

Opportunities and Challenges of Establishing Border Haats along India and Bangladesh's Border with Myanmar

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

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

Opening remarks: Bipul Chatterjee (Executive Director, CUTS International)

Speakers

- Nazneen Ahmed, Senior Research Fellow, Bangladesh Institute of Development Studies
- Subir Bhaumik, Editorial Director at Asian News
- Kum Isawanda Laloo, Deputy Commissioner, East Khasi Hills District, Government of Meghalaya
- P. Jawahar, Secretary, Commerce and Industries Department, Government of Mizoram

Concluding Remarks: Bipul Chatterjee (Executive Director, CUTS International)

Introduction

CUTS International, with the support of the Foreign, Commonwealth and Development Office, UK and in partnership with Unnayan Shamannay, Bangladesh, is implementing a project entitled ‘Border Haats between India and Bangladesh as a tool to reduce informal cross-border trade’. Two out of ten briefing papers have been published under the project, exploring the opportunities and challenges for establishing border haats along the Indo-Myanmar and Bangladesh-Myanmar border.

Dr. Nazneen Ahmed, Senior Research Fellow, Bangladesh Institute of Development Studies was the author of the briefing paper titled “Border Haats on Bangladesh-Myanmar Border Opportunities and Challenges” (<https://bit.ly/2TdHMwT>). Subir Bhaumik, Editorial Director, Easternlink Media authored another briefing paper on “Border Haats on India-Myanmar Border Opportunities and Challenges” (<https://bit.ly/33z0JjF>).

Background and Context

Border Haats along the fringes of the Indo-Bangladesh border are rough and ready markets that have been established to enable residents on both sides of the border to market and consume their 'local produce'. The idea of Border Haats was conceived by the governments of India and Bangladesh to promote the well-being of such marginalised people. The results are encouraging.

Encouraged by the success of Indo-Bangla border haats, the governments of India and Myanmar are also considering opening border haat along the India-Myanmar border, in Mizoram. Four locations for setting up the border haats have been identified, and the respective national governments are presently working out the Mode of Operations of the border haats.

In this regard, the webinar aimed at deliberating various opportunities and challenges for not only establishing the border haats, but also understanding how to make these proposed border haats sustainable in the future.

Additionally, the webinar was also aimed at initiating a dialogue on whether border haats could be established along the Bangladesh-Myanmar border for developing better people-to-people connectivity between the two countries.

Highlights of the Panel Discussion

Meghalaya shares 443 km of borders with Bangladesh. This includes six districts of Meghalaya – two in the Garo hills, two in the Khasi Hills, and the other two in the Jaintia hills. Before the partition of Bengal in 1947, people residing in these regions used to freely exchange goods among themselves. People residing in the hills (presently in India) used to cultivate fruits, spices, and broomsticks; and people from the plains (presently in Bangladesh) used to cultivate poultry products, fish, tools and implements, garments, etc.

To revive the historical trade ties, two border haats were established – one in Kalaichar, in West Garo hills; and Balat in East Khasi hills. These haats facilitated an increase in trade and bilateral ties among local communities residing on either side of the border. Additionally, the border haats created alternative income and livelihood opportunities for the residents.

In his opening remarks, Bipul Chatterjee, Executive Director, CUTS International, mentioned that the establishment of border haats, along the India-Bangladesh border proved to be an effective tool, not only to reduce cross-border informal trade but also to strengthen people-to-people connectivity among the border residents. These haats yield some socio-economic benefits to the border residents by creating alternative livelihood opportunities, providing markets for the local produce, and facilitating economic empowerment of women.

Kum Isawanda Laloo, Deputy Commissioner, East Khasi Hills District, Meghalaya, mentioned that the establishment of the haats has benefited the border residents, especially women, by enabling them to access essential items including vegetables, melamine products, etc. which are otherwise costly in their domestic markets.

She mentioned that under the Border Area Development Programme, the state government has been implementing skill development programmes for border residents in respect of agriculture, agro-processing, fisheries, and tourism. It is expected that such skills will better equip border residents to exploit the income and livelihood opportunities created by the border haats.

India and Myanmar shares 1,643 km borders of difficult terrain. Four Northeast Indian states share the border with Myanmar, namely - Arunachal Pradesh, Nagaland, Mizoram, and Manipur. Subir Bhaumik, Editorial Director, Easternlink Media and author of the briefing paper titled “Border Haats on India-Myanmar Border Opportunities and Challenges” underlined the need to view border haats in the context of the larger national and regional realities which include both securities as well as commercial consideration.

Underdeveloped road network coupled with difficult terrain of the villages severely impedes the development of villages along the India-Myanmar border. Owing to a lack of income and livelihood opportunities, coupled with geographical challenges, and strong ethnic differences, the locals indulge in various illegal activities like trade in weapons and contraband trafficking. The geopolitical and ethnic concerns inevitably amplify various security concerns jeopardising the idea of establishing border haats.

Bhaumik emphasised that Mizoram is a case in contrast. Mizoram is the most peaceful state in the North East and was the most obvious choice by the policymakers for opening border haats along the Indo-Myanmar border.

Given the success of the border haats along, the governments of India and Myanmar have also decided to open four border haats along the Indo-Myanmar border in Mizoram. P Jawahar, Secretary, Department of Industries, Government of Mizoram stated that a meeting of the Joint Trade Committee between the governments of India and Myanmar, to be organised during October 2020, will finalise the Mode of Operation of the proposed border haats at Hnahlan under the Champai district; and Pangkhua under the Siaha district in Mizoram. Two other border haats has been proposed to be organised at Zote, and Vaphai (Saikhumphai), both under the Champai district in Mizoram, he further added.

The Government of Mizoram is also planning to establish processing industries on the Indian side of the proposed border haat which will process agri-horti products that have a significant

marketable surplus on the Myanmar side, thereby creating value chain connectivity among the two countries at the grassroots level.

Nazneen Ahmed, Senior Research Fellow, Bangladesh Institute of Development Studies (BIDS), who also authored the briefing paper titled “Border Haats on Bangladesh-Myanmar Border Opportunities and Challenges” mentioned that informal trade is predominant between Bangladesh and Myanmar.

While the total trade volume between Bangladesh and Myanmar was approximately US\$75mn during 2013-14, the estimated volume of informal trade was US\$300mn. The existing tax regime, stringent licencing system, especially in Myanmar is the key reason why trade via informal channels is more than the formal channels.

In this regard, she underlined that the idea of establishing border haats along the Bangladesh-Myanmar could turn out to be an excellent strategy to reduce informal trade, strengthen people to people ties, and foster peace, security, and stability at the border areas between Bangladesh and Myanmar.

During December 2011, a Joint Commission for Bilateral Cooperation between Bangladesh and Myanmar was established and, a Memorandum of Understanding was signed for establishing a Joint Business Council (JBC) between the Union of Myanmar Federation of Chambers of Commerce and Industries (UMFCCI) and the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI). The Memorandum of Understanding on the establishment of a JBC between UMFCCI and FBCCI, to discuss issues about various trade, investment opportunities as well as potential to establish a border haat.

Key Issues Emerged during Open Discussion

Viewed from the lens of national security, some believe that border haats are a threat. However, the reality has been the opposite. On the contrary, border haats could act as platforms for greater people-to-people contact, thereby strengthening mutual trust among border communities, residing on either side of the border, and leading to better border management.

Pinak Ranjan Chakravarty, a former Ambassador of India to Bangladesh and former Secretary of the Indian Foreign Ministry, there is a need to highlight border haats as a means for promoting peace and security in the border areas. 17 states in India have international borders. However, foreign policies enunciated by the government seldom draw attention to the role of state governments in maintaining peace and security at the border.

In this regard, he underlined the need to establish institutional mechanisms to ensure that state governments are consulted while framing strategic foreign policies.

Long-term sustainability of border haats would require exploring and effectively exploiting value chains at the local level which, in turn, would lead to the creation of a symbiotic cross-border relation among local communities residing on both sides of the border. In this regard, there is a need to adopt policies for promoting entrepreneurship among the grassroots stakeholders, support them with bank finances, and equip them with necessary skills, so that they could effectively participate in the cross-border value chains.

Monoj Roy, a former Additional Secretary in the Ministry of Commerce, Bangladesh, highlighted the need to consider the border haats as future growth centres that will lead to the creation of alternate income opportunities, thereby, leading to the development of lives and livelihood of the border residents. He emphasised the necessity of encouraging more people to participate at the haats by increasing the list of products that can be traded, and by removing geographical and increasing the number of vendors at the haats.

While the briefing papers have underlined the opportunities and challenges of establishing border haats along India-Myanmar and Bangladesh-Myanmar border, but there is a need to deep dive to better understand the commodities that should be traded through the border haats, the likely impact of the border haats on various aspects viz. socio-economic parameters, peace and security, border management, etc.

Conclusion

The panel concluded that border haats have a great prospect in initiating cross-border trade, to increase people to people connectivity to develop a better understanding of the eco-system. The different state governments of India must collaborate with the Central Government to initiate such more initiatives to develop bilateral talks and generate awareness of the concept between the locals and related departments and agencies.

Youtube link for the webinar: <https://bit.ly/3jkom49>