillance is enforced resulting in virtual sealing of a border. Such blockages can be inconsistent and do not target all goods; exceptions are sometimes made, especially for bulk food imports, and blockages are sometimes removed altogether. As a result the entire environment becomes confusing and beyond the estimate or anticipation of the stakeholders.

Sometimes government policies and directives seeking to control CBT can be damaging to the interests of both producers and merchants and aggravate an already risky market environment. The Ethiopian government's decision in 2005 to ban the use of Somali shillings (SoSh) in eastern Ethiopia is a case in point. Prior to this, the SoSh currency was widely used in the area because CBT activities were calculated in SoSh, especially because exports and imports transited through ports of neighbouring Somalia. When the currency ban was enforced, CBT merchants stopped going to certain areas where the directive was strictly enforced, resulting in large dips in livestock prices and increases in prices of imported foods.

Anybody found using Somalia currency was liable to be imprisoned, and any Somalia currency found was confiscated, which was the dominant currency used to purchase small- portions of retail goods affordable for the poor.

The CBT is also faced with the disadvantage of uncertainty about existing policies toward CBT; about what level of administration is responsible for regulating/licensing the activity; and about the rights of CBT vendors to engage in trade of legal goods. Traders engaging in cross-border trade need to be informed about official rules and regulations and also about their rights. They need to be empowered so that they can assert themselves when faced with incorrect application of rules and arbitrary actions of officials.

Miti (2005) opines that efforts to counter these shortcomings and information-gaps and establish more formal policies toward CBT, especially for maize trade, seem to be further advanced in southern than in eastern Africa. To exploit the potential of a free trade zone in the region, COMESA (Common Market for Eastern and Southern Africa) has endorsed the so-called 'Maize without Borders' initiative and has reviewed customs documentation and procedures with a view to simplifying and facilitating cross-border maize trade.<sup>31</sup>

Both Uganda and Ethiopia have also tried to simplify CBT issues by 'decentralising' permit administration to local levels and allowing small vendors to practice informal CBT up to a certain value (> \$1,000 per month in Uganda's case) but even here considerable confusion remains. In

eastern Ethiopia, regional and local authorities are often unaware of policy changes at the federal level and, thus, some local actions may actually contradict existing laws and policies.<sup>32</sup> In cases of livestock, there is even more ambiguity in Ethiopia after the legalisation of small volumes of cross-border trade (eight head of small stock or less per trip). In the Horn region where some CBT restrictions have been eased, the amount of paperwork and time required to qualify under new regulations is so cumbersome that most vendors do not bother with it.

Indeed, policy ambiguities and information asymmetries are serious hurdles on the path of cross-border trade. Additional factors that increase policy uncertainties surrounding CBT are concerns about (1) illegal arms trade/terrorism and (2) potential competition with domestic industries. Little (2007) concludes that policies that acknowledge and encourage rather than discourage regional CBT can capitalise on the comparative advantage for different locales; after all border markets thrive on border differentials. By creating a more enabling environment and even addressing capacity building measures of local stakeholders to participate in cross-border trade, governments can go a long way in securing revenues while at the same time ensuring development of border areas and wellbeing of the generally poor people who inhabit them.

## Chapter 3

## Insights on Livelihood

The idea of border haats was conceived by the governments of India and Bangladesh with the aim of promoting the wellbeing of the people dwelling in remote areas across the border between the two countries. The establishment of these 'local markets' would enable people of the two countries residing in the border regions to buy and sell their 'local produce'. border haats thus establish the traditional system of marketing that has existed among these people who have co-existed as natural neighbours through history.

### Key Findings

- border haats have directly impacted income generation for all the participating stakeholders (especially Vendors)
- border haats have given rise to new vocations of work and have significantly contributed to the income of several categories of stakeholders like labourers and transporters
- border haat profits constitute the primary source of income for Indian vendors, but for Bangladesh vendors border haats remain a secondary or supplementary source of income
- Indian vendors are keen on re-investment for expansion

of their business, but they need infrastructural facilities and assurance about the renewal of vendor cards. Bangladesh vendors are not so oriented towards re-investment

- There is no correlation between border haat success stories and other attributes of vendors in terms of educational achievements, caste, tribe and religion
- In terms of participation rates, most of the Indian side vendors are found to be quite regular
- Most vendors on both sides of the border prefer to hire a vehicle for their goods. Only a few share the vehicle, most hire the whole thing for their personal use. Profits are good, possibly because the quantity of goods is greater

### Impact of the Border Haat on Daily Livelihood

border haats have directly impacted income generation for all the participating stakeholders (especially vendors). It has not only given rise to new vocations of work in the interiors but has also created new opportunities for people to engage themselves with cross-border trade in the capacity of labourers, transporters, etc. The border haat trade generally allows three to four labourers/staff/helpers

**The idea of border haats was conceived by the governments of India and Bangladesh with the aim of promoting the wellbeing of the people dwelling in remote areas across the border between the two countries**

**Table 3.1: The direct impact of border haats on Income of vendors (India and Bangladesh)**

India					
Vendors	border haat Locations	border haat Average Income: INR per month	Non-Haat Average Income: INR per month	Total (income from main occupation plus BH profits) Average Income: INR per month	BH income as % of total income
Tripura (India)	Srinagar	16,544	3,800	20,344	81
	Kamalasagar	16,460	6,500	22,960	72
Meghalaya (India)	Kalaichar	11,050	4,270	15,320	72
	Balat	14,680	7,050	21,730	68
	<b>Average</b>	<b>14,684</b>	<b>5,405</b>	<b>20,089</b>	<b>73</b>
Bangladesh					
Chittagong (Bangladesh)	ChaggaInaiya	3,983	13,584	17,567	23
	Kasba	4,107	11,958	16,065	26
Rangpur – Sylhet (Bangladesh)	Kurigram	7,359	9,650	17,009	43
	Sunamganj	6,800	11,708	18,508	37
	<b>Average</b>	<b>5,562</b>	<b>11,725</b>	<b>17,288</b>	<b>32</b>

Source: Compiled and calculated from the primary data set (The Bangladesh border haats have been listed in the same order as the India ones; for instance: Srinagar corresponds to ChaggaInaiya).

Conversion rate: INR 1 = BDT 1.20

Calculations: border haat profits are calculated by adding up profits earned by vendors on each Haat day, which adds up to 4 Haats days a month and then obtaining the arithmetic mean to show the monthly average figures for each of the Haat locations.

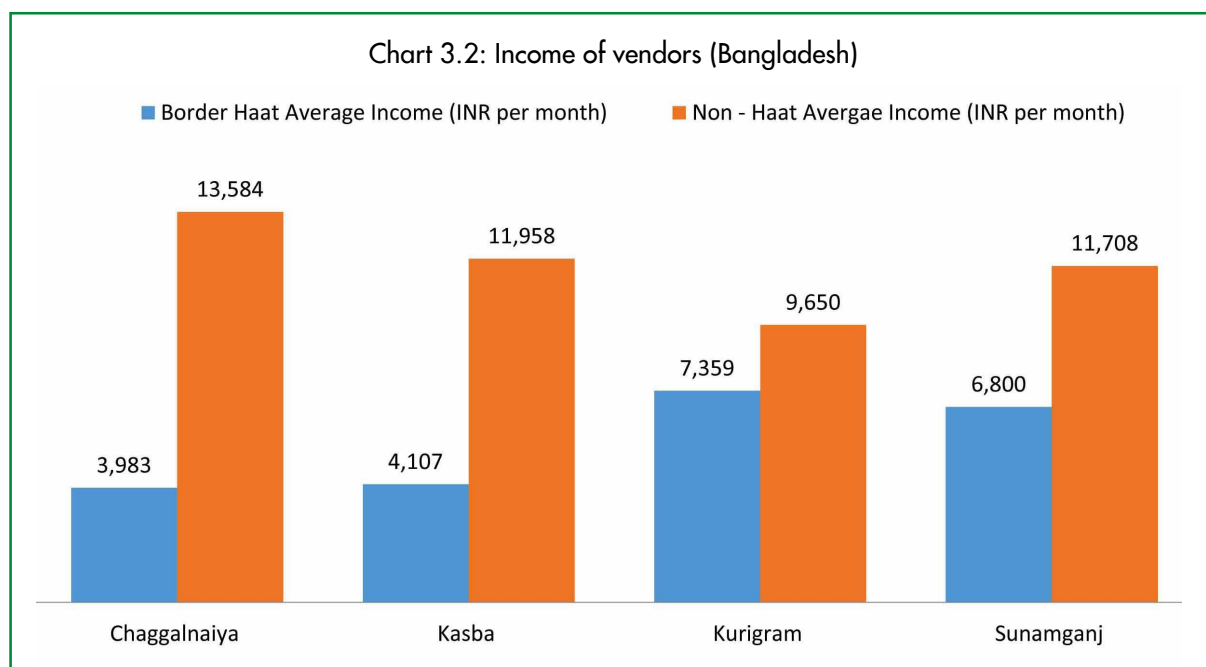
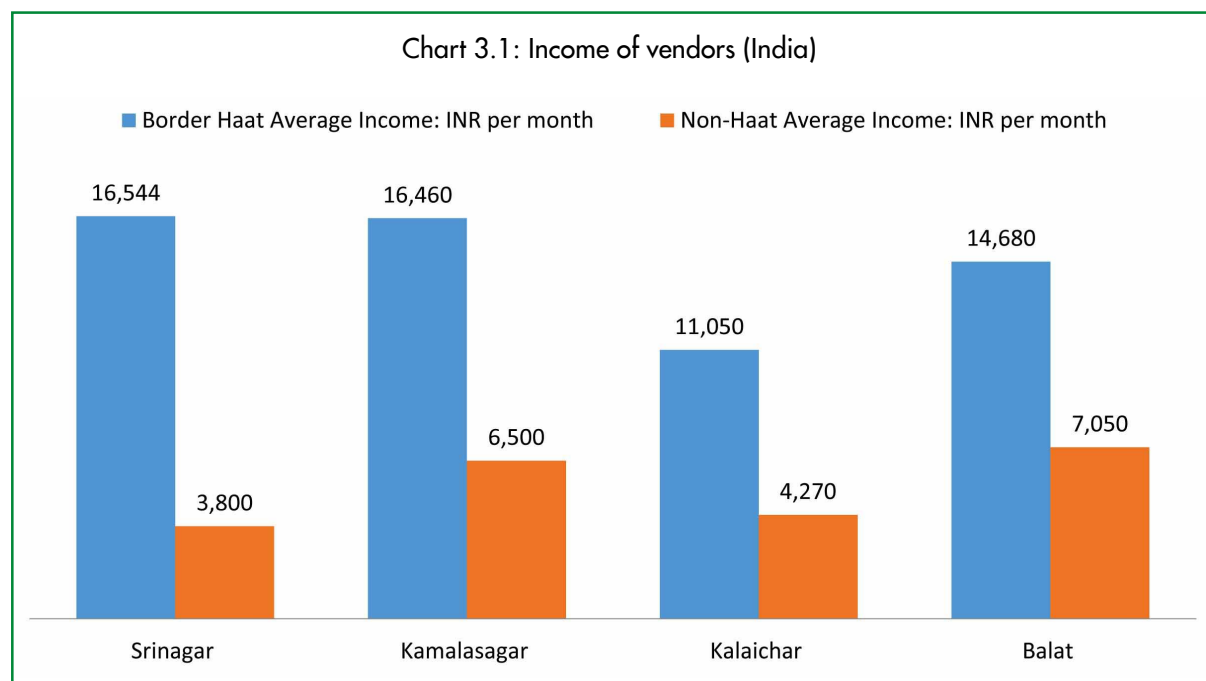
for each of the 25 officially authorised vendors from either side. This results in the participation of at least 200 people from both sides of the border in each of the border haats.

In addition to these people who largely comprise the group of sellers, there are also vendees who get involved in border haat trade not just for self-consumption but for securing an income by selling goods purchased at the haat, in other places outside. This is seen particularly in Meghalaya. However, vendors (authorised and selected by the joint BLMCs) are considered as the direct beneficiaries from the existence of border haats; Table 3.1 shows the impact of the border haat trade on the income of those participating as vendors.

The total income of the vendors on the Indian side is INR 20,089 per month. This figure includes the income of a vendor from his non-haat-related

activities and the profit he earns from the border haats per month. The non-haat average income on the other hand is considered as the work, which was performed by the vendors for securing their livelihood, before the commencement of the haat. It is to be noted that the border haats, which are held once a week, at present have not stood in the way of vendors so far as their participation in their non-haat economic engagements is concerned. Thus, the direct impact of border haats on vendors can be estimated by differentiating the present income (haat and non-haat) and the previous income that used to accrue exclusively from the non-haat engagements. Chart 3.1 and 3.2 highlights these differences in income for vendors in India and Bangladesh.

For the India side, Border haats have impacted much by way of creating and adding new avenues of income for vendors. This is primarily because of the better quality and variety of Indian



goods (not necessarily local), for which there is a high demand. In fact, most of the haats experience wholesaling of spices (mainly Jeera), branded cosmetics, baby food and health drinks like Horlicks to vendees from Bangladesh. If one considers haat income as the share of the total income of the vendors then we can see that the Tripura haats have experienced a higher magnitude of average border haat income for the

vendors whose non-haat income constitutes only 19 per cent (Srinagar) and 28 per cent (Kamalasagar) of the total monthly income. The average non haat income of Balat (Meghalaya) is currently the highest, amounting INR 7,050 (US\$100) per month (As per the 2017 MoU, the purchasing limit has now been increased to US\$200).

**For the India side, Border haats have impacted much by way of creating and adding new avenues of income for vendors. This is primarily because of the better quality and variety of Indian goods (not necessarily local), for which there is a high demand**

One must clarify that for vendors across Indian haats, haat income happens to be the major component of the household income and the case is quite the contrary in case of Bangladesh vendors. The average border haat income of Kalaichar vendors is least, a fact which perhaps can be explained by the strict vigilance of customs officials over the passage of goods into the haat. Furthermore, the demand for Indian goods on the Kurigram side (Bangladesh) is also comparatively less, because of their lower purchasing power and a difficult approach road on the Bangladesh side, which makes the carriage of goods strenuous. Tara Mia, a vendor from Kurigram selling garments, melamine and plastic goods comments: "I have to carry my goods across a river whose embankments are eroding and the journey is tiresome, besides how much of goods can you carry in country-boats?" Hence, Bangladeshi vendors are not able to get as much from the haats as Indian vendors.

But a further reason might be the lack of a supply push. While the average non-haat income of India (for all four haat locations) is INR5,405 (US\$77) per month, Bangladesh averages INR 11,999 (BDT14,399/US\$171). It is clear that on the whole non-haat income of Bangladeshi vendors is much higher than that of the Indian vendors. Our field perception is that people on

the Bangladesh side (Chhagalnaiya and Kasba) display higher average purchasing capacities than the Indian counterparts. Border haats remain a supplementary source of income for Bangladesh vendors. Chart 3.2 clarifies this point.

Chhagalnaiya averages the highest total income of Bangladeshi vendors at INR18,941 (BDT22,729/US\$271), although income of these vendors increased by 37 per cent after the commencement of haat in the locality. This is mainly because of the demand for fish and vegetables that the border haat created. The non-haat average income figures are much higher for Bangladesh and in fact constitute as much as 68 per cent of the total average monthly income. This is indicated in Chart 3.2. In fact, the Rangpur-Sylhet divisions, corresponding to Meghalaya (India) average approximately one-fourth of their total income from the border haats. Thus, the direct impact of haat income in Bangladesh has been low owing to less variety of goods and certain other regulatory obligations.

For instance, the BGB personnel, who officiates haat proceedings in the Bangladesh haats often impose restrictions on the volume or quantity of items that vendors are allowed to carry into the haat. We go into more detail on this aspect in a subsequent section dealing with regulations and practices. The low border haat income of Bangladesh vendors is also attributed in part to the comparatively lower demand and purchasing power of vendees on the Indian side. Fazul Akhter, a vendor in Kurigram region selling bakery biscuits laments: "Vendees from our country take a lot of interest in picking up varieties of things from the Indian vendors, but Indian vendees do not seem much interested in Bangladeshi products. They concentrate mainly on limited items like plastic and melamine ware."

**Border haats remain a supplementary source of income for Bangladesh vendors**

Border haats have significantly contributed to the monthly income of the labourers. The rates of the labourers are not fixed by law and are relatively flexible for the local Vendors to decide, subject to the availability and work efficiency. From the India side, Kalaichar labourers (five from each of the haats were interviewed randomly) earn INR3,060 (US\$44) per month from the border haats. The daily rates are higher owing to the small number of the efficient workforce in the locality together with a difficult terrain, which makes head carriage of goods more exacting. The average daily wage rate of labourers for both the Meghalaya haats is INR 400, much higher than the Tripura ones. This is also considered to be major reasons behind the less profit margins of the Kalaichar vendors.

The other three haats (Balat and Tripura) in India average INR1,260 (US\$18) per month for the labourers. Therefore, border haats are undeniably an important source of income for all these local inhabitants. In fact, the income that a labourer earns from a day's work at the haat is approximately equal to the amount he earns from other avenues over the rest of the week. The labour charges in the Chittagong division of Bangladesh are much less in view of the abundance of work force available in these border regions.

The average monthly charges of the interviewed labourers in this region of Bangladesh is INR796 (US\$11), less than the total Bangladesh average of labourers interviewed across all Bangladesh haats, that is, INR1,137 (US\$16). The wage rates of Sunamganj and Kurigram labourers are higher because the approach to the haats lies across difficult terrains. On the whole the magnitude of income for labourers from border haat trade is greater on the Indian side, owing to the larger demand for work force necessitated by a much larger volume of goods that need to be transported for trade at the border haat.

## Impact of the Border Haat on Profits and Re-investment

As in respect of some other issues (like gender), our observations with regard to the above question have varied with regions. In Tripura (India), vendors generally re-invest their border haat profits towards the expansion of their border haat business. In fact,

some of the "vendors" in the Srinagar area seem to be keen on re-investment as much as they are confident about having their vendor cards renewed upon expiry of their existing validity.

Subhasis, a vendor trading in cosmetics comments that: "Bangladeshi people have a great fancy for Indian cosmetics and I am doing better business with Indian cosmetics at the haat than in my own locality." It needs to be clarified at this juncture that there is an informal committee, consisting predominantly of prominent vendors and local *Panchayat* officials in Tripura (particularly Srinagar), which gives its feedback on the regular functioning of the haats to an official committee comprising the District Magistrate, Additional District Magistrate, BSF personnel and local police, which has the authority to issue vendor cards. It is this informal committee, which takes the majority of the decisions in this regard.

Responses of certain members seem to indicate this trend. Manik is seen to be making good business, selling chocolates, biscuits and similar packaged edibles and is confident of getting his vendorship renewed: "If the authorities do not renew our vendor cards, after we have put in so much of effort to get into this trade, who else will they consider for vendorship?"

Our survey team sees in Manik's response, a hint that vendor cards are more readily available to those who can pursue the right channels and exert influence upon the issuing authorities and also to have the ability to carry out a business all year round. The keenness to secure vendorship in future haats cannot be delinked from their inclination to re-invest their border haat profits for expansion of their border haat businesses. It is also clear from some of their responses that they are beginning to look at border haat as a possible permanent source of income in the future.

In Kamalasagar, although an unofficial committee exists as in Srinagar, its role seems to be comparatively passive. This is because there is a greater degree of official involvement and surveillance over border haat trading. In the course of our interactions with some of the members of this committee, we found that the head of this committee is the Additional District

Magistrate of Sepahijela, who generally operates through an official — Gram Rajgar Shebok, who keeps the committee informed about details pertaining to haat activity on the basis of day-to-day observations. Under the circumstances, the scope for vendors to exert influence on the authorities in respect of issuance and renewal of vendor cards is less than that seen in Srinagar. Vendors in Kamalasagar, therefore, are not so optimistic that re-investing border haat profit for furthering border haat business will be an agreeable venture on their part. What if their vendor cards are not renewed?

Shetal, who sells export quality garments in the haat, comments “My border haat income is more than six times what I earn from my regular local garment shop and I am keen to expand my business. But I shall be very badly hit if for some reason my entry to the haat gets discontinued”. A policy recommendation coming out of this finding is that: there should be a cut off date, by which vendors are informed about renewals. This is important as vendors need to make advance preparations for setting up business at the Haat.

For the corresponding haats on the Bangladesh side, Chhagalnaiya and Kasba, vendors seem to re-invest more on non-border haat business as the haats continue to be a secondary source of income. This is generally because of the less demand for Bangladesh goods on the part of Indian vendees and possibly because of the comparatively less purchasing power of the Indian vendees. Bangladesh vendors display a clear lack of enthusiasm about expanding their business for border haat trade, which is captured in some of their responses to the survey team.

Joshimuddin has a grocery shop in Chhagalnaiya bazaar, which is the main source of his income. He comes to the border haat because he has received a vendor card and he has arranged for somebody to hold fort at his regular shop on haat days. He looks upon this border haat engagement only as a secondary means to supplement his income: “My border haat involvement is only incidental to my main business in Chhagalnaiya bazaar. If it comes to expansion of business, I don’t think about the haat business independent of my main shop.” Joshimuddin’s response is understandable for his

monthly non-haat income is more than nine times of whatever profit he earns from border haat trade. The survey team has also observed that many of the enclosures reserved for Bangladeshi vendors at the Kasba haat remained vacant. This seems to suggest that there is lack of sufficient incentive and enthusiasm on the part of vendors in Bangladesh to participate in border haats as vendors. It is for this reason that re-investment of border haat profit for expansion of border haat business is not a serious consideration for the Bangladeshi vendors.

For the Meghalaya side of the Indo-Bangladesh border, vendors are keen to look at the issue of re-investment for expansion of their border haat business. Subendhu, a vendor at the Balat haat is a prosperous vendor, selling woollen garments and blankets. He has a stable non-haat income from businesses in Shillong. He has been making good business at the Balat haat and his haat profit is twice as much as his non-haat income. He is keen to expand his business at the border haat and he is hopeful that his vendorship will be renewed. As he confirms: “Since there is a demand for my goods at the border haat, why should my vendorship not be renewed? And if I am assured of permanent vendorship at the haat I will of course reinvest to expand my sales.”

It is seen that vendors whose non-haat income is stable and takes care of the basic livelihood concerns, are keen on re-investing their border haat profits for expanding their border haat businesses in the hope of reaping higher profits. Teidaline Khangni, a vendor at the Balat haat has a regular shop where she sells plastic and melamine ware. She has been doing good business at the haat and is keen to boost her border haat sales. She claims: “My ‘Pakka’ shop (brick and mortar shop) sustains me all through the year. But it is my border haat trade, which has given me a much needed extra income and so I am willing to invest a part of it towards the expansion of my business at the border haat.” It seems that hope of a renewal of vendorship acts as a definite incentive for re-investment to augment business at the border haat. This element of apprehension on the part of the vendors is not altogether unfounded. Women

vendors at Balat had been insisting on more vendorships in favour of women and they were ultimately able to prevail upon members of the informal committee to include more women vendors.

On the basis of inputs from the informal committee, the local administration of Balat (Meghalaya) has shuffled the vendors' list as recent as April 2016 to incorporate more women vendors. As a result, 12 out of the 25 authorised vendors are women. In the process, some of the male vendors had to face termination of their vendorship. This confirms the scepticism on part of certain male vendors at the Balat haat, which our survey team sensed with regard to their renewal of vendorships.

In Kalaichar, however, the officials confirmed that vendor lists are valid for three years at a time and changes are, therefore, not expected before 2017. Despite the relatively longer duration of placement at the haat for vendors of Kalaichar (in comparison to Balat), people remain sceptical about re-investing in border haat trade for a number of reasons. The financial turnovers for Kalaichar vendors are less because they trade primarily in spices, buying and selling in bulk at wholesale rates, consequently profit margins are less. Such commodities as Spices do not fetch high profit margins per unit even when sold in bulk as would be possible in case of commodities like cosmetic goods. Also, we have noticed in Kalaichar that customs officials have imposed a ban on a number of items of "non-local" produce. Although this ban has been lifted in the latest addendums, the earlier order continues to prevail in practice.

The Kurigram and Sunamganj haat vendors are not oriented towards re-investment for border haat trade because demands are substantially less on the part of Indian vendees. Bangladesh vendors have often been seen to come to the haat with hybrid vegetables, which generally do not fetch a high price and understandably profit margins are low. There is, however, demand on the part of Indian vendees for fish, both dried and sweet water varieties. But, Bangladesh guards often club 'fish' with 'livestock' and since there is a ban on the latter, the vendors refrain from carrying fish to the haat regularly, and even when they do, quantities are modest.

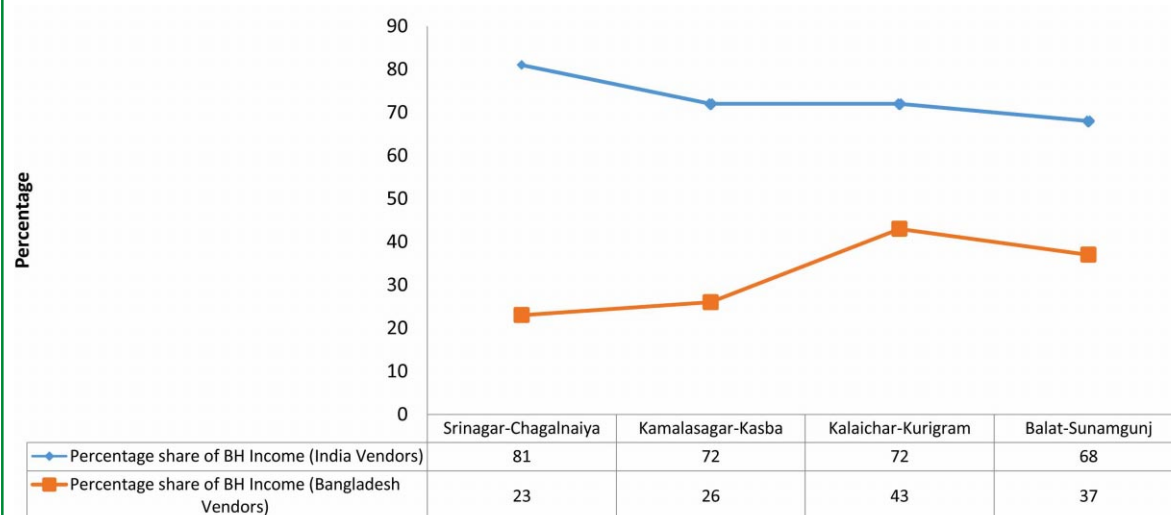
## Impact of the Border Haat on Total Income

border haats play a significant role in augmenting the monthly income of various stakeholders in general and of vendors in particular. This section estimates the percentage of such increase. Our field survey records that border haat profit constitutes 73 per cent of the average monthly income of the Indian vendors. This explains the growing demand for vendor cards on the Indian side of the border. Looking at the income figures of the vendors prior to the commencement of haat and after the commencement of border haat trade, we find that the average growth rate of the income of these Indian vendors is nearly 300 per cent, with the maximum increase being noticed in the case of the vendors of Srinagar haat in Tripura. This can be explained by less regulation and official intervention on the part of officials in Srinagar, an increasing demand for Indian products and supply to match. Indian vendors have also been found to trade in bulk quantities, particularly with regard to cosmetics & toiletries and spices.

In fact, the haat administrative body (border haat Management Committee), which has strong links with the local *Panchayat* officials, plans to increase the number of haat days in response to the growing local demand for allowing haat on Fridays in addition to the usual haat day at Srinagar (Tuesday). This is because Friday is an official weekly holiday in Bangladesh and vendors on the Indian side are hopeful of attracting more vendees from Bangladesh if the haat is held on a holiday.

**Border haats play a significant role in augmenting the monthly income of various stakeholders in general and of vendors in particular**

Chart 3.3: Percentage of Border haat income as a share of total income for the Vendors (Calculated)



On the Bangladesh side, vendors of Sunamganj (which corresponds to Balat) are seen to earn the highest average total income – INR18,576 (BDT 22,291/US\$265) of which 37 per cent comes from border haat trade. This could be explained by the demand of Indian vendees on this side for Bangladeshi processed food items and fish. It is to be mentioned in this context that the MOU on border trade between Bangladesh and India imposes a general ban on livestock for trade at the border haat. However, there is an unresolved controversy as to whether fish should be clubbed with livestock. We have seen in the earlier section that fish is clubbed with livestock in Sunamganj and Kurigram haats, but in Chhagalnaiya, usually, it is not so clubbed and that is why Bangladesh vendors are able to carry large quantities of fish to the border haat where they are lapped up by Indian vendees. But the situation is not so simple. Sometimes, Border Guard Bangladesh (BGB) at Chhagalnaiya is more inflexible and does not allow passage of fish.

Fazlul, a fish monger at the Chhagalnaiya haat, therefore, laments: “There is no consistency in the rules that our Border Guards enforce- sometimes when I carry fish, they say nothing and on my unlucky days, they will not allow entry of even a modest quantity.” Modhu Mia, another fish monger at this haat offers a different perspective: “If we are allowed to carry and sell fish on a

regular basis, at the border haat, we can hope for a steady profit because Indian vendees are not only interested in our fish but in bulk purchase of our fish.” This is corroborated by the perception of our survey team, which has noted Indian vendees at Srinagar buying fish from Bangladesh vendors in large quantities for sale in the local markets on the Indian side at higher prices. On the other hand, Anwar Hossain, the BGB Commander at the Chhagalnaiya haat informs that: “Wholesale trade is forbidden at border haats and that is why we cannot turn a blind eye when fish mongers try to carry huge quantities of fish, which attract wholesale vendees from the Indian side.”

Among the border haat vendors on the Bangladesh side, Kasba and Chhagalnaiya (Chittagong) have shown the least income growth with border haat profits constituting only 26 and 23 per cent of their total monthly average incomes. The field researchers attribute this primarily to the small number of vendees on the Indian side together with a generally low demand for goods that Bangladesh vendors make available at the haats. It has also been pointed out in an earlier section that many of the enclosures meant for Bangladesh vendors remain vacant. By contrast, vendees on the Bangladesh side show up in large numbers because vendors on the Indian side have a wider variety of goods to offer. Even where the variety is relatively less as in

Kamalasagar (Tripura): corresponding to Kasba haat in Chittagong, Bangladesh, the demand for whatever available remains.

The two border haats in Meghalaya – Kalaichar and Balat – reveal similar patterns when it comes to how much a vendor makes from a border haat as a share of his/her monthly income. For vendors in Meghalaya, border haats accounts for approximately 70 per cent of their total monthly average income, which is less compared to Tripura vendors. This is because in Balat, one of the major items sold by vendors, mostly tribals, happens to be seasonal fruits, which are available only during winter months, when we visited the haat for the survey. They have limited goods to sell at other times of the year, like minor forest produce and spices, which yield less profit and in the process reduces the average haat income.

Therisia, a tribal vendor at the Balat haat confirms: “We look forward to the haat in winter because there is good demand for our fruits, especially oranges. But during other times, we don’t get to earn much”. Kalaichar vendors claim that the quantum of border haat profits could have increased if the customs officials were less interventionist and permitted the passage of a greater quantity of goods for trade at the border haat. There is also another problem, which the Kalaichar vendors face. Vendees on the Kurigram side (Bangladesh) have to travel through rough terrain including waterways, which makes their transportation difficult particularly during monsoons when waterbodies overflow. Inclement weather conditions have often resulted in the closure of the haat, which resumes only once the weather improves.

Bangladeshi vendors look upon border haat trade as a secondary source of income. However, for Kurigram vendors a little under half of their total monthly income comes from profits they make at the border haat. But for Sunamganj, the haat provides a little over a third of their monthly income. This may be explained by the fact that the Bangladeshi vendors sell melamine (bowls, dishes etc.) and plastic (tables, chairs etc.) ware for which there is a great demand among Indian vendees who buy there products not only for their domestic consumption but also for sale in local/nearby markets and even in distant Shillong with lucrative

profit margins. It may be noted that the percentage share of border haat profits in the total monthly income is greater in the case of vendors of Kurigram and Sunamganj compared to other haats in Bangladesh.

So far as the percentage share of border haat income in the total monthly income of the labourers is concerned, Indian labourers seem to benefit more from participation in border haat trade. The highest paid labourers are seen to belong to the Kalaichar-Kurigram region, particularly because of the demand for labour-intensive work there. For example, the last 200 meters of the approach to border haat at Kalaichar is undulating and rough terrain, without cement or concrete, making it difficult even for thelas/hand-carts to traverse. This necessitates substantial loads to be carried on the heads of labourers. Thus, people work at a much higher rate with an average of INR3,060 (US\$44) in wages per month, which is approximately 31 per cent of their total monthly income. Kurigram haat, on the other hand is a flood-prone region with activities getting hampered during monsoons. The existence of waterways makes transportation difficult and goods are often carried on boats. Thus, the wage rates are understandably high in Kurigram where the haat income share goes up to 27 per cent of the total monthly income. This is in contrast to Chhagalnaiya and Sunamganj, where the haat income share hovers over 16 – 19 per cent of the total monthly income.

The Tripura haats (on the Indian side) are much better in terms of roads, infrastructure and approaches. In fact, some of the vendors get family connections and acquaintances to perform as labourers and are thus able to bring down wage rates. In Srinagar, our survey team came across a peculiar phenomenon. Given the ceiling on the number of vendors that are permitted at the haat, some vendors have been found to strike a deal with a non-vendor who is for all practical purposes a partner in his border haat business. This partner gets entry as a labourer but functions as a partner and the profits of the business are shared between the two. Such understanding between vendors and ‘so - called labourers’ reduces the wage rate of labour. These labourers either share stalls with regular vendors or sometimes sell their goods as footpath vendors.

At the Kasba haat (Bangladesh), which corresponds to Kamalasagar (India), vendors earn less from border haats. This is because the profits earned by the vendors on the Bangladesh side are less and, therefore, the labourers are also paid less wages. The earlier section has already drawn attention to the irregular demand for labour at this particular location and such irregular demand depresses labour rates. It is estimated that for labourers in Kasba, participation in border haat trade fetches them about one-fifth of their total monthly income. Chart 3.3 illustrates the scenario:

Balat is situated in the interior of Meghalaya and although there is a substantial workforce available, regular job opportunities are comparatively less. This situation compels labourers to take up ad-hoc jobs at relatively low wage rates at the border haat. Thus, although labourers are paid less, the amount constitutes 36 per cent of their total monthly income. In fact, women labourers are often standing on the approach to the haat premises, seeking work from passing vendors. Women from nearby villages like Pydenkseh, Brithausaw and Lithamsaw are often keen to make some extra income once they are through with their domestic chores.

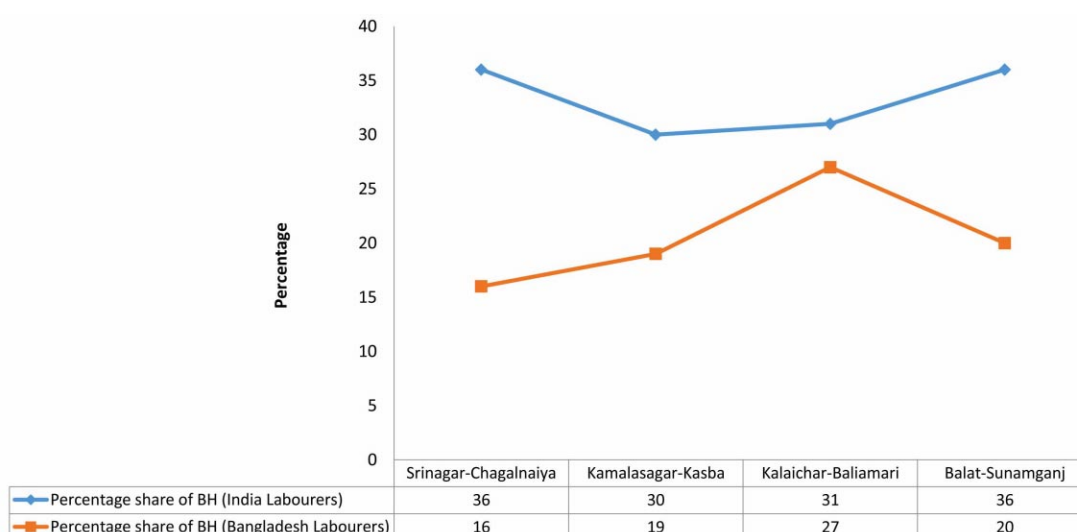
Linsda, a woman resident of Dangar, opines: “The haat allows us the opportunity for some extra income, which is welcome and handy given our

generally impoverished condition.” The abundance of such workforce not only ensures a steady supply of labour for the vendors at the haat, but also enables the latter to depress wage rates to their advantage. For the labourers at Sunamganj (Bangladesh), the haat does not constitute the mainstay of the monthly income. Although the wage rate at this location is an impressive BDT400 (US\$5) per haat day, it constitutes only one-fifth of their total monthly income.

Interacting with transporters, our research team found that they look upon the border haats as a lucrative source of income. What they earn on haat days by way of transporting vendors along with their goods, is more than what they earn on non-haat days. It is to be noted in the data presented below that transporters generally carry a much greater volume of goods on haat days in contrast to non-haat days when they carry more passengers. Greater business at the haat or increase in the number of haat days will mean prospects of greater income for the transporters.

Md. Nurul Haque, the owner of a mini-van from Sunamganj region (Bangladesh), uses his vehicle only on haat days for transporting vendors and their goods. He claims: “I operate my van only on haat days because I am able to charge more for transporting goods and I am certain about

Chart 3.4: Percentage of border haat income as a share of total monthly income of Labourers



**It appears from the responses of the transporters that border haat trade has boosted their income by enabling them to serve not just as carriers of passengers but also of goods, which are to be traded at the haat**

getting customers unlike non-haat days when there is uncertainty about the number of customers who will want to avail my services along the same route.” Md. Sansuddin from Kalaichar, Meghalaya (India) explains why he is keen on expansion of border haat trade by way of more haat days: “On non-haat days, I make an average of four trips carrying more passengers and less goods and earning half of what I manage to earn on haat days, when the trips are more and rates are higher because I get to carry a much larger volume of goods”.

It appears from the responses of the transporters that border haat trade has boosted their income by enabling them to serve not just as carriers of passengers but also of goods, which are to be traded at the haat. One may recall in this context what we highlighted in an earlier section, namely the grievances of certain transporters who are conscious of the nodal role that they play in border haat trade; yet there is no forum where they can articulate their interests and demands for better facilities for them.

**Table 3.2: Responses of transporters on their business on haat days**

Haats / Parameters of Public transport		No. of one way trips	No. of passengers per trip	Volume of goods per trip (carried in Kgs)	Charge for one –way trip (charge per person* no. of passengers per trip)
India side	Tripura haats	2	17	275	1050 INR
	Meghalaya haats	3	5	292	1108 INR
Bangladesh side	Chittagong haats	10	14	43	504 INR (605 BDT)
	Rangpur-Sylhet haats	8	5	153	272 INR (326 BDT)

Source: Compiled from the primary survey data

Conversion rate: INR 1 = BDT 1.20

**Table 3.3: Responses of transporters on their business on non-haat days**

Haats / Parameters of Public transport		No. of one way trips	No. of passengers	Volume of goods (carried in Kgs)	Charge for one – way trip
India side	Tripura haats	4	45	33	700 INR
	Meghalaya haats	3	46	25	887 INR
Bangladesh side	Chittagong haats	5	9	20	166 INR (199 BDT)
	Rangpur-Sylhet haats	3	4	33	57 INR (68 BDT)

Source: Compiled from the primary survey data

Conversion rate: INR 1 = BDT 1.20

## Influence of Primary Occupation on Engagement at the Border Haat

The primary occupation of most of the Vendors is either agriculture or local trade, in case of both the countries. We categorise job types into three segments: agriculture, local trade and others, which include non-agricultural activities and salaried jobs. Among the vendors interviewed, 29 out of 40 are local vendors in India and 31 out of 40 in Bangladesh. Thus, those who are already running a local business are typically the ones who take up a vendor card. Either this is because of confidence and know-how, or because they have the capital for investment. It could also be because the haat procedures require vendors, who are able to run a pukka vendor stall all year round, meaning that local business people opt in. It could also be the case that local vendors are better off in the community, and have more clout, and thus are able to acquire the vendor card.

Their border haat investment figures reveal that local vendors in India invest the most in the border haats, on an average INR1.75 lakhs (US\$2,500) per month for four haat days. Agriculturists have invested around INR1.64 lakhs (US\$2,343) per month on purchases, but with larger profit margins. Table 3.4 outlines these figures.

In all the Indian haats, except for Kamalasagar (Tripura), vendors are permitted to sell any commodity at the haat, irrespective of their regular profession, as long as the commodity is among the

items approved by official regulations for sales at the haat. In Kamalasagar however, official haat management authority consults the vendors and pre-assigns specific commodities/products to them on the basis of their regular professions. Our data suggest that there is no appreciable difference in the amount of investment on the part of Indian agriculturists and local vendors. However, the profit margins reaped by the local vendors are less than that of the agriculturists. This is because there is always a demand for good quality agricultural goods like seasonal fruits and vegetables, a superior quality of betel nuts and home grown spices. For some farmers these are home-grown while for some others they are procured from elsewhere. Farmers observe that the investment costs in case of these agricultural commodities are less than the commodities bought locally and that is why agricultural producers are able to ensure higher profit margins when they sell their produce at the haats.

In this context, it is relevant to highlight Linda Marak's opinion: "I grow my spices with care and that is why they are of such good quality and vendees at the haat look forward to them. They are also prepared to pay the price I demand." No wonder then, that for an agro-producer like Linda Marak, sales from border haat trade can yield profits as high as 50 per cent. By contrast, local vendors who sell non-agricultural commodities like cosmetics and other consumer goods basically function as middlemen,

**Table 3.4: Occupation wise average of border haat investments and corresponding profits of the vendors**

Vendors/Primary job types	India		Bangladesh	
	Average BH investment per month (in INR)	Average BH Profit per month (in INR)	Average BH investment per month (in INR)	Average BH Profit per month (in INR)
Agriculture	1,38,222	17,844	26,682 (32,018 BDT)	6,856 (8,227 BDT)
Local Trade	1,55,207	13,739	23,403 (28,084 BDT)	5,648 (6,778 BDT)
Others (Non-agricultural and Salaried)	87,500	14,150	20,819 (24,983 BDT)	4,376 (5,251 BDT)
Average	1,48,000	14,684	23,555 (28,266 BDT)	5,672 (6,806 BDT)

Source: Calculated from the primary data set  
Conversion rate: INR 1 = BDT 1.20

**Table 3.5: Source of goods for sale at the border haats and their impact on border haat earnings**

Source of goods sold at the BHs/ average profit/income	India		Bangladesh	
	No. of vendors	Average BH Income (in INR)	No. of vendors	Average BH Income (in INR)
Produced by Self	4	9,650	3	6,528 INR (7,834 BDT)
Bought in own village	7	12,649	2	4,600 INR (5,520 BDT)
Nearest Market	28	15,964	14	5,457 INR (6,548 BDT)
Others (State Capitals/ through agent)	1	13,200	21	5,162 INR (6,194 BDT)

Source: Compiled from the primary dataset

Conversion rate: INR 1 = BDT 1.20

buying goods from different places in bulk and then putting them up for sales at the haat. This fetches them a greater quantum of profit although per unit profit margins are less. These vendors, therefore, try to increase their profit margins by increasing the quantum of goods for trade at the haat buying in bulk and selling wholesale because demands for these consumer goods never seem to deteriorate.

It has been seen that for Indian vendors, border haat is a domain that constitutes the primary source of their income. In the course of our interaction with several vendors across the border haats in Meghalaya and Tripura, we have found that most of them are keen to expand their sales at the border haat. The appreciable profits that they are able to earn are matched by a steady inflow and rise in the number of vendees that throng the haat premises. It is, therefore, natural that several

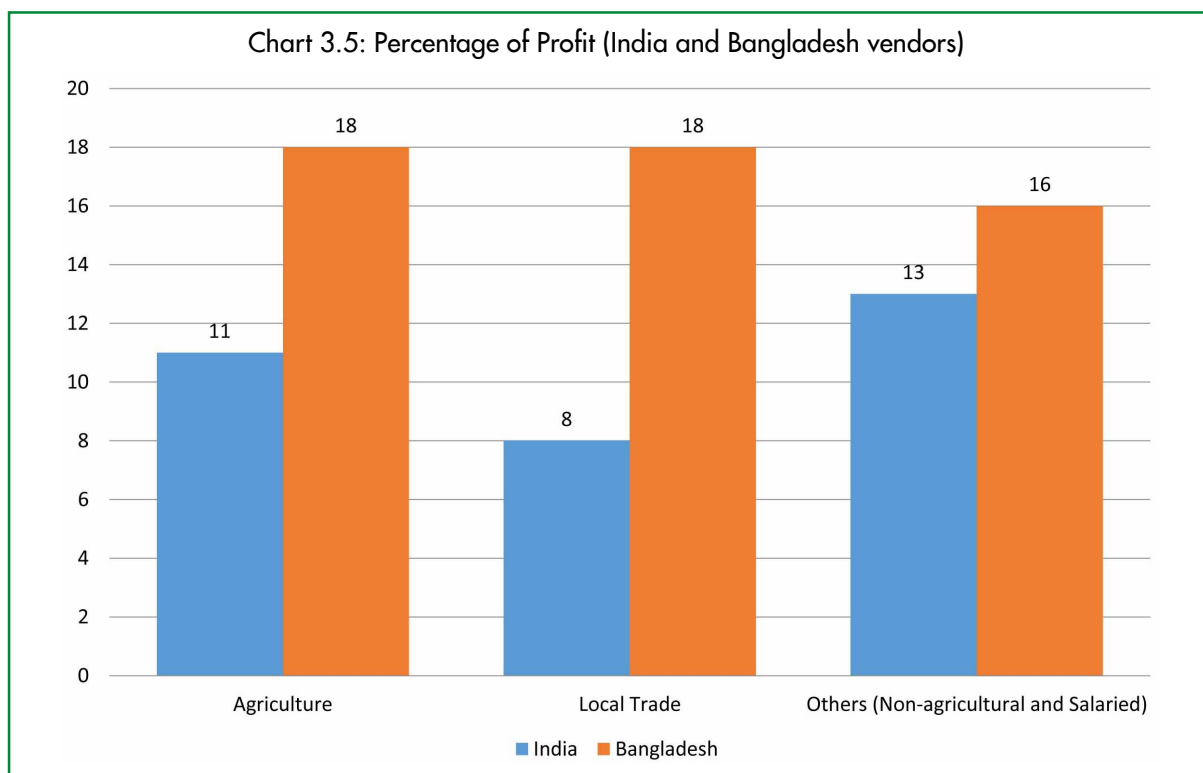
vendors will be keen on larger investments for boosting their sales and profits through border haat trade. This also explains why vendors in addition to homegrown products also procure goods and commodities from other sources to cater to the demand that they experience at border haats.

In comparing the various cost components of vendors for border haat trade, our data, as evident in the table above confirms what we have highlighted earlier, namely, that border haat trade constitutes the primary source of income for Indian vendors unlike in the case of their Bangladeshi counterparts. Indian vendors incur a much larger investment in buying goods for sale at border haats and their expenses on transportation and labour are also noticeably higher.

**Table 3.6: Cost components for vendors at border haats versus costs of selling in Local Markets**

Cost components : vendors						
Countries/Markets		Buying the goods for sale	Transport Cost	Labours Cost	Stall Rents	Others
India (in INR)	BHs	1,48,000	3,025	2,836	120	45
	Local Market	41,829	1,819	1,377	276	58
Bangladesh (converted to INR)	BHs	23,242	992	1,010	42	136
	Local Market	1,13,434	1,357	753	638	72

Source: Compiled from the primary dataset



Our data indicate that the percentage of profit (which is the average profit percentage of the total average investment figures) is 11 per cent in the case of agro-based vendors in India, which is more than the case of local vendors who are able to earn about 8 per cent and with a greater investment. The non-agro and salaried ones (two vendors in India) however, reap a profit of 13 per cent per month from their total haat investment.

On the Bangladesh side, investment on the part of vendors selling agricultural goods is the highest. Their investment in border haat trade is INR 37,003 (BDT 44,404/US\$529). The local vendors on the other hand invest INR 30,539 (BDT36,647/US\$436) which is less by BDT7,752 (US\$92). But, surprisingly, the profit margins for both the categories are similar as indicated in Chart 3.5, which is 18 per cent. This can be accounted by the fact that Bangladeshi vegetables, which are considered an inferior variety by vendees, are sold at much cheaper rates, in fact at wholesale prices, particularly in the Meghalaya-Rangpur/Sylhet region. The garments, sold by the local vendors on the other hand (mostly of inferior quality/low-value) are also sold at a cheaper rate, but for attracting

more Indian vendees. Bangladeshi vendors sell plastic and melamine-ware to Indian vendees at relatively cheap rates. Indian vendees on their part do not buy them for their own consumption but in bulk for sale outside at lucrative prices, thereby ensuring for themselves a good profit margin.

### Influence of Socio-economic Status on Engagement at the Border Haat

In the previous section, the study has enquired whether the professional category or type of job of a vendor has a telling effect on his/her haat income. We now zoom in on other factors like income groups, caste, tribe, religion and education to examine whether they impact border haat earnings. For this purpose, vendors have been categorised who earn a profit of more than INR20,000 (US\$286) per month from border haat trade on the Indian side as the 'high income earners'.

Given that unlike in the case of Indian vendors, vendors on the Bangladesh side look upon border haat trade as a secondary source of their income and are also seen to reap comparatively lower profits, Bangladeshi vendors have been bracketed

in the 'high income category' if they have been found to earn a profit of BDT15,000 (INR12,500/US\$179) and above. Having identified the high income categories, in both the countries, we now seek to examine if the variables mentioned in the question (income group, caste, tribe, religion, education etc.) has a dominant role in the income earning capacities of these groups.

Using the aforementioned INR20,000 (US\$286) as the minimum monthly profit required for bracketing a vendor in the high income category, we have been able to identify nine such vendors on the Indian side. In terms of composition, four of them belong to the 'general' caste category (of who three are from Srinagar, Tripura and one from Balat, Meghalaya) and all these four are Bengali Hindus as well. Two other vendors are also Bengali Hindus, based in Kamalasagar, Tripura but they both belong to the Scheduled Castes.

The two women vendors (both from Meghalaya: one from Balat and one from Kalaichar) amongst the nine identified in the high income category belong to the Scheduled Tribes and they are Christians. Finally there is a single Muslim vendor from Kalaichar, Meghalaya. In studying the social composition of this group of nine vendors, it is evident that there is no correlation between high income categories and caste and religious affiliations. While we have observed that the majority (six of the nine vendors in focus) belongs to the Bengali Hindu community, the presence of three others in the same income category stands in the way of a meaningful generalisation. This is also because although all the six of these nine vendors are Bengali Hindus, they do not have the same caste affiliation.

One clarification seems necessary. The nine vendors we have identified as the 'high income

earners' have been so identified on the basis of their declared profits from border haat trade. However, our survey team felt that some of them were understating their incomes. The perception of the survey team about general correctness of their responses has been tabulated below:

Perhaps, Table 3.7 will not allow us to draw any significant conclusion, more so because one may argue that the tendency to deflate incomes is not uncommon. However, we wanted to put our observations on record, while also reaffirming the objectivity in the selection of these vendors for the category of the high-income earners.

On the Bangladesh side, only three vendors belong to the category of high income earners whose average monthly income is approximately in the range of BDT15,000 (INR12,429/US\$179) and above. Once again, we are in no position to draw any correlation between them and their affiliations in terms of caste or religion. All three are Muslims of whom two are from Sunamganj and one is from Kurigram. It is to be remembered that of the 40 Bangladeshi vendors interviewed by our research team, only three are Hindus. This clarifies why it makes no sense to draw any correlation between the high income earners and their religious identity.

One must also bear in mind that border haat fetches only a supplementary portion of their total income for all vendors in Bangladesh with an average border haat share of 35 per cent of their total average monthly income. However, it is to be noted that for the three vendors who have been identified as the high income earners at the border haat are all well-established vendors in their respective localities and the share of their border haat profits in their average total income is about 45 per cent.

**Table: 3.7: Observations on the actual responses of high income earners at the border haat**

Observations	Correct claim of Middle Income (INR 10,000-25,000)	Deflated claim of Middle income/ actually earns more	Correct claim of Higher Income (INR 25,000 and above)	Deflated claim of Higher income/ actually earns more
Number of Vendors	1	2	3	3

Source: Compiled from the primary data set

We have classified seven levels of educational achievements ranging from illiteracy to graduation. So far as the income of the vendors is concerned, we have looked at two components: average monthly profits earned by them at the border haats and their average monthly non-haat income accruing from other businesses, salaried jobs, non-agricultural activities, etc.

Our survey suggests that vendors with higher academic credentials (graduation and above) on the India side have earned less profits from border haat trade, the average monthly figure being INR11,550 (US\$165), which is lower than even the primary school pass out vendors. This confirms that there is no correlation between educational levels of vendors and their success stories at border haat trade.

Chart 3.6 shows the comparative graphs of Indian and Bangladeshi vendors in terms of their profits/incomes earned and their educational attainments. Arun, a vendor Amlighat (Srinagar), Tripura holds a Master's Degree from the Tripura State University makes an average profit of INR11,200 (US\$160) per month from border haat, whereas the average monthly profit of the Srinagar vendors, who are less qualified are able to earn higher profits averaging INR17,000 (US\$243) per month.

Arun laments: "More than degrees, one must have business acumen and the right contacts for making it big at the border haat". The confirmation that there is no correlation between formal educational achievement and successful business stories at the haat perhaps holds an implication for policy analysts. In this part of the world, where means to afford formal education are often unavailable with major segments of the population, particularly those living in remote areas, poverty alleviation is a major concern of governments. Perhaps, more people can be encouraged to participate in arenas like border haat trade and the government can even contemplate supportive measures and institutions to build their capacity to participate in such trade meaningfully.

Regarding the non-haat incomes, Indian vendors earn much less for all the haat locations, irrespective of region. They claim by and large that ever since the inception of the haat, the lion's share of their family income come from border haat trade and this is at present as much as 73 per cent of their total household income. It is to be noted that most of these vendors, who depend on border haat trade as their primary source of income, live in the interiors and remote areas from urban localities. The only exception is

Chart 3.6: Average border haat profit in relation to the education level

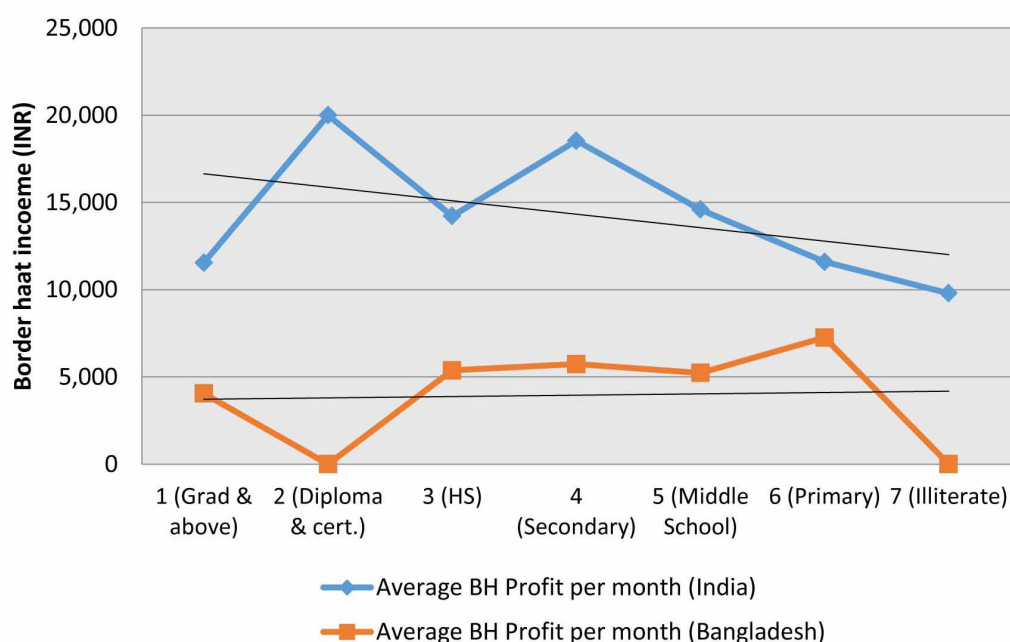
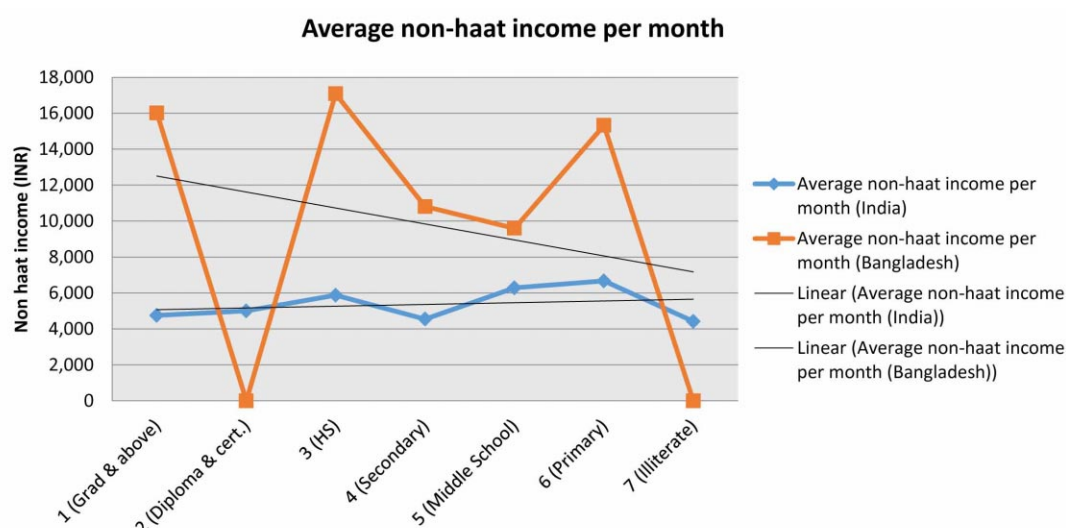


Chart 3.7: Average non-haat income in relation to the education level



NB: Zero points in Bangladesh data line means "no respondents" in those categories

Kamalasagar (located 55Kms from the Tripura capital) where non-haat income figures are found to be the highest and which is not a remote locality nor poorly connected. Vendors who have not been able to avail formal education beyond the primary level are seen to earn the highest average non-haat income amounting to INR6,667 (US\$95) per month on an average. In the case of non-haat incomes therefore, we encounter the same story namely, non-existence of any correlation between formal educational attainments and incomes earned. This is equally true for the Bangladeshi vendors as evident in Chart 3.7.

### Status of Participation of vendors and vendees at the Border Haat

Four haats exist along the Indo-Bangladesh border (two each in Tripura-Chittagong and Meghalaya-Rangpur-Sylhet sub-regions), presently operating on a weekly basis. The Srinagar-ChaggaInaiya and Balat-Sunamganj border haats are held every Tuesday while the Kalaichar-Kurigram haat is held every Thursday. Recently the haat day for Kamalasagar-Kasba has been changed from Thursday to Sunday on approval from the joint border haatMC, in the hope of drawing more crowds from both sides of the border.

As far as the participation rate in the border haats is concerned, most of the India side vendors are found to be quite regular. Of the 40 interviewed, 36 respondents are found to have attended the last 10 haats. The basic motivation behind such regular participation is the prospect for earning substantial profits from border haat trade, which sometimes exceeds the non-haat income of the stakeholders, particularly vendors. Vendors are seen to be particularly enthusiastic in Tripura, partly because the haat is a relatively recent development and partly because the regulatory framework is comparatively less rigid. That border haat income has resulted in an improvement of living standards for most of these vendors as the survey clearly indicates. This is reconfirmed by the eagerness of most of the vendors to have their vendorship renewed.

Suman, a vendor selling grocery items at the Srinagar haat observed: "Ever since the haat has come into operation, it seems better days have dawned on our lives and we only hope and pray that these haats become permanent along with our vendorship". The vendors are keen to ensure permanence for their stay at the haat becomes clear from the way some vendors in Srinagar, Tripura have been seen to liaison with local *Panchayat* officials who are among the official decision makers regarding haat affairs. Some

vendors claim that they are regular at the haat because apart from the question of maintaining a steady inflow of profits, they are also keen to establish their seriousness before haat officials about securing uninterrupted vendorship.

In Kamalasagar and Kalaichar, the scope for selling in bulk is comparatively less for Indian vendors than in other haats. This is because the main items that are put up for sale by Indian vendors include grocery items, garments and other consumer goods for which profit margins are considerable. These vendors claim that sale of these commodities is not very high at local markets. Shefal, a vendor at Kamalasagar said: "It is very important for us to go to the haat because Bangladeshi vendees seem to like our goods more than our own countrymen. Also, the local people have lot of choices because there are many local sellers offering grocery items or garments". So, although these commodities are sold in relatively small quantities (compared to spices and cosmetics) on a particular haat day, vendors are able to increase their volume of profit by maintaining regularity on all haat days.

There is also another dimension to the question of regular participation at the haats on the part of vendors. It has been seen recently at Balat that the list of vendors has been revised to accommodate six new women vendors thereby taking the number of women vendors to 12. This has been implemented at the cost of discontinuing vendorship for some vendors largely on the grounds of irregularity at the haats. The unstated message seems to have travelled to relevant quarters that regular participation at the haat on the part of vendors could be a favourable factor when it comes to renewal of vendorship. Needless to add that vendors, for whatever individual reasons, are found to be regular at border haat trade.

For the Bangladesh Vendors, 36 (out of 40) registered their responses as particularly regular, attending the last 10 haats. In fact, all of them have been quite regular in their participation. This claim on part of the Bangladesh vendors is, however, not endorsed by our research team. In fact, the day we visited Kasba (Chittagong) and Kurigram (Rangpur) haats, we encountered fewer

number of vendors than that assigned on the particular haat day. The quantities of goods carried by some of the vendors were negligible. The prescribed sitting arrangements inside the haats seemed to be underutilised by the Bangladeshi vendors in the sense that we found a lot of enclosures either empty or the available space unutilised. Interestingly, at the Kalaichar-Kurigram border haat, we found that taking advantage of this situation, some of the Indian vendors had occupied some of the places allotted to the Bangladeshi vendors.

In Chhagalnaiya and Sunamganj, however, vendors were found to be more participative and regular at the border haats. This is despite the fact that the average haat profit of Chhagalnaiya is least. It may be recalled at this juncture that vendors in this region, reap a substantial income from non-haat sources. One wonders if this regularity can be attributed to better infrastructural conditions like easy access to the border haats and better transportation facilities.

For the vendees, 37 out of the 60 interviewed on the India side regularly visited the haats. They are mostly from Balat and Srinagar, where certain Bangladeshi goods are in great demand, as discussed in a previous section. The average distance covered by these vendees to reach the haat premises is 2.7 Kms from their residences. Of the rest, 10 vendees attend the haat, twice a month and they have to cover an average distance of 11.9 Kms. These vendees are mostly from Kamalasagar and Kalaichar. The local residents (vendees) are mostly tribals and poor and their generally low purchasing power explains their irregular visits to the haats. In view of the proximity to the state capital, one can understand the motley crowd that can be witnessed at the Kamalasagar haat. Apart from the regular stakeholders, occasional visitors also flow in from Agartala and as such the local vendees are not the only vendees. In the Meghalaya haats, vendees also come not only for self-consumption but also often as vendors, buying at the haat to sale in other places with the prospect of reaping good profit margins. Thus, the distance by itself is not a sufficient deterrent to regular participation on the part of vendees.

**Despite hazards involved in the journey to the haat, vendees do come from the Bangladesh side to buy spices at wholesale rates, for which there must be a considerable demand on the Bangladesh side**

On the Bangladesh side, one-fourth of the vendees interviewed do not come to the border haats regularly. They are mostly from Kasba, as Kamalasagar (the corresponding Indian side) often fails to deliver the supply of their needed goods. Interestingly, Kurigram is the only haat to have witnessed the highest number of regular vendees (that is vendees who frequent the haat regularly). The analysis, however, has two facets; as Kurigram haat has the most difficult approach including the hazardous Jhinjiram river, visitors are understandably fewer in number and most of the regular vendees are those who live in close proximity to the haat.

What is noteworthy is that, despite the hazards involved in the journey to the haat, vendees do come from the Bangladesh side to buy spices at wholesale rates, for which there must be a considerable demand on the Bangladesh side. They do not mind this hazardous journey because the goods they come to buy fetch them good profit. This is reaffirmed by the fact that Bangladesh vendees have also been seen to make purchases beyond the permitted US\$100 as per established rules (As per the 2017 MoU, the purchasing limit has now been increased to US\$200). One can hardly overlook the policy implication that this situation has to offer: better infrastructure facilities for participants by way of better roads and better transportation facilities will definitely provide border haat trade with a much needed boost.

## **Influence of Ease of Location Access on Engagement at the Border Haat**

The mode of transport used by the vendors of both the countries seems to depend on the volume of goods they carry to the haat. As per the existing regulations, vendors are generally selected from a radius of 5 kms surrounding the haat premise. In this section, the study has tried to find out any linkage between the mode of transport used by vendors and their border haat profit and total income per month.

In the following Table, we have categorised four modes of transportation and linked them to the profits and incomes earned by their respective users. It is to be noted that vendors mostly use the same mode of transport for themselves along with their goods. Hence, the following table considers transport of goods as the basis of analysis.

Most vendors on both sides of the border prefer to hire a vehicle for their goods. Only a few share the vehicle, most hire the whole thing for their personal use. Profits are good, possibly because the quantity of goods is greater. We are unable to draw any generalisation about those who own vehicle/cycle from the above data.

Those who hire vehicles claim to earn INR15,456 (US\$221) as average border haat profit per month and INR20,800 (US\$297) as the total monthly income. Tripura vendors do not seem to share their hired vehicles with any of their fellow vendors, even if there is space for accommodating more goods. The Balat vendors on the contrary indulge in such sharing. Balat vendors do so in order to bring down the individual cost of hiring particularly when they are carrying commodities in relatively small quantities. This does not happen during seasons when popular fruits and vegetables grown for at such times individual vendors need the entire vehicle to load their produce. Another interesting fact is that, even if one-two vendors in Balat can afford to buy cars for their personal usage (for transportation to the haat or otherwise), they are not too keen because maintenance can become very expensive given the poor road conditions (mainly from Mawsynram to Balat). Maintaining a vehicle often becomes more expensive than hiring

**Table 3.8: Mode of transport to Border haat for goods of vendors**

Mode of transport to BH and average profit/income	India			Bangladesh		
	No. of vendors	Average BH Profit (in INR)	Average Total Income (in INR)	No. of vendors	Average BH Profit (in BDT)	Average Total Income (in BDT)
Hired Vehicle	30	15,456*	20,800*	39	6,715	20,607
Owned Vehicle except cycle	1	17,200	25,200	NA	NA	NA
Owned cycle	1	15,240	19,240	1	5,080	26,080
Hired Shared Vehicle	6	10,050	15,583	NA	NA	NA

\*Vendors who walked to the border haats are included in the hired vehicle category as they have used hired vehicles to carry their goods

Source: Compiled from the primary dataset

one. When it comes to reaching other local markets, Indian vendors mostly resort to walking or avail free transport as highlighted in Table 3.9.

The Bangladeshi vendors on the other hand mostly reserve auto-rickshaws and load them, perhaps over-load them, with goods for the border haat trade. Our field perception suggests that the quantum of goods carried by Bangladeshi vendors is generally less than those of Indian counterparts and, therefore, they do not need heavy vehicles. No one owns vehicle of his own, although there has been a trend of owing bicycles, on which vendors often travel to the haat premises (except for the Kurigram haat, where the only mode of transportation is the boat). As the border haats provide them with less income, vendors who

generally hire vehicles average a monthly profit of BDT6,715 (US\$80) as against their total monthly average of BDT20,607 (US\$245). The cycle - owing vendors, however, earn less in the border haats but much more, overall. The transportation system has improved appreciably and the number of auto-rickshaws has increased in the Chittagong division (across the Chhagalnaiya and Kasba border haats) of Bangladesh.

Our survey team clearly perceives that no Bangladesh vendor is inclined to buy a vehicle to facilitate trade at the border haat. This is falling in line with our finding that for Bangladeshi vendors the border haat, at least till now, is a secondary source of income. 23 out of the 40 vendors

**Table 3.9: Mode of transport to other local markets for Vendors**

Mode of transport to local market and average profit/income	India			Bangladesh		
	No. of vendors	Average Non-haat Income (in INR)	Average BH Income (in INR)	No. of vendors	Average Non-haat Income (in BDT)	Average BH Income (in BDT)
Hired Vehicle	9	7,000	13,922	23	13,587	6,721
Owned cycle	3	2,667	13,913	1	21,000	5,080
Walk/Free Transport	28*	5,378	14,781	16*	14,331	6,708

\*Those who walk/use free transport generally headload goods or use hired pick-up vans

Source: Compiled from the primary dataset

interviewed in Bangladesh claim to use hired vehicles for carrying goods to the local markets. Interestingly, their non-haat income is less compared to those vendors who walk down to local markets and resort to head loading of goods. It is possible that the non-haat income of this latter category is higher because it is able to save on cost of the transportation. As Moidul of Sunmganj area explains: "I find it economically profitable to hire two labourers for carrying my goods rather than resort to hired transport."

With regard to modes of transport availed by vendees for reaching border haats in India, it is seen that majority of the vendees travel considerable distances to reach the haats. This confirms what we have highlighted elsewhere that although DGFT guidelines stipulate that along with vendors, even vendees should reside within proximity of 5 Kms radius of the haat premises, this stipulation is clearly bypassed in case of vendees. Those who walk to the haats are not the only vendees. If the stipulation was seriously observed, then of the 60 Indian vendees interviewed by our survey team, only 12 would have been eligible for vendee cards.

On the other hand, the fact that so many are willing to travel distances to reach border haats for the purpose of buying commodities bears testimony to the variety and quality and even good prices at which goods must be available at the haats to make their effort worthwhile. Perhaps this table carries with it two significant policy implications: first, the stipulation of residence within proximity of 5 Kms radius of border haat should be withdrawn in case of vendees; second, infrastructural facilities like improvement of roads and approaches to the haat and other facilities at the haat like washrooms and restrooms ought to be looked into.

In the case of Bangladesh, we also notice that a substantial number of vendees travel distances well beyond 5 Kms to reach the border haats. Since in many of the Bangladesh haats, both vendors and vendees have drawn attention to hazardous journeys in flood prone areas and because of the presence of waterbodies, infrastructural facilities at the haat need to be looked into with urgency and vigour.

**Table 3.10: Modes of Transport availed by vendees to reach border haats**

Country/Modes of transport (BH)		No. of Vendees	Average Time Taken to travel to the BHs (in Mins)	Average Cost of Transportation (INR – for both India & Bangladesh)	Distance covered (in Metres)
India	Hired Vehicle	12	21	109	11,125
	Owned Vehicle	14	13	12	9,785
	Hired-Shared Vehicle	17	20	28	6,735
	Public Transport	5	51	24	38,800
	Walk	12	11	0	954
Bangladesh	Hired Vehicle	40	28	35	5,448
	Owned Vehicle	NA	NA	NA	NA
	Hired-Shared Vehicle	NA	NA	NA	NA
	Public Transport	NA	NA	NA	NA
	Walk/Boat	20	9	2	925

Source: Compiled from the primary dataset

## Chapter 4

# Insights on Safety and Informal Trade

border haats are relatively recent phenomenon, the first such Haat being established in Meghalaya only in 2011. They have been conceived with the basic aim of providing a forum for residents on both sides of the Border to buy and sell their 'local' produce. But such business can happen peacefully only if law and order in the region prevail and if the Haat itself is free from disturbances and threats like theft. Safety and security within the Haat premises are thus important preconditions for efficient transaction of business.

lowering of informal trade but also substantial diminution of flow of unwelcome commodities like drugs and explosives.

### Status of Law and Order at the Border Haat

We have interviewed all categories of stakeholders for the purpose of gauging their perception of the aforementioned subject. The vendors seem to suggest by and large that there seems to be no problem in respect of law and order at the haat premises. Vendees, labourers, transporters and particularly women participants across all categories of stakeholders confirm this point. Our survey team has also noted the more or less regular presence of local policemen alongside BSF/BGB personnel for the purpose of maintaining law and order. The fact that in the course of our interviews, none of the stakeholders has recalled or shared any incident or case of any threat to their security confirms that law and order prevail across the haats along the Indo-Bangladesh border.

However, a number of stakeholders have drawn attention to cases of shoplifting and theft of goods within the haat premises. This complaint

### Key Findings

- There seems to be no general threat to law and order at the border haats
- Cases of petty theft and shoplifting suggest the need for more security personnel to strengthen vigilance – and this is communicated by vendors from both India and Bangladesh
- Increased security will also be necessitated by expanding business at the Haats
- border haats have lowered the extent of informal trade in the region – unlike the case of Mankachar, informal trade continues to flourish through Dalu, which has no border haat nearby.
- The institutionalisation of trade through fora like border haats means not only the

**Border haats have been conceived with the basic aim of providing a forum for residents on both sides of the Border to buy and sell their 'local' produce**

has come mainly from the vendors and the labourers. Vendors from India and Bangladesh seem to suggest that often a large quantity of goods is handled by individual vendors stationed in their respective enclosures. During busy hours, when vendees crowd around particular haat in large numbers, it becomes very difficult to detect cases of shoplifting and this is becoming a recurrent problem at border haats. Although some of the vendors, particularly those who trade in appreciable quantities, are often accompanied by labourers or helpers are unable to deal with the problem.

Manik, a vendor from Srinagar (Tripura, India) selling cosmetics, expresses irritation at this problem: "Shoplifting at the border haat has become a regular hazard, which we have to take in our stride because often shoplifters pick up a packet of soap bars or a talcum powder and we are unable to detect such cases because of the crowd in front of our enclosures."

Liton, a labourer assisting a vendor at Kamalasagar observed: "The other day I saw a lady pick up a bottle of shampoo, which she hid in her costume and in a flash mingled with the crowd and it was impossible to detect the miscreant!" Despite the vigilance that is exercised by haat officials, particularly the local policemen and the BSF personnel in India, vendors stress that such cases of theft are hardly being controlled. Subhendu, a vendor from Balat offers an explanation: "Shoplifters pick up this or that item, which they slip into their pockets or costume, and it becomes impossible to detect; besides this is a tendency that some people have, it has to do with their mentality and behaviour and no amount of vigilance can check this problem."

It is not that the vendors are not trying to do anything to control this hazard. When asked how he intends to overcome this problem, Therisia, a vendor from Balat opines: "It is upsetting when we suffer losses on account of shoplifting and theft at the haat. I have decided to engage more labourers to help me sell my goods and keep a check on shoplifting." Of late, we have seen that some vendors on the Indian side who generally trade in bulk quantities are recruiting more labourers simply to strengthen vigilance over their goods and materials.

We have already drawn attention in earlier sections to the fact that border haats in Tripura are conspicuous by the absence of women vendors and women labourers. When the male vendors at the Tripura haats were asked why they were not involving more women participants, they seem to suggest by and large: "Vending at a local shop is one thing, but vending at the border haat is a different activity altogether. This is because all kinds of people throng at the haat premises requiring the vendor to be a lot more active and agile while conducting business at the haat.

Vending at the haat is, therefore, a lot more strenuous making it unsuitable for women." This is understandable because vending at the haat is strenuous, requiring unpacking of goods, setting them up in the stall and then again closing shop and taking everything down in the evening. This contention of the vendors reinforces what we have observed earlier, that the residents around the Tripura haats are predominantly conservative Bengalis and their households generally encourage the women folk to remain engaged in domestic chores.

So far as the problems of shoplifting and petty theft are concerned, vendors on the Bangladesh side seem to have similar grievances. But given that the volume of goods that Bangladesh vendors usually bring to the haat is less both in respect of the number of items and the quantities, in which they are brought to the haat, the intensity of the grievance is perceptively less. As Madhu Mia, a vendor from Chhagalnaiya points out: "Yes, once in a while this or that goes missing and that can happen anywhere." Besides Bangladeshi sellers are known to bring fish and vegetables to the haat, popular as these items are, among Indian vendees and these items can hardly be shoplifted without drawing attention.

As Shah Alam, a fish vendor at the Sunamganj border haat observes: "Fish is too slippery a commodity to steal and it doesn't make sense to pick up one brinjal or a cabbage!" Labourers on the Bangladesh side are on the whole of the opinion that law and order have always prevailed at the border haats enabling transaction of business in a smooth and organised way and there are no problems like

theft or shoplifting. Are the labourers contradicting the vendors? One must keep in mind that the volume of trade that Bangladeshi vendors indulge in is much less compared to what we have seen with the Indian vendors. Under the circumstances, Bangladesh vendors require additional labour only to transport goods to the haat enclosures, and not so much to assist them with the selling. It is, therefore, natural that labourers will not be conscious of cases of theft and shoplifting that the vendors have to cope with.

## Status of Security Personnel at the Border Haat

Our survey team wanted to find out if haat officials were aware of the persistent problems pertaining to theft and shoplifting that had been brought to attention by the vendors, particularly Indian vendors. When asked to respond on the general safety and security that border haats offered to the various stakeholders, the officials confirmed that from their inception, border haats have always offered a secured forum for trade among the participants. They are quite categorical that no disruption of law and order has taken place in and around the border haat premises till date. Yes, they are aware of petty thefts and cases of shoplifting, to which vendors have drawn their attention across all haats. The BSF personnel on the Indian side are trying to cope with the problem in two ways.

First, haat officials entrusted with the responsibility of monitoring and managing haat proceedings are urging all vendors to engage more labourers and support staffs to maintain better vigilance and check on their goods and materials. Second, the BSF personnel working with local policemen are also strengthening their own internal security system by recruiting more guards who will try to exercise greater vigilance over activities at the border haat. It is pertinent in this context to point out that recently a separate resting quarter for women officials/guards is being constructed at the Balat Border Out-Post (BOP). This is clearly in recognition of the fact that internal security of the haat premises needs to be beefed up to guard against thefts, shoplifting and other such malpractices, to which various stakeholders have been drawing the attention of late.

Haat officials, particularly the BSF personnel who are responsible for monitoring and managing activities at the border haat have confirmed that as yet, they have not encountered any major legal offence, nor any disruption of the prevailing order. They inform that in case of petty offences, the usual practice is to hand over the miscreant to the local police for necessary action. However, the haat officials and BSF personnel are also drawing attention to the increasing volume of business at border haats, in view of which they suggest that more personnel must be deployed for ensuring improved security and order at the border haats. The BGB in Bangladesh also acknowledges the growing volume of trade and business at the border haats, in view of which they too suggest the need for additional personnel to strengthen security and vigilance over various aspects of border haat trade. However, they did not say anything about whether they have the capacity to provide such extra personnel.

## Impact of the Border Haat on Local Informal Trade

Local residents, those who have been inhabiting these regions for over three or four decades, inform us that there was a time (approximately 20 years ago), when there was no fence along the Indo-Bangladesh border. It would be logical to assume that during those days, there was regular exchange of goods and commodities between people inhabiting these regions. And then a wall was erected by way of a fence, which did segregate two peoples alright, but not their habits and practices. Hence, 'informal trade' flourished across the fence. The goods usually exchanged included rice, wheat, flour, pulses, sugar, salt and other commodities. In the more recent past, these goods were supplemented by medicines, toiletries and packaged foods.

Despite the existence of a fence of barbed wire, informal trade was possible because one BSF guard was placed in charge of patrolling 2 Kms of fenced border. The point that we want to make is that the ethos of trade among the people in this region was firmly in place, from

early times and this process was not immensely upset by the erection of a border between the two countries.

That informal trade was rampant prior to the establishment of border haats in Meghalaya and Tripura is confirmed by official personnel of the BSF as well as by the respective State Governments. In the course of our interactions, we are informed that rich landlords on the Bangladesh side were regular customers of various luxury items from the Indian side, particularly Baluchari sarees and 'English wine' (English wine is the local coinage for imported/foreign liquor). Trucks would also ply regularly from the Indian side, carrying cattle, particularly from Srinagar.

A few vendors at Srinagar also recall the regular flow of biscuits, fish and melamine products from the Bangladesh side to the Indians in Tripura and Meghalaya. Earlier, Indian sugar was a much sought after item on the part of Bangladeshis and large quantities of sugar would be smuggled into Bangladesh through the routes of Srinagar and Krishnanagar. This declined perceptibly with Bangladesh increasing its production of sugar (Bangladeshi sugar output rose by 20 per cent in 2013-2014).

With the erection of the fence along the border, there was a decline in informal trade. Earlier, 25-30 persons were engaged in smuggling of luxury items like sarees, dresses and 'English wine', and about 55 people were involved in the smuggling of sugar. The number of people who remain involved in informal trade has come down to a handful, approximately two to five, after the erection of the fence. Nikhil Sarkar and Samar Mitra, residents of Madhavnagar Tripura, are vendors at the Srinagar border haat. They contend: "Previously 80 per cent people in this region were involved in informal and illegal trade, but at present not more than 1-2 per cent are so involved."

Of the 854 Kms of the border that Tripura shares with Bangladesh, 10 Kms in the region of Sonamura remain unfenced, and it is through this stretch that illegal trade continues to persist. Informal trade intensifies particularly during festive seasons like Id and Durga Puja. During such times, there is a rising demand for sarees, dresses, cosmetics, toiletries, diapers (Huggies) and fish.

However, the scope of such informal trade has perceptibly diminished with the establishment of border haats. A number of vendors in both Tripura and Meghalaya confess that they have abandoned their involvement in informal trade after their engagement in border haats. This is not to suggest that border haat trade has brought a complete stoppage to any kind of informal trading between the two communities.

For example, during Id, when there is a rising demand for Indian Baluchari sarees on the part of Bangladeshi people, the border haat itself becomes a forum of such exchange of commodities. Indian vendors carry such items to the haat. Since there is a cap on the purchasing limit of every vendee, interested and wealthy customers in Bangladesh come to the haat with more number of people with them to offset the purchasing restriction/limit imposed on each vendee. The same thing happens on the Indian side during Durga Puja festival when Indians have a rising demand for Dhakai Jamdani sarees and delicacies like Hilsa fish and prawns.

Given this backdrop, people in this region responded to the institution of border haat with enthusiasm and fervour. The border haat in fact offered them a much needed forum to exchange their local produce. Border haat trade was subsequently consolidated to include not merely trade of items that are locally produced but also other commodities and items that gradually assumed the proportions of regular business. This

**Institutionalisation of trade through border haats will substantially diminish the flow of trade through informal channels is reinforced by the case of Dalu. (Channel of informal trade between India-Bangladesh)**

has immensely benefited vendees and sellers from both sides of the border and it has also resulted in providing opportunities to earn for other incidental stakeholders like labourers and transporters. The institutionalisation of trade in such formal mechanisms has of course lessened the scope for trade between the concerned people to flourish through informal channels.

The Kalaichar haat in Meghalaya is a case in point. Prior to the commencement of this haat, trade between the Indians and the Bangladeshis flourished through the well-known channel of Mankachar, situated at a distance of 15-20 Kms from Kalaichar. The goods that used to flow through Mankachar included cows, wine, local tobacco products like Biri, spices like Jeera, sarees and garments, sugar and tea. The goods that travel to India from the Bangladesh side included biscuits and bakery items, local fruit and vegetables and fish. Subsequent to the establishment of the Kalaichar border haat, the volume of traffic that used to flow to Mankachar has substantially lessened and in fact it is almost non-functional.

Our contention that institutionalisation of trade through border haats will substantially diminish the flow of trade through informal channels is reinforced by the case of Dalu. Dalu is another channel of informal trade between the two countries and has flourished since a long time. But unlike in the case of Mankachar, there is no border haat in the proximity of Dalu, which allows informal trade to flourish through Dalu without much dilution.

In fact, BSF personnel of Meghalaya point out that no official step was taken to decrease the flow of trade that used to happen informally through Mankachar. That happened as a natural consequence of the establishment of the border haat at Kalaichar. It is, therefore, logical to surmise that trade is a natural urge among people who are not self-sufficient and so when this need is recognised through the institutionalisation of formal channels, informal channels either reconcile themselves to a much reduced scope or they die a natural death altogether.

**The institutionalisation of trade through border haats alongside the diminution of informal channels also brings with it the assurance that trade of unwelcome commodities like will be substantially diminished if not be eradicated altogether**

The trade that used to flourish informally has decreased substantially with the establishment of border haats. Most of the items that used to travel into each other's territory are now traded through border haat. BSF personnel confirm that with the erection of the fence along the border, problems of dacoits and theft have also come down perceptibly. Smuggling of forbidden items like drugs and opium has also come down by about 60-70 per cent. To combat this problem in particular, BSF personnel contend that border check-posts in the vulnerable places ought to be manned by local police personnel equipped with metal detectors and sniffer dogs. The places, through which informal trade continues to persist include Sonamura, Radhanagar, Kathulia, Harbatoli and Chitabari in Tripura but what needs to be borne in mind is that smuggling has reduced noticeably in respect of all essential commodities.

The institutionalisation of trade through formal channels like border haats alongside the diminution of informal channels also brings with it the assurance that trade of unwelcome commodities like drugs and explosives will be substantially diminished if not be eradicated altogether.

## Chapter 5

## Insights on Gender Aspects

The border haats, located on the fringes of the Indo-Bangladesh border, have been contributing significantly to the livelihood of the people, inhabiting the border areas of Tripura-Chittagong and Meghalaya-Rangpur/Sylhet. In this particular section, the study attempts to indicate the gender specific participation rates in the border haats. The male Vendors interviewed during the survey were drawn on the basis of random sampling, but given the paucity of female participants (especially as Vendors) in the border haats, all available female Vendors (seven from India and one from Bangladesh) were interviewed. The fact of male predominance in border haat activity was evident from the beginning and across all border haats, except Balat (Meghalaya, India)

- border haats are contributing to income generation and elevation of living standards of women vendors
- There is growing enthusiasm among tribal women about participation in border haat trade because many of them are already working for their livelihoods
- There should be more facilitation and promotion of female vendors through several mechanisms like vendorship quotas, separate queues for women and other infrastructural facilities
- border haats can be treated as a platform to enhance women's capabilities and contribute to women empowerment
- Women on the Bangladesh side seem less enthusiastic about active participation in border haat trade

**The border haats, located on the fringes of the Indo-Bangladesh border, have been contributing significantly to the livelihood of the people, inhabiting the border areas of Tripura-Chittagong and Meghalaya-Rangpur/Sylhet**

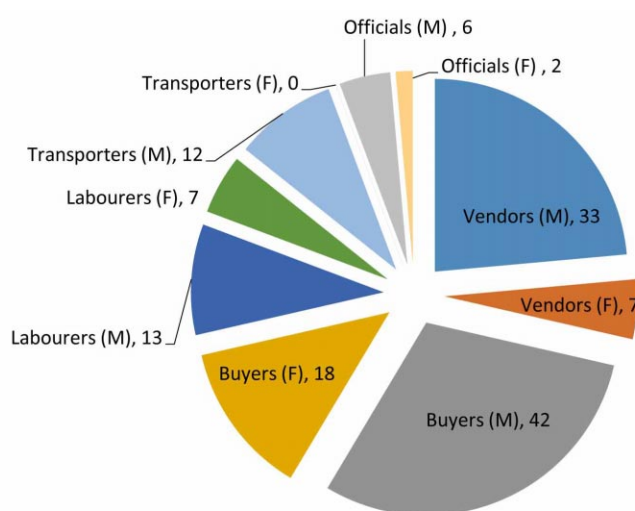
### Key Findings

- Male predominance is evident in all the select categories of stakeholders
- Greater encouragement and awareness generation among women will contribute to greater women participation in border haat trade
- Several women villagers have specifically highlighted the inadequacy of financial capital as a major constraint on their participation in border haat trade

### Insights on Gender Aspects

Of the 40 Vendors interviewed in India, the percentage of male Vendors across Haats is 83 per cent (33/40 respondents). There were only seven women (one from Kalaichar and six from Balat, Meghalaya) among the 100 currently operating Vendors in India. Tripura border haats do not record even a single woman participant as Vendor from the initial days of the Haat. Of the

Chart 5.1: Indian respondents (by type and gender)



**From the field perception, it transpires that female members of Bengali Hindu families are more engaged in household activities and are not oriented towards trade related activities at border haats. This is particularly true for the Tripura haats**

60 vendees interviewed, 18 were female, i.e. 30 per cent of the total vendee sample in haats across India. In fact, a perceptible extent of female participation is found in the Meghalaya haats, who are mostly “working” as Vendees. Interestingly, in the Meghalaya haats, women Vendees were found to purchase at the haat not for domestic consumption, but rather for purchasing to sell thereafter (mainly Plastic and Melamine items) thus functioning as “working women” rather than “consumers”. In contrast, women vendees in Tripura haats are oriented towards purchase for domestic consumption and not towards sale of those purchased items elsewhere.

The two female officials, *Panchayat Pradhan* of Kamalasagar Block (Tripura) and Customs Officer of Balat (Meghalaya) recommended that greater encouragement and awareness generation among women will ensure more women participation in border haat trade. From the field perception, it transpires that female members of Bengali Hindu families are more engaged in household activities and are not oriented towards trade related activities at border haats. This is particularly true for the Tripura haats. Talking to some of them, such socio-cultural constraints on Bengali women become clear. A middle aged home-maker, Rachana, from Srinagar observed: “If we women indulge in border haat or other such activities, who will take care of all our domestic chores?” Negative thoughts and responses are also captured while interviewing the

stakeholders at Tripura haats. They largely thought that the haat is a tedious engagement and a difficult option for women (most of the responses came from male members).

As Subhasis, a local Bengali vendor of Srinagar opined, “Trade related activities are much too laborious for our womenfolk.” In Meghalaya, the situation is somewhat different as most of the women (mainly tribals) work hard for their livelihood. Thus, the nature of female participation at the border haats seems to vary with the locality or region. There are certain women SHGs on the Indian side (mostly in Meghalaya), but most of them are into livestock farming, and livestock is strictly forbidden for sale at the border haats.

For the Meghalaya women, another interesting field perception is that, although a lot of women want to involve themselves in various trading activities at border haats, there remains the problem of shortage of capital, which needless to assert is an essential pre-requisite for starting up a business/trade. Many (about 50-60 in each of the FGDs) of the women, in the villages of Lithanshaw and Danganar have specifically highlighted the inadequacy of financial capital as a major constraint on their participation in border haat trade. Some vendees at Kalaichar, like Anthadi, Dolina and Sadhana expressed the view that if they were given Vendor cards, they

would even try to secure loans for creating a substantial capital base that would enable them to participate in border haat trade meaningfully.

The categorisation of various stakeholders in terms of gender alongside types of activity in border haat trade, helps us to note that although women participate as vendees, they are not seen to function as officials or transporters. Among the women stakeholders interviewed, seven are operating as Vendors (all from Meghalaya) and seven as labourers (six from Meghalaya and one from Kamalasagar, Tripura). Most of the women labourers are from Meghalaya Haats. By contrast, the participation of male members as Vendors is significantly high. All the transporters and most of the labourers interviewed in the survey are males although the number of these stakeholders is much less in comparison to the vendees/visitors across the Haats, in terms of absolute figures.

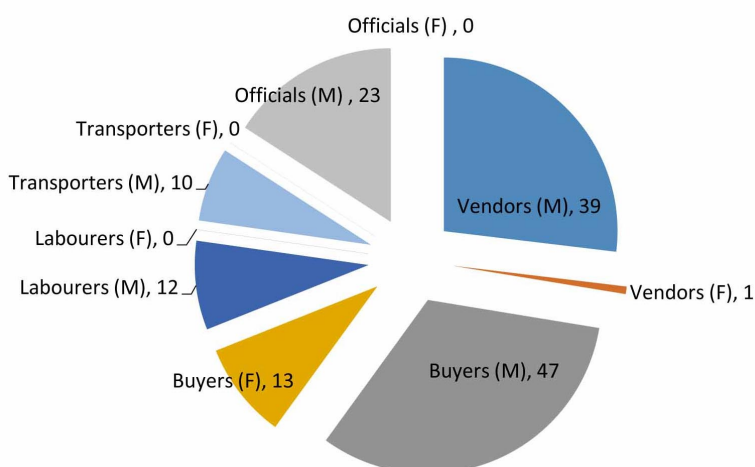
As far as the vendees on the Indian side are concerned, 30 per cent of the interviewed respondents are female. Balat (Meghalaya) records the maximum number of women participants across haats in India, followed by Kamalasagar, Tripura, which being closer to the state capital attracts urban vendees and visitors as well. In terms of participation, as vendors and vendees, there is a clear male domination in the Tripura haats, which is explained by the fact that women in Tripura, remain engaged in household activities. But women in

Meghalaya haats are seen to be active in border haat trade. They enter the haat as labourers or goods-carriers but often participate as vendees or even vendors, buying specific Bangladeshi products, which they are authorised to, given the upper limit of US\$100, for sale elsewhere with a profit margin (As per the 2017 MoU, the purchasing limit has now been increased to US\$200). This pro-active category includes mostly women, who are often found to be the main working member, if not the sole earner, of their families. Indeed, border haats have contributed to the livelihood of these vendees.

For instance, Nancy of Dangar bazar has been participating as a "vendee" for more than two years now. She explains, "Previously there were limited work options in our locality. Things have actually started to change after the inclusion of 'Bangla haat' (the local term for border haat at Balat) in 2011, especially for tribal women like us. Vendee cards enabled us to buy seasonal fruits at a cheaper rate, along with other plastic and melamine products at a wholesaler rate. In fact, more Vendee cards should be issued for the betterment of the local dwellers." Some of them like Mina Nongbeth even mourned, "No proper currency exchange facilities are available and this leads to monetary losses for the Indian vendees."

As far as the Bangladesh side is concerned, 98 per cent of the total number of Vendors is male. Chart 5.2 shows the different categories of stakeholders in border haat trade on the Bangladesh side. Only one female vendor participant was available and details about her will be outlined subsequently. Among the vendees interviewed, 78 per cent were male. Thus, comparing the absolute figures of the Indian and Bangladesh datasets, the participation of male vendors and vendees across border haats is much higher on the Bangladeshi side.

Chart 5.2: Bangladeshi respondents (by type and Gender)



Among vendees on the Bangladesh side, much like the case of India, there is pronounced male domination. Women vendees are usually accompanied by their fathers or husbands. However, it is interesting to note that Bangladeshi women vendees are keen to buy Indian products, particularly cosmetics, toiletries, garments, condiments and other luxury items. Such women vendees have been found to carry from the haat a larger volume of goods in comparison to male vendees. Buying Indian goods at the haat and selling them elsewhere is seen in the case of Kurigram haat (adjoining Kalaichar, Meghalaya). Here, some of the Bangladeshi people buy Indian spices and a superior quality of betel nut in wholesale amounts with less price per unit in order to sell them outside the haat in retail and thereby ensure a good profit margin. Women seem reluctant to actively participate as Vendors in Bangladesh. This is borne out by the responses of Nasma of Chhagalnaiya and Kulsum of Balamari: "More vendee cards should be provided to women." Any demand for Vendor card appears conspicuous by its absence.

Surprisingly, there are no female Labourers, transporters and officials participating in the border haats on the Bangladesh side. The perception of the survey team as well as the views expressed by the respondents confirm that generally Bengali Muslims are more orthodox in their social and cultural beliefs, which restrict their female members from working outside the confines of their homes. Thus, working in border haat as vendors and labourers is a much more complicated issue on the Bangladesh side. The locality of Chhagalnaiya and Kasba (Tripura side collaterals) experience more female vendees due to the variety and better quality of women centric goods from the Indian side. This is reinforced by the fact that they are relatively affluent and have the capacity to purchase even beyond US\$100 (BDT8,400), which is the ceiling observed across all haats (As per the 2017 MoU, the purchasing limit has now been increased to US\$200). Compared to vendees on the Indian side, these vendees on the Bangladesh side carry a lot more in quantity from the haat, although mostly for self-consumption and distribution amongst relatives, not for outside sale.

**Some of the Bangladeshi people buy Indian spices and betel nut in wholesale amounts with less price per unit in order to sell them outside the haat in retail to ensure a good profit margin**

### Status of Gender Specific Profits at the Border Haat

The study dwells upon vendors on the India and the Bangladesh side separately. It also needs to be borne in mind that only eight vendors (seven from India and one from Bangladesh) could be interviewed, and of these, six were from Balat. So many of the observations will be specific to Balat and generalisations would not be prudent. As per the present regulations, 25 vendors are officially allowed from each side of the border for trade on the basis of a regular procedure that will be discussed later.

From the primary analysis of the interviewed individual vendors across haats, it is evident that the average total income (which includes their border haat Profit figures: Sales minus Cost and non-haat income figures from primary sources of occupation) of the women Vendors is INR22,043 (US\$315) per month; 74 per cent of the income being the share of border haat profits. The average border haat income for male Vendors is INR14,410 (US\$206) per month, slightly less in comparison to that of their female counterparts – possibly because there are simply many more male vendors and hence a wider variation in income. The share of border haat profit from the total income for male Vendors is 72 per cent across Haats.

**Table 5.1: Gender specific average income/profit from border haat and Non-Haat and the respective shares as a percentage of total income (Balat, Meghalaya, India)**

Average income/profit parameters (INR per month)/Gender (Balat Vendors)	Male	Share as a percentage of total income (in %)	Female	Share as a percentage of total income (in %)
Average profit from BH	15,000	62.5	14,467	71.5
Average income from Non-haat	9,000	37.5	6,900	28.5
Average total income (Haat income + Non-haat income)	24,000	100	20,217	100

Source: Calculated and compiled from the primary survey

For further clarity, it is to be noted that outliers have a significant impact on the average figures of female Vendors in India, as most of the respondents are from the same haat (Balat, Meghalaya). The study specifically considers Balat Vendors for further investigation. Table 5.1 shows the gender specific absolute monthly figures of average income/profit from border haat and non-haat livelihoods respectively, before calculating the total average monthly income figures for the Balat Vendors.

Out of the seven enlisted women vendors in India, six are specifically from Balat, Meghalaya working as local vendors in their respective villages (namely Balat and Dangar village). The non-haat income for all of them averages at INR 6,900 (US\$99) per month and constitutes roughly 28.5 per cent share of their total income. Balat males acquire an average monthly non-haat income of INR 9,000 (US\$129) and most of them travel to Shillong, the state capital, where they purchase goods for local business. In fact, some of the male Vendors even have businesses set up outside the village, which seem absent in the case of females, who have also to shoulder household work.

Inconsistent local demands for goods and commodities within the village account for the lower per capita (non-haat) income and standard of living, especially for these women Vendors. There is little variation in the quantum of border haat profit for the Balat Vendors, although average cost of purchase remains higher for the male Vendors by an approximate figure of INR70,000 (US\$1,000) per month.

Our field perception alongside the primary data suggests that females with Pakka shops (irrespective of the goods they sell) in the locality tend to have a higher non-haat income than others. The only exception has been the Kalaichar lady Vendor (Linda Marak), who despite being an agro-cultivator, profits the most from border haat (INR25,000/US\$357 per month) and non-haat (INR8,000/US\$114 per month) proceedings – and hence skews the data and generalisations one can make about women vendors.

For the male vendors, data could be gathered across the haats and they were by and large similar. The average monthly total income (haat +

**Table 5.2: Classification of Income bands according to Gender across India haats**

	Higher Income group (>INR 25,000 p.m.)	Middle Income group (INR 10,000 -25,000 p.m.)	Lower Income group (<INR 10,000 p.m.)
India Vendors (Male)	5	24	4
India Vendors (Female)	2	5	0

Source: Calculated from the primary field survey

non-haat) for the male respondents across the haats is INR 19,674. The fact is that there are too many male vendors, with incomes, therefore, more skewed, which might be what drives their average income down. It, therefore, seems more appropriate to divide profits/incomes into bands and indicate the number of male/female Vendors falling in each one of these bands. The study highlights three income bands on the basis of their total monthly incomes (*ceteris paribus*): higher income group (with total income above INR25,000), middle income group (INR10,000-25,000) and lower income group (less than INR10,000).

Most female Vendors (five/seven respondents) are in the middle group. The data gathered from the female vendors is also corroborated by our field perceptions. But in the case of male vendors, although on the basis of their disclosed incomes, 24 belong to the middle income group, the field survey suspects that 11 of those 24 are probably under-reporting their total monthly income (majorly from Srinagar and Balat areas) to the field investigators. The point is that border haats are contributing to income generation and elevation of living standards of vendors.

In Tripura, the average monthly border haat income is INR16,502 (US\$236), much higher than the Meghalaya Haat areas (calculated from the haat-specific data). This is primarily because of fewer administrative interventions and wholesale marketing of specific goods (mainly cosmetics and spices in Srinagar area). In Tripura, particularly Srinagar, the administrative intervention, which restricts the types of goods allowed to be sold is definitely less; also the vendors physically manage to supply wholesale because transport costs are low on account of a more level terrain unlike Meghalaya, which is more hilly. Besides, cheaper labour enables greater quantities of wholesale goods to be carried to the haat. The non-haat income for men is slightly higher in the Meghalaya region, with a monthly average of INR5,438 (US\$78). Most of the respondents are involved in local trade in both the regions, apart from a few agriculture and non-agriculture (Mason and seasonal employee) based jobs.

For the Bangladesh side, only one female member is identified out of the 40 currently assigned Vendors concerning all the border haats. Thus, a

generalised analysis of gender specific earnings is not possible. The average monthly income (which consists of non-haat income and border haat profits per month) for the male Vendors is INR 17,848 (BDT21,848 BDT/US\$255). Accordingly, the border haat profit of the male Vendors is INR5,670 (US\$81) on an average, which is less than one-third of their total average monthly income. This is in sharp contrast to what we see on the Indian side, where monthly vendor income derives substantially from haat profits.

As far as participation of women as vendors is concerned, in Bangladesh we encounter a single female Vendor from Baliyamari, Kurigram with a total approximate income of BDT16,039 (US\$191) and border haat profit of BDT8,454 (US\$101) per month, which seems to be significantly higher than the male average. After the death of her husband, this lady procured the Vendor card from the *Zilla Panchayat* members with the help of local administrative officials. It is also to be considered, she does not belong to the marginalised category and endowed with family assets, she is able to invest in border haat trade. This naturally increases the profit margin. For the Bangladeshis, non-haat income is 2/3<sup>rd</sup> of their total monthly income. So for the Bangladeshis, border haat income is a secondary supplement to their primary non-haat income. This is because of less demand on the part of Indian vendees for Bangladeshi goods, which are usually of inferior quality and less variety.

## Influence of Educational Qualifications on Income at the Border Haat

A significant component in assessing income ranges has always been the level of educational qualification. Differences in earnings may be attributed to the likelihood of enhanced skills and/or higher productivity. But the general idea of such linkages often gets challenged as has happened in the border haats case. Table 5.3 seeks to portray a gender specific frequency distribution analysis of different education levels and their corresponding border haat profit margins per month.

**Table 5.3: Gender – wise education level and border haat Profit margins (India side)**

Education	Frequency Distribution (Female)	Average BH Profit in INR per month (Female)	Frequency Distribution (Male)	Average BH Profit in INR per month (Male)
1 (Grad & above)	-	-	2	11550
2 (Diploma & cert.)	-	-	1	20000
3 (HS)	1	14000	3	14300
4 (Secondary)	2	18500	9	18549
5 (Middle School)	3	14933	10	14500
6 (Primary)	-	-	3	11600
7 (Illiterate)	1	16000	5	8560

Source: Compiled from the Primary Data set

It is evident from the Table that there is no correlation between education and haat profits. This could be because all that is required is a 'head for business' or because most respondents sit in the middle of the distribution anyway.

### Status of Women Participation at the Border Haat

Our primary survey reveals that the overall participation of women as various stakeholders in the border haats is largely location specific. The study captures general trends on the basis of observation across haats in Meghalaya and Tripura; it is also possible that this will reveal characteristics peculiar to a border haat or a region, alongside or instead of general trends.

#### India side

It does not seem that there are any threats to security for women in any of the border haats on the India side.

Coming to their responses on more women engagement in such trade, the Kalaichar (Meghalaya) woman, Linda Marak explains the growing enthusiasm among Tribal women in engaging themselves in the border trade as most of them are working for their livelihoods either on the fields as cultivators or as a local vendor and want their products to be sold on the Bangladeshi side, where there is a higher demand for their goods. In Kalaichar, when the haat initially started

it was difficult to get people to participate, particularly the Tribal people. Some Bengali businessmen (mostly men) were then included to keep the haat running. However, with time, people started seeing the gains from the same and some of them evinced interest to do business there. For Balat, the women participation is by far the highest amongst all the four haats, and women participation has been "good" according to the female Vendors.

The responses of male Vendors on the issue varied with regions. Most of the Meghalaya Vendors considered the possibility of greater women participation through several channels. Given the fact, that women are quite free to participate in these regions of India, women should be coming up in more numbers as Vendors and play a leading role in such border haat trade. There has been a lot of encouragement from the local administrative bodies in this regard in Balat. The lady customs official at Balat noted that "there should be more facilitation and promotion of female vendors instead of encouraging vendees at border haat trade".

In fact, some of the Kalaichar vendors recommended assignment of vendor quotas for women (on the basis of formal and regular procedures) to guarantee their participation. Presently in these locations, it has been observed that women are increasingly applying for vendee

cards (much easier for them to get, as compared to the vendor card), which serves as a ticket for entry to the border haat. Using the card, most of the Balat people (a lot of them are women) are seen to share stalls with the authorised vendors to sell their products, often seasonal fruits and vegetables and in small quantities. Individuals have been found to make arrangements with authorised vendors, and enter the haat as labourers, and once inside, sell the goods which they have been allowed to carry inside in modest quantities. In fact, some of them (mostly women) carry seasonal fruits and vegetables to sell near the gates (inside the haat space).

Entering the haats premises remain arguably easy, although at times they are restrained by the customs and on-duty border guards from carrying too many goods. As the number of vendor cards issued is restricted to 25, some who wish to sell, enter the haat as labourers, carrying a certain number of goods, to which the authorities turn a blind eye. But that vigilance naturally varies. In Kalaichar, vendee cards are mainly being used by the local women for purchasing Bangladeshi products (melamine and plastic ware) for outside sales via wholesalers. Some of them even go to the nearby market on "local haat" days for selling those items with nominal profit margins. On local haat days, such vendees, mostly women, buy goods at the haat, and instead of passing them onto wholesalers, themselves proceed to Tura (the headquarter of the SW Garo hills), sell them at retail prices that give a larger margin of profit.

Silne and Bideng are amongst the flock of vendees in Kalaichar, who were personally interviewed to gauge the perceptions of women vendees. They explained: "Getting a vendor card and 'maintaining' it for years (In Kalaichar, vendor cards need to be renewed every three years) is difficult, given that we do not have an assured monthly income. We are happy to be participating in this manner # buying a certain amount of specific Bangladeshi goods to sell them outside via wholesalers or by ourselves # and this does not require a prior commitment or huge capital investment."

In contrast, the women participation in the Tripura Haats is much less and restricted. The major reason has been socio-cultural in nature. Although there are no hazards to the safety of women in engaging themselves in border haats, most of the Vendors

responded against their full-time involvement, for most women (hailing from the dominant Bengali Hindu families) remain engaged in household chores and livestock farming. Their involvement as vendees (buying for self-consumption largely) is endorsed by prevailing norms of their society. In some particular instances, although there are women working as helpers for their Vendor husbands, perceptions about women as entrepreneurs seem quite restricted. The responses in the Tripura region hover around unwillingness of women as a general deterrent to active women participation, as Vendors. These have been the responses of the male Vendors.

Some of them even uttered: "Our wives do not want to leave the children and go out to work in the market place." Thus it seems that participation of women as Vendors in the border haats is impeded by their unwillingness fostered by reasons of engagement in other vocations and also by the prevailing ethos of a patriarchal society that encourages women to confine themselves to domestic chores.

### *Bangladesh side*

There is only one woman working as Vendor on the Bangladesh side, for all the four Haats. As per the field investigation, she lives in Baperipara, Balimari, Kurigram (adjacent to Balat, Meghalaya border in India). She possesses a modest tailoring shop with a tin-roof and she managed to procure a vendor card to sell garments and other cotton products in the border haat only after her husband's death. Speaking to women vendees from Bangladesh, it seems that, Bangladeshi women lack enough encouragement for greater participation as Vendors in the border trade. There has been no initiative on the part of either Government or any local administrative body towards promotion of trade benefits in favour of women.

However, Chittagong haat officials are optimistic about involving women stakeholders. They suggest separate Vendor quotas in favour of women, although such suggestions are still to be implemented. Women urinals and haat infrastructure in

terms of shades and proper rest rooms are amongst the other primary concerns highlighted by the Baliyamari and Kurigram haat officials. A different perspective is seen in the responses of Jafar, the presiding customs officer of Sunamganj: "True, we do not have proper urinals inside the haats, but why should the Government take these responsibilities? Is the Government getting revenue out of border haat trade or making any profit from this kind of informal trading?" Such sentiments are expressed by customs officials at the Indian haats as well.

In the border haats of Sunamganj and Kurigram (the haats adjacent to Meghalaya) overall women participation remains negligible. Suggestions for augmenting women participation have been thrown up mostly by the male stakeholders in these haats:

- a. A woman representative in the Joint border haat Management Committee (JBHMC) should be included to address more women specific issues at the administration level.
- b. Preferential treatment in the form of a separate quota could help to promote the number of women Vendors.
- c. Capacity building programmes, according to several vendors and haat officials, should be adopted at block levels to facilitate women participation; they should also be encouraged to join as labourers and helpers.
- d. Women's participation rate will increase with proper maintenance of latrines and urinals with water and electricity facility.

Sunamganj vendees (adjacent to Balat) remained apprehensive about women participation at border haat trade. They pointed out the inadequacy of promotional measures on the part of the Government in this regard, although none clarified what such measures could specifically include. The vendees of Kurigram felt that more women need to be encouraged to come to the haat as vendees. They could also join in as labourers, assisting their male heads, in order to gain the experience necessary for participating as vendors in future.

Apart from these responses, the Chhagalnaiya and Kasba side of the borders are much more conservative in their approach. Most of them want women to be participating as Vendees. The general opinion seems to be that, women cannot handle this type of border trade as they are not accustomed enough to running a business in the border haats. The rising incidents of petty theft cases (although more of a problem for the India side) might also be a deterrent to women participation (according to the field perception). Thus, there seems to be limited scope for women participation (considering the responses in some of the haat locations) given the context of robust socio-cultural constraints, in Bangladesh. However, this should not evoke pessimism for there remain possibilities for accelerating women involvement (especially in the Rangpur and Sylhet divisions).

### Status of Women Participation When Issuing Vendor Cards

Vendor cards are generally issued by the respective border haat committees in each of the haat locations. This committee comprises of the District Magistrate, Additional District Magistrate, local *Panchayat* leaders (*Panchayat Pradhan*, *Up-Pradhan*, Block members etc.), Customs officials, Border Security Force (in India)/ Border Guard Bangladesh (in Bangladesh) and the local police. On the Meghalaya (India) side, there is active involvement of Nokhmas (head of the Garo (tribes) village community) and Gaoburas (village head-men) who co-operate with the *Panchayat* members in implementing various developmental programmes in the locality as well as in taking administrative decisions pertaining to border haat activities. Interviewing the officials from both sides, it is gathered that Vendor cards are issued on the basis of a regularised process.

Firstly, the applications are short-listed on the basis of an overall assessment of how the individual will perform, if given an opportunity to trade in the haats. The pattern and kind of work he does, the seriousness and sincerity involved in doing that work and other qualitative aspects are considered while evaluating a case. Once, the

screening is done, the selected applicants are asked for a personal interview, wherein their overarching objectives in trading at border haats and other long-term goals are tested, and then the list of candidates is finalised. Vendor cards are non- transferrable and have a specific period of validity, which is decided by the administrative officials.

Despite these broad regulations in respect of issuance of vendor cards across haats in India, there are region specific stories also. In Kalaichar, vendor cards need to be renewed every three years; this period is one year for other haats. There are instances in Srinagar, of a supplementary card being issued alongside a vendor card to suitable applicants of the same family; the supplementary card holder can assist the regular vendor at border haat trade, or work as a substitute and carry on the business, if the regular vendor is unable to attend haat on a particular day.

### *India side*

The field perception, suggests that several vital decisions are taken by the local bodies involved in the border haat committees. In most of the places, it is seen that the higher officials (District Magistrate, Additional District Magistrate and others) are not directly involved in ground level monitoring and this task devolves mostly on the local *Panchayats* and *Zilla Councils*. As such, the survey team has tried to capture the views not only of the higher level Government officials, but also of *Panchayat Pradhans* and *Gram Rojgar Sheboks* (villagers employed by the local *Panchayat* to serve at the haats on payment).

As far as the responses of interviewed officials are concerned, there remains a fair bit of enthusiasm in terms of involving women stakeholders (especially as Vendors/Vendees) for the border haats. Many women (mostly tribals of Meghalaya) are beginning to show interest in working as Vendors. When asked about ways to encourage women to participate in border haat activities, respondents across border haats have expressed a desire for awareness generation and capacity building programmes for women in various locations, as a sure means to boost female participation in border haat trade. In fact, the state level official (ADM, Sipahijela) of Kamalasagar

(Tripura) pledged implementation of such programmes in the near future, with the collaboration of Joint border haat Management Committee (JBHMC).

For the Meghalaya haats, encouragement for women participation in border haat trade is already visible. A barrier, particularly for women in this region (and some parts of Kamalasagar, Tripura) is their engagement in cultivation and farming of livestock, which restricts them from participation in border trade – because of not having time. For Kalaichar (Meghalaya), women participate mostly as Vendees, but of late they seem to be eager to procure Vendor cards. This is because Vendors are seen to reap better profits, which are also reflected in their improved standards of living, including that of the only operating female Vendor, Linda Marak, who seems to be meeting almost 50 per cent of her total expenditure from border haat trade. Balat accounts for the maximum number of female Vendors from the India side and the customs official expressed the need for greater facilitation and encouragement to women participants. In fact, the BSF has already initiated the construction of a female quarter in the Balat Border Out-Post (BOP) for recruiting more female office guards in the border haats.

As far as the technical part is concerned, issuing Vendor cards is largely location specific. For both the Tripura haats and Balat (Meghalaya) haat, Vendor cards are renewed on a yearly basis. Only for the Kalaichar haat, cards remain valid for three years. This is completely a local administrative decision for the Meghalaya border haats and there remains no official involvement behind such decisions.

As per field study, it does not seem that there has been any major discrimination in respect of the distribution of Vendor cards among male participants. On the whole, the scenario of participation in terms of gender changes with region. For the Tripura haats, women themselves remain passive and do not consider themselves as potential Border haat stakeholders. However, the present scenario suggests the possibility of change for the better. For the Meghalaya ones, however, women participation has been much

better and the women seem to be doing well as Vendees (selling goods outside after buying it from the border haats). But, most of the tribal women cannot be given Vendor cards owing to the small scale of their business, irregular attendance and seasonal nature of their engagement (since they are mostly agricultural producers and are interested in selling agricultural produce depending on a particular season, winter). Issuing a permanent vendor card restricts usage to those who are in a position to run a business all year round. Small scale farmers are thus not benefitting. Special permits, or something similar, should therefore, be issued just for seasonal produce.

### *Bangladesh side*

On the Bangladesh side, officials of Balamari and Sunamganj (haats adjacent to Meghalaya) mainly cited several infrastructural inadequacies, when asked about women participation. Several measures have been suggested for augmenting women participation: building proper resting rooms and urinals with appropriate water and electricity facilities; improving and increasing transport facilities; improving the existing communication system and recruitment of more women Border Guard Bangladesh (BGB) for strengthening security.

But, owing to such technical impediments, the field survey captured a general pessimism about women participation in the border haat activities. There has been a clear male dominance in the approach of distributing Vendor cards in this region, which trend is confirmed by the responses of Mazeda Begum, the only woman Vendor (from Balamari), who is desirous of greater women participation and engagement in these locations. As she claims, "Women in Bangladesh are no less competent than men, and it is time that they get the highest encouragement and support not only from the Government but also from their families to get involved in the business."

The other region of Chhagalnaiya and Kasba seems to be more conservative, at least from the Vendors' perceptions. However, officials appear pro-active in their approach as most of them expressed the growing need of more women turn-out (as Vendors). In fact, the Upa Pradhan (Deputy Head, official in the local administration) at Chhagalnaiya, who is also the Chairman of the border haat

Management Committee and the Upa Zilla Nirbahi Officer (Deputy Executive Officer in the local administration hierarchy) of Kasba, among others, narrated the need for a separate quota system in favour of women vendors. The question remains whether women are really ready for the challenge.

## Status of Spending Pattern of Profits from the Border Haat

Already endorsing the fact, that women participation has the potential to boost border haat trade in the economic and social realms, the study now delves into an examination of the role of adult female engagement in the augmentation of the household income. Considering the interviewed Vendor families (80 individuals from both India and Bangladesh), the contribution of female adults is in focus in the following discussion. It has been observed in the course of the survey that even when women do not participate directly in border haat activity, hard-working as they are (as evidenced in Meghalaya), they not only remain engaged in household chores, but also take time to perform various unremunerated activities (like helping in the production of agricultural goods or, holding shop for their husbands in their localities) for their husbands and other family members who are thereby facilitated in performing activities that boost their participation in trade at border haats.

Among all the households surveyed, nine Indian families (mostly from Balat, Meghalaya) and four Bangladeshi families (from Sunamganj, Sylhet border areas) had adult women, working for their livelihood. On the basis of data available, we are able to arrive at some calculations. The monthly average haat income for the Indian Vendor families with women engagement is INR15,993 (US\$228) and that of Bangladeshi Vendor families is BDT8,606 (US\$102). The amount in Bangladesh is much less as border haat is basically treated as a secondary and supplementary source of income, as discussed earlier. Given the list of products permitted for trade at border haats, it has been seen that most of the Bangladeshi goods are

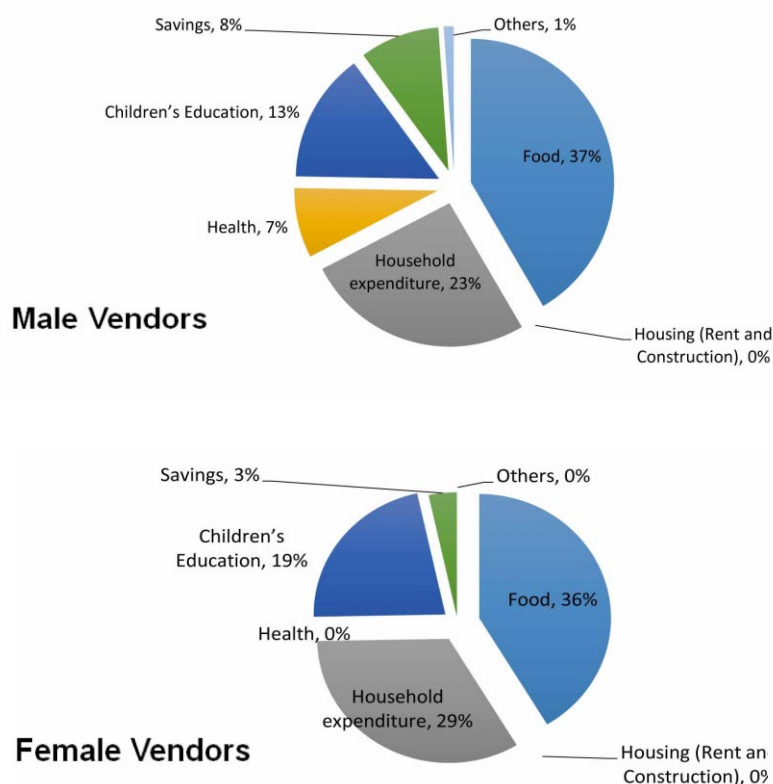
comparatively unattractive to the Indian Vendees except for some inexpensively-priced vegetables, food items (chips, biscuits etc.) and a few other locally produced commodities.

Vendor households in India with working women, tend to show a higher monthly income, as compared with vendor households without working women, but the robustness and causes are unknown, since the study did not focus on this point.

## Status of Spending Priorities of Female and Male Vendors

Indian Vendors prioritised food as their major category of expenditure. For the male Vendors, 37 per cent of the total monthly income is spent on food. A similar trend is observed for the female Vendors, who spent 36 per cent of their total monthly income on the same. The expenditure on household essentials is ranked second for both sets of Vendors with the female vendors taking an edge over their male counterparts by 6 per cent. Chart 5.3 highlights the spending patterns in more details:

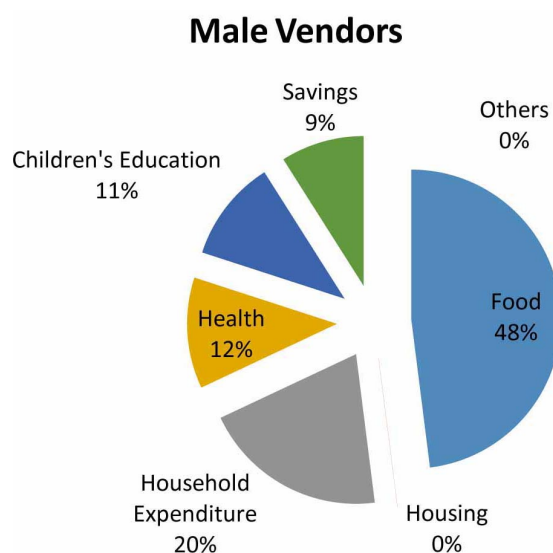
Chart 5.3: Spending pattern on total income (India side Vendors)



These two components are regarded as major expenditure quotients for all the households and our field survey affirms that these proportions have no direct linkages with border haats and their associated incomes. As far as child education is concerned, female vendors seem to have spent more than the male ones, with 19 per cent of their total monthly income. In fact, the younger son of Linda, the only Kalaichar lady vendor is at present, pursuing higher degrees in Guwahati (Assam). Of course, she's richer to begin with, but one can reasonably infer, that she has been facilitated in this regard by the additional income accruing from border haat trade, which increase is estimated at 76 per cent of her total monthly income share. Balat vendors (females in particular) also seem to be sending their children to nearby schools. Even male vendors send their children to school, but their monthly expenses on children's education are comparatively less than that of female vendors (Male vendors: 15 per cent versus Female vendors: 22 per cent). The field survey suggests that the additional income generation from the border haat has made things much easier for them in terms of coping with the recurring expenses of education.

For the Bangladesh side, only one female vendor was available. Vendors are mostly male and incur an average expenditure of 48 per cent of their total monthly income on food.

Chart 5.4: Spending Pattern on Total Income  
(Bangladesh side Male vendors)



The only female Vendor from Balamari spends around 60 per cent on food, which is higher in comparison, given that her family consists of five members, which is less than the usual size of most vendor families in Bangladesh. However, no generalisation can be drawn from this.

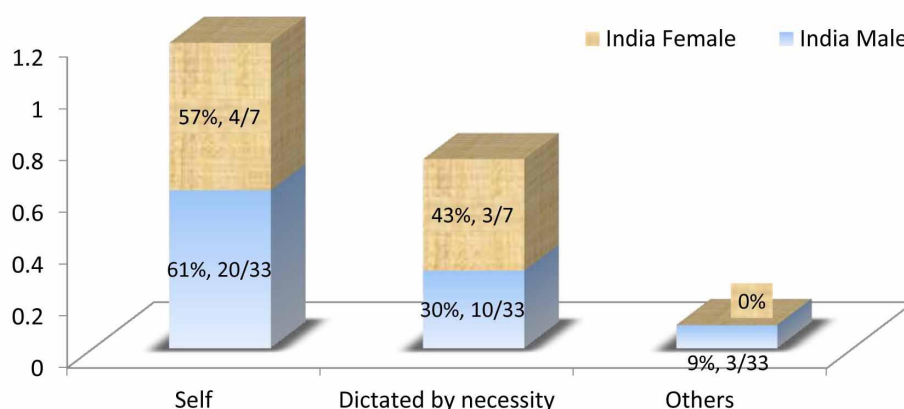
### Status of Decision Making Regarding Income from the Border Haat

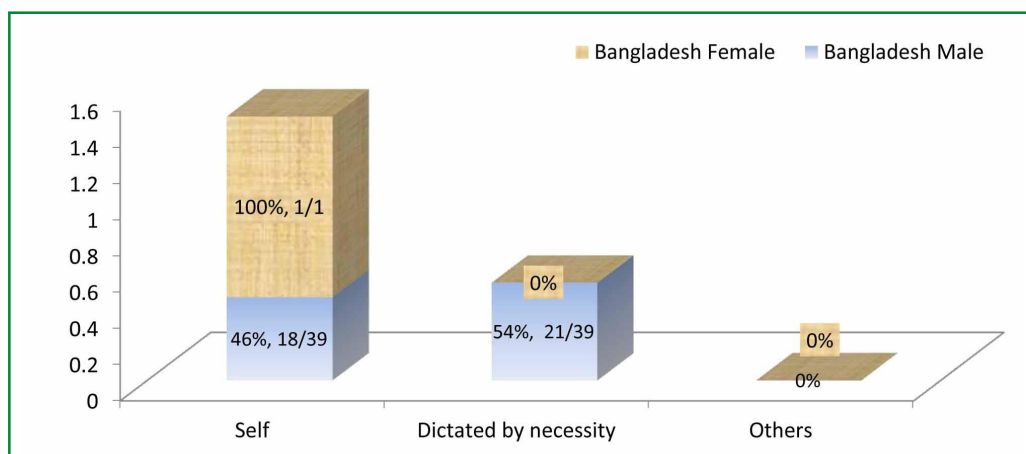
For the India side, 61 per cent of the male Vendors (20/33 interviewed) take decisions independently on how to spend the haat income. Out of those categorised as Vendors, 14 are Tripura based and mostly belong to Hindu Bengali families, and their role in household decision making is limited and restricted. Three male Vendors (all from Meghalaya) responded that their wives were the sole decision makers

about spending the haat income. On the other hand, for the Meghalaya haats, more female Vendors decide on the expenditure heads on haat income with their average border haat profit averaging INR17,450 per month. Interestingly in Meghalaya, women vendors report greater autonomy in decision making regarding their haat income. Females with less average income from border haat haats (INR14,000 per month) are more inclined towards the response "dictated by circumstances". The factual details are shown in Chart 5.5.

For the Indian side, our perception is strong that, female participants are more active not only as Vendors but as other stakeholders as well with the higher profit earners opting independent decision making and the comparatively less earners spending on the basis of felt needs.

Chart 5.5: Decision makers on haat income expenditure (India and Bangladesh side Vendors)





For the Bangladesh side, the pattern is rather location specific. On the Kasba side (adjoining Kamalasagar, Tripura), all Vendors seem to spend on the basis of necessity. This is particularly because Kasba has a fair balance between male and female participation. As far as the aggregate data set is concerned, more than 50 per cent Vendors spend their haat income on the basis of necessity, except the Sunamganj (adjoining Kalaichar, Meghalaya) region, where the Vendors (all males) spend their additional income in an independent and autonomous manner.

The study will now seek to probe the significance of such decision-making on existing expenditure heads and look for particular patterns (if any) to

substantiate the analysis. The male Vendors of India, who independently decide on their haat spending, their haat income are seen to allocate 39 per cent of their average total monthly expenditure (of total income) on food and 27 per cent on house expenditure. In contrast, less proportion of haat incomes are being spent on these expenditure heads by Vendors who spend on the basis of circumstantial needs. For the housing purposes, no Vendor (either male or female) has spent anything as yet for everybody has got his or her dwelling Kaccha or Pakka). The major differences in average spending on the part of the male Vendors lie in the categories of health and children's education. Male vendors who are compelled to spend their border haat income by

**Table 5.4: Spending patterns and its impact on average expenditure heads**

Expenditure heads on total income	Male Vendors			
	Average Total Expenditure Percentage (India Male)		Average Total Expenditure Percentage (Bangladesh Female)	
	Dictated by self	Dictated by necessity	Dictated by self	Dictated by necessity
Food	39	34	49	47
Housing (Rent and Construction)	0	0	0	0
Household expenditure	27	18	22	19
Health	5	12	14	10
Children's Education	10	18	8	13
Savings	11	5	7	11
Others	1	0	0	0

Source: Compiled from the primary dataset

need, seem to allocate more money towards children's education and health, less on savings and marginally less on food.

It is observed from Table 5.7 that there has been a significant shift of trajectory from 5 to 12 per cent for health expenditure and 10 to 18 per cent for children's education for the male Vendors who spends according to circumstantial necessity (which also includes their wives' decisions in some cases). Chart 5.4 sums up the findings.

Women spend their income on three categories only, and the proportions vary according to the need. The latter suggests greater poverty, and spending is correspondingly higher on food. Those who can autonomously decide how to spend their money, may have said that because they have a higher income, which some are also able to save.

## Enhancing Female Participation at the Border Haat

Border haats can be treated as a platform to enhance participation on part of women, in various capabilities. Although, there is limited scope for increasing Vendor-ships in view of persisting regulations, specific Vendor quotas for women can boost women engagement. The study highlights certain general women-centric issues, which act as barriers to women's participation alongside certain region-specific deterrents.

In most of the border haat locations, encouragement has not been provided to women for participating in border trade. As most of the border areas are in the remote interiors where marginal urbanisation has occurred, women find it inconvenient to move about freely. This general trend observed by the field investigators does not hold true for Meghalaya, India region (Balat and Kalaichar side of the haats) where women are more pro-active in working for their livelihoods. Not only that, this particular region (only in the Indian side), seem to harbour a different work culture altogether, suggesting strongly a significant trend towards re-defining women empowerment.

In fact, the number of vendees and labourers is much higher in these border haat locations, compared to the other Indian side. Local administrative interactions further clarified that there is a certain degree of flexibility in issuing Vendee cards and allowing more Labourers to Vendors in keeping with the growing demand. The basic difference lies in growing aspirations of the Indian tribal women, who are more eager to engage themselves in Border haat trade unlike Bengalis (irrespective of whether Hindu or Muslim) dwelling in the border areas of Tripura. In fact, in Bangladesh, one encounters such socio-cultural constraints towards involvement and participation of women. On the Bangladesh side, one mostly experiences women operating as Vendees, coming with their families and buying Indian products in the form of branded cosmetics, toiletries and garments.

Lack of proper rest-rooms/latrine, especially for women has been a major concern in all the haats. There has not been any infrastructural upgradation in terms of installing proper facilities (for pumping water) and electricity shelves for making those usable. The condition of existing urinals across borders is unhygienic and in fact, deplorable and unfit for use. Although, stakeholders point to the lack of Government initiatives in this regard, there has also been a mutual blame-game amongst the participating members from both the countries. Some of the haats even charge monthly payments from the Vendors and pass-charges from the visitors for haat maintenance (Kamalasagar, Tripura), but precious little gets done.

Despite the initiatives taken by government to encourage women's participation in various economic activities in the formal sector, informal trade flourishes in border areas owing to low risk, mobility constraints and no taxation. Hence, the study perceives the need of local administrative bodies (who are an integral part of the Joint BHMC) like *Panchayats* and several other informal committees (mostly lead by Vendors in most of the India side haats) to take such initiatives towards boosting border haat trade.

The haat specific problems are as follows:

**Tripura (India)-Chittagong (Bangladesh):** The two border haats experience less involvement of women as stakeholders. The main reason is the socio-cultural milieu, which is a serious restraint on women participation in the haat proceedings. Females mostly perform household chores with no real inclination towards border haat trade. Although some of them participate as vendees, the number remains small and irregular, mostly limited to buying household condiments (on the India side) and branded products: cosmetics and likes (on the Bangladesh side). Participation of women as labourers is limited on both sides of the border in this region. Apart from the general issues, discussed above, respondents suggest that lack of awareness and capacity building is the basic reasons for less participation.

**Meghalaya (India)-Rangpur/Sylhet (Bangladesh):** The women on the Indian side are quite active in participating as various stakeholders

in the haats. For Balat, recent developments suggest inclusion of six additional women vendors (out of 25) in the revised list, published in April 2016. The local administration has been encouraging interested women to trade at the border market. Although there is a lack of transparency in the selection of vendors in Kalaichar (India), women are becoming aware of the potential benefits of border haat trade. In both these haats, Indian side vendees buy Bangladeshi products (plastic and melamine ware) and sell those in the local and distant markets and are thereby able to earn a much welcome weekly profit. Although there are ceilings on the purchase of goods, this is usually US\$100 per haat day, administrative loopholes and oversight help these local people to make purchases beyond the prescribed limits (As per the 2017 MoU, the purchasing limit has now been increased to US\$200). The local people claim to have got used to such practices for quite some time now. On the whole, women on the Bangladesh side seem less enthusiastic about border haat trade.

## Chapter 6

# Insights on Items, Regulations and Procedures

In India, the Director General of Foreign Trade (DGFT) identifies a list of items, which can be traded at the border haats. The customs officials operating at local levels supervise whether vendors on the Indian side are complying with the DGFT specifications in their dealings at the haat. This practice was initiated when the border haats first commenced at Meghalaya (India) – Rangpur - Sylhet (Bangladesh) and continues to remain in vogue to this day. Border haats on the Indian side of the border are expected to operate based on rules and regulations enunciated by the Director General of Foreign Trade (DGFT).

The Customs Department is primarily responsible for disseminating relevant information of rules and regulations, including provisions of amendments, across all stakeholders. There are problems, highlighted by stakeholders - particularly vendors, relating to the implementation of rules and regulations drawn up by the DGFT (India)/ FTA (Bangladesh) at the local levels. These local authorities are constituted by *Panchayat* officials working alongside customs officials and personnel of the BSF (India) and BGB (Bangladesh).

**The Customs Department is primarily responsible for disseminating relevant information of rules and regulations, including provisions of amendments, across all stakeholders**

## Key Findings

- There is asymmetry of information among vendors about items officially approved for border haat trade
- Amendments do not reach Haat officials and vendors on time
- Haat officials are not equipped with measuring devices – availability of these could expedite inspection procedures at border haats
- Rules and regulations are enforced by Haat officials uniformly and many of these are often assumed and do not reflect the latest amendments
- Lack of uniformity is discerned both among haat officials (one is more interventionist than the other); and also in respect of goods – the bulk sale is allowed in case of one item, but not in case of another
- Women vendors suggest the need for a separate queue for women and also for women security personnel
- Customs officials and local policemen are not present regularly and it largely falls on the BSF/BGB personnel to monitor Haat proceedings on a day-to-day basis
- With the exception of the Kalaichar Haat, informal parallel institutions are seen in all the Haats, which cater to the crucial role of addressing day-to-day problems

## Status of Awareness among Vendors about the Item List at the Border Haat

The original list of items prepared by the DGFT has been subsequently amended a number of times. But, there is asymmetry of information among the vendors regarding the list of items permitted for sale at the haats. The specific details in the amendments by DGFT takes times to reach the ranks of officials such as customs, Border Security Force (BSF, India) and Border Guard Bangladesh (BGB, Bangladesh) posted at the Haats. Furthermore, border haats being in remote areas the government offices are understaffed. When customs officials are not present, nor are their representatives, it largely devolves on BSF personnel to take decision on 'permissible' goods. The vendors are often victims of such confusion for they do not know if a particular good, which was allowed at a previous haat will be permitted at another.

**Customs officials and Border Security Force (BSF, India) and Border Guard Bangladesh (BGB, Bangladesh), who have the express responsibilities of monitoring haat proceedings, do not possess the latest documents**

**Table 6.1: Containing list of items in each haat on both sides**

List of Items sold at the border haats	Indian vendors	Bangladeshi vendors
Srinagar – Chagga naiya border haat	Spices, Cosmetics and Toiletries (wholesale items), Food Items (cooked by Bengali households), Packaged drinks, Cookware, Cotton fabrics, sarees, woollens and garments <b>Popular items:</b> Tea, Baby food, milk powder and Horlicks	Aluminium cookware, plastic items, Processed food items (Litchi drinks, chips and biscuits), Fish (both dried and sweet water), Melamine products, Fruits (mainly Green apples) and vegetables (non-seasonal) <b>Popular items:</b> Dry fish/Fish, plastic items, Electronic items (1 Bangladeshi vendor -mobile accessories, small LED lamps)
Kamalasagar – Kasba border haat	Fruits (bananas and jackfruits, and seasonal varieties like apples and oranges), Cosmetics and toiletries, Cultivation equipment likes axes and ploughs, Vegetables and superior quality garments <b>Popular items:</b> Tea, Baby food, milk powder and Horlicks	Processed food items (Chips and locally baked biscuits, Food items, Garments, Cookware, Fruits (green apple and other non-seasonal varieties) <b>Popular items:</b> Dry Fish, Plastic items
Kalaichar – Kurigram border haat	Spices, mainly Jeera or Cumin (wholesale item), Seasonal Fruits, Vegetables, betel leaves and food items <b>Popular item:</b> superior quality betel nuts	Aluminium Cookeries, Plastic wares (tables and chairs), Melamine wares (dishes and bowls), Cotton Industry Products (Lungi and Gamcha), inferior quality garments, inferior quality betel nuts <b>Popular items:</b> Plastic and Melamine wares
Balat – Sunamganj border haat	Cosmetics and Toiletries, Food items (including dried fish), Spices (wholesale), good quality garments, seasonal fruits, minor forest products. <b>Popular items:</b> seasonal fruits and winter garments	Food items and dried fish, Hybrid vegetables, plastic and melamine products <b>Popular items:</b> plastic and melamine wares

Source: Compiled from the primary survey data

This confusion pertains not only to the item, but also to the quantity that will be permitted for carriage into the haat. Farooq of Upper Kalaichar (Meghalaya) laments: "My spices were selling well at previous haats and I was so encouraged by the sales that I started carrying bigger quantities. But all of a sudden today, I am told by the guards (re: customs officials) that carrying so much is not permitted by the law!" When asked to respond on this issue, the customs officer clarified: "border haat is not the place for wholesale trade and often it becomes very difficult to convince the vendors that they can only trade in modest quantities at the haat; despite warnings and words of caution, they are often seen to overstep their limits."

Besides, officials monitoring haat proceedings are not equipped with measuring devices and often rely on their visual assessments for judging quantities of goods carried by the vendors. Under the circumstances, what kind of goods will be permitted for carriage into the haat as well as the quantity that will be allowed for the same becomes a matter of discretion of whoever is officiating at any point of time. Ranjan, a vendor from Srinagar, expresses awareness that the invigilating officials at the haat are themselves not clear about the list of items that is officially sanctioned for trade at border haats. He comments: "The other day, when I brought in hand sanitisers, the officials kept asking each other if this should fall under medicinal goods or toiletries and although they were unable to come to a conclusion, they did not allow me to carry the item into the haat."

Despite this anomalous situation, it is possible to identify the items that are found to be traded across haats along the Indo-Bangladesh border.

Indian vendors across the border haats are found to carry items of their own choice and local officials do not intervene as long as the items are within the listed category of officially approved goods. There is, however, one exception and that is the case of Kamalasagar. Here, the question of which vendor will be permitted to sell what item(s) is decided prior to the commencement of the haat by local officials on the basis of prior consultation with the vendors and in consideration of their regular trade. So, if a vendor earns his livelihood by selling garments at a regular garment shop, he

is allowed to sell only garments at the haat. Vendor cards are distributed only after such decisions are made. Vendors who have a regular thriving business find the haat as a welcome extension to their trade, but not every vendor at Kamalasagar is happy with the existing arrangement. Juton Dash sells fruits at the haat but he laments: "If I was allowed to sell cosmetics, for which I see a great demand at the haat, perhaps I could have earned a higher profit!"

The DGFT guidelines forbid trade in respect to a few items at the border haats. These are contrabands, drugs & pharmaceuticals and livestock. Customs officials and BSF personnel officiating at border haats ensure strict vigilance in this regard, making it mandatory for every entrant to the haat to go through a regular manual check. Apart from some isolated attempts at drug trafficking in the Srinagar haat, no breach of regulations has been recorded in the recent past. The trading of livestock (mainly from India) and fish, both dried and sweet water varieties, (from Bangladesh) seems to be the most contentious issue in this regard.

Our survey team in the course of FGDs with local villagers has found that there are several Self-Help Groups (SHGs), often initiated and operated by women members, in the region of Kamalasagar and Meghalaya who are engaged in livestock rearing and poultry farming. They have learnt from their vendor friends at the haat that Bangladeshi vendees often look for poultry and eggs, but they regret that although they are eager to sell these at the haat, these items are not allowed inside. Johnny Kanya of Kamalasagar observes: "We could have a regular business at the haats if only eggs are permitted for sale. If fruits and vegetables can be allowed along with fish and packaged foods as well, then why this ban on eggs?"

It may be relevant in this context to highlight that in Srinagar, Tripura, where vigilance and interventions by customs officials and BSF personnel are less strict, some vendors have been found to occasionally sell eggs and poultry, although in modest quantity. Shilton, a friend and assistant to a vendor at the Srinagar haat, explains how once in a while he manages to

carry a chicken or two along with a few eggs inside the haat: "There are days when I come to the haat with a couple of chickens and a few eggs in the hope of finding a permissible official; if I am lucky I get through and make some money. In the worst case, I will be sent back and as such have nothing to fear."

Indian vendees, mostly in Bengali localities (Tripura-based haats) are generally interested to buy sweet water fishes particularly Hilsa and Katal from the Bangladesh vendors. The supply of these from the Bangladesh side, however, remains irregular, except for the Srinagar-Chhagalnaiya border haat. It is to be remembered in this context that in Bangladesh, as in India, there is a general ban on livestock for trade at the border haat. However, there is an unresolved controversy in Bangladesh as to whether fish should be clubbed with livestock. We have pointed out in an earlier section that fish is clubbed with livestock in Sunamganj and Kurigram haats, but not so in Chhagalnaiya (which corresponds to Srinagar), which is why Bangladesh vendors are able to carry fish to the border haat at Chhagalnaiya.

We have also noticed in the case of Bangladeshi vendors that there is a general lack of clarity about the items that are approved by the higher authorities for trade at border haats. As in India, in Bangladesh as well, amendments to the original list of items do not percolate to local levels in time. This results in confusion, both among vendors and local officials and creates asymmetry of information. For instance, one of the Kasba, Tarapur officials do not seem to be aware that items that vendors carry for sale at the haat need not be 'locally produced' anymore. This stipulation, which featured earlier in the official document was subsequently removed through an amendment. It is evident that local officials do not keep themselves informed about such amendments and such lack of information can well restrict trading activities at the haats. This is also the case in Kalaichar, Meghalaya, where the customs official did not seem to be aware of the latest guidelines for border haat trade. Consequently, local trade at this haat was restricted in terms of varieties permitted for sale at the haat.

A related problem also needs to be considered and this is in respect of the interpretation of guidelines issued by higher authorities in the domain of border

**Nowhere in the original guidelines has wholesaling of goods been forbidden. Yet, customs and BSF officials officiating at local levels often seem to find bulk sale of goods offensive and unlawful**

haat trade. Nowhere in the original guidelines has wholesaling of goods been forbidden. Yet, customs and BSF officials officiating at local levels often seem to find the bulk sale of goods offensive and unlawful. In the process, vendors feel constricted and are reluctant to re-invest their haat profits towards expanding the scale at their business.

Shilne of Kalaichar opines: "Vendees are interested in my goods and I can feel the rising demand but whenever I carry a large quantity of betel nuts, the officials are full of questions and threaten to disallow me in the future if I do not restrict the quantities I carry to the haat. Under the circumstances, I wonder if it will be prudent of me to invest more to expand my sales."

However, sometimes the lure of a thriving demand from Bangladeshi vendees impels Indian vendors to get a little carried away towards the expansion of their sales. This tendency is nourished by the Indian vendors particularly when officials at a haat seem more permissive and less interventionist. The case of Tripura side haats illustrates the point. Vendors in Srinagar can hardly resist themselves from yielding to the demand of Bangladesh vendees for spices and cosmetics, which are often sold in large quantities, in fact wholesale. In fact, several vendees in Bangladesh are keen to purchase certain goods wholesale, or in bulk; these include soaps, toiletries, chocolates and diapers.

**There is asymmetry of information not only among vendors, but also among those, like customs officials and BSF personnel, who officiate at and supervises border haat proceedings. One of the observed rules at the border haat trade are assumed by officiating personnel, who tend to apply them at their own discretion, and that too inconsistently, to decide “what goods” and “how much” are permissible for entry to the haat**

This impact positively on the Indian vendors by way of boosting their profit and prodding them towards more investment in the hope of expanding their border haat businesses. In Bangladesh, customs and local officials, supervising border haat trade appear more interventionist and stringent when it comes to observation of rules and regulations pertaining to border haat trade. Perhaps, this depresses the variety of items that are available with Bangladeshi vendors. We have already drawn attention to the lukewarm responses of Bangladeshi vendors to border haat trade as evidenced by several empty enclosures at the border haats.

One wonders if this is in some measure caused by the strict posture of vigilant officers on the Bangladesh side. Moidul of Kurigram draws attention to this situation: “We have to go through such rigorous checking and so many questions

every time we come to the haat that we fear that if we bring new kinds of goods like LED bulbs, imported from China, which might interest Indian vendees, we may not be allowed entry.” This problem is compounded by the fact that like the Indian supervising officials, the Bangladeshi officials do not seem to have a clear consensus about the latest regulations in terms of items permitted for border haat trade. Thus, improper and inadequate information on the part of the officials impede border haat trade in Bangladesh. Consequently, vendors are left with less profit margins and this decreases the flow of trade that could otherwise have been possible at the border haats.

### **Status of Vendor Decisions Regarding Items for Sale at the Border Haat**

One of the professed objectives of border haat trade is to provide the people living along the border with an additional source of income that can help them to raise their standards of living. Initially the rules and regulations stipulated by the DGFT required the Indian side to sell ‘local products’ at the border haats. That is why one of the qualifications for someone to be eligible for vendorship was residence within a radius of 5 Kms from the border haat premises. Such rules and regulations pertaining to border haat trade as also the list of items officially approved for the border haat trade are supposed to be obtained by local authorities, particularly customs officials, from the DGFT and intimated to vendors who will be trading at the haat.

We have already drawn attention to the asymmetry of information among vendors, resulting from the inadequacy of information among local authorities about local amendments. This problem apart, there is a system of feedback on part of local authorities, officiating at the border haats, through which the DGFT seeks to maintain touch with ground realities and takes steps to accommodate desired changes. It has been seen from the time of commencement of border haat trade that with the exception of Meghalaya, where local residents grow seasonal fruits (oranges in winter), dwellers along the Indian side of the

border are hardly in a position to come up with 'local products' or produce any other items that are officially approved by border haat trade. In view of this reality, the stipulation of 'local products' has been removed from the DGFT guidelines thereby giving the vendors a wider range of options for selling at the border haats.

In India, the decision as to what items to be sold at border haats largely rests with the vendors. Vendors do not seem to face any problem as long as they carry items that are officially endorsed by border haat trade regulations. We have drawn attention to the problem relating to 'quantity' of goods permitted for sales at the border haats in the previous section.

We would like to reiterate two particular problems: first, there is asymmetry of information not only among vendors, but also among those, like customs officials and BSF personnel, who officiate at and supervises border haat proceedings. We have highlighted lack of information among customs officials about latest amendments to the list of tradable items.

Second, some of the observed rules at the border haat trade are assumed by officiating personnel, who tend to apply them at their own discretion, and that too inconsistently, to decide "what goods" and "how much" are permissible for entry to the haat. This problem has been highlighted with reference to the idea of "wholesale" trade at border haats in the previous section.

The policy recommendations are clear. The asymmetry of information needs to be plugged; rules and amendments initiated by the DGFT ought to reach local authorities and particularly those who officiate over haat proceedings, in time, so that vendors and vendees do not suffer. It is also necessary to ensure that there is prompt dissemination of information across stakeholders, particularly vendors and vendees regarding relevant changes to rules governing border haat trade. Without such timely dissemination, vendors and vendees, will not be in a position to take timely decisions to their advantage. It is also important that relevant aspects of border haat trade are thought and clearly stipulated. This will reduce the scope for personal discretion, even assumptions, on part of haat officials, as seen on the issue of "wholesale trade".

The Kamalasagar border haat (Tripura) is different from other border haats on the Indian side. Here, vendors are allowed to discuss with local customs officials what item they wish to sell at the border haat. Vendor cards are distributed only after the choices of vendors have been approved, and once these cards are distributed, vendors are not allowed to substitute their original choices, nor add items to their list of tradable goods.

At Kalaichar, one encounters a growing demand on part of Bangladesh vendees for Indian spices, some of which are locally grown in Meghalaya. Spurred by this demand, Indian vendors have responded with a flourishing wholesale trade in spices. This has also happened because customs officials monitoring the Kalaichar haat proceedings continue to nurture the hangover of earlier regulations, which required that goods be 'locally produced' in order to be eligible for trade at border haats. That 'local production' is no longer a requirement is not always seriously observed by officials. Whatever it is, by offering good quality spices at competitive rates (though all spices are not locally produced), the Indian vendors have fed a steady and growing Bangladeshi market. This has caused spice growers on the Kurigram side of Bangladesh to depress their cultivation and shift to other ways of earning their livelihood.

**Indian vendors have fed a steady and growing Bangladeshi market. This has caused spice growers on the Kurigram side of Bangladesh to depress their cultivation and shift to other ways of earning their livelihood**

The vendors on the Indian side also sell branded diapers, baby foods and health drinks and there seems to be a rising demand for these commodities across all Indian haats from the Bangladesh vendees. However, at Srinagar (Tripura), the sale of these commodities used to assume wholesale proportions. These goods would, thereafter, be sold in Bangladesh at much higher rates and that too not always in the open market. To bring the situation under control, the Bangladesh Border Guards have come down heavily on vendees allowing them to buy these commodities only in very restricted quantities.

Mosibuddin, a Bangladeshi vendee from Chhagalnaiya draws attention to this situation: "Earlier, we could buy several packets of Horlicks and after keeping some for my own consumption, I was able to make a few pennies by selling them to interested neighbours. But now, our guards manually check us to ensure that I am not carrying more than one packet." This view is corroborated by a few Indian vendors like Manik, who regrets that closure on certain items on the vendees of the Bangladesh side stands in the way of bigger profits: "Previously, I would make more money by selling Indian packaged foods by Horlicks and baby food, for which the demand kept steadily rising. But all of a sudden, with the Bangladeshis changing their rules, I can sell much less quantities of these items."

Markets at the border haats on both sides of the Indo-Bangladesh border seem to be demand driven. The point could be illustrated with special reference to the production of betel nuts. The hilly regions of Meghalaya are well suited to the cultivation of good quality betel nuts and the surplus that is produced in the Indian side compliments the growing demand for edible betel nuts on the part of Bangladeshi vendees. On the other hand, Bangladesh grows an inferior quality of betel nuts, inedible and locally branded as "third graded variety", for which there is a thriving demand on the Indian side, because these are meant for use in 'varnish' and woodworks, and are available at a cheap rate. It is clear that the cultivation of both varieties of betel nuts – the superior-quality edible variety on the Indian side and the inferior-quantity inedible variety on the Bangladesh side – is largely driven

by the growing demand for the respective varieties on the two sides of the border.

This is complementarity between goods offered by vendors from one country and the demands of vendees from another, is seen in other cases also. Local businesses on the Bangladesh side flourish on account of demand of Indian vendees for biscuits, cakes and other confectionary items. Similarly, a market is growing up on the Bangladesh side for vegetables, which Indian vendors make available at inexpensive rates, even many of these vegetables are not locally produced in proximity of the border haat on the Indian side. It seems that vendors on both sides are keen to carry a load, even over-load, of those items for which there is a high demand for consumers and vendees (mostly from the other side of the border), rather than concentrate on goods, which offer comparatively higher profit margins but for which the demand is perceptibly less.

### Status of Most Profitable Items Sold at the Border Haat

The DGFT guidelines offer the Indian vendors a wide range of products to choose from the purpose of selling at the haat. This choice gets somewhat restricted for vendors at Kamalasagar and Kalaichar. This is because the local authorities, who supervise the proceedings at these haats are not aware of the latest amendments of the DGFT guidelines. Thus, although recent amendments do not require that items for sale at the haat be 'locally produced', the haat officials continue to enforce this requirement under the hangover of the earlier regulations. One may also reiterate that in respect of Kamalasagar, vendorship is distributed by the concerned authorities on the basis of two

**if someone sells fruits round the year, it is expected that he will sell fruits if granted vendorship at the haat as well**

considerations: consultation with vendors prior to the commencement of the haat and the usual non-haat business of someone aspiring to vendorship. Thus, if someone sells fruits round the year, it is expected that he will sell fruits if granted vendorship at the haat as well.

The vendors on the Bangladesh side operating under the Foreign Trade Authority (FTA) are subject to a set of guidelines, which is quite similar to that which governs border haat trade for the Indian vendors. In fact, the similarity is not just in the case of guidelines for vendors but for all stakeholders concerned with trade at the border haats. Even in respect of amendments, the similarities are noteworthy and this is not surprising because amendments are initiated and brought into effect on the basis of discussions and deliberations of the Joint border haat Management Committee (JBHMC) involving participants and representatives from both sides of the border. In view of this basic congruence between India and Bangladesh in respect of rules and regulations governing border haat trade as a whole, it is not surprising that like the vendors on the Indian side, the vendors from Bangladesh can also choose from a wide list of items for sale at the border haat.

In this section, we are concerning ourselves with the possible correlation between goods sold at the border haat and their profitability for the vendors. We have split the goods that are sold by both Indian vendors and Bangladeshi vendors into two broad categories. First, we have clubbed together all those goods like fruit and vegetables, garments,

woollens, blankets and others which are not sold in bulk but relatively small quantities. Second, there is another category of goods including cosmetics and toiletries, spices, superior betel nuts etc (from India) and fish (both dried and sweet water in certain haats), plastic and melamine products and betel nuts, etc. (from Bangladesh), which are sold in bulk and, therefore, can be dubbed as wholesale items. This categorisation is presented in the Table below. The Table also highlights the corresponding investments/costs incurred and profits earned by vendors of the two countries for each category of items that are predominantly traded:

It is seen in the case of Indian vendors that those who sell items (specified earlier) in bulk, generally invest more in production/purchase of goods than those who sell in relatively smaller quantities. The average monthly investment of these vendors who sell primarily fruits, vegetables and other non-wholesaling items is INR1.33 lakhs (US\$1900), while for those who sell items in bulk, the average monthly investment is INR 1.66 lakhs (US\$2,371). It is seen, therefore, that items, which are not sold in bulk tend to fetch a higher proportion of profit. This is not without reason. Items, which are not sold in bulk like seasonal fruits and vegetables are often cultivated by the vendors themselves (mostly in Meghalaya) and their quality is good, attracting vendees for Bangladesh. In Bangladesh also, we find that profit is higher in case of non-bulk commodities because these include sought-after items like confectionaries and fruit juice. Not only is there a good demand for these locally

**Table 6.2 Major items sold at border haats in Bangladesh and in India and their corresponding profitability**

Vendor specifications/ BH sales parameters	India (in INR)		Bangladesh (converted to INR)	
	Vendors primarily selling non-bulk items	Vendors primarily selling bulk items	Vendors primarily selling non-bulk items	Vendors primarily selling bulk items
Average cost of production/ purchase (per haat day in INR)	1,33,045	1,66,278	13,360	29,771
Average BH profit (per month in INR)	14,491	14,919	3,880	7,074
Normal Profit percentages (calculated, in %)	11	9	28	22

Source: Compiled from the primary data

**Goods, which are sold in bulk are usually not goods that are locally grown/produced and the vendors basically serve as middlemen. Hence, for vendors selling in bulk, profit margins can vary with variations in official interventions across haats in India**

grown products, but the cost of production is also relatively low allowing a higher profit margin for the vendors.

The case of Sita Mary Walang, a vendor at the Balat Haat merits attention. She grows certain varieties of fruits along with spices in small quantities and their good quality draws vendees regularly. This also ensures her a high profit margin which is almost 35-40 per cent of her total cost of production. In comparison, goods, which are sold in bulk are usually not goods that are locally grown/produced and the vendors basically serve as middlemen, buying goods from other markets and selling them at the haat at moderate rates of profit.

These vendors understand that per unit profit margin of the goods that they sell is modest and they, therefore, try to build up a larger profit for themselves by selling those items in large or bulk quantities. Prospects of bigger profits often get depressed when these vendors incur higher costs of transportation for having to travel to markets that are at a great distance. There is yet another element of uncertainty that needs to be borne in mind when we consider the profitability of items that vendors sometimes choose to sell in bulk. Although the original DGFT guidelines do not put any restriction on quantities to be sold at the haat,

some local haat officials have a tendency to assume (this tendency has been highlighted in an earlier section) that just because border haat trade forbids wholesale purchase, vendors are also not supposed to sale beyond certain quantities. The situation gets further complicated by the fact that this assumption is neither universally, nor regularly, enforced by the haat officials; hence, for vendors selling in bulk, profit margins can vary with variations in official interventions across haats in India.

The normal profit reaped from border haat trade by the Indian vendors and the Bangladeshi vendors who sell primarily fruits and vegetables, is 11 per cent and 28 per cent respectively. These vendors do not cultivate these fruits and vegetables themselves, but procure them from nearby markets at wholesale rates and, therefore, the margin of profit that they generally earn is not high. It is also to be noted that vegetables in Tripura and Meghalaya are more expensive compared to the price, at which they are available in Assam or nearby West Bengal. As such, even the wholesale rates, at which these vendors buy vegetables in their local markets are high, which stand in the way of high profit margins at the border haat.

However, the profit margins increase for the Indian vendors during winter, especially in Meghalaya, where good quality oranges are produced. There is a higher demand for these oranges at the border haat. The Bangladeshi vendors, who sell fruit and vegetables at the haat, buy them from the local markets in Bangladesh at lower rates compared to what Indian vendors spend for buying fruit and vegetables from local markets on the Indian side. As a result, the normal profit earned by these Bangladeshi vendors goes up to as much as 28 per cent. This is also reinforced by the fact that the relatively low prices, at which Bangladeshi vendors offer their fruit and vegetables attract Indian vendees, although these vendees are reconciled to the fact that they are not of a high quality. Margritsta, an Indian vendee at the Balat haat opines: "We come to the haat regularly to buy vegetables from the Bangladeshi vendors because their rates are cheaper than in our local markets but the quality is definitely not very good."

Another clarification is necessary. Vendors who have been linked up with a particular category of items for trade at the border haat, do not always restrict themselves to those items alone. In other words, a vendor who deals primarily with garments is also at times seen with a small basket of seasonal fruits, like oranges in winter, which is put up for sale at his sales enclosure. Therisia, a lady vendor at the Balat border haat draws attention to this aspect: "I normally bring footwear to the haat and that is what I am known to sell. But once in a while when I have a good harvest of oranges or lemons, I carry some to the haat for some additional income". Haat regulations should ideally allow for this flexibility.

Bangladeshi vendors are seen to invest less in the border haats owing to the declining demand for their local products in India. In an earlier section we have already drawn attention to the fact that for most Bangladesh vendors, vending at the haat is only a subsidiary source of their household income. They naturally do not have the same impetus as seen in the case of those Indian vendors, for whom border haat trade has evolved as the mainstay of their family income. The major selling items in Bangladesh, apart from fruits and vegetables, are fish (both dried and sweet water varieties), particularly in Chhagalnaiya and Kasba haats. We have already discussed in some of the earlier sections, that there is good demand for Bangladeshi fish on part of Indian vendees. This sometimes prods some fish vendors in Bangladesh to carry fish in large quantities to the haat. But their attempts in this direction are sometimes thwarted by the vigilant and occasionally strict and interventionist personnel of the BGB, who have a negative view of any trade in bulk quantities at border haats.

We would like to draw attention to yet another aspect of the profitability of the items that vendors choose for selling at the border haat. It would be usual to expect that vendors who sell in bulk or are able to sell their goods at wholesale rates, are the ones who earn a profit than vendors who sell smaller quantities of goods. This is seen in the case of Bangladesh but not in the case of India. The reason for this lies in the fact that Indian vendors who sell in bulk at the border haat incur two major expenses in carrying in their wholesale

trait: One, transportation costs are heavy because often the goods have to be procured from distant markets. We have calculated on the basis of data availed from the Indian vendors that the cost of transportation of goods is as much as INR3,611 per month on an average. Two, costs of hiring labour are also substantial and we have drawn attention to this reality in an earlier section. It is estimated that Indian vendors incur expenses of INR3,659 per month on an average towards cost of labour. Expenditure in these two domains increases the investments on part of the vendors, which of course has a telling effect on the profit margin. The average monthly costs incurred by the Bangladeshi vendors who sell in bulk or wholesale at the border haats are INR1,235 (BDT1,482) in the domain of transportation and INR1,335 (BDT1,602) in the domain of hired labour. As a result, these Bangladeshi vendors are able to reap a higher margin of profit, 22 per cent in contrast to the feeble 9 per cent earned by their Indian counterparts.

In assessing the overall picture of the border haats in terms of items traded and their profitability, we are led to the conclusion that those vendors who sell fruit and vegetables earn profits almost as much as those vendors who sell in bulk, although their cost of production/purchase is less. By contrast, those vendors who seem to make big business at the haat selling cosmetics and spices in bulk or wholesale are able to reap a lower margin of profit. While this trend is captured by our survey, we would also take this opportunity to highlight that more vendors are keen to sell commodities like cosmetics and spices in bulk rather than take to selling fruit and vegetables. One wonders if this could be attributed to the reluctance on the part of many to take to the cultivation of fruit and vegetables, which involves less cost of production alright but is at the same time more labour-intensive and uncertain.

Biswamitra, a fruit seller at Kamalasagar is thinking about shifting from fruit selling to selling consumer item in bulk. He explains: "I do make a good profit by selling fruits and cost of production is also not much because I grow most of it myself. However, one is always wary about a good harvest and there are also problems related to preservations. Given these uncertainties, I am

thinking of shifting to selling consumer items. I will of course have to invest more compared to what I do now, but I will be able to plough that back, even if with less profit, but without a time lag."

Swapan, a wholesale vendor selling cosmetics and toiletries at the Srinagar haat confirms: "Rather than shifting to fruit selling or even pursuing it simultaneously, I will rather expand my sale of cosmetics and toiletries because I am assured of ready returns and although the per unit profit that comes to me from sale of these items is less, I am sure that increasing demand of Bangladeshi vendees for these items will leave me with a larger volume of profit in the long run." Under the circumstances, it is not surprising that existing and aspiring vendors at the border haat are counting on expanding their volume of sales in respect of consumer items like cosmetics and health drinks, for which the demand is likely to remain steady, if not greater, in the near future. This tendency is seen in the case of Indian vendors as well.

## Status of Need to Alter Item List for the Border Haat

At the Srinagar haat (Tripura), the officiating authorities appear to be less strict in terms of intervention in matters of goods that are carried to and from the haat. At least on the Indian side, there seems to be very little restriction on both the type of good and quantity, in which that is traded at the border haats. Haat officials at both the Srinagar and Kamalasagar haats are seen to intervene only in respect of antiseptic and antifungal creams and ointments, because these items are fall in the category of 'drugs and pharmaceuticals', over which there is a general ban for the purpose of trade at border haats.

Our survey team has observed that all items officially endorsed for border haat trade, are generally plentiful at all border haats along the Indo-Bangladesh border. It is to be noted that there is plenty of all kinds of commodities at the Chhagalnaiya haat in Bangladesh (corresponding to Srinagar, India). This is because vendees from Bangladesh at this haat have an array of demands ranging from crockery and cosmetics to garments and sarees. It seems that these vendees have a fascination for Indian brands, and are interested to pick up items, even when their preferred brands are unavailable. Akhtar Begum, a vendee at the Kasba haat

comments: "There is a lot of demand on our side for Indian products like Horlicks, Cerelac and Lactogen. But sometimes, we are happy to buy any brand that is Indian."

Lack of uniformity is discerned both among haat officials (one is more interventionist than the other); there is also lack of uniformity in respect of goods – the bulk sale is allowed in case of one item, but not in case of another. On the other hand, there is a rising demand for various kinds of fish on the part of Indian vendees from Bangladeshi vendors. This is absolutely not surprising as there are many resident Bengali families on the Indian side of the border and Bengalis are known for their love for fish. Their demand is supplemented by the indigenous tribal people who also consume fish. But Bangladeshi vendors are often unable to take advantage of this demand because BGB often intervenes and restricts the quantity of fish that they wish to carry to the haat.

Once the much needed clarity in respect of rules and the uniformity of their implementation on part of local officials are ensured, border haat trade will shed its region specific traits and emerge as a more universal phenomenon.

## Status of Vendor Interaction with officials at the Border Haat

Where there is direct communication between the haat officials and the vendors, as in Kamalasagar, informal committees of vendors functioning like interest groups have not evolved. By contrast, at other haats where we have encountered informal committees constituted by the major vendors, which function like interest groups trying to prevail over the haat officials to ensure that the official decisions at the haat are to the advantage of the vendors.

Several vendors have drawn attention to how tired they become while waiting in queues for inspection and checking by haat officials. Perhaps, availability of measuring devices could expedite the checking procedure. Use of such devices will also ensure uniformity in official interventions at the Bangladesh Haats.

Subhendu, who has been selling cosmetics at the Balat border haat observes: “I have been selling cosmetics since the inception of the haat and I don’t understand what is there to check with such time consuming intensity! I have been standing in the queue from 8 am in the morning and by the time I set foot in the haat, it was 11:30 am and I was already drained!”. Ronu Roy, another seller at the Balat haat points out: “Excessive checking and suspicion on the part of the BSF officials drastically curtail effective business hours at the haat.”

### Impact of Socio-economic Status on Vendor Interaction with officials at the Border Haat

We wanted to examine additionally if differential treatment on part of the haat officials is an outcome of any social attribute — gender, income class, status, caste, religion — of the vendor. We find that although haat officials often use their own discretion in dealing with vendors and in that sense vendor are apt to feel discriminated, it does not seem that this discrimination is caused by differences in the levels of financial prosperity of the vendors.

In respect of gender it is seen that 28 of the 33 male respondents are satisfied with the interactions of haat officials *vis-à-vis* trading activities at the haat. It is to be remembered that all our female vendors on the Indian side are from Meghalaya and mostly from Balat. Therisia, a women vendor of Balat opines: “By the time we finish our domestic chores and come to the haat with our goods, several men have already queued up before us and nobody thinks about us or show us any special consideration because we are standing at the far end of the queue.” A similar opinion is expressed by Sita Mery: “Men are always lucky and get to stand in front because they can come to the haat as soon as they wake up. It is we, women who have to toil at home and then find time to toil outside.”

Perhaps there is need to consider the possibility of having a system of a separate queue for women vendors and correspondingly place women personnel from the BSF and local police to monitor and supervise the entry of women

**Perhaps there is need to consider the possibility of having a system of a separate queue for women vendors and correspondingly place women personnel from the BSF and local police to monitor and supervise the entry of women vendors into the haat**

vendors into the haat. Dipali, a ‘new’ vendor at Balat is hopeful: “With more women being granted vendorship, the number of women vendors has gone up to 12 in Balat and we now hope that there will be separate queues for women and better facilities for us to cope with the day-long strains of carrying trade at the haat.” No discrimination on part of Haat officials has been noticed, whether in India or in Bangladesh, in respect of religion, caste or income.

### Status of Addressal of Procedural Issues at the Border Haat

We have tried to examine the operations at each of the haats separately in order to come to a conclusion about procedural problems in border haat trade under current rules and regulations stipulated by the DGFT in India and the FTA in Bangladesh. Under the existing rules, there is a BHMC headed by a DM, who often delegates his responsibilities to an ADM to look into problems and prospects of border haat trade. This committee consists of local *panchayat* officials, personnel of the BSF, customs officials, local policemen and prominent vendors and they meet regularly (number of meetings vary across haats)

to address specific problems faced by the stakeholders. This committee also considers items to be traded and the general guidelines to be followed in the conduct of border haat trade. In highlighting the specific traits pertaining to procedure at each of the haats, we are also able to notice problems that are specific to particular haats and those that generally cut across them.

We have visited two haats in Tripura on the Indian side of the Indo-Bangladesh border. These are: Srinagar and Kamalasagar. At the Srinagar haat, proceedings are monitored by customs officials and personnel of the BSF. The haat commences at 9 am with vendors allowed to enter first. Once they have settled down in their respective enclosures, the vendees and visitors are allowed entry. All entrants need to produce valid passes – vendor cards in case of vendors, vendee cards in case of vendees; and passes (INR 10 each) for each visitor alongside the presentation of a valid ID card. Proceedings at the haat are generally smooth and we have not witnessed any rigorous checking procedure in respect of vendors and the goods that they carry into the haat. We have also noticed that customs officials and local policemen are not present regularly, i.e., on all haat days. It, therefore, largely falls on the BSF personnel to monitor haat proceedings regularly.

At Kamalasagar, so far as managing and monitoring haat proceedings are concerned, we have found the DM taking keen interest and playing an active role. It is at his initiative, that the 'gram rojgar sheboks' have been appointed with the responsibility of examining the validity of passes for all entrants, maintaining records of goods being traded at the haat and generally managing all activities in the haat premises. They operate together with customs officials, who are also regularly present.

Under the circumstances, the personnel of the BSF remain largely responsible for ensuring security and do not need to engage in any administrative or managerial work. We have seen that all activities at the Kamalasagar haat are conducted smoothly and there is seldom any conflict over the permissibility of goods that vendors carry into the haat. This is largely because vendor cards in Kamalasagar are distributed only after due

consultation with aspiring vendors, to which we have drawn attention in earlier sections.

In contrast to Tripura, the haats of Meghalaya seem to throw up some problems, which need to be addressed for more organised functioning of the haats. At Kalaichar, there seem to be information gaps among customs officials about items that are officially approved for border haat trade. This creates confusion and controversy between haat officials and vendors precipitating delay, which is significant because the haat does not commence before 10 am. The number of personnel from the BSF and local police is also inadequate for purpose of monitoring haat proceedings. It is, therefore, not surprising that vendees at this haat find it easy to buy in bulk, particularly items like plasticware and melamine products.

Unlike in Kalaichar, we have seen that the BSF personnel are quite active at the Balat haat and they are able to monitor and manage activities of the proceedings at the haat efficiently. The relative irregularity and activeness on the part of customs officials allow the BSF personnel to enlarge the scope of their activity in terms of overseeing permissibility of goods alongside other affairs of the haat. This also precipitates conflicts and differences between the officials and the vendors and more so because the BSF personnel have a clearly negative disposition to wholesale trade, which the Balat vendors are eager to indulge in.

What appears more striking about the Kasba haat is that the number of officials monitoring haat proceedings is few and unable to cope with the management of the large number of vendees who throng this haat. Otherwise activities pertaining to trading are conducted smoothly and without confusion.

In comparison to other haats in Bangladesh, the border haat at Kurigram is passive in terms of volume of activity concerning trade. On account of relatively low turn outs at the haat (as a result of its remote location), both in terms of vendors and vendees, management and monitoring of the affairs of the haat is never a problem for the officials.

The haat at Sunamganj is a forum for easy going trade and there seems to be no incompatibility between vendors and vendees, on one hand, and those managing and monitoring trading activities at the haat on the other. This is largely because the BGB personnel are less interventionist and more permissive allowing vendors and vendees to engage in bulk or wholesale trade of vegetables.

It can be said with reference to border haats in Bangladesh in general that the volume of trade both in terms of types of goods and the quantities, in which they are traded appear less than what we see on the Indian side. This could explain to a large extent why procedural problems are less on the Bangladesh side and why the difficulties and problems faced by the stakeholders on the Indian side are both numerous and intricate.

Although there is a BHMC for each haat, the number of meetings and issues that need to be addressed vary from one haat to another. Vendors express awareness about such committees on both sides of the border. Some of the prominent vendors on both sides are also inducted in their respective haat committees. It is from some of them that we could gather the major issues that are addressed at such meetings. A summary of these details pertaining to the two countries are highlighted in the following tables:

In addition to the border haat committees that we have highlighted, there is also a Joint BHMC for each set of corresponding haats on the two sides of the border. These JBHMCs consist of the administrative heads of the respective districts/blocks alongside customs officials, local police and

**The haat at Sunamganj is a forum for easy going trade and one where there seems to be no incompatibility between vendors and vendees on one hand and those managing and monitoring trading activities at the haat on the other**

**Table 6.3: Border haats in India: major problematic issues at each haat and frequency of BHMC meetings to address them**

Haats (India side)	Number of meetings of BHMC held last year	Major issues addressed (as highlighted by the vendors)
Srinagar	1	Theft issues Discretionary role of customs officials in enforcing DGFT guidelines Inter-vendor conflicts Currency exchange problem (no person from the Indian side) Rules governing the distribution of vendor cards
Kamalasagar	3	No major problem identified or discussed
Kalaichar	2	Currency exchange issues Petty Theft issues
Balat	1	Infrastructural amenities Currency exchange problems

Source: Compiled from the primary data

**Table 6.4: Border haats in Bangladesh: major problematic issues at each haat and frequency of BHMC meetings to address them**

Haats (India side)	Number of meetings of BHMC held last year	Major issues addressed (as highlighted by the vendors)
Chagalnaiya	1	Issues pertaining to wholesaling or trade in bulk Lack of transparency in distribution of vendor cards Demand for a management committee that will function objectively and without bias towards the powerful vendors.
Kasba	1	Demand for a more representative managerial committee to redress grievances of and conflicts among vendors. More flexibility in application of rules governing border haat trade.
Kurigram	1	Wholesaling or bulk trade of goods Time consumption in issuing cards to vendees Subletting/sharing of stalls by vendors
Sunamganj	1	No major problem highlighted

Source: Compiled from the primary data

personnel of the border security staff of the two countries. The meetings are generally held once a year, within the respective haat premises and issues and problems of border haat management are discussed and addressed. Representatives of vendors of both the countries also find representation at these meetings.

However, despite the admitted seriousness of these meetings, the fact that they are so few and far between, makes one wonder how promptly remedial actions are enforced to address problems emerging from border haat trade and in particular the grievances of the main stakeholders. This is implicit in the observation of Monu Mia, a vendor at the Kalaichar haat: "Yes, I know that there is a joint committee for considering our problems, but they meet after such long intervals, that many of the issues are forgotten in the wake of new problems."

### Status of Informal Mechanisms for Addressing Problems at the Border Haat

In the course of our interview with vendors on the Indian side, we have found that there is an overwhelming awareness on their part about formal institutions like the JBHMC and BHMC. However, these are not the only institutions that regulate activities pertaining to border haat trade. For instance, in Kamalasagar and Balat, there is an

informal group that looks into problems and grievances of the vendors and vendees. This group is composed of local *panchayat* officials and acts as a mediator on behalf of vendors, putting across their problems to members of the BHMC.

Similarly, in Srinagar, there is an informal committee consisting of powerful and active vendors and this often acts like an interest group trying to prevail over formal decision making bodies like the BHMC. In fact, so regular and prominent is this informal group that many vendors consider it not only to be a formal body but also the only one that operates as a platform for safeguarding their interests, particularly for the not-so-prominent vendors who seldom find a place in the BHMC. As Arun, a vendor selling grocery items at Srinagar border haat opines: "We have our own union of vendors, which tries to protect our interests so that we don't fall victim to unwelcome interventions on the part of officials regarding trading at the haat."

At the Kalaichar haat, however, we have not encountered any such informal institution that operates for purposes of addressing problems related to border haat management. This could be explained by the relatively low volume of trade that participants at this haat engage in. It is not that problems pertaining to procedure and management have not cropped up at this haat.

There are grievances on the part of vendors and vendees about the currency exchange system (unavailability of personnel for conducting currency exchange) and absence of currency exchange counters inside the haat premises. But such problems are discussed and addressed at the meetings of the BHMC, where in addition to the DM, or the ADM, the DC, customs officials and BSF personnel, Nokhmas and Gauburas (headmen/chiefs of local tribal villages, from which the bulk of the vendors and vendees hail) are also present. Perhaps it is for this reason that no informal institution to protect vendor interest separately has grown up at the Kalaichar haat.

With the exception of the Kalaichar haat, we have encountered informal parallel institutions in all the haats, which cater to the crucial role of addressing day-to-day problems that vendors and vendees encounter in the course of their trading activities. The formal committees are found to be more concerned with issues that are relatively long term and hence not suited to address the immediate and the urgent problems that emerge every now and then between and among the various stakeholders of border haat trade.

The policy implications seem clear: there ought to be mechanisms in the border haats that will be concerned with the day-to-day and often unforeseen problems that are likely to emerge as trading activities unfold at the border haats. It is also important to consider that there ought to be representation in these mechanisms not just of vendors but also of vendees and other relevant stakeholders that will enhance the competence of the mechanism to oversee all aspects of border haat trade. For instance, the labourers, who play a significant role at all border haats generally have no forum, in which they can place their grievances. Although informal institutions to represent the interest of the labourers have not evolved as yet, one can reasonably expect that it will not take the labourers, given their contribution to the border haat trade, long to forge some sort of a mechanism, which will articulate their interests in meaningful ways.

Sankar Debnath, a labourer at the Srinagar border haat, articulates his grievance in no uncertain terms: "It seems everybody is concerned about vendors and vendees. Do we have no role to play? How many vendors and how many vendees would be carrying their goods into and out of the haat if we were not there?"

Examining the border haats on the Bangladesh side, we do not see any informal institution that exists alongside the formal ones that have already been highlighted. This could be a result of the generally and comparatively low volume of trade that one gets to witness on the Bangladesh side. In Sunamganj, vendors and

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vendees seem to be supportive of the way, the BGB acts and remain convinced that procedures implemented officially are transparent and devoid of political interference.

Md. Al Hasan, a vendor at the Sunamganj haat clarifies: “No, we do not have any problems as such in participating in border haat trade. The laws are fairly clear and we are generally law abiding and so there is no tension between the haat officials and us.” In Kurigram, however, the vendors did draw attention to some of the problems, which they feel need to be addressed urgently. These problems include ambiguity over the volume of trade that is permissible on part of a single vendee or vendor; the problem of subletting or sharing stalls by vendors, the procedure of distribution of vendor cards, which is perhaps not as transparent as it should have been. However, vendors and vendees at the Chittagong haats – Kasba and Chhagalnaiya – have expressed the need for a separate committee to look into problems of day-to-day management at the haats. They consider the BHMC or even the JBHMC to be useful but for purposes of addressing long term issues. Also several vendors in Bangladesh suspect that these existing institutions suffer from a bias towards the elite businessmen and the more powerful vendors.

As Madhu Mia of Chhagalnaiya comments: “We know that the BHMC is looking after problems related to trading at the haat. But this committee meets so infrequently ... how can it address problems and controversies that erupt on a daily basis?” One hopes that such needs, and as they are increasingly felt by more and more, will pave the road to the emergence of informal institutions alongside the existing ones.

## Status of Ease of Conducting Trade at the Border Haat

The question basically boils down to how easy it is or how simple is the procedure for a person interested in selling goods at the border haat, to get a vendor card. The DGFT guidelines originally suggested that local residents, living within the proximity of a radius of 5Kms from a particular border haat, could sell items of local produce at the border haat. It is to be remembered that some of

## The procedure for distribution of vendor cards on the Indian side appears both transparent and straight-forward

these stipulations have been amended subsequently and participants at border haat trade are no longer required to sell items that are ‘locally produced’. That such amendment is neither clearly understood nor enforced across haats with uniformity, is another story, which we have highlighted elsewhere. What we would like to emphasise that the whole concept of border haat trade has been envisaged as a means to uplift the living standards of people residing in remote areas along the Indo-Bangladesh border by providing them with a regular, or at least an additional means of livelihood. It is, therefore, reasonable to expect that the procedures for securing eligibility for participation in border haat trade will not be cumbersome and within the competence of people, whose literacy levels are usually very low.

The procedure for distribution of vendor cards on the Indian side appears both transparent and straight-forward. In fact, 38 out of the 40 vendors interviewed confirmed that they obtained their vendor cards on the basis of procedures that were intimated to them prior to their application. However, there is one particular vendor at Srinagar, who admitted help from a *Panchayat* official may have been instrumental to the grant of his vendorship. There is one other vendor from Srinagar who felt that the process of distribution of vendor cards is complicated and long-drawn. We have already drawn attention to the fact that when it comes to distribution of vendorship, the Srinagar haat stands out from all other Indian haats. This is because at Srinagar, there is prior consultation and discussion between and among haat officials and prospective vendors on which basis, the list of vendors is finally drawn up.

### **Procedures for the submission of applications for vendorship must be streamlined and simplified in keeping with the literacy levels and inadequacies of local residents**

It is, therefore, possible that some vendor will find this process complex. It needs to be reiterated that as we saw elsewhere, those who have the capacity to do business all year around get the vendor card. They tend to be locals who already have some standing. If the haats are going to cater to poorer people too, there should be an option to allow 'squatters' or 'footpath vendors' into the haats each time, selling possibly smaller quantities of goods, every now and then. They need not have 'pucca' stalls.

It also needs to be highlighted that an effort is being made to encourage more women participation at the border haats. This comes out clearly from a recent alteration in the Balat BHCs approach to distribution of vendorship. This relates to the reservation of 12 of the 25 vendorships in Balat in favour of women. One hopes that haat officials and relevant decision making authorities will increase the scope for participation on part of more and more local residents, who can avail the opportunities thrown up by border haat trade for improving their standards of living.

We have seen in the case of Bangladesh and also in the case of Kalaichar, Meghalaya that comparatively less volume and intensity of trade stands in the way of efficient conduct of border haat activities. We feel that enthusiasm on part of vendors on one side of the border needs to be complemented by similar enthusiasm on the other side. Or else, the mismatch affects the otherwise possible intensity and

increased volume of trade at the border haats, adversely. For instance, there are clear indications that vendors in Srinagar (Tripura, India) are keen to boost their trade and this is complemented by parallel enthusiasm on part of vendors on the Bangladesh side. This complementarity finds expression in the joint proposal for adding another haat day to the week, preferably Fridays for that happens to be a weekly holiday in Bangladesh.

So far as the procedure for obtaining vendor cards in Bangladesh is concerned, our data informs that almost every one of the interviewed vendors (39 out of 40) got his vendor card on the basis of clearly outlined and fairly straight forward procedures. However, not everyone found the procedure involved in submitting applications of vendorship sufficiently simple. The only lady vendor on the Bangladesh side, Mazida Begum of Kurigram, complains that there are decisive obstacles towards securing vendorship like lack of knowledge about application procedures and illiteracy. In her own words: "For people like us, who are generally home-bound and illiterate, finding access to border haat trade is not an easy task. I got help from the concerned authorities only when I was able to draw their sympathy after my husband's death." A few other vendors, five from Chhagalnaiya and one from Kasba also suggest that illiteracy and general ignorance about developments like border haat trade deprive many people from participating in border haat trade.

**There are clear indications that vendors in Srinagar are keen to boost their trade and this is complemented by parallel enthusiasm on part of vendors on the Bangladesh side**

Joshimuddin, a vendor at the Chhagalnaiya haat informs: "I would have missed out on my opportunity to sell at the border haat, if I was not informed in the nick of time and assisted by my neighbour friend to submit my application for vendorship." One may, therefore, suggest that although border haat trade has taken off in a sure way, it is still a fledgeling institution that needs to be improved and amended in keeping with problems and dilemmas expressed by the various categories of stakeholders. For instance, there is a need for wider dissemination about border haat trading so that many who have been left out can take recourse to this means of livelihood to raise their living standards. Wherever possible, procedures for the submission of applications for vendorship must be streamlined and simplified in keeping with the literacy levels and inadequacies of local residents.

## Chapter 7

## Insights on Infrastructure

The whole idea of border haat trade revolves around the notion of providing an enabling environment to people, who reside in the vicinity of the Indo-Bangladesh border, to engage in trading activities between themselves. This will help the residents on the two sides of the border to engage in a sort of symbiosis and improve the conditions and standards of their living. We have drawn attention in an earlier section to the fact that such trade has existed for a very long time, but an attempt on the part of the two governments to institutionalise such trade in a formal mechanism like the border haat is a recent endeavour. To make such institutionalisation meaningful, it is imperative that incidental facilities for such trade to take place be ensured. It is in this sense that infrastructure and infrastructural facilities of border haats becomes a crucial issue for consideration.

currency exchange booths and absence of electricity.

- Need for a separate body to look into infrastructural facilities and their maintenance at each haat.

We are informed that improving infrastructure is largely the responsibility of the State Government concerned and one hopes that with greater flourish of border haat trade and in view of the rising demand for increasing haat days, the respective state Governments will take appropriate measures to boost infrastructural development that will further stimulate border haat trade. It is to be remembered in this context, as pointed out by representatives of the Tripura Government that the Government of India allots INR 2.5 crore for the purpose of establishing a border haat and this does not include cost for external infrastructural development like the approach road or electrical connectivity, which is the responsibility of the state Governments. Teething problems in respect of functioning of the border haats will be overcome by better synergy between central and State Governments.

In the course of our survey of the four haats along the Tripura – Chittagong and Meghalaya – Rangpur/Sylhet sub-divisions, we have noticed some limitations

**Teething problems in respect of functioning of the border haats will be overcome by better synergy between central and State Governments**

### Key Findings

- Infrastructure is largely the responsibility of the concerned State Government
- Some of the infrastructural inadequacies are haat specific
- Major infrastructural inadequacies across the haats include poor toilets, unavailability of regular and drinking water, lack of

**Table 7.1: Infrastructure: Srinagar (India) – Chagnaiya (Bangladesh)**

border haats	Infrastructural Facilities	Observations of the survey team
Srinagar (India) – Chagnaiya (Bangladesh)	Toilets (General)	There is a toilet alright but maintenance is deplorable. Also, number of toilets must be increased and they must be provided with running water.
	Toilets (Ladies)	There is no separate toilet for women. Several women stakeholders have pointed to the urgent need of a separate washroom for ladies.
	Medical and First Aid facilities	Not available
	Availability of Drinking Water	No provision for drinking water at the haat premises. Several vendors, vendees and labourers have urged the installation of a tubewell to address this inadequacy.
	Availability of Water for regular use	Not available. Vendors and vendees have complained that this is a serious inadequacy of the border haat and they feel that installation of pumping facilities will greatly facilitate all those who come to carry out trade at the border haat.
	Electricity	There is only one electrical connection available in the room allotted for officials and higher authorities to use as and when they are present at the haat.
	The approach road to the haat	The approach roads to the haat from both Indian and Bangladesh sides are in good condition making transportation of goods comfortable for vendors on both sides.
	Currency exchange/ banking facilities	There is a currency exchange centre inside the haat premises, but unlike the Bangladesh counter, the Indian counter remains invariably unmanned.
	Enclosures for vendors	Enclosures for the vendors, both Indian and Bangladesh, are in reasonably good condition. Vendors however complain that in the absence of any electrical connection, there are no fans and this becomes a serious inadequacy when temperatures rise. Vendors have also complained that the tin roofs are not sufficiently extended to protect them and their goods from spray during heavy downpours.
	Equipment for checking/measuring goods	There are no devices to facilitate the checking of goods by haat officials. Assessments about quantity or permissibility are based entirely on visual estimates.

Source: Compiled from the primary data

and inadequacies which are specific to particular haats, while there are some lacunae that traverse all the haats. We would, therefore, like to offer a cursory glance of each of the four haats about what infrastructural facilities are available and what are seriously lacking in each of them. This will help us to cognise what ails particular haats and what are the infrastructural inadequacies pertaining to border haat trade in general.

Lahana Das, a vendee from Srinagar haat observes: "How much of water can we carry? And when you have children with you, can you predict the quantity of water that will be needed? Why are the haat authorities so negligent about basic necessities?" Clearly, the comment captures a major infrastructural inadequacy of border haats. Several vendors have similar complaints about the lack of not only drinking water but also regular water. Related to this is

**Table 7.2: Infrastructure: Kamalasagar (India) – Kasba (Bangladesh)**

border haats	Infrastructural Facilities	Observations of the survey team
Kamalasagar (India) – Kasba (Bangladesh)	Toilets (General)	There are two separate toilets for men and ladies and they look relatively clean. However, people hardly use them because of unavailability of water.
	Toilets (Ladies)	Several women vendees have complained that it doesn't make sense to have toilets in place but have no facilities for water connections. Some have even drawn attention to the existence of a non-functional tubewell.
	Medical and First Aid facilities	Not available
	Availability of Drinking Water	No provision
	Availability of Water for regular use	No arrangements
	Electricity	No electricity. Although there is a room for use by officials and higher authorities, that is always under lock and key. This is because even this room is without any electrical connection, and officials prefer to sit outdoor.
	The approach road to the haat	The approach to the haat from the Indian side needs improvement. It is undulating and vendors complain that although motorable, the road surface could be smoother. The approach to the haat from the Bangladesh side is in good condition, but surrounding water bodies render the approach narrow and motor vehicles have to stop about 200 metres from the haat entrance.
	Currency exchange/ banking facilities	No official currency exchange booth either on the Bangladesh side or on the Indian side. Various stakeholders have been seen to indulge in informal exchanges of currency among themselves.
	Enclosures for vendors	Enclosures for vendors on both Indian and Bangladesh sides are in good condition. Some vendors are sceptical that unless there is adequate maintenance, the present condition may deteriorate.
	Equipment for checking/measuring goods	There are no measuring devices to facilitate the checking of goods by haat officials. Assessments about quantity or permissibility are based entirely on visual estimates.

*Source: Compiled from the primary data*

the problem of unavailability of electrical connections, which several stakeholders have drawn attention to. As Subhashis opines: "If electricity was available, pumping sets could have addressed the problem of unavailability of water in our toilets." Mojibuddin, a Bangladesh vendor selling electronic goods draws attention to a pertinent problem: "So many willing vendees ultimately don't buy because they cannot test whether a particular electronic item is functional." It goes without saying that unavailability of electricity is a serious deterrent to the flourish of border haat trade in this region.

The fact that the haat is a day-long affair obviates the need for water on part of the various stakeholders. Since the border haats have just been operational in recent past, facilities like restrooms with uninterrupted water supply, availability of drinking water etc. are non-existent. However, the haat management assured that such infrastructural inadequacies will be remedied, as border haat trade picks up momentum.

In taking note of the infrastructural inadequacies, the research team was also struck by the complete absence of any electrical connectivity in the haat premises. There is one large room at the haat premises bearing the caption 'common room', but for all practical purposes, this is meant for use by higher officials. Even this room did not have any electrical connection, which is why officials were seen sitting outdoor during the time that they were present at the haat premises. Perhaps, the proximity of Agartala, the capital of Tripura from the haat premises (55Kms, requiring a travel time of 1.5 hours by road) enabled officials to commute to the haat regularly for conducting business without having to stay on for long durations.

The absence of official booths for currency exchange is a serious problem. This is because there is no institution to implement official exchange rates and as a result of informal exchanges, some end up losing more than the others.

In considering the major infrastructural inadequacies, one cannot overemphasise the lack of electricity, usable toilets and water, for both drinking and regular use. The condition of the toilets is so bad partly because they were damaged by floods and not renovated thereafter. When the haat commenced, the toilet was equipped with an electrical connection, but the

**Table 7.3: Infrastructure: Kalaichar (India) – Kurigram (Bangladesh)**

border haats	Infrastructural Facilities	Observations of the survey team
Kalaichar (India) – Kurigram (Bangladesh)	Toilets (General)	We have found the existence of separate toilets for men and women in one corner of the haat. But once again the usual problem of unavailability of water renders these toilets unusable. Vendors, vendees and labourers are quite vocal about this problem and they insist that officers must look into this inadequacy and arrange for the installation of pumping facilities.
	Toilets (Ladies)	Lady stakeholders are quite categorical that the ladies washroom is unusable. This is not so much of a problem for Indian stakeholders because they reside within close proximity of the haat. But for Bangladeshi stakeholders, the lack of proper and adequate toilet facilities is a major hindrance, particularly for women.
	Medical and First Aid facilities	Not available
	Availability of Drinking Water	There is a tubewell but it is non-functional. There is no other facility for drinking water.
	Availability of Water for regular use	Not available.
	Electricity	Not available.
	The approach road to the haat	The approaches to the haat from both the Indian and Bangladesh sides are fraught with hazards.
	Currency exchange/ banking facilities	No formal enclosures for currency exchange. But it seems that informal exchange of currency is smooth for a general understanding about prevailing exchange rates permeates all stakeholders.
	Enclosures for vendors	The enclosures are rather low and the floors are not cemented. During floods, they often get submerged and even when the water recedes, the damage remains.
	Equipment for checking/ measuring goods	No mechanical devices are in the possession of haat officials.

Source: Compiled from the primary data

floods damaged all electrical connections and they have remained in that dilapidated state ever since. It is surprising that stakeholders at this haat have not raised a serious demand for installation of electrical connections. On probing, we found that most stakeholders are reconciled to the fact that this region is prone to natural calamities and any drive to install electrical posts and wires is bound to be temporary and short-lived.

This is a basically flood-prone region and the approaches to the haat from both the Indian and Bangladesh sides need to be looked into. The approach on the Indian side is located at the foothills of the southwest Garo range in Meghalaya and the terrain is difficult. Moreover, the last 200 metres of the approach to the haat is not concrete and the undulating 'kachha' road makes it rather difficult for vehicles to reach the doorstep of the

haat. The situation seems even more grim on the Bangladesh side. This is because there is an intervening river, Jhinjira on the approach to the haat from the Bangladesh side and the bridge across this river is in a dilapidated condition making it unsuitable for use. Under these circumstances, people travelling to the haat have no option but to use small country-boats or 'dinghis'. This also makes carriage of goods in large quantities, impossible.

Balat is noteworthy among all Indian border haats by the presence and participation of women vendors. Not only that, we have drawn attention in previous sections to the increase of women vendorship here to 12 out of 25. Under the circumstances, women vendors here seem to have a more audible voice and they are emphatic about introducing necessary changes

**Table 7.4: Infrastructure: Balat (India) – Sunamganj (Bangladesh)**

border haats	Infrastructural Facilities	Observations of the survey team
Balat (India) – Sunamganj (Bangladesh)	Toilets (General)	There are separate toilets for men and women. But in view of the unavailability of water, stakeholders insist that pumping facilities must be installed for enabling people to use them.
	Toilets (Ladies)	Lady stakeholders observe that women's needs are rarely considered by society as such and when it comes to toilets there is no exception.
	Medical and First Aid facilities	Not available
	Availability of Drinking Water	There is no facility for drinking water.
	Availability of Water for regular use	Not available.
	Electricity	There is only one electrical connection available in the room allotted for officials and higher authorities to use as and when they are present at the haat.
	The approach road to the haat	The approaches to the haat from both the Indian and Bangladesh sides are generally alright. However, on the Indian side, there is a particular undulation which becomes problematic for Indian vendors during monsoons and the flooding that is caused.
	Currency exchange/ banking facilities	Formal enclosures for currency exchange are visible but they are invariably unmanned on the Indian side. Hence, the problems associated with lack of formal exchange procedures are in evidence.
	Enclosures for vendors	Lack of adequate maintenance.
	Equipment for checking/ measuring goods	No mechanical devices are in possession of the haat officials.

Source: Compiled from the primary data

in keeping with women's needs. These include provisions for separate queues for women vendors, adequate washroom facilities for women and even a separate resting place for women where women can attend to personal needs like feeding their babies.

It needs to be mentioned that although enclosures for vendors at the haat are adequate in number, their maintenance and upkeep have not been sufficient. There are clear signs of wearing and the tin roofs are also rusty. A good five years have passed since the inception of the haat and it is evident that there has been no sustained effort at regular maintenance of the various structures within the haat premises.

## Status of Various Physical Infrastructures at the Border Haat

When we look at border haats across Tripura-Chittagong and Meghalaya-Rangpur/Sylhet subdivisions of the two countries from the point of view of infrastructure, some key problems surface without doubt:

- a. Toilet facilities: It is to be borne in mind that generally all border haats open around 9 am and continues till 5 pm. In view of the long hours of business that vendors and other stakeholders may have to carry themselves through, one can hardly exaggerate the need for adequate washroom facilities. All the border haats fair rather poorly, if not miserably, on this count.

**Table 7.5: Infrastructure: At a glance**

border haats (Infrastructure facilities)		Srinagar-Chagnaiya	Kamalasagar-Kasba	Kalaichar-Kurigram	Balat-Sunamganj
Vending platforms		Raised and cemented; reasonably good condition	Raised and cemented; very good condition	Low with non-cemented floors; during floods, often get submerged	Cemented but not raised from ground
Approach Road		Overall in good shape	Needs improvement- <b>India:</b> undulating and rough <b>Bangladesh:</b> narrow (last 200 mts)	<b>For both sides:</b> fraught with hazards	Generally alright: <b>In India-</b> particular undulation becomes problematic during monsoons
Currency exchange/ banking facilities		Available- Indian counter remains unmanned	No official currency exchange	No formal enclosures for currency exchange	Formal enclosures-visible; unmanned on the Indian side
Toilet	General	Deplorable maintenance, no running water	Separate toilets for men and ladies- relatively clean- unused due to unavailability of water	Separate toilets in one corner of the haat premise- hardly used due to water and electricity inadequacy	Separate toilets: no pumping facilities = unavailability of water
	Ladies	No separate women toilet			
Water	Drinking	No provision	No provisions	Tubewell- non functional	No facility for drinking water
	Regular use	Not available- a serious inadequacy	No arrangements	Not available	Not available
Electricity		Only one electrical connection in the room assigned for the haat officials	No electricity	Not available	In one room assigned for higher authorities and officials
Medical and First Aid		Not available	Not available	Not available	Not available
Equipment for checking/ measuring goods		No devices to facilitate	No measuring device	No devices to facilitate	No mechanical device in possession

Source: Compiled from the primary data

- b. Related to this, is the problem of unavailability of regular and particularly drinking water. It is an unnecessary burden for vendors to carry water and such necessities to the haat alongside their usual load of goods.
- c. It is worrisome that a forum, which involves the day long participation of several people, men, women and children, and many of them travels several kilometres from their homes, has no provision for medical and first-aid facilities.
- d. The border haat is an initiative to make formal trade a more attractive option among the informal vendors in the borders of two neighbouring countries. A fully operational currency exchange platform, should be essential and inevitable component to ensure the success of all such cross-border initiatives. However, the operation of currency exchange mechanism at the border haat has been suboptimal and leaves a vast room for improvement.
- e. The absence of electricity and electrical connectivity simultaneously hinders smooth transaction of business at the border haats: vendors and labourers have to toil inside haat enclosures without fans, toilets operate without lights and pumping facilities and office rooms are rendered unusable.

In considering infrastructural inadequacies of border haats, it needs to be highlighted that the topography of the land in Meghalaya – Rangpur/ Sylhet region is rough and generally the terrain is hilly on the Indian side. The border haats in Meghalaya are located at the base of the southwest Garo hills and the East Khasi hills, and during prolonged monsoons water gathers at these places and drainage is not easy. This puts the border haats of Kalaichar – Kurigram and Balat – Sunamgunj at a disadvantage. These geographical peculiarities and climatic hazards have also to be borne in mind while drawing up plans for infrastructural improvement of the border haats in this region.

## Recommendations

In view of the above highlighted problems, we would like to reiterate the following policy recommendations:

- a. Approach roads to particular haats need to be paved or repaired. This is true for the Kalaichar border haat. Similarly in Kurigram, Bangladesh, there is no bridge on the river that runs in between the haat premises and the local neighbourhood. There was a makeshift bamboo bridge earlier, but it was ravaged by the floods in 2014. More generally, if the quality of the approach roads to all the border haats is improved, it will definitely boost greater participation and business at the haat.
- b. Electricity supply is vital, so that, among other things, availability of water can be ensured in the restrooms, as well as for drinking purposes. However, the haats being located on the zero line, it might be difficult to ensure supply of electricity through power-grids due to legal complications and problems of pilferage. Off-grid solutions like solar power could be explored to this end.
- c. The restroom and sanitary facilities at the haats, though present, is unsanitary and unhygienic, due to poor maintenance. The recommendation of the Joint border haat Management Committee, to entrust the maintenance of toilets with Indian and Bangladeshi personnel alternately, each maintaining for three months at a time, has not been fully implemented at the local haat level.
- d. Families from both side of the border are coming to the haats, to shop as well as meet their respective acquaintances and families across the border. This is a positive example of how the haats are functioning as platforms for trust building and aiding people-to-people connect. To facilitate the same, it may be a good idea to build rooms/spaces where these families can meet, rest and talk. This is particularly beneficial for the children and elderly who are part of such family meetings.

- e. In some of the haats (Kalaichar and Balat, the ones that were constructed earlier during 2011-12) the stalls are not elevated from the ground and the floor of the haat is not paved. This poses a lot of difficulties during inclement weather, particularly during monsoon months. This has resulted in vendor behaviour changing in Kalaichar haat, where they prefer not to display their products. Instead they keep them packed in sacks or boxes and show samples to their prospective vendees. This practice is reported to be problematic by the security agencies since they face vendors, who are reluctant to open their packed products. This makes the checking procedure more labourious and time consuming. Such problems are not seen in the newer haats of Tripura, where enclosures are more in keeping with the needs of the vendors. Hence, enclosures will need to be revamped and renovated, wherever required.
- f. Currency exchange counters are not operational in all haats. Governments of both the countries must enforce and ensure not only the installation of foreign exchange booths within the haat premises but also their regular functionality by appointed officials.
- g. Perhaps, one could think of a separate body to look into infrastructure and its maintenance for each of the haats rather than entrusting this responsibility on haat officials who are supposed to manage and administer affairs pertaining to conduct of day-to-day business at the haat.

## Chapter 8

## Positive Outcomes

The MoU signed in 2010, on the basis of which the Governments of India and Bangladesh had established border haats, provided that these haats would be so established on a 'pilot' basis. Our study concludes that the positive impacts of the border haats is perceptible in terms of income generation and elevation of the living standards of the people and have contributed to border area development. They have also promoted people – to – people connectivity, and boosted cross-border confidence building and goodwill. The case in favour of replication and up-scaling of border haats is thereby established.

### Key Findings

- border haats are fora that enable people from both India and Bangladesh, residing close to the border, to engage with one another at a personal level in the course of their business dealings
- border haats have contributed to border area development – certain areas have witnessed improvement in the quality of roads leading up to the Haat
- border haats have contributed to the lowering of informal trade in the region
- border haats have also promoted people – to – people connectivity, and

boosted cross-border confidence building and goodwill

- Government officials and representatives in both the countries are favourably disposed towards increasing the number of border haats along the Indo-Bangladesh border

### Impact of the Border Haat on People – to – People Connectivity

The northeastern states of India and Bangladesh are natural neighbours. The absence of any kind of fencing along the border between the two countries facilitated communication and trade between these people for many years. Spurred by felt needs, people residing in these regions have indulged in mutual exchange of goods and commodities for as long as they can remember. Such co-existence has cemented relationships and strengthened bonds, which may have faded but have not been forgotten. Our survey team captured several stories of such bondings and friendships that have not got obliterated by the erection of fences. There are moving instances of person-to-person connect that our survey team came across at the border haats.

**Positive impacts of the border haats is perceptible in terms of income generation and elevation of the living standards of the people and have contributed to border area development**

Md. Mosibur Mia from Kasba, Feni, Bangladesh comes to the haat with the additional incentive of meeting up with Swapan Debnath. Their association goes back to the time of the Bangladesh war of liberation of 1971 when Mosibur Mia's father sought refuge with his friend across the border, the father of Swapan Debnath. No narrow thoughts like caste or class, religion or language could dampen the spirit and strength, with which such friendships took root. Both Mosibur and Swapan look upon the border haat not just as a forum for earning some economic gains but as a God-sent opportunity for rekindling friendships and bonds that were meant to stay.

Mitali was a young girl residing in that part of the territory, which today falls in Bangladesh. When she was married off, 15 years ago, she moved over to her in-laws living in the neighbouring area, which is Indian territory. When the fence came up along the Indo-Bangladesh border and the border was no longer porous, the requirement of passports and visas stood in the way of Mitali's visits to her parental home and family. The Srinagar – Chhagalnaiya border haat offered the two families an opportunity to reconnect after almost two decades. Our research team captured moving images of mother and daughter embracing with tears of joy, their families unable to contain their emotions and outbursts on re-connecting after so long. It was evident that the border haat was not just a forum where new relationships emerge between neighbouring communities, but also one where old ties and bonds, temporarily submerged by the tides of time, would be rejuvenated and get a new lease of life.

33 out of 40 vendors from the Indian side affirm that the commencement of the border haat has enabled them to make friends with people coming to the haat from across the border. Acquaintances have blossomed into friendships and several stakeholders from both sides of the border come to

the haat not just to do business but also to socialise and engage with one another in a personal capacity. Many of the vendors and vendees with whom we interacted, related individual cases of such friendship and intimacy. Carrying gifts for one another on festive occasions alongside sharing delicacies cooked in their homes is a regular feature.

As the Hon'ble MP from Chhagalnaiya, Bangladesh, Shirin Akhtar, observed, this exchange that border haats facilitate at the local levels, not just of goods and commodities but of hearts and sentiments is a sure way of improving relationships between the two countries and something that Governments can hardly achieve through formal treaties and diplomatic negotiations. She looks upon border haats as "centres for nurturing relationships" such that differences in religion among people living side by side get dissolved and they are able to co-exist in amity and goodwill. Indeed, border haat trade is a sure way of enabling people from the two countries to engage with one another at a personal level in the course of their business and trading activities. Such engagement allows them to open up to one another and cast off mutual misgivings and apprehensions. Our research team felt prudent to draw this inference from the many stories of friendship and sharing that people from both sides of the border related in course of our interactions with them at the border haats.

However, cases of bonding and friendship between people from the two countries are to some extent haat/region specific. We have witnessed a higher degree of intimacy and comradeship between the two communities in the Tripura haats (Srinagar-Chhagalnaiya and Kamalasagar-Kasba). One wonders whether this is because people living on the two sides of the border in this region speak Bengali even though the dialects are not entirely similar. Language seems to become a barrier to such intimate bondages in case of the Meghalaya-Rangur/Sylhet haats, where some Bengali-speaking stakeholders are available from the Indian side alright, but where the tribal folks also exist and they are more comfortable with their local tribal dialect. The positive opinions about people from

**Table 8.1 Perceptions of Indian stakeholders about people from Bangladesh**

Stakeholders (no. of respondents)/ Perceptions		Known from before	Nice	Indifferent	Okay	Not much contact	Dislike
Tripura haats	Vendors (20)	2	2	1	15	0	0
	Vendees (30)	3	7	6	13	0	1
	Transporters (6)	0	0	0	4	2	0
	Labourers (10)	1	4	5	0	0	0
Meghalaya haats	Vendors (20)	7	13	0	0	0	0
	Vendees (30)	1	25	2	0	0	2
	Transporters (6)	0	0	0	5	1	0
	Labourers (10)	0	4	6	0	0	0

Source: Compiled from the field survey

Bangladesh expressed by more number of vendees and vendors in Meghalaya compared to those in Tripura can be explained by the fact that stakeholders in Meghalaya have had more years to get to know the people on the other side. Even if language stands in the way of a greater degree of intimacy (as referred to in the previous paragraph), it does not seriously hamper regular professional relations at the haat.

When we tabulate the data on the responses of the Indian stakeholders about their perceptions regarding people on the other side, we find that the majority of the stakeholders, primarily vendors and vendees, have a positive disposition to people from the other side of the border. The transporters however, by and large, seem to display indifference, which is understandable given that they don't get as much contact time with people from the other side since they don't necessarily even enter the haats.

Keeping in mind that majority of the stakeholders on the Indian side have a positive disposition towards people from the other side of the border, our research team was interested in probing whether the haat experience has been instrumental in fostering such a positive disposition. When asked, 17 out of 40 vendors across Tripura and Meghalaya claimed that they had similar positive perceptions even before their engagement in border haat trade. However, 23 others claimed that their interactions with people across the border at the

haat encouraged them to nurture better perceptions about the people from Bangladesh. This latter perception on the part of the majority seems to indicate that engagement with border haats have contributed towards positive perceptions on part of Indian stakeholders about the people from Bangladesh. It is not only a question of positive perceptions, but our data also reveal that 16 out of 20 vendors in Meghalaya and 17 out of 20 vendors in Tripura have struck chords of friendships with people from the other side of the border. Indeed, border haat trade has strengthened perceptions as well as people-to-people connect on part of Indian stakeholders vis-à-vis participants at the haat from across the border.

The data on perceptions about Indians on the part of stakeholders in Bangladesh reveal a similar picture of positive disposition. This re-affirms what we gathered from the Indian stakeholders. The mutual accord and favourable disposition that both communities harbour may predate the emergence of haats along the Indo-Bangladesh border, but they have definitely been strengthened and augmented by their engagement with each other in border haat trade.

On the question whether business relations emerging at the border haats are getting extended outside the haat, 33 out of 40 vendors on the Indian side and 36 out of 40 vendors on the Bangladesh side observed that there has been no

**Table 8.2 Perceptions of Bangladesh stakeholders about people from India**

Stakeholders (no. of respondents)/ Perceptions		Known from before	Nice	Indifferent	Okay	Not much contact	Dislike
Chittagong haats	Vendors (20)	0	19	0	0	1	0
	Vendees (30)	0	30	0	0	0	0
	Transporters (6)	0	2	1	0	0	0; NA (3)
	Labourers (6)	0	6	0	0	0	0
Rangpur-Sylhet haats	Vendors (20)	0	18	2	0	0	0
	Vendees (30)	0	27	1	1	1	0
	Transporters (6)	0	3	0	0	0	0; NA (3)
	Labourers (6)	0	6	0	0	0	0

Source: Compiled from the field survey

such extension. Their business dealings have till now remained confined to the haat premises. However, six vendors in India and four vendors in Bangladesh commented that although they engage in business at the haats, their relationships have progressed to more intimate terms of friendship.

Enamul Haque, Economist from Bangladesh opines that border haat trade should be looked at from the broader perspective of Indo-Bangladesh relations, not simply as an economic institution, for it has as much political and social implications as it has economic content. In that sense, the border haats could well be likened to some kind of a stethoscope in the hands of the Governments for feeling the pulse of ground realities and for gauging what is happening at the border.

### Impact of the Border Haat on Local Physical Infrastructure and Connectivity

Establishment of border haats must be paralleled by certain infrastructural facilities for trading to flourish at the haat. We have highlighted various issues pertaining to infrastructure, whatever is available and what is ailing or inadequate in the section dealing with infrastructure. However, in considering positive externalities of border haat trade, one must acknowledge that certain haats have witnessed an improvement in the quality of roads and availability of public transport leading up to the haat. For example, in Balat, Meghalaya, the approach road to the haat, which was previously unpaved, has

been presently cemented and this has greatly facilitated vendors carrying loads of goods. Similarly, a by-lane connecting the arterial approach to the Srinagar haat has been revamped and cemented.

As yet, border haat trade has not resulted in the establishment of any bank, either on the Indian side or on the Bangladesh side of the border. The banks that exist in the concerned regions predate the establishment of the border haats.

### Importance of the Border Haat in presence of Alternate Formal Trade Channels

Let us begin by reminding ourselves of the case of the Kalaichar haat in Meghalaya. Before this haat came into operation, informal trade between people on the two sides of the border took place at Mankachar, which is situated at a distance of 15-20 Kms from Kalaichar village. The commodities, which were usually traded through this channel included sugar, salt, cereals, fruits and other consumer items. The volume of trade that used to take place through this channel has got substantially reduced with the installation of the haat at Kalaichar. The fact that opening up of formal channels of trade will correspondingly reduce the scope of informal trade seems to be clearly suggested by the case of Dalu, where trade continues to flourish through informal mechanisms because there is no such border haat located nearby.

Of the 40 vendors interviewed on the Indian side, 35 were favourably disposed to the establishment of border haats, instead of a formal trade point. They have offered various justifications in support of their stance:

- a. There was an overall sense that they lacked the capacity to trade formally, especially because it would require a much bigger investment of capital. They felt “for marginalised vendors like us”, the border haats were “a much better option”.
- b. Establishment of other formal channels might require them to pay revenue, which would diminish the amount of profit that these vendors could reap.
- c. Border haats will also bring about infrastructural development by way of improved roads, better transport facilities and possibly electrical connectivity.
- d. Vendors were also hopeful that border haats would in the long run lead to the establishment of banking centres, which will help them to transact money locally.
- e. The institutionalisation of formal channels of trade would require a wider scale of infrastructural and other arrangements.

The vendors who seem favourably disposed to border haat trade have been found to earn an average monthly income of INR14,413, while those who seem to have no problems with the institutionalisation of other formal channels of trade have an average monthly income of INR16,580. This perhaps indicates that those who earn more are in a position to pay taxes or duties, which formal trade may entail. By contrast, the marginalised sections and relatively low income earning vendors are reluctant to diminish their income and, therefore, are more favourably disposed to border haat trade where taxes and duties are not required.

The north eastern states of India and Bangladesh have co-existed as natural neighbours and communities inhabiting these regions have traded freely between themselves in the past. This relationship was suppressed by political boundaries and the institutionalisation of border haat trade signifies the revival of the earlier relationship. Local people need these delinked markets or fora for trade. If the natural

propensities for trade among these local people are disallowed, people in the border areas will resort to other means. BSF personnel have also confirmed that in the absence of border haats, people will take recourse to such means as smuggling to carry on their exchange not only of forbidden items but also of consumer necessities.

K N Syiem, a local chieftain at Balat, Meghalaya and also a member of the border haat management committee there, informs that trade between people inhabiting these regions has flourished over a long period. Close to Cherrapunji, he refers to the existence of a ‘Golden Haat’, through which large quantities of oranges were transported to Bangladesh. The establishment of border haats in recent times comes as a re-affirmation of the need to facilitate local people to indulge in regular trade. This is imperative because most of these hill-folks, almost 90 per cent, are dependent on agriculture and need to sell agricultural products and forest produce in order to promote their livelihood standards. Closure of mines in Meghalaya has precipitated problems of unemployment and people have found the border haats to be a blessing that enables them to address their livelihood concerns.

We have already drawn attention to the fact that unlike in the case of Indian vendors, for Bangladeshi vendors, border haat trade operates as a supplementary source of income, given that their non-haat income is greater than what they earn at the border haats. We have, therefore, kept both the haat income and the non-haat income of Bangladesh vendors in mind while considering their responses to the question on whether they are keen on institutionalisation of other formal channels of trade. The border haat income of all the 40 vendors interviewed on the Bangladesh side is similar, ranging from BDT 6,663 (US\$79) to BDT 6,680 (US\$80). The difference among them becomes conspicuous in respect of their non-haat income. The 12 vendors who have a greater non-haat income of BDT 16,583 (US\$197) are the ones who are favourably disposed to the institutionalisation of other formal channels of trade while those who have a less non-haat income, i.e. BDT12,992 (US\$155) are keen on continuance and

furtherance of border haat trade in preference of other formal channels. It is evident that those who are lagging in terms of their non-haat income are keen on furtherance of border haat trade, which gives them an opportunity to earn profits without facing the burden of taxes and duties. While those vendors who are better off in respect of their non-haat incomes are keen on institutionalisation of other formal channels, which they feel will give them a wider platform to carry on their cross-border trade.

### Initiatives by Governments on Improving the Border Haat Mechanism

India shares with Bangladesh 4,100 Kms of border and there is thus immense potential for tapping trade relations. In fact, Bangladesh is India's biggest trade partner in South Asia; and ranks 26<sup>th</sup> among all of Indian trading partners. The governments of the two countries had initiated the idea of border haats along the Indo-Bangladesh border with the objective of helping people living in border areas to market their local produce and also as a confidence-building measure among the citizens of the two countries. The commodities were, therefore, specified, but the governments are flexible with regard to the expansion of the list of items.

On the whole, the experience of the existing haats – in Tripura-Chittagong and Meghalaya-Rangpur/Sylhet regions – has been positive. This has prompted both the governments to move towards revision of the old Memorandum of Understanding. Six more haats have been approved by the Governments of India and Bangladesh along the international border (two in Tripura and four in Meghalaya). The locations of these new haats have been identified. Following the success of these new haats, a more ambitious revision of the MoU is intended, in the hope of building many more haats along this long border.<sup>33</sup>

It is in the knowledge of both the Governments that products other than those identified in the original list of items contained in the first Memorandum of Understanding have been transacted at the existing border haats. The Indian Government puts a premium on the non-income

benefits that are going to accrue to the local communities through such initiatives, especially cross-border confidence building and goodwill, and that is why it is categorical that the border haat should not be looked upon as a forum for duty free trade between the two countries. The existing regulations regarding border haat trade require both vendees and vendors to reside within the proximity of 5 Kms radius from the border haat. The Government is apprehensive about increasing this distance for that might result in trade meant to flourish through land customs to flow through border haats.

Representatives of the Bangladesh Government are keen on building upon the experiences of the four border haats that have been established. They feel that the validity of the MoU between the two countries could be extended to five years with provisions for auto renewal. To broaden the scope of border haat trade they also feel that the cap on the purchasing limit should be moved up to US\$200. These suggestions on auto-renewal of the MoU after every five years as well as increasing the purchase value limit equivalent to US\$200 has been implemented with the MoU signed on 8 April, 2017. They also observe that there is potential for establishing border haats at numerous points along the border between

**Representatives of the Bangladesh Government are keen on building upon the experiences of the four Boder Haats that have been established. They feel that the validity of the MoU between the two countries could be extended to five years with provisions for auto renewal**

Tripura – Chittagong and Meghalaya – Rangpur/ Sylhet. In fact, they contend that opening of borders in the form of border haats is a wonderful way to integrate communities who have been residing in these regions. Although the first proposal for border haats was put forward as early as 2002, the idea was implemented after almost a decade.

Despite field visits prior to the establishment of the haats and despite taking detailed notes on what needs to be done, so much remains to be addressed even after the establishments of the border haats. Although a nodal role in haat management is played by the JBHMC, there is a lack of sufficient communication between the Bangladesh and the Indian sides. Enamul Haque, an economist from Bangladesh, opines that local residents in the region are definitely benefiting from border haat trade, as evident from the increasing demand for expansion of border haats. The border haats have addressed the issues of improvement/growth in the living standards of the

people and women participation. However, infrastructural issues need to be looked into in order to provide a more enabling environment for border haat trade to flourish. Governments of the two countries need to address some of the regulatory differences. As he succinctly puts it: "Smuggling invariably happens when two countries have widely divergent regulatory frameworks."

Both Governments seem convinced that the border haats are extremely significant for enhancing people – to – people connectivity among residents along the border regions. Infused with a healthy dose of optimism, on the basis of the experience of the existing haats, Governments of both the countries are moving towards a new Memorandum of Understanding that will include inter alias provisions for the speedy implementation of the original plan of establishing 10 border haats between the two countries.

## Chapter 9

# Conclusion and Policy Recommendations

One of the problems encountered in the study of informal cross-border trade is the dearth of reliable statistics. The fact that a substantial volume of informal trade is carried out through border routes between India and Bangladesh is common knowledge. Most estimates suggest that the value of goods illegally or informally traded across the Indo-Bangladesh border is almost equal to the value of official trade between the two countries. According to the World Bank's Bangladesh Development Series, Paper No. 13, bootleg informal trade accounted for a whopping 41 per cent (US\$237mn) of total imports of Bangladesh from India (US\$580mn) through land routes in 2003.<sup>34</sup>

One of the main reasons behind such informal trade is the high tariff and non-tariff barriers on imports. Undue paperwork, customs formalities, requirements like testing and certification result in delays and clearance of consignments from border posts. To bypass such hazards, vendors often find it convenient to take recourse to informal practices and illegal routes. Current literature<sup>35</sup> on the subject suggests four motivations behind such informal trade: quick realisation of payments, absence of paper work, absence of procedural delays and lower transportation cost.

Trade is a natural propensity among people residing in geographically contiguous areas. People residing on the two sides of the Indo-Bangladesh border have been trading with each other since history. Political interventions and fences disrupted such trading and precipitated two categories of informal trading. One is called "bootleg smuggling" and the other one is "technical smuggling". The local people usually involved in transporting small quantities of goods via headloads or bicycle rickshaws fall in the first category. On the other hand when the trade happens in large quantities through trucks by formal channels with customs and other officials indulging in illegal practices such as under-invoicing, misclassification and bribery, it is called technical smuggling (World Bank 2013).

Both kinds of smuggling have persisted along the border and they continue to persist. In this context, the Governments of both India and Bangladesh recognised that initiatives such as border haats can go a long way in institutionalising such informal trade activities while reducing the scope of illegal trade.

According to the security forces of India and Bangladesh guarding their respective borders, these haats could play a

**Table 9.1: List of some functional and proposed border haats on India-Bangladesh border**

<i>border haat</i>	<i>District in India</i>	<i>Location in Bangladesh</i>	<i>Status</i>
Meghalaya			
Kalaichar	West Garo Hills	Baliamari	Functional
Balat	East Khasi Hills	Dolora	
Mizoram			
Marpara	Mamit	Longkor	Suggested by State Government
Sillsury	Lunglei	Mahmuam	
Tuipuibari	Mamit	Not proposed	
Nunsuri	Lunglei	Not proposed	
Tripura			
Kamalasagar	West Tripura	Brahmanbarhia	Functional
Boxanagar	West Tripura	Not provided by the State Government	Suggested by State Government
Bamutia	West Tripura		
Srinagar	South Tripura	Purba Madhugram	Functional
Ekimpur	South Tripura	Not provided by the State Government	Suggested by State Government
Pal Basti (Raghna)	North Tripura		
Hiracherra (Kailasahar)	North Tripura		
Kamalpur	Dhalai		

Source: Ministry of development of north eastern region, Government of India

crucial role in minimising illegal trade and smuggling and thus help in better managing the border. Thus, the BSF has sent a proposal to the Ministry of Home Affairs to set up 60 more *haats* on the eastern border to help people from both sides to trade. Out of the 60 border *haats*, 22 have been proposed to be set up in Meghalaya, 32 in West Bengal, four in Tripura and two in Assam (Chatterji 2015).<sup>36</sup> Table 9.1 shows currently functioning and some proposed border haats by the State Government on Indo-Bangladesh border.

Border haats have a fixed day of functioning, usually once a week, while vendors may engage themselves in other economic and social activities on non-haat days. Since several categories of stakeholders have benefitted from border haats, there have been demands on part of vendors and vendees to increase Haat days in some of the Haats.

The volume of trade at the existing border haats has also increased; locally manufactured commodities apart, vendors are also seen to trade in commodities produced in other parts of both the countries. It is evident that border haats have gone a long way in addressing the basic

**The volume of trade at the existing border haats has also increased; locally manufactured commodities apart, vendors are also seen to trade in commodities produced in other parts of both the countries. It is evident that border haats have gone a long way in addressing the basic objective, with which they were envisaged.**

objective, with which they were envisaged: improvement of living standards of people residing in remote interiors of the two countries along the Indo-Bangladesh border. Local people are able to get the necessary things and amenities at low prices and vendors from other parts are able to interact with people residing near the border.

## Impact on Livelihood

border haats have directly impacted income generation for all the participating stakeholders (especially vendors) by giving rise to new/additional opportunities of work in the remote border areas.

### *A win-win situation for all stakeholders*

The haats have generated additional economic avenues for local vendors and created new opportunities for some local farmers to sell their produce directly, local women to earn additional income by either selling local produce (fruits and other natural products) or working as labourers in the haats. It has helped local transporters to enhance their fleets and days of operation in the haat areas and created additional income avenues for villagers as helpers/staff/labourers for haat vendors.

Border haat income contributes 73 per cent of the average monthly income of the Indian vendors and

32 percent of the average monthly income of Bangladeshi vendors. This is primarily because of the better quality and variety of India goods, for which there is a high demand. In fact, most of the Indian haats experience wholesaling of spices (mainly Jeera), branded cosmetics and baby food and health drinks like Horlicks to vendees from Bangladesh. While the average non-haat income of India (for all four haat locations) is INR5,405 (US\$77) per month, Bangladesh averages INR11,725 (BDT14,070/US\$168). It is clear that on the whole, non-haat income of Bangladeshi vendors is much higher than that of the Indian vendors. On the Indian side, Tripura haats have experienced a higher magnitude of average border haat income for the vendors, whose non-haat income constitutes only 19 per cent (Srinagar) and 28 per cent (Kamalasagar) of the total monthly income. This may be attributed to better infrastructure (in contrast to the Meghalaya haats, here the vending platforms are cemented and wider and allow a greater display of goods) at the more recently established Tripura haats and to the high demand for Indian goods on the Bangladesh side.

Several vendors have commented that border haats accommodate the small and the relatively poor vendors who are circumstantially not in a position to compete with big vendors in other

**Table 9.2: Income of Labourers**

India			
border haat locations (India-Bangladesh)	Average Income (INR per month)		Haat income as a % of total monthly income
	Haat days (4 per month)	Non-haat days (20-26 per month)	
Srinagar	1,220	2,180	36
Kamalasagar	1,300	3,070	30
Kalaichar	3,060	6,900	31
Balat	1,260	2,240	36
<b>Average</b>	<b>1,710</b>	<b>3,598</b>	<b>33</b>
Bangladesh			
Chagalnaiya	964	5,248	16
Kasba	658	2,695	20
Kurigram	1,589	4,326	27
Sunamganj	1,362	5,389	20
<b>Average</b>	<b>1,143</b>	<b>4,412</b>	<b>21</b>

**Table 9.3: Income of Transporters**

India			
border haat locations (India-Bangladesh)	Average Income (INR per month)		Percentage increase
	Before commencement of haat	After commencement of haat	
Srinagar	533	783	47
Kamalasagar	483	900	86
Kalaichar	317	1,133	257
Balat	300	717	139
<b>Average</b>	<b>408</b>	<b>883</b>	<b>130</b>
Bangladesh			
Chagalnaiya	433 (361 BDT)	700 (583 BDT)	62
Kasba	400 (334 BDT)	567 (472 BDT)	42
Kurigram	250 (208 BDT)	433 (361 BDT)	73
Sunamganj	270 (225 BDT)	593 (494 BDT)	119
<b>Average</b>	<b>270</b>	<b>488</b>	<b>96</b>

formal channels and many added that they would prefer to trade through the haats even if other formal trading channels emerge. Such preference is also because many find the haats to be a forum not just for trade but also for meeting up with one another.

Haat trade has also been influenced by factors like access to state capitals or nearby towns from haat localities. For example: vendees may find it more convenient to procure consumer items and other necessities from the haat instead of having to travel to nearby towns situated several kilometres away.

Border haats have significantly contributed to the monthly income of the labourers. In fact, the income that a labourer earns from a day's work at the haat is approximately equal to the amount he earns from other avenues over the rest of the week. Women from nearby villages of Balat (India) like Pyndenkseh, Brithausaw and Lithamsaw are often keen to make some extra income once they are through with their domestic chores. Linsda, a woman resident of Dangar, opines: "The haat allows us the opportunity for some extra income, which is welcome and handy given our generally impoverished condition." The labourer incomes were found to be particularly high at the Kalaichar-Kurigram haat. This was because the approach roads on both sides of the haat for the last stretch is

'kaccha' and labourers are required to carry the goods on their head or use hand-carts, resulting in higher rates.

On the whole, the magnitude of income for transporters from border haat trade is greater on the Indian side, owing to the larger demand for workforce necessitated by a much larger volume of goods that need to be transported for trade at the border haat. Transporters, therefore, are among the major stakeholders of border haat trade.

#### *Keenness to re-invest border haat income by Vendors:*

Some of the "vendors" in India seem to be keen on re-investing their earning from the haats to further enhance their business in the haats. Subhasis, a vendor trading in cosmetics comments that: "Bangladeshi people have a great fancy for Indian cosmetics and I am making better business with Indian cosmetics at the haat than in my own locality." By contrast, there seems to be a lack of sufficient incentive and enthusiasm on part of vendors in Bangladesh to participate in border haats as vendors, probably due to the lower returns when compared to the Indian side. The lower returns can arguably be attributed to demand-supply mismatches. For example, fish and poultry, which are high in demand on the Indian side are mostly not allowed to be traded because

**Table 9.4: Occupation-wise average of border haat investments and corresponding profits of the vendors**

Vendors/Primary job types	India		Bangladesh	
	Average BH investment per month (in INR)	Average BH Profit per month (in INR)	Average BH investment per month (in INR)	Average BH Profit per month (in INR)
Agriculture	1,38,222	17,844	26,682	6,856
Local Trade	1,55,207	13,739	23,403	5,648
Others (Non-agricultural and Salaried)	87,500	14,150	20,819	4,376
Average	1,48,000	14,684	23,555	5,672

of SPS-related concerns. Also in many cases the Bangladeshi vendee is economically better off than the Indian vendee, owing to the location-specific economic scenarios. It is for these reasons that re-investment of border haat profit for expansion of border haat business is not a serious consideration for the Bangladeshi vendors.

Since poverty alleviation is a major concern of governments and because the study confirms that there is no correlation between formal education and success stories at border haat trade, more people living in the remote areas can be encouraged to participate in border haat trade. The government can contemplate supportive measures and institutions to build their capacity to participate in such trade meaningfully.

#### *Correlation between primary income type and haat success:*

From the primary set of interviewed vendors, 29 out of 40 are local vendors in India and 31 out of 40 in Bangladesh. Their border haat investment figures reveal that local vendors in India invest the most in the border haats, on an average INR1.55 lakh (US\$2,214) per month for four haat days. Participants at border haat trade inform us that they have managed this capital from their savings, family assets while some others have procured loans from friends and relatives. Agriculturists have invested around INR1.64 lakh (US\$2,343) per month, but with larger profit margins. There is no appreciable difference in the amount of investment on the part of Indian agriculturists and local vendors. However, the profit margins reaped by the local vendors are less than that of the agriculturists.

This is because there is always a demand for good quality agricultural goods like seasonal fruits and vegetables, a superior quality of betel nuts and home-grown spices.

#### **Items of trade at border haats**

##### *What is to be traded?*

The MoU between India and Bangladesh governments and subsequently Director General of Foreign Trade (DGFT), India and Foreign Trade Authority (FTA), Bangladesh notifies list of items, which can be traded at the border haats. The customs officials operating at local levels supervise whether vendors are complying with the list. This practice was initiated when the border haats first commenced and remained in vogue. The original list of items prepared by the DGFT has been subsequently amended a number of times.

#### **Changes in the list of items and other stipulations for border haat regulation**

On the basis of the MOU between India and Bangladesh signed in 2010, the DGFT India stipulated the major rules and regulations governing border haat trade in India. These rules and subsequent amendments are highlighted chronologically in the following table:

There is asymmetry of information among the vendors regarding the list of items permitted for sale at the haats. This is not only because amended lists do not reach the vendors in time,

but also because the customs officials and Border Security Force (BSF, India) and Border Guard Bangladesh (BGB, Bangladesh), who have the express responsibility of monitoring haat proceedings, do not possess the latest documents at times.

Apart from the anomaly over items listed for border haat trade, there is confusion over certain rules and regulations and also some concerns about haat trade. These pertain to quantity restrictions and its impact; lack of measuring devices for officials, making the

Issuing Authority	Date of Issue	Major Provisions	
<b>Memorandum of Understanding</b> (Establishing border haats across the Border between India and Bangladesh): signed by the Ministries of Commerce of India and Bangladesh on behalf of their respective Governments	October 23, 2010	<b>Articles:</b> Article 1 (Haat Management Committee), Article 2 (Area, fencing and construction of border haats), Article 3 (Commodities), Article 4 (Joint Meetings of the Haat Management Committees), Article 5 (Vendors), Article 6 (Vendees), Article 7 (Time and frequency), Article 8 (Photo Identity Cards), Article 9 (Record of entry/exit), Article 10 (Law enforcement and jurisdiction), Article 11 (Suspension of Tariff Duties and NTBs), Article 12 (Entry of Security Forces), Article 13 (Oversight by customs officials and health officials), Article 14 (Medium of Exchange)	
Issuing Authority	Date of Issue	Issues addressed/ Amendments made	Perceived Change
DGFT on the Meghalaya haats	July 1, 2011	Article 3: <b>Commodities</b> Article 5: <b>Vendors</b>	<ul style="list-style-type: none"> <li>Stipulation of '<b>local produce</b>' remains;</li> <li>Requirement of <b>residence within 5Kms</b> of border haat for <b>vendors</b> remains.</li> </ul>
Ministries of Commerce (India and Bangladesh)	May 15, 2012	Article 3: <b>Commodities</b> Article 14: <b>Medium of Exchange</b>	<ul style="list-style-type: none"> <li>Stipulation of '<b>local produce</b>' removed;</li> <li>Purchasing limit of vendees raised from local currency equivalent of <b>USD 50 to USD 100</b></li> </ul>
DGFT on the Meghalaya haats	October 15, 2012	Article 3: <b>Commodities</b> Article 5: <b>Vendors</b> Article 14: <b>Medium of Exchange</b>	<ul style="list-style-type: none"> <li><b>Reiteration</b> that items <b>need not be locally produced</b>;</li> <li><b>Residential requirement</b> for the vendors (5kms proximity of the border haats) <b>remains</b>;</li> <li><b>Reiteration of USD 100</b> as the purchasing limit</li> </ul>
DGFT on the Tripura haats	November 7, 2014	Article 3: <b>Commodities</b> Article 5: <b>Vendors</b>	<ul style="list-style-type: none"> <li>Stipulation of '<b>local produce</b>' regarding items;</li> <li>Requirement of <b>residence within 5Kms</b> of border haat for <b>vendors</b></li> </ul>
DGFT on the Tripura haats	June 3, 2015	Article 3: <b>Commodities</b> Article 5: <b>Vendors</b>	<ul style="list-style-type: none"> <li>Stipulation of '<b>local produce</b>' <b>reaffirmed</b>;</li> <li>Requirement of residence within 5Kms of border haat for vendors <b>reaffirmed</b></li> </ul>
DGFT on the Tripura haats	September 9, 2015	Article 3: <b>Commodities</b> Article 5: <b>Vendors</b> Article 14: <b>Medium of Exchange</b>	<ul style="list-style-type: none"> <li>Stipulation of '<b>local produce</b>' removed;</li> <li>Requirement of residence within 5Kms of border haat for vendors <b>reaffirmed</b>;</li> <li>Purchasing limit of vendees raised from local currency equivalent of <b>US\$50 to US\$100</b></li> </ul>
MoU between Government of India and Government of Bangladesh	April 8, 2017	Validity of the MoU. Article 14: <b>Medium of Exchange</b>	<ul style="list-style-type: none"> <li>MoU shall be automatically extended for successive tenures of five years. Purchasing limit of vendees raised from local currency equivalent of US\$100 to US\$200.</li> </ul>

checking and entry process that much longer and variation in the stringency of the officials/guards, and the impact this has on business. Additionally, there are reports of 'wholesale' trade wherein more influential vendors in cities are reportedly buying at the haats through local villagers, at times limiting access to certain items for the common vendees.

## Status of Infrastructure and the implications

Overall there is a need to improve infrastructure at the haats. Vendors have drawn attention to several infrastructural inadequacies. Unsuitable vending platforms stand in the way of business because all goods cannot be displayed. Vendees complain that there are no shelters/rooms where they can take refuge during downpours. It was observed that better infrastructure in Tripura haats (since they were newly constructed with learning from the Meghalaya experience), have arguably translated into higher participation and earnings for the stakeholders.

As apparent from the table above, there are infrastructure inadequacies, which once taken care of, will positively impact gains from the haats. While taking infrastructure-related decisions, it is also important to give due consideration to geographical terrain and climatic conditions for specific locations. For example, the haats in Meghalaya receive heavy rainfall owing to their geographic locations and inclement weather conditions have often resulted in the closure of the haat, which resumes only once the weather improves. Such geographical and climatic peculiarities (e.g. prolonged and intense monsoon in Meghalaya) have also to be borne in mind while drawing up plans for infrastructural improvement of the border haats in this region.

## Selection of Vendors and Management of Haat functioning

### *How is vendorship decided?*

The rules and regulations stipulated by the MoU and maintained subsequently by DGFT (India) – FTA (Bangladesh) requires the vendors to reside within a radius of 5 Kms from the border haat premises.

*Vendor cards are generally issued by the respective border haat committees in each of the haat locations. This committee comprises the District Magistrate, Additional District Magistrate, local Panchayat leaders (Panchayat Pradhan, Up-Pradhan, Block members, etc.), customs officials, Border Security Force (in India)/Border Guard Bangladesh (in Bangladesh) and the local police. On the Meghalaya (India) side, there is active involvement of Nokhmas (head of the Garo (tribes) village community) and Gaoburas (village headmen) who co-operate with the Panchayat members in implementing various developmental programmes in the locality as well as in taking administrative decisions pertaining to border haat activities.*

*Vendor cards are issued on the basis of a regularised process. At first, applications are short-listed on the basis of an overall assessment of how the individual will perform. The pattern and kind of work he does, the seriousness and sincerity involved in doing that work are considered while evaluating a case. After this initial screening, the selected applicants are interviewed, and then the list of candidates is finalised. Vendor cards are non-transferrable and have a specific period of validity, which is decided by the administrative officials. Despite these broad regulations, there are region specific stories also. In Kamalasagar, distribution of vendorships is preceded by a consultation with prospective vendors. During such consultation, the item that a vendor will sell is also decided and fixed. However, deciding beforehand, which product a vendor can sell becomes a hurdle towards robust business in all seasons/demand change scenarios.*

### *Vendorship: What accounts for success?*

Vendors are being chosen based on their comparative advantage and ability to do year-round business at his 'pucca' (construction of brick and cement) stall in the haat, meaning that local business people opt in. Those who are already running a local business are typically the ones who take up a vendor card. Local vendors are those who are better off in the community, or have more clout, are the ones who are usually able to acquire vendor cards. Some of the "vendors" in India seem to be keen on re-

investment as much as they are confident about having their vendor cards renewed. Hence, predictability and timeliness of renewal information help vendors make these investment decisions. While such renewals help in continuity and predictability of business, it limits the reach of the benefits within some sections of the community.

## Management of Haat Functioning

### *Formal mechanisms*

Under the existing rules, there is a border haat Management Committee (BHMC) on both sides of the border. Consisting of local *panchayat* officials, personnel of the BSF/BGB, customs officials, local policemen and prominent vendors, this committee meets regularly (number of meetings vary across haats) to address specific problems faced by the stakeholders. This committee also considers items to be traded and the general guidelines to be followed at the haat.

There are also haat specific instrumentalities. At Kamalasagar, the DM has initiated the appointment of 'gram rojgar sheboks' who have the responsibility of examining the validity of passes for all entrants, maintaining records of goods being traded at the haat and generally managing all activities in the haat premises. In this situation, the personnel of the BSF remain largely responsible for ensuring security and do not need to engage in administrative or managerial work.

In contrast to Tripura, the haats of Meghalaya seem to throw up some problems, which merit consideration. At Kalaichar, there seem to be information gaps among customs officials about items that are officially approved for border haat trade. This creates confusion and controversy between haat officials and vendors causing delay, which is significant because the haat does not commence before 10 am. The number of personnel from the BSF and local police is also inadequate for purpose of monitoring haat proceedings.

### *Informal mechanisms*

Alongside the formal institutions, there are informal parallel institutions as well and these are haat specific. For instance, in Kamalasagar and Balat, there is an informal group that looks into problems and grievances of the vendors and vendees. This

group is composed of local *panchayat* officials and acts as a mediator on behalf of vendors, putting across their problems to members of the BHMC. Similarly, in Srinagar, there is an informal committee consisting of powerful and active vendors and this often acts like an interest group trying to prevail over formal decision-making bodies like the BHMC.

Examining the border haats on the Bangladesh side, we do not see any informal institution. This could be a result of the generally and comparatively low volume of trade that one gets to witness on the Bangladesh side.

### *Issues with haat management*

The formal committees are not sufficiently representative. For instance, there is no representation of vendees, transporters and labourers. They are found to be more concerned with issues that are relatively long-term and hence not suited to address the immediate and the urgent problems that emerge every now and then between and among the various stakeholders of border haat trade. The policy implications seem clear: there ought to be mechanisms in the border haats that will be concerned with the day-to-day problems of management and conflict resolution. There ought to be representation in these mechanisms not just of vendors but also of vendees and other relevant stakeholders.

## Women participation

Male dominance is evident in all the categories of stakeholders. A notable barrier, particularly for women in some of these localities (some parts of Kamalasagar, Tripura) is their engagement in cultivation and farming of livestock, which restricts them from participation in border haat trade. Alongside, women's preoccupation with their domestic chores does not leave them with time/energy to participate in trade. Socio-cultural constraints, where conservatism restricts women to household activities, also deter women participation in trading activities. The vendees are, however, in many cases, women. This is owing to the socio-cultural construct that is fine with women buying for their households as opposed to them selling

**The government could explore possibilities of initiating schemes/priority loans for working capital requirements targeted at women and marginalised sections of the border communities**

for their household's betterment. Meghalaya women, being from a more matrilineal society, are an exception and are more open to out-of-the-household activities. This is reflected in the higher number of women vendors on the Indian side in the Meghalaya haats.

Other than socio-cultural barriers, infrastructural issues like inadequate resting rooms and toilets, unavailability of water and insufficient transport facilities, also work as deterrents to overall women participation.

***How to enhance women participation?***

There have not been sufficient Government initiatives/programmes for encouraging women participation, according to many stakeholders. Local administrative bodies (who are an integral part of the BHMC) like *Panchayats* and other informal committees (mostly lead by vendors in most of the India side haats) need to take initiatives towards raising the level of awareness among women about border haat trade, which can encourage women to participate. In certain cases, lack of financial strength is a deterrent for women and other marginalised sections of the border communities. Several women vendees at Kalaichar expressed their eagerness to vend at the border haats but they also drew attention to a serious handicap – lack of financial capital. The government could explore possibilities of initiating schemes/priority loans for working capital requirements targeted at women and marginalised sections of the border communities.

***Encouraging developments***

An effort is being made to encourage more women participation at the border haats. The BHMC at the Balat haat in Meghalaya has recently reserved 12 of the 25 vendorships in Balat in favour of women. Such reservations, if mandated for all haats, can help in enhancing women participation in the haats.

**Impact on Informal trade**

The study reveals and Border security agencies from both sides confirm that the haats have helped lower informal cross-border transactions. For instance, the Kalaichar haat (Meghalaya) has helped in substantially lowering of informal cross-border trade through Mankachar (Meghalaya), situated at a distance of 15-20 Kms from Kalaichar. There are other locations, like Dalu (Meghalaya) where such informal trade continues in the absence of similar setups. BSF personnel confirm that people are not engaged in as much of informal trade as was the case when borders were more porous. Then, domestic needs were fulfilled informally and there has been a perceptible decline in such exchanges ever since the fence was erected in 2004.

The BSF personnel of Meghalaya point out that no official step was taken to decrease the flow of trade that used to happen informally through Mankachar. That happened as a natural consequence to the establishment of the border haat at Kalaichar. Thus the institutionalisation of formal channels of trade will reduce if not erase other informal channels of trade.

**Impact on people-to-people connectivity**

One of the perceptible benefits of border haat trade is the opportunity that it provides for people on both sides of the border to connect with each other. The study found several instances where people have come to the border haat with the additional incentive of meeting up with friends, families and acquaintances from whom they have got distanced (sometimes more than decades) as a result of political barriers. As Shirin Akhter, MP from Bangladesh opines, "Border haats can, therefore, be viewed as a platform at the grassroots level where the bilateral relations of India and Bangladesh can be cemented."

## Policy Recommendations

### 1. Distribution of vendorship

- Increase vendorship in view of increasing number of applications. Those allowed to set up stalls could be increased to at least 50 from each side, given huge demand and the paucity of other market opportunities
- Quotas in different haats for women vendors, as done in the case of Balat (Meghalaya) recently
- Item-specific vendor-ship – where a vendor listed as trading in garments, cannot trade in spices – should be removed, or at least expanded to include multiple/broad groups of products
- The eligibility criteria should be standardised. In some cases applicants need to have a minimum bank account balance of INR 20,000 to be eligible for vendorship. This excludes more marginalised vendors
- If more than one haat day a week is considered (there is strong demand for three or at least two days in a week instead of one day a week), there could be two/three (depending on the number of haat days) separate sets of vendors for each haat. This will help in reaching the benefit to a larger section of the community.

### 2. Women's participation and women's issues

- Providing proper toilets with running water or pit toilets
- Explore possibilities of having financial assistance schemes/priority lending for women/marginalised applicants to help with working capital requirement
- Encouraging women representatives in the BHMC and also in informal committees of vendors that handle disputes and grievances
- Improving the security inside the haats to deter theft
- Consider separate queues for women vendors, for they often reach the haat late after attending to their domestic chores

### 3. Procedures, rules and regulations

- Vendor selection rules could be simplified and widely publicised, e.g. on illustrated billboards at the haat location or local *Panchayat* official notice-boards to reach those with poor literacy
- Some haats could operate twice a week given high demand and profitability. But this will undoubtedly put pressure on agencies like the Border Security personnel and Customs
- Extend the haat timings. The current schedule of 9am-3pm is inadequate given lengthy entry procedures. Could be changed to:
  - Entry of vendors and physical verification of goods and vehicles: 07.00am-08.30am
  - Stall set up time: 08.30am-09.00am
  - Entry of Vendees: 09.00am onward (with ideally a separate desk/window for vendee entry)
- Current quantity restrictions prevent a takeover of the market by large vendors, which is good, but caps need to be raised somewhat, e.g. of spices from Meghalaya; juices from Bangladesh
- Provide staff cards for labourers/vendor staff/helping hands, who currently have to enter as vendees and hence face restrictions.
- Use e-enabled Identity Cards (e.g. Aadhaar card) to allow quicker scanning at entry by handheld electronic devices, with security agencies being trained on the use of such devices
- Services could also be allowed inside the haats – as food stalls are already allowed, additionally shops like mobile recharge/repair, cobblers, barber stalls, mehendi, mobile medical clinics and pathological diagnostic services, etc may be considered.

#### 4. Items of trade

- Asymmetry of information regarding items allowed by official guidelines should be addressed – relevant amendments should be circulated among all officials promptly and should also be disseminated across all stakeholders
- Have illustrated boards showing what products are allowed. Currently there's confusion and arbitrary behaviour. Hold local capacity building workshops to disseminate information
- Fish and poultry are in high demand on the Indian side, but not allowed due to quarantine and food safety regulations. This is encouraging high informal trade and high prices are faced by Indian border communities. Consider allowing these in small quantities for local consumption.
- There could be a list of exclusions or a negative list instead of a positive list (as is practised presently) to enable more items to be traded between the people across the border. More flexibility with the list will help to trade products as per localised and seasonal demand scenarios, leading to higher interest from vendees from both sides and consequently higher gains.

#### 5. Infrastructure

- The approach roads to the haats need to be paved (esp. Kalaichar and Srinagar, India). At Kurigram (Bangladesh), there is no bridge over the Jinjira river on the Bangladesh side
- Availability of water, particularly drinking water
- Electricity supply is vital, particularly so that availability of water can be ensured in the restrooms, as well as for drinking purposes
- Solar power could be an effective way to deal with the lack of electricity
- The toilets in all the haats are in bad shape or non-existent. Where build, maintenance is tough in the absence of water and clear-cut mandates for, or enforcement of, rotational maintenance. Pit latrines should be built
- Maintenance of the haat premises is an important consideration because their present condition reveals perceptible

deterioration from what they were at the time of inception (mainly for the Meghalaya-Rangpur/Sylhet haats)

- Build resting rooms where families can meet, which will be especially beneficial to children and the elderly, and will also promote greater people-to-people contact and trust building. This will also help vendees to withstand weather vagaries. Presently they find it very difficult to find shelter when there is rain.
- Vendor stalls need to be elevated and the ground under them paved, else it becomes muddy during the rains (esp. true in older Meghalaya-Rangpur/Sylhet haats). Currently, vendors at these haats cannot display their products – causing monitoring problems for security agencies
- Currency exchange counters are not operational in some cases (eg. in older haats in Meghalaya), and officials are not always present (e.g. in Balat only the Bangladeshi bank representative was present when the team visited; in Srinagar only the Indian bank representatives was present when the team visited)
- Provision for basic medical facilities and first aid
- Provide public transportation for catchment area villages to reach the haat

#### 6. Haat Management & monitoring

- The meetings of the BHMC need to be held regularly and some formal mechanisms could be developed for interactions between the BHMC and the informal management/monitoring groups that exist in some haats.
- Haat Management Committees should have representation of stakeholders beyond vendors- like labourers, transporters and vendees
- Haat officials need to be equipped with measuring devices/machines to undertake checking of the quantity of goods allowed
- A separate formal body must look into day-to-day problems as the established officials of BHMC meet infrequently
- Private players could be engaged against fees to maintain and run haat facilities and ensure cleaning, sanitation, etc.

## Glimpses of border haat captured during field visits by CUTS



Srinagar (India) – Chhagalnaiya (Bangladesh)



Srinagar (India) – Chhagalnaiya (Bangladesh)



Kamalasagar (India) – Kasba (Bangladesh)



Kalaichar (India) – Baliamari (Bangladesh)



Kalaichar (India) – Balamari (Bangladesh)



Balat (India) – Sunamganj (Bangladesh)



Balat (India) – Sunamganj (Bangladesh)

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## About the Study

The Border Haats (border markets) were envisaged by the governments of India and Bangladesh as an instrument primarily to generate livelihood for people at the border areas of the two countries that are marred with limited access to development. The Haats are also expected to channelise a part of the informal trade that thrives along the borders of the two countries, viz, India and Bangladesh. Four such haats are presently in operation at the India-Bangladesh border. The achievement of these Haats has also been acknowledged by the India-Bangladesh Joint Committee on Border Haats in its first meeting in Agartala, Tripura in July 2018.

CUTS, together with Unnayan Samannyay, our partner in Bangladesh, and with the support of the World Bank, has undertaken this study in order to understand and examine their effects on poverty alleviation through income and employment generation and other multiplier effects including the formalisation of informal trade.



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