

India-Bangladesh Border Haats *Poised for a Growing Role*

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Thursday
1500 - 16:30 hrs (IST)
1530 - 1700 hrs (BST)

Organised and supported by: CUTS International and Unnayan Shamannay organised the webinar with the support of the Foreign, Commonwealth and Development Organisation of the United Kingdom under the project entitled “Border Haats between India and Bangladesh as a Tool to Reduce Informal Cross Border Trade.”

Date: November 12, 2020, 15:00–16:30 hrs. (IST), 15:30–17:00 hrs. (BST)

Opening Remarks: Bipul Chatterjee, Executive Director, CUTS International

Moderator: Bipul Chatterjee, Executive Director, CUTS International

Speakers

- Pritam Banerjee, Logistics Specialist
- Mahbuba Nasreen, Professor & Director, Institute of Disaster Management and Vulnerability Studies, Dhaka University, Bangladesh
- Sreeradha Datta, Centre Head, Neighbourhood Studies and Senior Fellow Vivekananda International Foundation
- Swapna Debnath, Additional Director, Department of Industries & Commerce, Government of Tripura
- Mustafizur Rahman, Distinguished Fellow Centre for Policy Dialogue, Bangladesh

Concluding Remarks: Bipul Chatterjee, Executive Director, CUTS International

Introduction

With the support of the FCDO, UK and in partnership with Unnayan Shamannay, Bangladesh, CUTS International is implementing a project entitled ‘Border Haats between India and Bangladesh as a tool to reduce informal cross-border trade.’ The webinar's key objective was to disseminate the key findings from the discussion and get suggestions from various stakeholders on the way forward.

Under this project, Banerjee has authored a discussion paper titled ‘*Reimagining Haats as International Retail Trade Zones*’ (<https://bit.ly/38825om>), that discussed the prospects of up-scaling Border Haats – **How** it could be done; **What** could be the possible challenges; and **How** to address the challenges.

Other than Pritam Banerjee, who was also the main presenter at the webinar, Mustafizur Rahman, Sreeradha Datta, Mahbuba Nasreen and Swapna Debnath, participated in the webinar as distinguished members of the panel.

Background and Context

Bangladesh and India share a common border stretching some 4,100 km. To encourage local trade, women empowerment, reducing informal trade, and exchanging local goods, Border Haats were established, where no local taxes are imposed on trade. Presently, four such border haats have been in operation at the Indo-Bangladesh Border.

There are specific examples to suggest through the CUTS study that Border Haats lead to a reduction in informal trade and creating alternative income and employment opportunities and are capable of creating cross border value chains. The beetle nut trade at the Kalaichar-Balihamari haat is an excellent example of such value chains. Strengthening such cross-border value chains coupled with exploring new ones would not only lead to upscaling of border haats from what they are present, *i.e., rough and ready markets*, to border economic zones. Such border economic zones have the potential for completely transforming the border economies.

The webinar was an endeavour to present few international case studies where such transformation has taken place; and discuss how the same could be made possible for the Indo-Bangla border haats that are operational and are likely to come up soon.

Highlights of the Panel Discussion

“An integrated approach towards cross-border commercial development, focusing on developing cross-border retail and personalised services at strategic locations along the India-Bangladesh border would address concerns relating to revenue leakage, smuggling and other illegal acts.” – *Pritam Banerjee*

The existence of informal trade between India and Bangladesh is not a new phenomenon. One of the reasons for informal trade has been the demand-supply gap in various commodities among villages bordering India and Bangladesh. To reduce informal trade and reduce the demand-supply gap, formal frameworks, like border haats, are essential. However, the border haats are

represented mainly as *rough and ready markets requiring* up-scaling to organise retail trading zones and/or border economic zones.

Banerjee, cited the border zone retail models that exist along the US-Mexican and the China-Kazakh (ICBC) borders. He emphasised the need to adopt good practices followed in these border zone retail models and replicate them for the India-Bangladesh border. He underlined the need to facilitate the exchange of goods and allow people to cross over borders for availing basic services like health checkup or daily necessities that are better available on the other side of the border.

Banerjee proposed a model that entails using Agartalas' Bir Bikram Airport as a gateway for goods and tourist movement in a secure way to India from Bangladesh. Facilities like retail outlets, movie theaters, various service outlets (viz. OPD, salons, contact centres), food courts, the bonded warehouse can be thought of for Indian locals and tourists from Bangladesh. It will increase interest and business for retail sellers of both countries. As a cross-border trade zone, it will help small businesses of both countries.

Banerjee emphasised adopting a similar model with appropriate modifications at the Lakhimari-Sonarhat border area between India and Bangladesh. Along with business, the Lakhimari-Sonarhat area's development would also strengthen people-to-people connectivity through cultural exchanges. There is a considerable prospect for local artisans to exhibit and sell their products through the proposed border retail zone at Lakhimari-Sonarhat.

“Border haats could be good avenues for enhancing women’s participation in the labour market, thereby empowering them” - Mahbuba Nasreen

Nasreen underlined the role of border haats in women empowerment. She suggested undertaking a detailed feasibility study followed by an extensive stakeholder consultation on how women could be better absorbed in the labour force through their participation in border haats. Additionally, she emphasised ensuring economic equality for women by standardising their wages and services costs at the border haats. Given the pandemic and various ensuing regulations, she proposed the idea of facilitating e-commerce through border haats.

“One can ideate border haats as zones for local community development” - Sreeradha Datta

Datta emphasised the need for sensitising security personnel operating on the grounds about the benefits of cross-border movement of people, goods and services. Moreover, a priority in addressing essential facilities of well-maintained restrooms, running water and sanitation has been highlighted to encourage women participation at the border haats, both as vendors and buyers.

“Furthering the scope of border haats into border retail trade zones could be an economically profitable and commercially viable strategy that needs to be explored further and pursued by both the Central and state governments” - Swapna Debnath

Debnath mentioned that the Border haats has been instrumental in achieving its primary objective of promoting people-to-people connectivity over the years, right after its inception. She further added that the Government of Tripura could take the concept of border retail trade zones forward with a more significant number of relaxations in regulation and process.

“The approach should be about respecting the borders and take advantage of socio-economic ties” - Mustafizur Rahman

While discussing the macroeconomic aspects of developing border trade zones between Bangladesh and India, Rahman laid stress on four distinct stages of gradually scaling-up institutional structures based on market forces. It includes border haats to retail trading, commercial border, and cross-border special economic zones (SEZs). He mentioned that up-scaling of border haats from their present structure to SEZs should be a gradual process focussing on strengthening investment connectivity between two countries.

Key Issues Emerged during Open Discussion

- The proposed model at Bir Bikram airport could be an access-controlled infrastructure. People from both India and Bangladesh may only come to the place for availing any one of the available facilities like purchasing goods from the retail zone. Everyone does not need to fly to the Agartala airport, and they can walk in to avail any of the available facilities. Also, it would be easier for the Indians to move along this route to Agartala and then to Bangladesh.
- For e-commerce facilities, the place could be used as a pickup point and for Lakhimari, the place can be thought of as a bonded warehouse where it could be used as a distribution centre for select commodities.
- Establishing a common trade facilitation centre could be thought of when officials from relevant departments in both countries will work under one enclave to make trade and transit easier.
- One of the participants suggested establishing floating markets and river cruise tourism at strategic locations between India and Bangladesh.
- Skill development of locals in different fields could be thought of for more business to flourish and increase employment.

Conclusion

Delivering his concluding remarks, Bipul Chatterjee, Executive Director, CUTS International, underlined that “*there is a need to engage local governments, panchayats, local media and tribal communities to promote institutional initiatives like border haats and ensure their buy-ins for furthering and scaling up to larger initiatives such as border retail trading zones and cross-border special economic zones*”.

In his final remarks, Pritam Banerjee explained that initial development could not be market-driven. Projects should be taken up with substantial government funding, and provincial governments should have a more significant role to play in providing land at competitive rates. Even multilateral agencies, such as the World Bank and Asian Development Bank could be roped in to support infrastructural development.

Youtube link: https://youtu.be/OK9qviGUF_M

Press Release links: <https://cuts-crc.org/elevate-india-bangladesh-border-haats-to-retail-trading-zones-cuts/>