

Border Haats

An opportunity to strengthen cross-border value chains between India and Bangladesh

11 February
2021
Thursday
1500 - 16:30 hrs (IST)
1530 - 1700 hrs (BST)

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

Opening Remarks: Bipul Chatterjee, Executive Director, CUTS International

Moderator: Bipul Chatterjee, Executive Director, CUTS International

Speakers

- Sudhir Chandra Nath, Head of Business, Advanced Chemical Industries Limited
- Biswajit Chakrabarty, Director, Federation of Indian Chambers of Commerce & Industry, North-East Advisory Council Guwahati
- Sreeradha Datta, Centre Head, Neighbourhood Studies and Senior Fellow Vivekananda International Foundation
- Nazneen Ahmed Senior Research Fellow, Bangladesh Institute of Development Studies (BIDS)
- Monoj Roy, Former Additional Secretary, Ministry of Commerce, Government of Bangladesh
- Joyeeta Bhattacharjee, Senior Fellow, Observer Research Foundation

Concluding Remarks: Bipul Chatterjee, Executive Director, CUTS International

Introduction

With the support of the Foreign, Commonwealth and Development Office, 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.’ Two Briefing Papers titled ‘Border Haats as Centres for Exchange of Agricultural Inputs, Ideas and Practices’ and ‘Border Haat as A Means to Promote Trade and Cross-border Value Chains between North Eastern States of India and Bangladesh’ have been published recently under this project. Authors of these papers are Sudhir Chandra Nath, Head of Business, Advanced Chemical Industries Limited, Dhaka and Biswajit Chakrabarty, Director, Federation of Indian Chambers of Commerce & Industry, North-East Advisory Council Guwahati, respectively.

Along with the Paper Authors, other Speakers on the Panel were Sreeradha Datta, Centre Head, Neighbourhood Studies and Senior Fellow Vivekananda International Foundation; Nazneen Ahmed Senior Research Fellow, Bangladesh Institute of Development Studies (BIDS); Monoj Roy, Former Additional Secretary, Ministry of Commerce, Government of Bangladesh; Joyeeta Bhattacharjee, Senior Fellow, Observer Research Foundation.

Background and Context

Border haats are not just about trade but also about growth, inclusion, and stability instrumental for any border development project. It holds the promise of a brighter future for the people, mutual economic gains and social benefits, thereby resulting in regional development across the border. The governments of India and Bangladesh decided to establish Border Haats keeping in mind the border development agenda and this initiative has been quite successful so far.

Studies done by CUTS International and other existing literature show that Border Haats create local trade opportunities and enhance value chains of products and services. The Border Haat initiative recognised and reestablished the long-standing people-to-people ties in this sub-region while reducing informal trade volume and promoting local trade in different verticals such as agriculture and women empowerment. Overall, Border Haats has created and achieved developmental goals for the bordering community contributing to socio-economic stability and prosperity.

Border haats, while facilitating socialisation across the border on the one hand, entrusted the local people with greater decision-making powers in implementing various developmental plans meant for their regions, on the other. In a COVID-stricken world, diplomacy has mostly moved away from a top-down approach towards a bottom-up one and the border haats fit into this trend quite well. The decline in informal trade post establishment of border haats was

primarily due to creating local employment opportunities and permission for trade in commodities through border haats, which was earlier a distant dream.

This webinar endeavoured to discuss the importance of border Haats in the cross-border exchange of agricultural inputs and reduction of informal trade.

Highlights of the Panel Discussion

‘The development of Border Haats should feed in the larger picture of Regional Development of South East Asia’ - this was one of the key observations in this webinar.

This session focussed on perceiving the Border Haats as Centres to promote peace, stability and economic prosperity across the borders. CUTS must be involved in developing as well as enhancing the value chain keeping in mind the broader spectrum of regional growth and cooperation.

“Border haats can provide a platform where farmers from both countries can exchange their technology, idea, knowledge and their surplus production of agricultural and horticultural products.” - Sudhir Chandra Nath

At the beginning of this digital session, the deliberations focused on how the border haats can be leveraged for a better seed exchange regime between India and Bangladesh. Sudhir Chandra Nath mentioned that significant trade in agricultural inputs, like seeds, takes place between border communities through various informal channels. He argued that Border haats could provide a platform where farmers from both countries can exchange such commodities. It was emphasised that the exchange of seeds should be complemented with the exchange of information and technology through the border haats, as each crop has its science of growth.

Given the various commonalities in food habits and agricultural practices, the border haats might evolve into business hubs for farm produce and inputs, thereby serving as centres for agro-input and technology exchange. This will help develop a symbiotic relationship among border communities residing on either side of the India-Bangladesh border.

Therefore, border haats should be defined as platforms for diversifying livelihood options and providing alternative earning opportunities while promoting cross-border socialisation. In addition to enhancing the bilateral trade between countries, it promotes rural entrepreneurship and private sector participation is crucial to the entire context.

“This important role played by the border haats needs to be emphasised and expanded further to catalyse business-to-business collaboration, to give a boost to bilateral trade and encourage the development of efficient value chains.” – Biswajit Chakrabarty

The other paper on ‘Border Haats between India and Bangladesh as a Tool to Reduce Informal Cross Border Trade between the Two Countries’ draws attention to some cross-border value chains, such as the betel nut value chain in the Kalaichar-Baliamari area. It got a new lease of life because of the Border haat set up in that area. According to Chakraborty (author of the paper), the plastics industry in Bangladesh imports all its raw material from Saudi Arabia, Malaysia, India (Gujarat, etc.). It sells its products in Northeast Indian states. It could benefit by importing its raw material from Assam, a gas cracker plant and saves transportation costs.

He further emphasised the fact that border haats could be developed as common contact points for business interaction and networking, allowing people on both sides of the border to trade more around the nucleus that is the border haats. The poor and marginalised people residing in these remote locations along the India and Bangladesh border have benefitted much from the institutionalisation of border haats.

A spurt of livelihood opportunities has resulted in a veritable improvement in the quality of their lives and living standards. Women, otherwise engaged exclusively in the performance of domestic chores, could become financially self-reliant by their involvement in the Border Haats and thus contribute to the family finance and decision-making process.

Dutta said that the larger infrastructure projects and interventions, along the border areas, would yield better results if seen as platforms. She also emphasised on gender dimensions of the border haats as they have empowered the women in the border communities to engage in the trade, thereby earning a livelihood. Therefore, the impact of Border Haats should be seen based on the incremental benefits accrued against all these parameters.

Ahmed mentioned that it is imperative that we also think about the scalability and innovations to promote the border economic zone. She further added that enhancing infrastructural facilities such as uninterrupted internet connectivity and provisions for other information and communication technology will be a welcome step to escalate the Border Haats in the E-commerce platform in this digital age. She mentioned that Border Haats should be considered a means for initiating dialogue and trade across borders in a more holistic manner, utilising its true potential.

While deliberating on the broader theme, Roy pointed out the importance of skill development through vocational training at the community level for their more active involvement in cross-border economic exchange. Border Haats offer larger benefits that communities can achieve on both sides of the border through the much-required skill trainings. The government, as well as private entities, have a crucial role to play in this context.

Bhattacharjee touched upon an important point that stakeholders from both sides of the border should consider their respective strengths and contribute to regional development goals. Health and education are two prominent areas where we must concentrate. She also mentioned that the border haats could be developed as processing zones by demand-supply mapping on both sides and facilitating access to technology and credit. The primary objective of Border Haats must be to reconnect these separated communities and integrate them into a larger picture of regional development.

Other Important Points of Discussion

The webinar emphasised that these border regions are situated in the country's furthest corners and are deprived of basic infrastructure and economic activities. Therefore, the governments' role should mainly be ensuring an optimum number of regulations in place for last-mile impact and a dynamic policy regime to facilitate the development of the border regions.

Apart from skill training, creating a robust supply chain of products traded across the border and appropriate marketing strategies are equally important. Modern border development zones are increasingly adopting a cross-border model to redistribute the two governments' resources by having better infrastructure. The role of Border Haats should be assessed through the greater socio-economic productivity it brings on the board.

With the learnings from the successful operation of the border haats over the last few years, these could indeed form the nucleus around which Special Border Economic Development Zones could develop.

Conclusion

Delivering his concluding remarks, Chatterjee said that there is a need for champions for border areas development in the national and state capitals on both sides of the border. They should present the ground realities, challenges and at the same time advocate for the border haats as an essential tool to facilitate access to opportunities. He said villages along India-Bangladesh border should not be viewed as areas of violence, and smuggling but rather as centers of peace, security, stability and economic prosperity. Border Haats hold the key to strengthening new cross-border value chains.

Press Release Link: <https://bit.ly/3jQ6O1y>

Youtube Link: <https://www.youtube.com/watch?v=VysNuYwuGsI&feature=youtu.be>