

Socioeconomic Impact of Border Haat in Meghalaya : A Case Study of Kalaichar Border Haat

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Abstract

The India and Bangladesh governments, in order to uplift the socioeconomic development of the people inhabiting the Indo-Bangladesh border, opened the border haat at Kalaichar in South-West Garo Hills district of Meghalaya, India on July 23, 2011. In this paper, an attempt was made to assess the socioeconomic impact of Kalaichar Border Haat on the vendors. The findings of the study revealed that mainly agricultural items of local origin are exported to Bangladesh by the local vendors through Kalaichar Border Haat. The study also revealed that the opening of the border haat had a positive impact on the socioeconomic life of the vendors. After four years of border trade, the local vendors enjoyed better socioeconomic conditions in the form of better education for their children, better sanitation & electricity facilities, and weekly income source.

Keywords: Border trade, border haat, socioeconomic development, Indo-Bangladesh trade

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Traditionally, there has been a customary exchange of goods and services between the people residing in and around the borders of India and Bangladesh. This has largely been affected by the social, cultural, economic, and political situations on both sides. In the 21st century, cross-border trade still assumes more relevance for different stakeholders and is considered as a global phenomenon. Hence, to improve the socioeconomic status of the people of border areas of these states, formal trade through proper agreement should be encouraged with appropriate infrastructure facilities. Markets in the form of haats in these border areas may lead to a rise in trade volume. This, in turn, has the possibility of improving livelihood of the people residing in the border areas.

Cross-border trade is a century-old practice in India in general and Garo Hills in particular. This traditional way of border trade which has been carried out through border haats along the border of Bangladesh and India has brought about relative prosperity to the different communities living on both the sides of the two countries. These border haats unfortunately had to halt due to the division of the Indian subcontinent in the post partition period. After a long gap of more than 40 years, India and Bangladesh decided to reopen the border trade through various border haats as it forms a part of border area development plan and also acts as a means of livelihood for the border residents. Trade through border haats basically takes place between the neighboring countries sharing common international frontiers. The rationale for border trade arises from numerous factors. Besides economic factors such as disparity in prices and dearth of commodities and complementarities of various forms, the geographical proximity of finished goods and factors of production primarily account for the present practice of cross-border trade.

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The Kalaichar Border Haat along the India-Bangladesh Border Pillar Number-1072 are enclosures constructed on the Zero Line and are opened once a week (Wednesdays) from 10 am to 3 pm. The commodities sold in this haat are basically exempted from customs duties. It allows a purchase of up to 100 U.S. Dollar per vendee, and transactions can be conducted in local currencies. People residing within the radius of 10-15 km from the border are able to frequent this haat, although the stipulated distance is only 5 km. Twenty five vendors from India are given trading permit valid for one year. To ensure public order, only 250 vendees at present are allowed inside the Kalaichar Border Haat at a given time. During the days of operation, customs officials, bank officials, local police, and Border Security Force (BSF) personnel are present in the haat to ensure smooth conduct of border trade. To participate in the Kalaichar Border Haat, the prospect vendors (candidates) residing along the Bangladesh border within the radius of 10 km have to maintain certain formalities like filling up forms with valid documents. These candidates are then interviewed by the Kalaichar Border Haat Management Committee consisting of a Chairman (DC of South West Garo Hills Districts, Ampati) and Members like First Class Magistrate, Officials of Land Customs, State Police, and Border Security Force based on their basic mental aptitude. Once these candidates satisfy the Kalaichar Border Haat Management Committee, they are then given identity card labeled as Vendors. These vendors are allowed to sell only the listed items fixed by both the Governments of India and Bangladesh. As far as the nature of commodities traded is concerned, the local vendors export only agricultural goods to Bangladesh throughout the year from the Kalaichar Border Haat.

Statement of the Problem

Bangladesh is one the chief trading partners of India. The North East Region of India has 17 functioning Land Custom Stations (LCS) with Bangladesh. As per the agreement on border trade signed between India and Myanmar on October 21, 1994 in New Delhi, three LCS in Indian side, that is, Moreh in Manipur, Champai in Mizoram, and Nampong in Arunachal Pradesh were agreed upon. Most of the people inhabiting the Indo-Bangladesh border in Meghalaya are dependent upon agriculture. Hence, most of the products that are traded in the market are in the form of agricultural products. Since the regions lack warehousing and good transportation system, most of the agricultural products perish, causing huge loss for the cultivators in the post partition period. Hence, it was felt that a large number of products in the North East region of India, with a little assistance from the appropriate authorities, could become potential export products.

Moreover, the socioeconomic condition of the people residing in the border areas of both the sides is not up to the desired level. Border trade can enhance the socioeconomic status of the people residing in the border areas of both the regions. Therefore, the present study is an attempt to address the issues concerning the socioeconomic facets of the people of one of the border areas of Meghalaya.

Review of Literature

A number of empirical studies have been undertaken related to the Indo-Bangla border trades, which are summarized below :

Kumar (2000) highlighted that the partition of India created abnormal border trade and the age-old ties with Bangladesh were scrapped. He also pointed out that the border trade dwindled after independence of India. Similarly, Das (2000) opined that the North-Eastern Region shares about a 1500 kilometer border with Bangladesh and has age-old socioeconomic ties with it from time immemorial. Although, the partition has disrupted the structure of age-old flow of goods and services between these two countries, the communication channels are not absolutely abandoned. Debkar (2008) studied the Indo-Bangladesh trade which was carried out across the border of Garo Hills and found that the trade was characterized by the export of raw materials from Garo Hills to Bangladesh. The study also revealed that income earned from the coal exports by the local people

was hardly invested in order to develop an alternative source of income. Edmonds and Fujimura (2006) found that the quality of road infrastructure in the border area had a positive and statistically significant relationship with trade flows. Rout (2008) highlighted that Meghalaya's coal exports took place through different LCSs to Bangladesh. Barman and Bhattacharjee (2015) examined the nature of goods traded in the Indo-Bangladesh border and highlighted the problems faced by the local vendors while exporting the locally produced goods to Bangladesh. Sikidar, Borthakur, and Borpujari (2015) identified that connectivity had emerged as a significant issue for enhancing cross-border trade and highlighted the problems and prospects of connectivity in improving India's trade relations with its neighboring countries.

From the above scrutiny of existing literatures, it could be observed that a lot of studies have highlighted the formal and informal border trade and the potential market for various raw materials that are available in North-East India. However, least attention has been given to the socioeconomic aspects of the local vendors and vendees in this region of North-East India. Hence, the present study has been taken up to address these gaps taking the case of Kalaichar Border Haat.

Relevance of the Study

Border trade in Garo Hills region of Meghalaya is a century old practice. The Garos of the Southern hills of Meghalaya (India) along the Mymensing border of Bangladesh were in the habit of trade in all the markets of Sherpur and Susang areas of Mymensing District of Bangladesh. The Garos mainly traded in cotton, chillies, aghur, animal skin, and elephants, which was so rewarding that each estate holder established a chain of haats (weekly markets) at all important passes in their respective areas. People residing on either side of the two nations used to exchange their surpluses through these haats. These haats were in high demand by the people on both sides. Therefore, people of both the nations had strong bonding not only in terms of trade, but also in terms of day-to-day social life. Unfortunately, these haats were shut down during the Liberation War of Bangladesh.

Although India and Bangladesh border regions had strong socioeconomic relations since independence, the two nations had not engaged in formal border trade prior to 1971. An effort to restart border trade between the two nations was initiated in 1972 when India and Bangladesh signed a trade Agreement on March 28, 1972. However, before the border trade could be officially materialized, the Bangladesh government raised apprehensions that free exchange of goods would result in large-scale smuggling. Therefore, border trade between India and Bangladesh was not allowed.

India and Bangladesh again decided to reopen border trade after a long gap of more than four decades when their relationship improved. Therefore, a Memorandum of Understanding to establish a border haat was signed between Commerce Ministers of India and Bangladesh on October 23, 2010. The aim was to promote the well-being of the border people by setting up border haats for their locally produced goods. Therefore, two border haats (viz, Kalaichar and Balat) were established along the India-Bangladesh border.

Objectives

The prime objective of the study is to examine the socioeconomic benefits derived by the local vendors through their participation in the Kalaichar Border Haat.

Methodology

(1) Scope and Coverage : The research was conducted at Kalaichar located in the South West Garo Hills District of Meghalaya. The district is bounded by Dhubri District of Assam and Kurigram District of Bangladesh. The

area of the South West Hills Districts physically extends up to 11 kilometres short of Tura on the East, Mahendraganj and Gopinath Kila on the West, Mankachar on the North, and Boldamgri and Kalaichar on the South. South West Garo Hills has around 35 kilometres of international boundary with Bangladesh on the South and Western sides. Nearly one-third of the total number of villages of the district are declared as border villages by the Border Area Development Department of India.

(2) Data Collection : The present study is based on primary data obtained by structured schedules containing relevant questions. The primary data were collected from the Kalaichar Border Haat vendors during 2016.

(3) Population and Data Analysis : There are altogether 25 vendors operating in the Kalaichar Border Haat. These 25 vendors comprising of the total population were interviewed to understand their socioeconomic facets. The collected data have been tabulated and analyzed by applying suitable statistical techniques.

Analysis and Results

In order to fulfill the objective of the present study, we have examined the socioeconomic benefits derived by the local vendors through their participation in the Kalaichar Border Haat. The Table 1 shows the demographic profile of the vendors of the Kalaichar border area.

Table 1. Demographic Profile of the Local Vendors

Variables		Frequency	%
Sex	Men	16	64
	Women	9	36
	Total	25	100
Marital Status	Married	25	100
	Unmarried	0	0
	Total	25	100
Age (in Years)	25-35	4	16
	35-45	18	72
	45 and Above	3	12
	Total	25	100
Educational Level	Below Class V	2	8
	Class V- VIII	17	68
	Class VIII - X	6	24
	Total	25	100
Monthly Income (₹)	Less than 10,000	15	60
	10,000-15,000	6	24
	Above 15,000	4	16
	Total	25	100

The Table 1 reveals that 64% of the total respondents were found to be men, although the Garo Hills is a matrilineal society in nature. As far as marital status is concerned, all local vendors were basically married persons. In the study area, the local vendors were mostly found to be in the age group 35-45 years. Since Kalaichar is located in a remote area, the educational level of the local vendors was very low, that is, majority fell in the

category of educated upto Classes V to VII. The monthly income of the local vendors of the Kalaichar Border Haat was found to be more in the category of earning less than ₹ 10,000.

In order to assess the impact of border haat on the vendors, we studied the socioeconomic indicator of development. The various socioeconomic facets of development are :

Social Facets	Economic Facets
Education of Children	Income Level
Health Awareness	Savings and Purchasing Power
Access to Safe Drinking Water	Housing Condition
Sanitation	Electricity Consumption

The Table 2 shows the results obtained from the study area on the impact of the border haat on the socioeconomic facets of the vendors.

(i) Educational Status of Children : Education is a fair indicator of any society and plays a key role in socioeconomic development. In the study area, the attitude of education of 79% of the respondents was that with the regular participation in border trade, it changed their perception towards the role of education in molding the socioeconomic status as well as educational status of their children.

(ii) Health Awareness : Health awareness of any society is significantly related with the improved economic status for any society. They are changed on the basis of increasing the income and saving power of different market participants and then, the participants are more conscious about their health status. In the study, 48% respondents felt that their health status had changed, to some extent, due to their regular participation in this rural border trade, which enabled them to earn money, which was then used for medical needs and treatment.

(iii) Safe Drinking Water : In the study area, the drinking water condition was not in a desired condition and 56% of the respondents recognized that their drinking water was not good. Most of the respondents did not take purified water.

(iv) Sanitation : Poor sanitation status was accepted by 39% of the respondents. In the study, it has been identified that inadequate sanitation and poor hygienic conditions result not only in more sickness, but also in higher health costs. Most of the respondents did not have sanitary latrines and urinals.

Table 2.Socioeconomic Aspects of the Local Vendors

Facets	Categories	Responses
Social Facets	Education Status of Children (%)	79
	Health Awareness (%)	48
	Safe Drinking Water (%)	56
	Sanitation (%)	39
	Total	25
Economic Facets	Income Level (%)	89
	Purchasing Power and Savings (%)	87
	Housing Conditions (%)	63
	Consumption of Electricity (%)	48
	Total	25

(v) Change in Income Levels : In the study area, 89% of the total respondents acknowledged that their income levels had changed significantly due to their weekly participation in the Kalaichar Border Haat.

(vi) Increase in Savings and Purchasing Power : The saving and purchasing power is a very valuable indicator to gauge the socioeconomic conditions of the people of the border areas. The saving as well as purchasing power of border haat participants increased to a great extent because of the increases in their income level. Out of the total respondents, 87% admitted this fact.

(vii) Changes in Housing Conditions : With the increase in the level of income, the housing conditions of the people of the border areas also changed. Out of the total, 63% respondents acknowledged that their housing condition has changed. The majority of the vendors used to live in *kutcha* houses earlier. At present, most of the vendors have Assam type and semi-RCC houses in the locality.

(viii) Consumption of Electricity : In the study area, 48% of the respondents admitted that the consumption of electricity increased considerably and this became possible due to the agreement on border trade between the two nations.

The perception of the local vendors regarding the transformation of their socioeconomic facets due to the operation of Kalaichar Border Haat has been examined by using Likert's scale, and the result has been depicted in the Table 3.

Table 3. Perception of the Local Vendors on the Transformation of their Socioeconomic Facets

Opinion	Frequency	Weightage	Weighted Score
Strongly Agree	8	5	40
Agree	13	4	52
Neutral	1	3	3
Disagree	2	2	4
Strongly Disagree	1	1	1
Total	25	15	100

$$\begin{aligned}
 \text{Likert's Score} &= \frac{(\text{Total Weighted Score})}{(\text{Total number of Repodents})} \\
 &= \frac{100}{25} \\
 &= 4.00
 \end{aligned}$$

From the above calculation, it is observed that the Likert's score of 4.00 is above the weighted average score of 3. Thus, it may be concluded that the overall transformation of local vendors is above their satisfaction level. Hence, Kalaichar Border Haat plays a vital role in the transformation of the socioeconomic life of the local vendors residing in the Kalaichar border region. Hence, the step taken by the Ministry of Commerce of both the nations to open Kalaichar Border Haat in the South West Garo Hills District of Meghalaya is absolutely appropriate.

Policy Implications

The Kalaichar Border Haat functioning along the Indo-Bangladesh border has rejuvenated the life of people inhabiting both the areas of the region. This border haat has become one of the significant features in the vendors' day to day activities and has created a large number of employment opportunities for them. It has been learned that due to the opening of formal trade, the illegal trade of cows and drugs has reduced significantly.

The immense success of Kalaichar Border Haat in uplifting the socioeconomic conditions of the local vendors may be taken as a role model and such type of border haats may be promoted along the Indo-Bangladesh, Indo-Myanmar, and Indo-China borders, which will promote local produce from the region, which is otherwise left unsold.

Conclusion

The opening of the border along the Indo-Bangladesh border has been a boon for the local vendors inhabiting in the Kalaichar border region. The re-opening of Kalaichar Border Haat yielded different impacts on social and economic facets. Among various social aspects, access to education has improved significantly after the operation of border haats, while the impact of the border haats on other social facets, that is, access to sanitation, safe drinking water, and health awareness is comparatively low. On the other hand, impact of border haat on economic facets is more visible. The opening of Kalaichar Border Haat raised the level of income, savings and purchasing power, and housing conditions of the vendors significantly. The positive impact of Kalaichar Border Haat on the vendors is also confirmed by statistical analysis using Likert scale, which also confirms that the border haat has led to the transformation of the socioeconomic conditions of the people along the Kalaichar Border Haat.

Limitations of the Study and Scope for Further Research

The present study is based on the data collected for one year, that is, 2016 only. The present study incorporates the responses collected from the local vendors only ; whereas, the responses of the local vendees of Kalaichar Border Haat are not included. Further, the responses of the government officials such as bank and customs officials are not included. There is immense scope for further research on border haats. Firstly, for smooth functioning of border trade, development of infrastructure is utmost important, so there is scope for upcoming research. Secondly, in the present study, we have taken into account only the socioeconomic perspective of the 25 vendors residing within the 5 kilometers radius of Kalaichar border area as per the agreement between India and Bangladesh only. Thirdly, there is scope of currency settlement issue in the Kalaichar Border Haat while trading between the nations.

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