A journey across Border Haats: Major findings of the Study and key Recommendations

Expert Group Meeting
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:: Presentation by ::

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The split of the two Bengals became formalized with the Partition in 1947, when West Bengal (on the left) became a state within the Indian Union and East Bengal, a province of Pakistan. Eventually, Bangladesh (on the right) declared its independence from Pakistan’s exploitative administration in 1971.
Scheme of the Presentation

- Project Overview
- Project Activities (Completed, Ongoing and Forthcoming)
- Key Findings from the Field Survey
- Border Haats in the Covid-19 Era
- What needs to be done: Revisiting the recommendations that emerged from the survey?
- What role BH can play in the COVID-19 Era – Opportunities at the time of Crisis
To understand and document How Border Haats have impacted and/or will impact the lives, livelihood and income of people, particularly women, living near the border areas of India and Bangladesh; (Operational, Sanctioned, and Proposed BH)

Whether (Or, Not) and How the border haats acted as a tool to reduce informal cross-border trade between India and Bangladesh; (Operational BH)

Understand the prospects of setting up BH in the proposed Locations; (Sanctioned, and Proposed BH) and

Create awareness and generate consensus among grassroots stakeholders on establishing BH. (Sanctioned, and Proposed BH)

- Evidence Based Policy Making;
- Bottom-Up Approach
Locations

Figure 3.1: List of locations surveyed

- Balat-Dolora BH
- Kalaichar - Balamari BH
- Kamlasagar-Kasba BH
- Srinagar-Chhagalnaiya BH
- Kamalpur-Kumraghat
- Bholaganj -Bholaganj
- Shibbari -Bhulyapara
- Ryngku - Bagan Bari
- Palbasti-Paschim Batuli
- Nalikata- Saydabad
- Nunsury II-Thegamukh
- Silsuri-Mahmuam
- Sahenganj- Bhurungamari
- Changraboandha- Patgram
- Latu - Muria
- Satrasal - Char Bhurungamari
Stakeholders

The entire haat operation is monitored by the border management committee.
Project Activities

- Inception Meeting
- First Expert Group Meeting
- Methodology, Selecting Location for Field Survey, Questionnaire Design
- Conducting Field Survey & FGD (600 + respondents)
- Viewpoint Paper by the Experts (Under Finalisation)
- Research Report (Under Finalisation)
- Awareness Generation Programmes
- Exposure Visits
- Advocacy Meetings at National (2 nos.) and Regional Level (One)
Key Findings

• Need to choose commodities to be traded through the BH based on demand complementarities – list of commodities proposed in the research report;
• Need to allow trading of fish, poultry products and agri-seeds through BH;

Creation of BH expected to reduce informal trade in the sanctioned and proposed locations.
Key Findings

- Increase in non-haat income of vendors however income change differ across different BH locations
- Increase in spending by Vendees
- Increase in sale of FMCG products
Key Findings

Women and BH

Increase in Average Annual Income of women vendors in the last two years

Participation of women in BH was found to be limited (except Balat)

- Number of socio-cultural and religious constraints impair women’s participation;
- Found to be predominant in the orthodox Hindu families of Tripura and orthodox Muslim families in Bangladesh – Absent in Tribal Families.

- Income for Bangladeshi women vendors (very limited in numbers) are greater than Indian women vendors;
- For women, haat income greater than non-haat income;
BH as Facilitators of Cross Border Value Chain

Case of Beetle Nut: Kalaichar-Baliamri BH

- Raw betel nuts from India make way to Bangladesh for drying and peeling and are sent back to India for distribution and sales within India.
- The border haats can play an important role in shortening and simplifying the supply chain in select agri-horti products by allowing farmers to sell their produce directly to the buyers in the neighbouring country and in the process enhance incomes of farmers and create additional local livelihoods.
BH as markets for local handicraft/handloom products

- Women SHGs are engaged in home-based manufacture of items like traditional dresses, bags and cane and handicraft items;
- Unfortunately, no market for their produce;
- BH can provide the required market.

<table>
<thead>
<tr>
<th>Location</th>
<th>Produce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalaichar, Meghalaya, India</td>
<td>Bag Production center</td>
</tr>
<tr>
<td>Satrasal, Assam, India</td>
<td>Mats, caps, bags, flower vases etc. using stems of the Water Hyacinth plant (Kochuripana)</td>
</tr>
<tr>
<td>Sonarai, Champara, Bangladesh</td>
<td>Manipuri Handloom</td>
</tr>
<tr>
<td>Latu, Assam, India</td>
<td>Women SHG in and around Latu that are involved in manufacturing of cane and bamboo handicraft and Manipuri Gamcha and traditional dresses</td>
</tr>
</tbody>
</table>
BH during COVID-19 era

- Closure of all Border Haats for an indefinite period of time;
- Adverse impact on the lives and livelihood of the border residents;
- Economic impoverishment;
- Informal Trade likely to restart;

⇒ Need for immediate re-opening of BH
What needs to be done: Revisiting the recommendations that emerged from the survey?

<table>
<thead>
<tr>
<th>Earlier Recommendation (Pre-Covid-19)</th>
<th>Repositioning the recommendations (In the Covid-19 Situation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Increase in the number of Haat Days from one to two days in a week</td>
<td>• Increase the number days <strong>BUT</strong> introduce measures to limit the number of participants on each haat day</td>
</tr>
<tr>
<td>• Allow more number of vendees</td>
<td>• Limit the number of vendees. For example, 200 vendees will be allowed to stay at the haat premises for a stipulated period of time; once they have vacated, the next batch will be allowed to enter after an interval that will grant time for some basic cleaning up of the haat premises.</td>
</tr>
<tr>
<td>• Remove the 5-Km restriction</td>
<td></td>
</tr>
</tbody>
</table>

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**Example:**

For example, 200 vendees will be allowed to stay at the haat premises for a stipulated period of time; once they have vacated, the next batch will be allowed to enter after an interval that will grant time for some basic cleaning up of the haat premises.
What needs to be done: Revisiting the recommendations that emerged from the survey?

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<td>• Enhance the upper limit of purchases for vendees and allow them to purchase more commodities</td>
<td>• This has become more significant due to a reduction in income of vendors owing to economic lockdown.</td>
</tr>
<tr>
<td>• Revisiting the list of commodities allowed to be traded through BH</td>
<td>• Purchasing power of the border residents might have shrunk, and their purchase might remain limited to essential commodities.</td>
</tr>
<tr>
<td>o Allow local Handicraft items;</td>
<td>• In order to compensate the losses of the vendors due to decrease in spending by buyers, vendors of non-essential products could be advised to shift their usual merchandise in favour of essential items only;</td>
</tr>
<tr>
<td>o Allow trade in agri-seeds, fish, and poultry products.</td>
<td>• Stress should be given on trade in agricultural and essential commodities through the border haat to ensure food security on both sides</td>
</tr>
</tbody>
</table>
What needs to be done: Revisiting the recommendations that emerged from the survey?

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<td>• Repair the washrooms, arrange for running water for drinking and hand washing.</td>
<td>• To prevent spread of the virus it is crucial to ensure adequate supply of running water in all the washrooms for hand washing; and</td>
</tr>
<tr>
<td></td>
<td>• Arrange for clean washrooms that needs to be sanitised regularly.</td>
</tr>
<tr>
<td></td>
<td>• It will also be mandatory for the participants to wear masks, and maintain adequate distance among themselves for which vigilance is necessary.</td>
</tr>
</tbody>
</table>
Other Recommendations

- Installation of security related infrastructure (metal detector, CCTV camera, goods scanner etc.)

- Need for Awareness Generation
  - Rationalise expectation of local communities from the BH
  - Bring in more clarity in understanding even among some members of the Border Haat Management Committee (BHMC)
What role BH can play in the COVID-19 Era – Opportunities at the time of Crisis

- The Border Haat itself could serve as a forum for dissemination of awareness about the COVID-19
  - A stall at the Haat premises could be earmarked for sale of soap, sanitizers, masks and such other items that people will need to use to prevent spread and contamination by the virus;

- Opportunity for the border communities
  - The garment sector in Bangladesh is strong;
  - There is a dearth of sanitizers in Bangladesh

- Allow sale of face masks and PPE by BD vendors which are expected to be cheaper in BD.
- Allow sale of sanitizers, handwash, and soap by the Indian vendors
Request Inputs from the Experts

- What needs to be done to facilitate reopening of BH at the earliest
  - Is there a need to revisit the narrative?
  - How to re-package and re-position the pitch?
  - Any additional recommendations?

- Identifying Opportunities at the time of crisis.
THANK YOU
Annexures
Table 5.1. Price Differential of Select Commodities That Are Highly Traded Through Informal Channels

<table>
<thead>
<tr>
<th>Commodities</th>
<th>Price in Bangladesh (USD)</th>
<th>Price in India (USD)</th>
<th>Price differential in absolute terms (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orange</td>
<td>0.18 Per Piece</td>
<td>0.10 Per Piece</td>
<td>0.08 Per Piece</td>
</tr>
<tr>
<td>Apple</td>
<td>1.43 Per Kg</td>
<td>0.71 Per Kg</td>
<td>0.72 Per Kg</td>
</tr>
<tr>
<td>Cumin</td>
<td>4.16 Per Kg</td>
<td>1.73 Per Kg</td>
<td>2.43 Per Kg</td>
</tr>
<tr>
<td>Biscuits</td>
<td>2.97 Per 10 Packets</td>
<td>1.73 Per 10 Packets</td>
<td>1.24 Per 10 Packets</td>
</tr>
<tr>
<td>Pomegranate</td>
<td>1.43 Per Kg</td>
<td>0.71 Per Kg</td>
<td>0.72 Per Kg</td>
</tr>
<tr>
<td>Dates</td>
<td>1.67 Per Kg</td>
<td>0.89 Per Kg</td>
<td>0.78 Per Kg</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>3.81 per piece</td>
<td>1.01 per piece</td>
<td>2.8 per piece</td>
</tr>
<tr>
<td>Cardamom</td>
<td>42 Per Kg</td>
<td>14.28 Per Kg</td>
<td>27.72 Per Kg</td>
</tr>
<tr>
<td>Chocolate</td>
<td>2.14 Per 10 Packets</td>
<td>1.19 Per 10 Packets</td>
<td>0.95 Per 10 Packets</td>
</tr>
<tr>
<td>Clothing</td>
<td>2.38 Per Piece</td>
<td>1.55 Per Piece</td>
<td>0.83 Per Piece</td>
</tr>
<tr>
<td>Blanket</td>
<td>59 Per Piece</td>
<td>36 Per Piece</td>
<td>23 Per Piece</td>
</tr>
<tr>
<td>Tea</td>
<td>3.57 Per Kg</td>
<td>2.38 Per Kg</td>
<td>1.19 Per Kg</td>
</tr>
<tr>
<td>Mustard Oil</td>
<td>2.97 Per Litre</td>
<td>2.14 Per Litre</td>
<td>0.83 Per Litre</td>
</tr>
<tr>
<td>Onion</td>
<td>1.9 Per Kg</td>
<td>1.43 Per Kg</td>
<td>0.47 Per Kg</td>
</tr>
<tr>
<td>Potato</td>
<td>0.36 Per Kg</td>
<td>0.59 Per Kg</td>
<td>0.23 Per Kg</td>
</tr>
<tr>
<td>Shoes</td>
<td>5.95 Per Piece</td>
<td>3.57 Per Piece</td>
<td>2.38 Per Piece</td>
</tr>
<tr>
<td>Poultry Products</td>
<td>1.78/- Per Kg</td>
<td>3.27/- Per Kg</td>
<td>1.49 Per Kg</td>
</tr>
<tr>
<td>Salt</td>
<td>0.30/- Per Kg</td>
<td>0.12/- Per Kg</td>
<td>0.18 Per Kg</td>
</tr>
<tr>
<td>Soap</td>
<td>1.19 Per Piece</td>
<td>0.59 Per Piece</td>
<td>0.6 Per Piece</td>
</tr>
<tr>
<td>Hilsa</td>
<td>9.52 Per Kg</td>
<td>15.47 Per Kg</td>
<td>3.57 Per Kg</td>
</tr>
<tr>
<td>Lentil</td>
<td>1.19 Per Kg</td>
<td>0.48 Per Kg</td>
<td>0.71 Per Kg</td>
</tr>
</tbody>
</table>

Source: Field Survey
Figure 5.6. Relationship between distance to market and carrying cost involved

<table>
<thead>
<tr>
<th>Distance</th>
<th>Less than US$3</th>
<th>Between US$3-US$7</th>
<th>Greater than US$7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 KMS</td>
<td>61%</td>
<td>32%</td>
<td>6%</td>
</tr>
<tr>
<td>5 - 10 KMS</td>
<td>56%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>11 - 20 KMS</td>
<td>59%</td>
<td>41%</td>
<td>29%</td>
</tr>
<tr>
<td>More than 20 KMS</td>
<td>71%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Farmgate Selling Price @ USD 0.35/-Kg

Carrying Cost by Aggregators @ USD 0.03/-Kg

Selling Price BY AGGREGATORS = USD (0.13+0.03) + 20% Profit = USD 0.384/-Kg

Selling price of the RETAILER to the CONSUMER at the Urban Market = USD 0.384 + 20% Profit = USD 0.230/-Kg

Farmer gets a profit of USD 20% while the final selling price of the commodity is 44% higher than the farmgate price.
Price of Apple = USD 0.71/- per KG
Price of apple = USD 1.43/- PER KG

Without any intermediaries Farmers can earn a profit of USD0.72/- per KG

Transporters
Laborer
Support Service Providers

Additional Employment Opportunities created at the local Level