

Cross-Border Trade Linkages between India and Bangladesh: A Study of Border Hats in Khasi-Jaintia Hills along the Meghalaya sector of the International Border with Bangladesh



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Abstract

Cross border trade linkages between the inhabitants Khasi-Jaintia Hills and plain areas of Sylhet (Bangladesh) had existed since the Mughal period and continued for many centuries. Obviously the inhabitants of both the border regions are inter-dependent in term of trade and commerce. Cross-border trade relations through border markets have sustained the livelihood. Most of the local products/goods of Khasi-Jaintia Hills such as betel nut, betel leaves, arranges, pineapples, as well as the mineral resources such lime stone, coal etc were exported to the neighbouring plains areas of erstwhile Bengal (present day Bangladesh). In the same way the people from the hill areas imported rice, salt, dry, fish, oil, kerosene etc from Bengal. Geographical closeness and shared border between the two regions provided an opportunity for trade and commerce. Due to accessible of these two areas, the cost of transporting of goods is moderately less and the trade linkage was more feasible. The people living in the frontier sector of Khasi-Jaintia Hills since time immemorial.

Keywords: Trade, Inhabitants, Interdependent, Livelihood, Accessible.

Introduction

Prior to India's independence most of the horticultural/plantation crops such as betel nuts, betel leaves, oranges, bay leaves, etc of Khasi-Jaintia Hills were exported through border markets to the neighbouring plains areas of erstwhile Bengal (present day Bangladesh). At the same time the people from the hill areas imported rice, salt, dry fish, clothes and other essential items from Bengal. Geographical proximity between these two regions had provided an easy access in term of transport and communication system. There was free-flow of goods and other essential items from both Khasi-Jaintia Hills and Bengal. Minerals of the hills such as limestone, coal were supplied to the different places/markets of Sylhet and Mymensingh of Bengal. It was quite natural that the profitable cross-border trade through border markets was not to be replaced by any alternative trade and markets within the state.

The Objectives of the Study

1. To examine the cross-border trade relations between Khasi-Jaintia Hills and Bangladesh through the study of border hats (traditional border markets).
2. To examine the effect of partition of the country, the issue of revival of border hats and recent development.

The trade dealings between the inhabitants of the Khasi-Jaintia Hills with the plain areas especially Sylhet was very important and therefore constituted an essential key for the socio-economic development and prosperity of the people living in Khasi-Jaintia Hills. Cordial relations prevailed due to people to people contact which indirectly paved the way for strong economic linkage.

Cross-border trade relations between the inhabitants of the hills and the plains contributed wealth for the people of both areas. The pre-partition period was considered as the 'golden age of trade'. It must be mentioned that the devastation of great earthquake of 1897 in Khasi-Jaintia Hills that had greatly affected the economy of the people living in the hills in

general and the border areas in particular, but it could not rob the area of its affluence. It indicated that the existence of cross-border trade as well as free markets enabled the people to overcome even in some adverse effects of natural catastrophe like earthquake.

The Effect of Partition on Border Hats

After India was divided into Hindustan and Pakistan in 1947, the connection between the people of the hills and the plain areas was suddenly separated. New international border was created; the movement of the people of both the areas got restricted. The partition of the country created an unnatural border and the aged-old trade ties with the part of Bengal were snapped. The border was closed; check posts were set up to prevent trespasses upon international border. The shutting down of cross-border trade and border markets caused untold sufferings to the people. It was an unexpected fall from a period of prosperity to the period of poverty.

Due to the closure of markets, perishable products and minerals were dumped unused. At that critical situation, businessmen took advantage and purchased the products and goods from the local producers at a very cheap price. In this way the local producers were the losers and have no alternative way but to accept whatever price that was paid to them. In the absence of cold storage and other facilities to preserve the perishable items, the local producers were at disadvantage position where as the businessmen can monopolize trade transactions freely. The situation further aggravated due to lack of road connections with the important towns of the State. In the absence of road communication networks, for transporting the agricultural products especially the perishable items became non-economic.

The partition of the country brought immense catastrophe on the people of Khasi-Jaintia Hills. Owing to the shutting down of all the border markets, the essential commodities which they used to be obtained from across the plain areas of Sylhet and Mymensingh were stopped abruptly. The people of these areas also faced acute shortage of essential commodities. The whole economy of the region was completely shattered, and the countryside which once hummed with activity and abundance was over shadowed with unemployment, poverty and misery. People living in southern border of the Hills were compelled to migrate to other parts of the state in search of livelihood.

The Efforts to Revive Border Hats:

After partition of the country some efforts were made by the Indian Government and Pakistani Government to restore back what was one time free and unified trade within the undivided India. Both India and Pakistan recognized the necessity of forging trade and commercial relations between the people of both regions. They also understood the need and requirements of bilateral exchanges in the context of growth and development of their economies. Thus, they undertook to explore all possibilities of expansion of commercial relations on the basis of mutual advantage. It was decided, that until 29th February,

1948, there would be no restrictions on free flow of goods between the two dominions and custom barriers would not be set up. This arrangement is known as the Standstill Agreement 1947. But this arrangement proved to be temporary and short lived. Several other accords were also concluded from time to time.

The issue of revival of border markets as well as cross-border trade was the most intricate and complicated matter and depended very much on the good response of a foreign country that was not too friendly i.e. Pakistan. As far as informal trade was concerned, both the Governments understood the need of providing special treatment to the people of border areas, residing around the Indo-Pakistan border, adjoining East Bengal on the one hand, and West Bengal, Assam and Tripura on the other hand. Certain principles to sustain and regulate such informal trade was formulated and approved by the Governments in 1953 in a conference held in Delhi.

In 1953, in conference which came to be known as the Indo-Passport Conference was held in New Delhi between India and Pakistan. In the conference discussion were held regarding smooth transit of people and goods between two countries. As per the 'Agreed Decision' at the Indo-Passport Conference, 1953, it was decided that the Government of Pakistan will set up two additional Branch of Visa Offices in India one in Bombay and the other at Shillong; while the Government of India will set up two additional Branch of Visa Offices in Pakistan; one in Hyderabad, in Sind province of Pakistan and the other at Rajshahi, in East Bengal. That meeting contained a schedule (Schedule-D) which specified the goods to be transacted. It was decided that the Governments of both countries will be responsible for the overall management of the carriage of goods covered by the schedule 'D'. It was further outlined that the goods listed in 'D' shall be free from import, export and exchange control, restrictions, and custom duties and custom formalities.

It was agreed by both countries, that the export items from Khasi-Jaintia and Garo Hills will include fresh fruits, vegetables including potatoes, ginger, turmeric, bayleaf, lime, forest products such timber, cane, thatching grass, firewood and bamboos and limestone. It was allowed to be carried on head load only where as betel leaves and milk was allowed to be carried not more than five seers per item per head. The items of export from Sylhet and Mymensingh Sector which was allowed to enter into India included fresh fish, dry fish, poultry, eggs, milk, milk products, spices, betel nut, and betel leaves according to the quantities prescribed by the Government. The vegetables and fresh fruits were allowed to be carried on head load.

However the deal could not continue for a long time as the political situation between India and Pakistan started deteriorating. Commercial activities were totally stopped between East Pakistan and India in the Eastern Sector. The 1948 attack of Pakistan in the Western Sector, growing demand of liberation movement in Eastern part of Pakistan made the

situation not conducive to continue trade relations. From 1966 onwards, there were absolutely no cross-border trade relations as a trade embargo was imposed on Indian goods due to the Indo-Pak war.

The Emergence of Bangladesh

The emergence of Bangladesh in 1971 as a sovereign country was another significant event in the Indian Sub-Continent. It created an opportunity for a new beginning in restoring connectivity and regional cooperation between the North-East, West Bengal and the new nation. Among India's neighbours, Bangladesh occupied a special position - not only because of India's role in its liberation war of 1971 but also because of its geographical proximity. India established itself as a close friend of Bangladesh and hosted the Bangladesh government in exile and sheltered about 10 million refugees from Bangladesh. This ultimately led to the signing of the treaty of friendship, cooperation and peace between the two neighbours.

The first bilateral Trade Agreement between the nations was signed on 28th March 1972 which undertook to explore ways and means for expansion and promotion of trade on the basis of mutual advantage. Under the above agreement, the people of Khasi-Jaintia and Garo hills were to export to Sylhet and Mymensingh of Bangladesh the commodities and goods such fresh fruits, vegetables, chillies, tezpat, onion, tapioca, milk and milk products, betel leaves, mustard seed, lime and lime stone to be carried by men on head load only. The forest produce such as timber, cane thatching grass, fire wood, bamboos, shingles and boulders and sand are allowed to be carried by boats, rafts and carts. Sylhet and Mymensingh sector on the other hand, export to Khasi-Jaintia and Garo hills of India commodities such as fish fresh and dry, poultry and eggs, vegetables, betel nuts, betel leaves, fresh fruits to be carried by men on head load only. It has to be noted that each person was allowed to carry in cash a sum of not exceeding one hundred in Bangladesh or Indian currency while crossing the border from either the country into the other.

But the border trade and border markets could not continue more than three months and it was suspended by Bangladesh and it complained that border trade was responsible for large-smuggling by unscrupulous traders. Thus cross-border trade was scrapped by mutual consent of both countries - India and Bangladesh. Another reason, for the suspension of cross-border trade was the difficulties in implementation of the provisions of the Trade Agreement in the absence of check points along the entire length of the Indo-Bangladesh border.

The Recent Development

The initiation of Look East Policy by the Government of India in 1991 as well as an era of open border, globalization and liberalization, restoration of connectivity and co-operation between India (North East and West Bengal) and Bangladesh got momentum. Hopes were also expressed about the possibility of revival of border markets. After some years the issue of revival of border markets assumed significance. Proposals have been made by the

people, political parties and statesmen of Meghalaya for opening up of border markets. As part of the pilot project to revive the historic trade relations between India and Bangladesh, the first border hat/market was opened on July 23rd, 2011 at Kalaichar in South West Garo Hills District, Meghalaya and Baliamari in Kurigram District of Bangladesh. The second border hat/market was opened on May 1st, 2012 at Balat-Dolura, bordering East Khasi Hills District of Meghalaya on Indian side and Lauwaghar, Sunamganj District on Bangladesh side. The items of exchange from Bangladesh side include vegetables, sugarcane, cotton garments, etc where as ginger; betel nut, bananas, black pepper, fruits, etc are the items from Indian side. All the items of trade were duty free. It was estimated that trade transactions worth \$ 20 million will take place each year from these border markets. Revival of the border markets were regarded as a step on right direction while Bangladesh held that hats are symbol of friendship between the two countries.

Conclusion

As has been discussed above that border markets along the foothills of Khasi-Jaintia sector form an essential key for the development of the people living in frontier region. However for about five decades these border markets have remained closed. Revival of traditional border markets is considered as the first step towards deepening India's bilateral relations. Apparently only in an environment of trust and friendship between the two countries that revival of border markets is possible. No doubt, the opening up of two border markets in Meghalaya sector could be materialized due to close cooperation between India and Bangladesh. The historic event of opening of border markets marked the turning point particularly for the border inhabitants after waiting for about a half century. Now the inhabitants of the hills and plain areas could come together to carry on trade transactions as in the past. Revival of traditional border markets is seen also as an instrument of improving the bilateral relations between India and Bangladesh. The political leaders of both the countries have reiterated their commitment to look into the prospect of revival of more border markets so as to fulfill the long standing demands of the people and non-governmental organizations of the state.

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