

Chapter-1

INTRODUCTION:

Part I: The Study:

1.1-Introduction:

India and Bangladesh are neighbouring countries which share geographical proximity, common history, socio-cultural heritage and a land border of 4,096 kilometres¹. This cohesion is reflected in all aspects of bilateral relations including economic relations between the two countries. Trade relations did not involve merely economic relations between two countries but it also reflects political, social, and psychological and security dimensions of relations. It is a well-known fact that in the beginning the bilateral relations between India and Bangladesh were cordial. India had played a pivotal role in the liberation struggle of Bangladesh against Pakistan with active, moral and material support. India had provided shelter to about 10 million refugees from Bangladesh and hosted the Bangladesh Government in exile and fully supported the cause of liberation movement of Bangladesh².

India was regarded as a friendly country by Bangladesh since the time of independent. In a joint meeting that was held in New Delhi on February 1972 the Prime Minister of India, Indira Gandhi and the Prime Minister of Bangladesh, Shiekh Mujibur Rahman, had pledged for 'Eternal Friendship' and talked about their common goals. As a result, the Treaty of Peace and Friendship was signed between the two governments

¹ K.R .Gupta, *India's relations with Bangladesh*, Volume-2, Atlantic Publishers Ltd, New Delhi, 2009, p.557.

² Kuldeep Singh, *India and Bangladesh*, Anmol Publications, New Delhi, 1987, p.24.

on March 19th, 1972³. Article 5 and 6 dealt with economic cooperation, transport and communication system. The treaty had laid the foundation for the closer bilateral relations between these two countries.

Eventually the Indo-Bangladesh Trade Agreement was signed on 28th March, 1972. The agreement consisted of two parts namely Formal Trade and Border Trade. The agreement proposed border trade for the people living within the 16 kilometres area of border between West Bengal, Assam, Meghalaya, Tripura and Mizoram on the one hand and Bangladesh on the other. However the trade agreement did not last long as the Bangladesh Government had complained of large scale smuggling across the border. Then the agreement was finally scrapped in October 1972 and a new agreement was signed again in 28th September, 1973 modifying the 1972 agreement. However, after the assassination of Shiekh Mujibur Rahman in 1975 and the establishment of military rule in Bangladesh and also the emergence of differences over certain issues like sharing of Ganges waters, issues of illegal migrants etc led to the deterioration of relations between India and Bangladesh. Due to that reason it affected the trade relations between the two countries as well.

In 1996 Sheikh Hasina came to power in Bangladesh, and her political party, Awami League was known to be sympathetic towards India due to historical and political reasons. Thereafter the bilateral relation between India and Bangladesh was improved again and the regular exchange of visits between delegates, leaders and ministers of the two governments indicated a new development between the two neighbouring countries. The closer relations between India and Bangladesh strengthened the prospect of better sub-regional cooperation and mutually beneficial trade relations. Eventually all these developments led to the opening up of two border *hats* i.e. Kalaichar and Balat. Both, the two countries- India and Bangladesh welcomed

³ J.N.Dixit, *Liberation and Beyond: Indo-Bangladesh relations*, Konark Publishers, New Delhi, 1999, p. 121.

the opening of these border *hats* as a fulfillment of the long standing demand of the local people of the area.

In a joint statement on 7th September 2011, the Prime Minister of Bangladesh, Sheikh Hasina and the Prime Minister of India, Dr. Manmohan Singh declared that both the two countries entered into a new phase in bilateral relations with pragmatic and practical approach based on friendship, trust and understanding for the mutual benefits of the people, collective prosperity and security in the region. They also stated the significance of border *hats* because of its potential in boosting growth particularly in border areas. Eventually the issue of opening of border *hats* along the Indo-Bangladesh border became one of the significantly agenda in the bilateral talks in recent years.

The initiation of Look East Policy (now Act East Policy) by Prime Minister Narasimha Rao in 1991 with the intention to forge a greater economic and strategic connection with the Association of South Asian Nations (ASEAN) had also influenced the idea of revival of border *hats*. More importantly in this era of globalization and liberalization, opportunities and grounds for revival and opening up of traditional border *hats* assumed an important issue. Globalization and liberalization has created an opportunity for closer economic cooperation and integration. Nations are also increasingly looking for avenues, space and opportunities for inter-connection, interdependence and collaboration. Border *hat* can be a dynamic aspect in providing opportunity and connectivity particularly between the two nations – India and Bangladesh.

Border *hats* are closely related to border trade. Border trade in general, refers to the flow of goods and services across the international land borders between countries. It is the part of normal trade flows through standard EXIM⁴ frameworks of the nations. In this way it involves cross-border exchange of goods produced outside the bordering

⁴ EXIM refers to Export and Import.

region but within the country, goods produced within the region and it may even include the goods of a third country origin.

Conceptually there is a difference between 'border trade' and 'border area trade'. Border trade means that area of international trade which flows across the land borders between countries. It does not entail any restrictions regarding the spatial origin of traded goods within the country on either side of the border. There are no restrictions regarding the point of destination of the traded goods within the trading countries. Normally, there is no restriction on the volume and types of the traded goods. The trade flows through the legal frame work of the countries and is subject to custom scrutiny.

On the other hand 'border area trade' refers to the exchange of locally produced goods and services across the international borders between two countries within a specified radius in both sides of the border. Goods and services allowed to trade are generally limited and specified. Therefore, conceptually the Border *Hats* fall under the latter category of international trade. *Hats* in local language means traditional and periodical markets where goods are bought and sold often the seller of one goods is the buyer of another.

Border *hat* had significance position in the life of the people living in the border areas. The states of Assam, Meghalaya, Tripura, Mizoram and West Bengal share borders with Bangladesh. Due to geographical closeness, border *hats* became necessary part of common life of the people on both sides of the border. They bear and signify special significant in the life of the people of the border areas. These *hats* therefore spontaneously sprang up in many places in the past. However, they suffered serious setback due to political turmoil in the region and the consequent partition and creation of new states in the sub-continent.

In recent years the governments of both the two countries also realized the necessity and importance of these traditional border *hats* for the common people and therefore decided to formally re-open such border *hats* along the Indo-Bangladesh border as well as Indo-Myanmar border. There was a proposal to open four such *hats* at

Raghna, Kamalpur, Kasba, etc along the Tripura-Bangladesh border. There was also a proposal to open border *hats* along the Mizoram-Bangladesh border as well. The present study however focused on border *hats* with reference to Meghalaya. The two border *hats* that have already been re-opened along the Indo-Bangladesh border are in Meghalaya sector.

Meghalaya has a long history of border *hats*. These border *hats* existed along the foothills of Khasi-Jaintia and Garo bordering the erstwhile Ahom Kingdom (Assam) in the north and Bengal (present Bangladesh) in the south. These border *hats* were held at regular interval of seven days⁵ with the objective of facilitating people's movement in different *hats*. Regular economic activities emerged between the hills and the plains and political contacts were also established between the rulers of the hill and the plain in order to strengthen trade transactions and it continued for many centuries⁶. The main items of exchange between the hills and the plain areas were iron, lime, oranges, potatoes, honey, bee wax, ivory, timbers, betel nuts, betel leaves, bay leaves in exchange for rice, salt and dry fish, *mooga*, silk, tool implements, etc. from their counter parts in Bengal and Assam. Available records show that exchanged of goods/local products in border *hats* were the major sources of livelihood of the people as well as a source of revenue for the administration. In the year 1876-77 for example, the total value of exports from Khasi-Jaintia Hills was Rs.16, 03,530.00 whereas the total value of imports was Rs.3, 50,000.00⁷.

Border *hat* was also considered as the nucleus of almost all economic activities. It was only through these *hats* that the people of the hills in particular and the adjacent plains in general used to obtain all the essential commodities of daily requirements. Many of these border *hats* also served as entrepots for the goods and commodities both

⁵ In some areas, the local week used to consist of four days but normally border *hats* used to take place at the interval of seven days.

⁶ Tammy Bhattacharjee, *Political Economy of North East India*, Nicely Publications, Silchar, 2004, p.252.

⁷ W.W.Hunter, *A Statistical Accounts of Assam*, B.R.Corporation, Delhi, 1879, pp.238-239.

from the hills and the plains. For the inhabitants of the hills, there were no alternative markets for selling and exchanging their perishable items and forest products like oranges, potatoes, betel leaves, bay leaves, cotton, timber, forest products, etc except in these border *hats*. This form of trade was the outcome of economic inter-dependence between the hills and the plain areas and the people of both areas gained mutual benefit.

With the passage of time, many *hats* have sprung up along the southern foothills of Khasi-Jaintia Hills such as Tharia, Borkhat, Kharoh, Majai, Phali, Jaintiapur and Pandua. In the northern part such *hats* became very active at Gabha, Bardwar, Boko, Sonapur and other places and gained importance as trading points. Similarly in Garo Hills, the principal *hats* in the northern part adjoining areas of Assam were Jira, Nibari, Lakshmipur, Mankachar, Damra and Trikillia. While in the southern foothills adjoining the plain areas of Mymensingh of erstwhile Bengal, were Khatta, Mohendragon, Dalu.

With the advent of British rule, these border *hats* developed further. The introduction of a uniform system of administration both in the hills and plain areas and construction of roads, bridle paths, bridges, etc had a positive impact in the expansion of commercial activities in border areas. The trade transactions through barter system not only increased in volume but also entered into a new phase i.e. the phase of monetary system in which goods and commodities were also exchanged in terms of currency. The primary items of exchange were cotton, timber, rubber, lac, wax, chilly, ginger, etc.

The flourishing trade through border *hats* came to a halt with the partition of the country in 1947. The partition gave birth to two separate countries i.e. India and Pakistan. Eastern part of Bengal became a part of Pakistan. Border was closed and check posts were set up to prevent trespasses along the international border between India and Pakistan. The resumption of commercial relations became a political issue to be negotiated at the bilateral level between India and Pakistan. An informal and traditional system of exchange of goods/locally products suddenly faced a closure and unfortunately no serious attempts were made by either of the two countries – India and

Pakistan to restore the economy of the border areas of both the two countries. A trade embargo was imposed by Pakistan in 1965 at the outbreak of Indo-Pak war⁸. This completely halted commercial ties between the hills and the plains areas. .

However in recent years both the nations have shown keen interest to develop partnership in economic front and the negotiation for re-opening of border *hats* have taken place. Re-opening of border *hats* is seen as an important tool in improving the bilateral relations between India and Bangladesh. Border *hat* can be an instrument for development of border areas and a capacity building mechanism in improving the economic aspects of the people living in border areas of both the two countries, thereby contributing towards the improvement of relations between the two nations.

1.2 - Review of literature:

The following are the review of the works on border *hats* and also the related works from the historical and cultural perspectives.

Alam, K (1995) has provided a historical account on the emergence of frontier markets/*hats* in Garo Hills. His analysis primarily focuses on the system of trade transactions, items of exchange and the contribution of frontier *hats* towards socio-economic aspects of the people of Garo Hills.

Biswas, G.R (1984) has examined the social implications of markets on the lives of the people of rural areas in North East India. The author also highlighted the fact that North East India in spite of geographical location, ethnicity and linguistic variations, market remains an arena of free-mixing of people of different ethnic groups, economic compulsion of trade necessitates the inter mixing

Cederlof Gunner (2014) has provided a historical account about East Bengal and the neighbouring kingdoms how they were annexed by the British East India Company. This study primarily focuses on the formation of East India Company' s control over the whole of Bengal including parts of present day North East India. One interesting note in

⁸ V.D Chopra, *Studies in Indo-Pak relations*, Patriot Publishers, New Delhi, 1984, p.189.

her study is about the existence of lucrative trade in border markets along the foothills of Khasi-Jaintia areas.

Dev, Angira. (1987) has discussed about the development of trade and commerce through frontier markets between the Garos and the people of Mymensingh (Bangladesh) and Assam. This study also provides information with regard to the vital trading centres that grew over the period of time along the frontiers of Garo Hills and its immense socio-economic and cultural value in the life of the people.

Dkhar, Rita D. (1987) has made very important findings on the nature, extent and volume of trade between the inhabitants of the Khasi hills and plain areas of then Bengal. Her very detailed research work, however concentrated on the limestone trade and the efforts of the English and Company to have a monopoly over this trade.

Dutta, P.N. (1982) has provided a historical analysis on the British's intervention over the territories that belonged to the hill chiefs and the annexation thereafter. The scholar has also discussed about the frontier markets and trade dealings that existed between the people of Khasi-Jaintia hills and the plain areas of Sylhet. The work primarily focused on the history of British administration and in that context the frontier *hats* was discussed.

Gassah, L.S.(2006) has highlighted about the sufferings of the people living in the southern border of Jaintia Hills adjoining the plain areas of the then Bengal following the partition of the country in 1947 due to the closure of trade and border markets. The author has also discussed the problems of the people of border areas in the absence of road connection with major commercial centres within the State. The author also observed that the horticultural products as well mineral resources of border areas became unproductive in the absence of market facilities and road linkages.

Joshi, H.G. (2004) has examined about the geography, society, and polity of Meghalaya. The author has also highlighted about trade relations that have existed between the inhabitants of Khasi, Jaintia and Garo Hills on the one side and the plain areas of Bengal on the other side. The scholar has also observed that trade and

commercial activities used to be the source of livelihood and wealth for those people who were engaged in such activities.

Mahapatra, A.C.(1994) has traced the origin and emergence of market places in North East India and further examined the impact of markets on the lives of the people particularly on the three major tribes- Khasi, Jaintia and Garos of the present day Meghalaya.

Shadap-Sen, Namita Catherine (1981) provided a historical account about the origin Khasi-Jaintia people. Moreover the scholar has also examined their society and polity. One interesting finding of this work is about her discussion on trade relations that existed between the Khasi-Synteng (Jaintia) with the people of erstwhile Bengal (Bangladesh). The scholar discussed in detail about the items of exchange between the inhabitants of both the hills and the plains, the principal trading centres and the volume of exchange. The work is significant, in the sense that it is helpful to understand the nature of trade transactions, the socio-economic importance of such trade on the lives of the people.

This following section is normally undertaken by the scholars from economic perspectives:

Agnihotri, S.K. (2012) has examined the trade relations that have existed along the international border between India and Bangladesh in Meghalaya sector. One interesting points which he has mentioned and discussed in his book is about the border *hats* which are situated along the foothills of Khasi and Jaintia Hills adjacent with the international border of Meghalaya with Bangladesh. The author is of the opinion that even after partition of the country, border trade and border *hats* continued to exist with East Pakistan till 1965 and it got disrupted because of Indo-Pak war of 1965.

Bareh, H (1985) discussed in detailed about the economy of Meghalaya as a whole. The work provided important information with regards to the existence of a number of major border *hats* both in the northern and southern foothills of Khasi and Jaintia Hills. The author also discussed about the contribution of border *hats* to the

socio-economic aspects of the people and the State exchequer as well. In fact the author highlighted about the impact of the partition of the country because of the closure of trade and markets with Sylhet of present day Bangladesh.

Bhagawati, Dhiren (2007) examined about the political scenario of the state ever since Meghalaya came into existence. The author also acquainted the readers about the plight of the inhabitants of border areas of Meghalaya, whose economy was shattered by the partition of the country in 1947 and the response of the political leadership to handle the critical situation. The work concentrated more on the plight of the border settlers due to the new demarcation of international border with the then East Pakistan. The work also examines the efforts of the government to revive the shattered economy of the people living in the border areas of the state.

Bhattacharjee J.B. (1994) has examined the economic changes in Garo Hills from the pre-colonial period till the post-independence period. This work also highlighted about the existence of border *hats* in the frontiers of Garo Hills with Bengal and Assam and its contribution to the economy of the Garos. This work is an analysis of economic history of Garo Hills in which border *hats* featured prominently.

Das, Gurudas (2012) highlighted the security perception during the early decades of India's independence that made the international borders in North Eastern Region inaccessible so that they could act as natural barriers against any external threat. The author also critically examined the paradigm shift in recent decades in which India sought to break the land lock region by opening up of borders in North East for trade and commerce with the neighbouring countries. The issue of integrating the economy of North East India with South Asia and South East Asia including Bangladesh through active cooperation was also highlighted by the author.

Deb, Angira Kar (2005) argued that the old inter-regional trade between Garo Hills and Mymensingh of Bangladesh can be fully developed into a healthy and vibrant border trade and can encourage full potential of the natural resources along the international border to the maximum benefit of both from the counterparts. She has also

attempted to analyze the nature and significance of border trade in Garo Hills and focused on its prospects in the coming years.

Gupta, Pranab Kumar Das (1984) attempted to examine Shella Market/*Hat* situated in the southern border adjoining the plain areas of Bangladesh. Since time immemorial this *hat* was known as one of the major thriving trading centres of *Ri War*⁹ of Meghalaya. The major products of southern borders such as oranges, betel nut, betel leave, pineapple, potato, honey, etc were exported through this *hat*. The author has also trying to show that besides economic transactions, the *hat* catered to various socio-political needs of the people.

Lyngdoh, Joyce (1990) has traced the economic history of the people of the hills and the plains. The work has made a thorough discussion about the importance of trade and commerce on the lives of the people of Khasi-Jaintia Hills and the plain areas of Sylhet of Bengal as well.

The studies that are available on Look East Policy and Indo-Bangladesh relations are discussed below:

Dixit, J. N. (1999) attempted to cover the entire spectrum of political events in Bangladesh since 1970 to 1975. The book also reflected the author's personal retrospection about the historic and political development in the sub-continent since the emergence of Bangladesh as a new nation.

Jha, Nalini Kant and Biswas Bibbuti Bhusan (1993) critically examined the current divergences in Indo-Bangladesh relations and the sources of discord between these two nations. The authors have also attempted to explore into the various factors and forces that shape the overall pattern of Indo-Bangladesh relations.

⁹ *Ri War* refers to the southern parts of Khasi-Jaintia Hills facing Bangladesh.

Kodikari, Shelton U. (1993) has embarked on a discussion of the emergence of Bangladesh and its contemporary problems and prospects. He has also highlighted about the turbulent period after the assassination of Shiekh Mujibur Rahman.

Pukhrem, Shristi (2017) highlighted about the geo-strategic location of North East India and it's important in Look East Policy (at present Act East Policy). The author also emphasized the need to build a healthy regional infrastructural development plan. Since NEER as an end part where as South East Asia including Bangladesh begins will be regarded as the focal point of India' foreign policy vis-à-vis the ASEAN nations.

Singh, Kuldeep (1994) has examined the development that took place in Bangladesh with effect from 1970-1981. He has covered wider aspects of bilateral relations between Bangladesh and Pakistan, and the subsequent twists and turns in the Indo-Bangladesh relations.

Kishan, Thingnam (2009) has critically discussed about the basis and practicality of Look East Policy. Nevertheless the study also attempts to examine the issues of opening up of the Eastern Gate of India to reach out the ASEAN countries through economic linkages.

The above literature enables us to understand and determine the historical importance and economic significance of border *hats* in the lives of the people of border area. These studies also help us to understand the nature of relationship between India and Bangladesh, but the issue of re-opening up of border markets did not find any prominence in any of the work in the context of Indo-Bangladesh relations. The existing body of literature on border trade primarily deals with the larger issue of formal trade and did not take into account the economic prospect of border *hats* and its potential in improving bilateral relations.

1.3 - Statement of the problem:

The issue of opening up of border *hats* has received wide attention from the perspective of development of border areas of both the two countries – India and Bangladesh as well as strengthening the bilateral relations including trade cooperation

between them. The resumption of border *hats* is now viewed as an opportunity to improve connectivity and link between the border regions of both the two countries. It has gained a significant impetus to improve and bring the two countries closer to each other in their bilateral relations.

As part of the pilot project to revive the historic trade relations between India and Bangladesh, the first border *hat* was opened on July 23rd, 2011 at Kalaichar in South West Garo Hills District, Meghalaya and Balamari in Kurigram District of Bangladesh. The second border *hat* was opened on May 1st, 2012 at Balat- Dolura, bordering East Khasi Hills District of Meghalaya on Indian side and Lauwagarh, Sunamganj District on Bangladesh side.

The items of exchange from Bangladesh side include vegetables, sugarcane, cotton garments etc whereas ginger; betel nut, bananas, black pepper, fruits, etc are the items from Indian side. It was estimated that trade transactions worth \$ 20 million will take place each year from these border *hats*¹⁰. Re opening of the *hats* were regarded as a step on right direction while Bangladesh held that border *hats* are symbols of friendship between the two countries.

Both sides in the course of negotiation on resumption of *hats* have agreed to implement Coordinated Border Management Plan (CBMP) expeditiously to provide a boost to commercial transactions in *hats*. India and Bangladesh have expressed the need to strengthen mutual cooperation on several projects. These include border *hats* infrastructures development, setting up of banks, construction of roads to improve connectivity and regular patrolling of border areas on both sides of the international border to prevent any untoward incidents. Furthermore both the two Governments have agreed to address certain sensitive issues like cross border smugglings, circulation of

¹⁰ *Meghalaya Chronicle*, A Publication of the Directorate of Information and Public Relations, Government of Meghalaya, Shillong, p.1.

fake currency, border clashes between Border Security Force (BSF) and Border Guards Bangladesh (BGB), border fencing etc¹¹.

These are issues in which the two Governments have divergent views and are the source of much friction in the Indo-Bangladesh relations. The political leaders of both the two countries have further reiterated their commitment to look into the possibility of opening up of more border *hats* at Lyngkhat (Jaintia Hills), Majai and Shella (East Khasi Hills). However the progress in this regard appears to be slow.

Despite opening up of two border *hats*, its immense economic and political significance of border *hats* and stated benefits, not much progress is visible in this respect. Almost half a decade has passed since it was re-opening but people are yet to see revival of more *hats*. John F. Kharshiing, the Chairman of the Grand Council of Chiefs of Meghalaya (GCCM) has submitted a memorandum on December 2012 to the Chief Minister of Meghalaya, seeking his intervention for the early re-opening of the 38 border *hats* in the state¹². The Chairman of GCCM, John F. Kharshiing has stated that ‘Opening of Border *hats* along the Indo-Bangladesh border is vital to the economic development of the people living along the border areas’.

Though Bangladesh has expressed satisfaction at the restoration of border *hats*, one can sense apprehensions on the part of Bangladesh regarding the issue of revival of more border *hats*. The government of Bangladesh is afraid of the fact that border *hats* might be added trade deficit further. Writers like Hussain and Bandhopadhyay` have mentioned about the apprehensions in their works. The fear was also expressed by Additional Deputy Magistrate, Sunamganj District, Bangladesh on the occasion on opening of *hats* at Balat. Speaking on the occasion of the re-opening of the *hat*, the Additional Deputy Magistrate of Sunamganj District of Bangladesh maintained that Indian traders would be benefited more through trading activities in border *hats*.

¹¹ Bimal Pramanik, “Indo-Bangladesh Border Scenario and Our National Security” in *Dialogue- A journal of Astha Bharati*, Vol.9, No.1, July-September, 2007, pp.57-60.

¹² *The Shillong Times*, Shillong, 17th November, 2012.

Apart from this fear, arising out of trade imbalances, there are some other unresolved issues which have created discord between India and Bangladesh. Issues such as trade transit facilities, sharing of Teesta and Ganga waters, disputes over the Muhurir Char and Purbasha islands in the Bay of Bengal, drug trafficking and shelter to Indian militants have adversely affected bilateral relations including trade relations between the two states. Therefore this study examined all these factors which act as hurdles towards economic cooperation between the two nations and also examined the issues of revival of more border *hats*, along the international border in Meghalaya sector.

The work also examined the significance of border *hats* in Indo-Bangladesh relations and its potential in forging close bilateral relations between India and Bangladesh. The work also identified the factors which have come in the way of re-opening of more *hats* in Meghalaya along the Indo-Bangladesh border.

1.4 - Objectives of the Study:

The following are the basic objectives of the study -

1. To examine the significance of *hats* in the bilateral relations of India and Bangladesh through the study of border *hats* in Meghalaya.
2. To examine the factors which have constrained the opening up of more *hats* from the perspective of Indo-Bangladesh relations.
3. To examine the prospects of revival of more border *hats* in Meghalaya and also explore and investigate, if any, the functioning of, such informal traditional *hats*, in certain other border points in Meghalaya with minimal trade but with great potentiality to develop into a formal border *hat*.

1.5 - Research Questions:

More specifically the study has investigated and tried to find answers to the following research questions.

1. What is the historical background and origin of the border *hats* in Meghalaya?

2. What is the importance and significance of the border *hats* to the neighbouring people of the two countries near the *hats*?
3. What are the significant changes the *hats* had to undergo following partition and Independence?
4. What is the position and role of the border *hats* in the India-Bangladesh trade relations?
5. How the re-opening of the *hats* is likely to benefit the people in the bordering areas of the two countries?
6. What is the nature of the informal *hats*, if any, and how they can be converted into formal border *hats*?

1.6 -Sources of Data:

Data for the study are mainly collected from the field study and survey of existing border *hats* on the Indo-Bangladesh border in Meghalaya. Data are collected from interviewing government officers associated with the border *hats*. Equally important source of information for the study are the Government Reports, Official Records and Documents, Trade Agreements between India and Bangladesh, Parliamentary debates and debates of Meghalaya Legislative Assembly. Both published and unpublished works are also used as sources of secondary data, wherever available. Information is collected from the leading local intellectuals and knowledgeable villagers around the *hats* through informal discussions.

1.7 - Methodology:

The methodology of the study is partly empirical and partly documentary with a historical perspective. It involved in surveying the formally re-opened border *hats* operating along the international border between India-Bangladesh in Meghalaya sector. The field study also involved interviewing the officials of the Border Area Department

such as Director and two Border Area Development Officers (one from both South West Garo Hills District and East Khasi Hills District), two Deputy Commissioners (D.Cs) and two Sub-Divisional Officers (S.D.Os), one from both South West Garo Hills (Kalaichar) and East Khasi Hills (Balat).

The study is focused on the two border *hats* which are functioning at Kalaichar and Balat. Both male and female - vendors and vendees was interviewed. At present all the 50 vendors (25 each from both the two countries - India and Bangladesh) who are allowed to participate in each *hat* have interviewed and 50 vendees (25 each from both the two countries - India and Bangladesh) have also interviewed from each *hat*. The total sample of both the vendors and vendees from both the two border *hats* and officials is about 207 (Officials, Vendors and Vendees).

1.8 - Tools of data collection:

The main tools of the field study included two sets of interview schedule-cum-questionnaire – one for the government officials and one for the vendors and vendees of the *hats*. The interview-cum-questionnaire was partially structured and suitably designed to elicit required information from the respondents. The tools are designed in English and for the sake of convenience it was translated into local language, at the time of administration to the respondents. In order to gain insight to the responses the investigator/researcher has personally fill the interview schedule cum questionnaire by visiting the selected respondents.

Part II - The Profile of Border Areas of Meghalaya:

1.9 - Introduction:

Meghalaya came into existence as an Autonomous State on 2nd April, 1970 comprising of Khasi, Jaintia and Garo Hills Districts¹³. It was accorded full-fledged State on 21st January, 1972. The total geographical area of Meghalaya is 22, 429 sq.kms. The State primarily consists of steep hills and deep gorges with a limited coverage of valleys and plains.

At present the State has eleven Districts. The total population of the State according to 2011 census is 29, 66,889. Meghalaya is bounded in the North by Goalpara and Kamrup Districts of Assam and in the West by Western parts of Goalpara and a part of Rangpur District of Bangladesh and in the South by Mymensingh, Sunamganj and Sylhet Districts of Bangladesh, in the East by North Cachar and Karbi-Anglong Districts of Assam¹⁴.

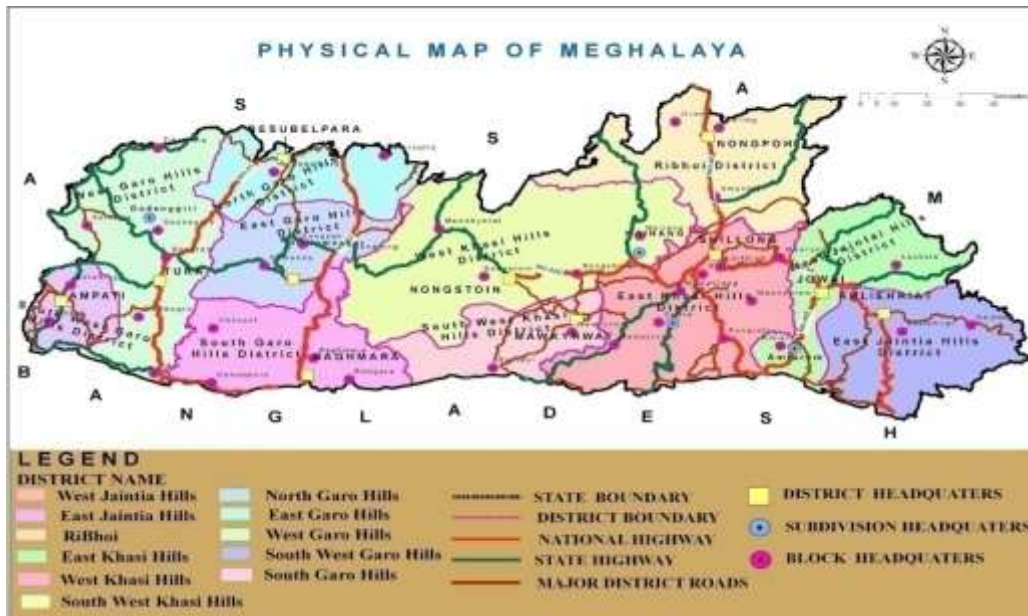
Meghalaya is surrounded by an international border with Bangladesh stretching throughout the entire southern parts of the State and measures approximately 443 kilometers¹⁵. Forests cover up a land surface of 9,500 sq.kms of the total area of the State. There are seven border districts of the State which are situated alongside the international border with Bangladesh. These districts include East Jaintia Hills, West Jaintia Hills, East Khasi Hills, South West Khasi Hills, South Garo Hills, West Garo Hills and South West Garo Hills.

¹³ Dhiren Nath Konar and Subhabrata Chakrabarti (eds.), *Developmental Issues of North East India*, Akansha Publishing House, New Delhi, 2008, p.181.

¹⁴ *Ibid.*

¹⁵ Dhiren Bhagawati, *Meghalaya: Issues and Legacies*, DVC Publishers, Guwahati, 2007, p.130.

Map-1: Physical Map of Meghalaya



1.9.1 - Topography:

Meghalaya plateau is standing as a dividing line between the Surma Valley of Bangladesh in the South and the Brahmaputra Valley in the North. Several rivers and network of their tributaries and streams dissect the plateau. Meghalaya can be broadly divided into three physical and geographical divisions – (a) **Central Plateau** (b) **Sub-Mountain Region** and (c) **Southern Border Areas**. The Central Plateau is situated between 900 to 2000 metres from the sea level. The Sub-Mountain Region begins from where the temperate region of the Central-Plateau ends and gradually descends towards the plain areas in the west and the north.

The **Southern Border Areas** are those areas that stretch downwards from where the Central Plateau ends towards Bangladesh in the southern parts of Meghalaya. These areas are marked by deep gorges and abrupt slopes, at the foot of which, narrow strip of plain lands run along the international border with Bangladesh. The average annual rainfall in these areas is very high.

The top soil in the areas, by and large, is of light and heavy texture, acidic in nature and relatively rich in organic material and nitrogen but poor in phosphorous. Potash content is generally medium. Due to heavy rainfall, the soil of the border areas is shallow in nature with gravelly and stony conditions in most places and belts of limestone and coal deposits are abundant, sillimanite and uranium deposit are also found in some parts of South West Khasi Hills and West Khasi Hills. In the sub-mountain region red soil which is also deep in nature is commonly found.

1.9.2 - Meaning of Border Areas of Meghalaya:

By and large, border is described as the line dividing distinct political, social, or legal territories. It is arguably that the most significant feature within the field of political geography. Most prominent is the understanding of border as a process; that is, border result from processes of bordering that differentiate among places, peoples, and jurisdictions. This emphasis on the process highlights borders as active forces and resources in international and domestic political, social and economic relations.

Explicitly border area of Meghalaya is defined as a territory to the distance of 10 kilometers within the State from the International Border with Bangladesh¹⁶. The demarcating of the Border Areas of the State is also taken into consideration according to the closeness of the areas with the international border with Bangladesh.

The norms that are taken into considerations include the following:—

- a) The distance from the international boundary with Bangladesh (approximately 10 kilometres- crow fly distance).
- b) The degree of economic backwardness of the people of that areas and
- c) The dependence upon the traditional *hats*/markets and trade relations with the people of the plain areas of the erstwhile Bengal (now Bangladesh).

1.9.3 - The Total Geographical Area/Size of Border Areas of the State:

¹⁶ Border Areas Development, Government of Meghalaya, Dec 21, 2017.

The total area of border areas of Meghalaya is about 8860 square Kilometres. It consists of about 22 percent of the total areas of the State and its population composes of about 23 percent of the total population of the State¹⁷. At present there are about 1692 villages in the border areas running from Dona-Malibor areas in East Jaintia Hills in the East to Mahendraganj in South West Garo Hills¹⁸ in the West.

1.9.4 - Population:

The total population of the Border Areas of Meghalaya is approximately 546199¹⁹ while the average density of population is 113 per square kilometer. Border areas are predominantly inhabited by the indigenous tribes of the State - the Khasis, the Jaintias, and the Garos. Besides these three major tribes of the State, Hajong, Koch and immigrants are the important inhabitants of these areas.

1.9.5 - Literacy rate:

The average literacy rate is 59.76 against the State average of 62.6. The average rate of work force participation in border districts is 43.68 against the State rate of 41.84. The per capita income of the border settlers of the entire border districts is approximately Rs.21, 009.00 against the State Average of Rs.20, 094.00.

1.9.6 - Economic settings of the people living in Border Areas:

a) Agriculture:

Agriculture constitutes one of the major sources of livelihood of the people living in border areas of Meghalaya. Border areas of the State adjoining the plain areas of Bangladesh is noted for the production of horticultural and plantation crops such as pan leaves, betel nuts, oranges, pineapples, black peppers, bay leaves, etc. Rice

¹⁷ Dhiren Bhagawati, *op.cit.*, p.130.

¹⁸ Border Areas Development, *op.cit.*

¹⁹ Meghalaya Census, 2011.

cultivation is also widely cultivated in the narrow strips of flat lands of border areas. During winter season variety of vegetables are grown in the garden especially near the river side.

In some villages, non-traditional plantations such as broomstick and coffee cultivation are also introduced recent years. At present the growing of broomstick has become very popular and is being extensively grown because of good price it fetches and less investment as well as less labour intensive. Besides agriculture, the people of border areas also keep and rear domestic animals such as pig, chickens and cow. Bee keeping is another important activity which is being practiced by the people since the time immemorial. These areas are also known for forest products such as timber, lac and rubber.

b) **Mining:**

Besides, agriculture and horticulture, the availability of major mineral resources such as lime stone, coal, boulders, chips etc has been another important source of income of the people living in the border areas of the State. Mining and extracting of mineral resources such as coal and limestone has been the practice of the people of border areas ever since these minerals are discovered by the British in 1832. It has continued for many centuries. Limestone and coal is exported to Bangladesh and also to the different industries within State and outside the State as well. Lime stone and coal constituted the largest exported items of the State. These two minerals are exported as per terms of the Open General License (OGL)²⁰ and permit. The permit for export is issued by the Commerce and Trade Department, Government of Meghalaya.

At present huge quantity of Limestone and coal are exported mainly to Bangladesh. In the border areas of East Khasi Hills, two major companies such as Lafarge Umiam Private Limited (LUPL) and Kommorra Limestone Company Limited

²⁰ S.K Agnihotri, "Border Trade with Bangladesh" in B.Pakem, J.B.Bhattacharjee and S.K Barpujari (eds.) *Journal of North East India for Social Research*, Vol.17 no.2, Oct.1993.

(KLCL) a joint sector company of Meghalaya Industrial Development Corporation²¹ are engaging in mining and extracting limestone to supply to the giant cement industries of Bangladesh located contiguous with Meghalaya. They are authorized by the Government after obtaining environmental clearance from the National Green Tribunal (NGT) to extract/mine limestone from Nongtraï, Shella and Majai, Ilaka Sohbar (both in East Khasi Hills) and to export to Bangladesh. In fact Coal is exported to Bangladesh mainly through Land Custom Stations such as Dawki, Shella bazaar, Bholaganj, Ryngku, Balat, Borsora, Baghmara, Ghasuapara, Dalu, Mahendraganj which are located in border areas of Khasi-Jaintia and Garo Hills.

It is pertinent to note here that the southern borders of Khasi Hills in particular are known for the production of lime. The existence of numerous lime kilns in the villages of southern borders especially in East Khasi Hills such as Mawlong, parts of Shella, Nongthymmai-Mawsmài, etc is possible due to the availability of limestone, firewood and coal. At present, these lime kilns produce large quantity of lime every year and has been the source of earning for the people. It has also provided employment avenues for the large number of people directly or indirectly. The Border areas are also known for forest products such as timber and rubber.

c) **Trade:**

Trade is another source of livelihood of the people living in border areas. The existence border *hats* along the southern foothills of Khasi, Jaintia and Garo sector has provided avenues for trade dealings between the people of the hills and the plain. Prior to India's independence most of the products of border areas of Khasi-Jaintia and Garo Hills are 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, etc from Bengal. Plain areas of Bengal are accessible in term of transport and communication. Prior to partition of the country, there are free flows of goods between

²¹ *Ibid.*

the two areas and illegal trade is unknown. It is essential to mention here that during the pre-partition period, border areas are thriving and are economically better in comparison to those upland villages. But after India was divided into Hindustan and Pakistan in 1947, the connection between the people of hills and plains areas was snap away. As a result of the partition and redrawing of the international border has turned these areas into backward and landlocked regions of the State.

With a view to ameliorate the suffering of the people in the border areas and to rejuvenate the economy, the Government had taken up various integrated developmental programmes which had included as distinct items in the State Five Year Plan. Consequently when Meghalaya became a fully-fledged State, the Border Areas Department was created in 1973 with a view to meet the needs and wellbeing of the people living in remote and inaccessible areas situated near the international border. This department is entrusted with the responsibility to look after the implementation of various developmental activities, coordinating with various departments and formulating plans and programmes exclusively for the development of border areas of the State. Eventually the Directorate of Border Areas Development was established in 1975. At District level, there are 13 Border Areas Development Officers which are responsible to look after the needs and requirements of the people of border areas in their respective jurisdictions. The target is to meet the special developmental needs for those inaccessible areas situated along the international border with Bangladesh.

The various schemes allotted by Border Area Department include construction of roads, schools, water tanks, playgrounds, bridges, water supply and scholarship for the students. As of now, as a result of the implementation of the various special schemes, the economic conditions of the people are gradually improving.

1.9.7 - The Border Areas of Meghalaya: The Present Scenario:

In recent years understanding of border areas goes beyond the traditional discourse of conflict zones. But it is equally significant to emphasize that the contingency and variability in bordering practices are also undergone substantive

changes, both characteristically and materially, amid globalization. It is also pertinent to note that the changing nature of borders does not suggest that they are evolving in a uniform direction. Border areas are likely to display greater unpredictability and unforeseen event in the future.

The Border Areas of Meghalaya in particular and North East India in general are seen as the points of opportunities rather than impediment in inter-state relations and sub-regional cooperation. In a larger framework, opportunities are realized through cross border linkages. This is reflected through trade dealings that existed in the past between the people living in Khasi, Jaintia and Garo Hills of Meghalaya and East Bengal of present day Bangladesh. Trade dealings between the hills and the plains areas have also united the people and economy through regional economic integration. Undoubtedly it has helped to uplift the economy of border regions. The existence of border markets/ *hats* has provided opportunities not only for the people to exchange or sell or buy goods but also realized through cross border linkages which can be observed through people to people contact among the people living in the hills and the plain areas. In the past the border areas of the state have brought the people of the Hills and Plains together rather than dividing them.

As has been discussed above that the border areas along the international border with Bangladesh are very remote and underdeveloped in comparison with the other parts of Meghalaya. At present these areas are geographically isolated in the sense that they are situated far away from the major towns of the state. These areas are remote and the road communication networks are in deplorable conditions. All most all the border areas of southern parts of Meghalaya are poorly connected and served by road networks. At present no railway line is being introduced in these areas.

Due to remoteness and dearth of easy access to markets, these parts of the State has remained underdeveloped and backward in every sphere and need proper consideration and attention of the Government. The agricultural products as well as local horticultural produce like oranges, citrus fruits, bay leaves, etc became less

profitable. The carrying charge of goods/produce is very high due to long distance from the main trading centres of the State. Remoteness and inaccessibility are also the major constraints for underutilization of the available rich mineral resources such as coal and limestone of these regions.

Nevertheless the Government has implemented various developmental schemes through its Border Area Department in order to facilitate and uplift the economy of border areas. No doubt the developmental process under taken by the Border Area Department such as construction of bridges, roads, ropeways, footpaths, schools buildings, community halls, etc has shown some signs of improvement but then the overall developmental process is not up to the expectation of the people at large. Therefore opening up of border for trade and commerce with Bangladesh is another major option to improve the economic aspects of the people living in the border areas of the State.

Apparently economic cooperation between the inhabitants living in border region of both the two countries - India and Bangladesh is the most important prerequisite condition to sustain the livelihood of the people. For the people of these less developed areas but very rich in natural resources, the key instrument for economic development and poverty reduction is to open the border for trade and commerce. The recognition of border areas as capacity building method can be seen in the opening up of borders for trade and interaction. The initiation of Look East Policy²² in 1991 by the Government of India to forge closer economic ties with South East Asian nations including Bangladesh is considered as a step forward for opening up of international borders for trade and commerce.

²² Look East Policy is an attempt to forge closer and deeper economic integration with its eastern neighbours as a part of the new *realpolitik* in evidence in India foreign policy, and the engagement with Association of South Asian Nations (ASEAN) is a recognition on the part of India's elite of the strategic and economic importance of the region to the country's national interest.

The opening up of two border *hats* (Kalaichar and Balat) along the international border between India and Bangladesh in Meghalaya sector is one of the mechanisms to help the border people economically and also reconnect again the missing link that has existed between the people living in the border regions of both the two countries. Apparently it will help the people to minimize trust deficit that exist between the border people of both the two countries- India and Bangladesh. The bilateral cooperation between the two countries for common goal to develop the border regions of both side the international border substantiates the fact that only through economic cooperation between them development can take place in these far flung region.